

StanChart launches Islamic banking for corporate clients

STAR BUSINESS REPORT

Standard Chartered Bank yesterday launched its Shariah-based product Saadiq for its corporate clients in Bangladesh.

Earlier the product was for retail customers only.

The Saadiq brand will offer a core comprehensive suite of products related to cash management, trade, term and working capital financing for corporate clients to fulfil their banking requirements in a Shariah compliant way.

"We are extremely delighted to bring the Islamic banking propositions to the market for our valued corporate clients," said Afaq Khan, chief executive officer (Islamic banking) of the bank, at the launch of the product at Sonargaon Hotel in Dhaka.

Bangladesh is a Muslim majority country, he said. "Around 90 percent people are Muslims. So, the country has an immense potential for the growth of Islamic banking."

The official said the bank will strictly maintain Shariah compliance



Afaq Khan, CEO for Islamic banking of Standard Chartered Bank, speaks at the launch of the bank's Shariah-based wholesale banking brand Saadiq for corporate clients in Dhaka yesterday. Abrar Anwar, MD of Standard Chartered Bangladesh, was also present.

in line with the guidelines provided by the bank's Group Shariah Supervisory Committee and the central bank of Bangladesh.

"We have launched the Shariah compliant wholesale banking value propositions to meet the growing demand in the country," said Abrar Anwar, managing

director and head of origination and client coverage at Standard Chartered in Bangladesh.

"At present 19 percent of the industry assets and 16 percent of the industry deposits are Islamic, which is growing at 25-30 percent annually. So, there is an accelerated demand for Islamic banking products in the market," said Anwar.

The London-based bank started its Islamic banking operation in Bangladesh in 2004 with consumer banking products under the bank's group branding Saadiq.

Standard Chartered Saadiq combines the bank's global network across Asia, Africa, the Middle East, Europe and America and services to clients across Standard Chartered markets.

Saadiq has rolled out more than 250 products and solutions across both consumer and wholesale banking.

Tanvir Haider Chaudhury, director and head of transaction banking, and Jishan Shamsad, director and head of products for transaction banking, were also present.



Syed Nurul Arefeen, chairman of Shahjalal Islamic Bank, presides over the 128th meeting of the bank's board audit committee at its head office in Dhaka on Tuesday. Md Abdur Rahman Sarker, managing director, was also present.

Viyellatex factory faces protest over salary, bonus

STAR BUSINESS REPORT

A group of workers of a newly launched unit of Viyellatex Group yesterday gathered at the factory, demanding payment of salaries for July and bonuses for Eid-ul-Fitr within the day.

Nearly 16 workers of the knitwear factory near Gazipur intersection joined the demonstration, said Ahsan Kabir Khan, a director of the group.

"The company pays workers salaries on the seventh day of the month. We also will pay the workers for July on August 7." Khan said the majority of the 1,600 workers of the factory are newly recruited and they need further training.

The company plans to pay workers for August along with the Eid bonuses by August 15. "All workers, be it old or new, will get the bonus."

Viyellatex is ready to fulfil the workers' demand as it is a highly compliant factory, Khan said.

Some outsiders also joined the workers' gathering, which was immediately brought under control through discussion, he said.

The workers of the factory were not involved in any vandalism during the incident which started in the morning, said Khaled Monsur, an official of the crisis management cell of Bangladesh Garment Manufacturers and Exporters Association.

A worker cannot claim bonuses within six months of recruitment, he said. But Viyellatex plans

All accounts are intact and secure: CDBL

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According to Samad, CDBL is equipped with the state-of-the-art enterprise servers and high-end storage system; a back-up server exists that seamlessly takes over operation when the main server is down.

Furthermore, CDBL takes multiple back-ups of its entire database, along with filing a copy at the IT centre of the Dhaka Metropolitan Police headquarters, on a daily basis.

"It also has a disaster recovery centre located at Topkhana where constant replications of the systems' set-up take place," he said.

"In events of fire or earth quake when the main site server could become out of bounds, operation will still continue, unhindered, thanks to the CDBL Disaster Recovery site," Samad said.

At the close of each day's trading sessions the transactions are settled with CDBL, but last Monday, sellers and brokers could not transfer the shares sold during the day to their clearing accounts

FBCCI election in October

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As per the schedule, the last date for paying the annual subscription is August 23 while the last date for submission of nomination for general members is August 25, according to the statement.

The board will publish the primary voter list on August 30 and the final voter list on September 10 while the last date for submission of the applications for the post of directors is set as September 15.

The elected directors will select the president and two vice-presidents of the FBCCI on October 23 while the final result of the election of the body will

BTRC to serve notice on Airtel on use of unauthorised spectrum

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"So the BTRC decided to ask Airtel why it used the spectrum beyond its allocation and why it would not be punished," Ahmed said.

Contacted, an official of the operator said Airtel does not know anything about it.

Earlier, the regulator rearranged the 1,800 Mhz spectrum band in May, as the frequency of the mobile operators was in a haphazard situation. After the completion of the rearrangement, the BTRC directed the operators to use only allocated spectrums, he said.

But Airtel did not pay heed to the call and continued using unauthorised spectrum through a base transceiver station in Rajshahi, he said.

The wrongdoing was detected in the monitoring activities run by the BTRC in presence of Airtel rep-

Eid spurs remittance flow

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The BB official said Bangladesh can receive more remittances from Europe, where a large number of NRBS live.

During the last 16 months, the monthly remittance flow was more than \$1 billion except a few months, according to the central bank data.

Bangladesh received \$12.84 billion in remittances in the immediate past fiscal year, which is 10.32 percent higher than that in the previous year.

The BB official said the flow of remittances went up in July because of the upcoming Eid festival. The amount will continue to grow in the run up to the



SM Zahadul Arafin, business development analyst at bKash, and Mohiuddin Khan, sales and marketing director for Hotel The Cox, attend a programme where the organisations signed a deal in Dhaka recently. Customers of the hotel can now pay for hotel reservation and other services through bKash.



Md Atiqul Islam, former vice president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and chief coordinator of GORBO-2012, a singing competition for garment workers, and Afzal Hossain, managing partner of Matra, ink a deal at BGMEA yesterday to organise the trade body's reality show after the upcoming Eid festival. Md Shafiul Islam, BGMEA president, was also present.

Doubt over benefits of FTA with India

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Selim Raihan, associate professor of economics at the University of Dhaka, co-authored the study.

The Centre for Policy Dialogue (CPD) in collaboration with the WB organised the event at BRAC Centre Inn in Dhaka, where Prime Minister's Foreign Affairs Adviser Gowher Rizvi and Commerce Secretary Md Ghulam Hussain also spoke.

CPD Distinguished Fellow Debapriya Bhattacharya chaired the session.

Kathuria said Bangladesh and India's relationship is rich but it remains below its potential.

To realise the prospect both the countries will have to further liberalise trade, cut tariffs, reduce non-tariff barriers and take steps to facilitate more trade, he said.

"The bilateral FTA will be a building block towards regional cooperation," said the WB economist, arguing that Bangladesh will hardly achieve 8 percent growth without significant cooperation with neighbours --India, Nepal and Bhutan.

"A full FTA plus improved connectivity would result in a much higher export growth," said Kathuria.

Commerce Secretary Ghulam Hussain said, apart from the benefit of the bilateral FTA, impact on employment, industry, poverty and revenue should be taken into account.

"I am not convinced that we should go for an FTA with India," Hussain said, citing that Bangladesh received such proposals earlier, but the conclusion was negative.

He said Bangladesh gets duty-free access to India excluding 25 product lines. Trade facilitation and removal of NTBs will boost bilateral trade further, he said.

Instead of an FTA, Bangladesh should work on trade facilitation issues, said CPD Senior Research Fellow Khondaker Golam Moazzem.

He said increased market access and better regional connectivity will raise Bangladesh's exports.

Mostafa Abid Khan of Bangladesh Tariff Commission also questioned the prediction of the

WB on Bangladesh-India FTA.

In 2004, a similar WB study did not find any benefit from such an FTA between the two countries, he said.

Khan said Bangladesh should go for a comprehensive agreement that would incorporate connectivity, investment, trade facilitation and other aspects.

"The study has raised expectations and concerns, said Osman Faruk, an adviser to the chairperson of opposition BNP.

He said India's actual exports to Bangladesh are much higher because of a huge informal trade.

"India has to take proactive measures to reduce NTBs to boost bilateral trade," said Faruq, also a former WB economist and a former minister.

On connectivity with India, he suggested considering the matter more from regional perspective, encompassing Nepal, Bhutan, Myanmar and China.

He said providing transit to India may erode comparative advantages of Bangladesh's garment products in northeast Indian states.

Bangladesh Foreign Trade

Institute's Chief Executive Mozibur Rahman expressed doubt over the predicted export growth for the FTA. "We have to be very cautious in forecasting the potential. Growth cannot be linear and horizontal type," he said.

Citing a study of the Asian Development Bank, he said gains would be higher for Nepal and Bhutan for regional connectivity.

He said gains for India will be \$3 billion for using Bangladesh's ports, railway and roads for transporting goods to its north-east region.

Bangladesh will gain only \$200-300 million, said Rahman, citing an estimate.

Referring to India's FTA with Sri Lanka, former ambassador Ashfaqur Rahman said Sri Lanka is not happy with the trade deal.

Sohel Ahmed Chowdhury, a former commerce secretary, cited a lack of investment from the Indian side for trade facilitation with Bangladesh. Bangladesh established a land port in Banglabandha in 2004, but India did nothing, he said.

Former ambassador Farooq Sobhan said the issue of trade

facilitation needs to be addressed.

Kathuria, in reply, said the WB study in 2004 considered that garments would not be competitive.

He said the FTA will increase formal trade and enhance revenue. The increased trade will also impact prices and thus contribute to poverty reduction, he said.

PM's Foreign Affairs Adviser Gowher Rizvi said further examination is necessary before signing an FTA with India.

Rizvi said Indian investors are showing interest to invest here. "But, we need a transparent policy to attract investment."

He said the both sides should at first find all the NTBs between them.

CPD Distinguished Fellow Debapriya Bhattachariya said Bangladesh should focus on sub-regional cooperation.

Summing up the discussion, he said instead of an FTA, a comprehensive framework agreement that incorporates issues such as trade facilitation, investments, trade in services, and infrastructure development, may be considered.



Tapon Kumar Ghosh, deputy managing director of Janata Bank, attends the closing ceremony of a training course on managing core risks in banking, organised by the bank's training institute, in Dhaka recently.



Md Shirajul Islam Mollah, chairman of Prime Bank, attends the launch of the bank's new product -- Mudaraba Cash Waqf Deposit Account -- at a programme in the capital recently. Md Ehsan Khasru, managing director, was also present.