

Janata Bank recalls UAE chief

The bank's Dubai branch faces charges of fraud worth \$1.3 million; a BB team visits Dubai to further probe the scam

SAJJADUR RAHMAN

Janata Bank has finally withdrawn the chief executive officer of its UAE operations on charges of fraud worth nearly \$1.3 million.

Shafiqul Islam, the bank's CEO in the United Arab Emirates, has been withdrawn and asked to report to the bank's head office in Dhaka on September 1, a senior official said yesterday.

"Ismail Hossain has been

appointed as the new CEO to look after the bank's UAE operations," said SM Aminur Rahman, managing director of the bank.

The removal and new appointment came at a time when a three-member team headed by a senior official of the Bangladesh Bank is in the UAE to further investigate the fraud related to opening of an LC (letter of credit) in 2010.

State-owned Janata Bank is one of the largest banks in Bangladesh

with a network of 860 branches. It has four overseas branches, all in the UAE. The branches are located in Abu Dhabi, Al-Ain, Sharjah and Dubai.

Janata Bank appointed a CEO and branch managers to look after the branches in the UAE.

During a bi-annual inspection in 2011, the central bank detected gross irregularities in the operations of Janata Bank's Dubai branch.

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Sugar imports soar

Overseas purchase rises 87pc in July-May

SOHEL PARVEZ

Sugar imports shot up exponentially in the 11 months through May upon expectations of a lenient government policy on refined sugar exports and the zero-duty status granted to raw sugar imports.

Imports rose 87 percent to 15.77 lakh tonnes in July-May from the same period a year earlier, according to Bangladesh Bank that compiles data on letters of credit settlement.

Golam Mostafa, chairman of Deshbandhu Sugar, however, suggests that the total volume of sugar imports could be even higher than the LC data imply as payments are typically deferred by six months.



Mostafa attributes the spike in imports to the processing capacity of refineries, which were expanded in anticipation of relaxation of government restrictions on refined sugar exports.

While ASM Mohiuddin Monem,

secretary general of Bangladesh Sugar Refiners Association, attributes the surge in imports to the zero-duty import facility bestowed upon sugar -- both raw and refined -- imports.

"All parties reaped advantage of the policy and imported sugar as much as possible," said Monem, also the deputy managing director of Abdul Monem Group which runs AM Sugar Refinery Ltd.

For instance, the state-run Bangladesh Sugar Food Industries Corporation and Trading Corporation of Bangladesh imported more than 150,000 tonnes of refined sugar in fiscal 2011-12.

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Bangladesh, Bhutan working on permanent transit

REFAYET ULLAH MIRDHA

Bangladesh plans to make permanent the current temporary transit to Bhutan to expand trade between the two nations, a commerce ministry official said yesterday.

At present, the two countries renew the transit deal through consultation under the Trade and Transit Protocol and a Technical Cooperation Agreement signed in 1984. The two also inked a trade agreement in 1980.

"We will fix the modalities for a permanent transit to Bhutan soon," said the official, seeking anonymity.

The commerce ministry may sit with experts and high-ups of other ministries today to finalise the modalities.

Bhutan sent a draft agreement regarding the transit to Bangladesh, said Manzur Ahmed, an adviser to the Federation of Bangladesh Chambers of Commerce and Industry and a member of the working committee on transit.

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Panel to rework VAS guideline

ABDULLAH MAMUN

The telecom ministry will form a five-member panel to examine the issues related to mobile phone value-added service (VAS).

The decision came yesterday at a meeting attended by Bangladesh Telecommunication Regulatory Commission (BTRC) and ministry officials and representatives of mobile operators and content developers.

The VAS guideline drafted by BTRC in January was met with objections from mobile operators as they felt it disproportionately favoured the local IT firms.

The guideline permits only local content developers to provide VAS, a contradiction to the terms and conditions of the recently renewed 2G mobile phone licen-

ces which include VAS permits as well.

"The operators have formed their business model for the next 15 years around the fine prints of the renewed licences. That would be turned upside down if the proposed draft takes effect," said Sunil Kanti Bose, telecom secretary.

VAS is a term for all services provided by mobile operators beyond standard voice calls, SMS, MMS and internet access. In Bangladesh, examples of VAS include services like missed call alerts, call block, voice mail, music and ringtone downloads.

Local developers, at present, receive a modest percentage from the operators who set the price for the VAS; that figure can go as high up as 90 percent for them when dealing with international operators.

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Grameen Bank paid all dividends

STAR BUSINESS REPORT

The immediate past acting managing director of the Grameen Bank yesterday refuted the claims that the microcredit lender has never paid dividends to its shareholders.

Dividends were paid to all the shareholders, said Nurjahan Begum who had

taken over the charge of acting managing director of the Grameen Bank after Dr Muhammad Yunus stepped down from the bank in May last year.

The bank gave 100 percent dividend in 2006 and 20 percent in 2007 and 30 percent in 2008, 2009 and 2010, she said in a statement.

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