

UAE expatriates urge Bangladesh to combat passport, visa forgeries

STAR BUSINESS REPORT

The UAE-based Bangladesh Business Council (BBC) yesterday urged the government to fast resolve the issue of fake identification documents, so that UAE could resume issuing visas for Bangladeshi nationals.

Earlier in August, UAE imposed stringent measures because of the increasing number of Bangladeshi migrants.

Many had fake documents, expired passports and visas, which are considered by UAE as a security threat.

On Thursday, the Gulf nation temporarily suspended issuing entry permits to Bangladeshi nationals over the matter.

In each of the last eight months, some 25,000-30,000

Bangladeshi workers left for the UAE, according to data from the labour and employment ministry.

"The government should take special initiative regarding UAE's security concern, as it is the second largest market for Bangladeshi workers," said Mohammad Mabtabur Rahman, president of BBC, while adding that workers could check online whether their visas are legitimate or not.

Jasim Uddin, first vice-president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), urged the UAE government to withdraw its sanction.

They spoke at an agreement signing ceremony between the FBCCI and the BBC, at the apex trade body's

office in the capital.

The agreement is expected to encourage and facilitate co-operation in trade and investment between the two organisations, said Uddin.

Rahman said UAE can become a route for the re-export of Bangladeshi goods to Arab and African regions, citing the country's jute exports to Iran.

Iran was one of the major buyers of Bangladeshi jute products before international sanctions on the country.

"There is scope to use the regular shipments made from Dubai to Iran for the re-export of jute products."

He suggested the Bangladeshi readymade garment exporters explore the markets in the African and the

MENA regions using Dubai, to diversify their markets from Europe and USA.

The MENA region refers to the Asian countries of Bahrain, Cyprus, Iran, Iraq, Israel, Palestine, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, Syria, Turkey, the UAE and Yemen, and the North African countries of Algeria, Egypt, Libya, Morocco and Tunisia.

Rahman also pointed out that Bangladeshi businessmen in Dubai are eager to invest in the country, but the government has to entice them with incentives such as five-year tax exemption for new investments.

The UAE became the second largest importer of Bangladeshi goods last fiscal year.

Profit-taking sends stocks slipping for third day

STAR BUSINESS REPORT

Stocks slid for the third day in a row as investors continued with their selling spree to pocket profits.

DGEN, the benchmark General Index of Dhaka Stock Exchange, finished the day with 4,542.64 points, after declining 103.43 points or 2.22 percent.

The day, however, started on a positive note, with the market gaining 44 points in the first 30 minutes.

The turnover then took a turn for the worse, with selling pressure dominating the rest of the session.

"Profit-taking is causing an intermittent correction," said LankaBangla Securities, the top broker in Bangladesh.

Turnover declined by 20.94 percent overnight to Tk 524 crore. The last two days saw the turnover fall by Tk 520 crore or 50 percent, noted IDLC Investments, a leading



Tawhid Sarwar Hossain, managing director of Honeycom Automation and Security Pvt Ltd; Chan Yit Ming, vice president of Bosch Security Systems, and Wilfred Steeman, vice president of Bosch, pose with the Best Growth CCTV Video System award in Bosch export market in Asia Pacific category, given to Honeycom recently, as it achieved the highest growth in the sector.

Economists want more clout for BB

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But analysts said the government does not always consider the recommendations of the central bank.

Recently the finance ministry turned a deaf ear to the BB recommendations to restructure the board of Sonali Bank Ltd for its irregularities in lending around Tk 3,600 crore to Hall-Mark Group and some other companies.

ABM Mirza Azizul Islam, a former caretaker government adviser, said the government should have dissolved the board of Sonali Bank as per the recommendations of the central bank.

"It was a logical recommendation," said Islam.

He also stressed forming the board of the bank with professional representation, including at least one chartered accountant and a lawyer.

During his tenure as a finance adviser, Islam did so with the state banks, he said.

Islam said the government should work simultaneously on recovering the siphoned-off money and giving punishment to the culprits.

Salehuddin Ahmed, a former BB governor, said the Hall-Mark scam has created "cracks" in management and the monitoring systems of banks.

The loan scam was due to a number of reasons such as failure of the regulatory bodies, extreme greed and politicisation, said Ahmed.

In his keynote, Maman Rashid, a professor at BRAC Business School, said the government should make the central bank responsible for all banking sector supervision irrespective of their ownership.

"If necessary, a separate supervisory agency can be created," said Rashid. He also urged the government to appoint qualified professionals to run the banks.

Tajul Islam, the chief of a parliamentary sub-committee that is investigating the Hall-Mark scam, said a ring in collusion with some bank officials led to the scam. He also agreed that there should not be separate regulations for the state banks and the private ones.

Islam also promised to conduct an impartial investigation into the scam.

Abu Ahmed, a teacher at Dhaka University, stressed the need for enacting the financial reporting act immediately to bring more transparency in the financial system. Badiul Alam Majumdar, secretary of Shushashoner Jonney Nagarik, also spoke.

Inflation drops on stable food prices

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Bakht warned that food prices may increase in the coming months, influenced by rising food prices globally. A further spike in the prices of fuel and energy will also push up inflation, he said.

Bakht advised the government to refrain from increasing fuel prices to encourage investment.

Instead of hiking fuel prices, the government should improve the quality of public expenditure by dropping less priority projects under Annual Development Programmes, he said.

The government should not take projects on political consideration, Bakht said.

In its calculation based on the revised base year, 2005-06, inflation declined in September from a month ago. But non-food inflation accelerated 10.18



Md Mehmod Husain, president and managing director of Bank Asia, speaks at a business conference of the Islamic banking department of the bank in Dhaka on Saturday. Md Arfan Ali, senior executive vice president; Afzalul Haq, vice president, and AKM Mizanur Rahman, first vice president, were also present.

US Ambassador to Bangladesh Dan W Mozena poses with the officials of Western Marine Shipyard Ltd while visiting the shipyard in Chittagong on Saturday.

Mozena visits CEPZ, Ctg port

STAFF CORRESPONDENT, Chittagong

It is crucial for Bangladesh to enlarge Chittagong port and increase its capacity in the country's way to come up as the Asian Tiger, said US Ambassador Dan W Mozena yesterday.

He spoke while visiting US companies in Chittagong Export Processing Zone (CEPZ). Later he went to the port.

He said he visited Western Marine where small and big ships are being built which are exported to global markets and make a vital contribution to the national economy.

Mozena said 15 US companies are working in the CEPZ now and more investment will come in the days to come.

He visited Zone Service Complex of CEPZ; Mamiya-OP, a company that produces golf accessories, and Premier Towels (BD) Ltd, a towel manufacturing company.

Earlier, on Saturday, the envoy went to the site of Super Petrochemical Industry located on the southern bank of Karnaphuli river.

The factory, designed by an American firm Chemex, will manufacture petroleum-based industrial solvents and other key precursor chemicals for the first time in Bangladesh.

Once the factory is operational, it will enable Bangladeshi industries to compete more effectively in the global market, said Mozena.

He further said joint ventures between American and Bangladeshi companies, such as this, will generate employment in both countries, and can contribute to the development of Bangladesh's industrial base.

Mozena was accompanied by his wife Grace Mozena, Super Group's Chairman Lutfonessa Ahmed and its Managing Director Selim Ahmed during the visit.

Be energy-efficient: minister urges all

STAR BUSINESS REPORT

Local industrialists should introduce modern, green technologies in their factories as part of efforts to save energy, a minister said yesterday.

"Ultimately, we will have to go for energy management," said Muhammad Enamul Huq, state minister for power, energy and mineral resources. Switching to green production methods will not require major investment, he added.

Energy-efficient methods will not affect productivity and comfort either, Huq said.

"Besides, they do not need to worry whether it will cut their productivity. Energy management is all about reducing over-use of electricity, cutting cost and protecting environment."

The minister said the legislation,

known as "Solar and Renewable Energy Development Authority", to promote green energy across the country, is in the final stages of approval.

The minister spoke at the inauguration of a two-day training programme on energy management system at the Bidyut Bhaban in the capital.

Power Cell and GIZ, a German international agency, jointly organised the programme, where top officials of the ministry, power entities and representatives from chambers and associations took part.

About 25 percent of the total electricity generated in Bangladesh goes astray thanks to rampant illicit connections and distribution loss, experts say.

Officials of the state-run Power Development Board, however, suggest the figure to be half of it.

Energy management is important as the country's gas reserve, which is the main source of energy, could be depleted in the next 20 to 30 years, he said.

Erich Otto Gomm, a programme coordinator of GIZ, said: "Everybody knows what we are talking about. Now it is all about taking action."

Huq said the users could save electricity if they wish.

"We will have to do it to save the country from load-shedding."

Tapos Kumar Roy, additional secretary of the power, energy and mineral resources ministry, said energy efficiency is a matter of changing habits which are responsible over-consumption of gas and electricity.

"We will have to inject this into our consciousness gradually."

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Govt moves to remove export-import hassles

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"We are now working to automate the procedures for issuing GSP (Generalised System of Preferences) certificates to facilitate export," he said.

The commerce ministry is in talks with India and Uzbekistan for importing cotton through state-level agreements so that the local spinners get the fibre at cheaper prices, he added.

Sadiq Ahmed, vice-chairman of pri-

ivate think tank Policy Research Institute, said simplification of procedures, computerisation and upgradation of infrastructures are important to ensure trade facilitation.

Mozibur Rahman, chief executive director of Bangladesh Foreign Trade Institute, said Bangladeshi garment exporters may lose 20 percent business if the EU and India sign an FTA.

Salahuddin Kashem Khan, managing director of AK Khan Group, opposed the

government's plan to set up a coal-based power plant in Anwara in Chittagong.

He said movement of vessels will be disrupted near the port as many coal-laden ships will clog the area.

However, the minister said he did not know anything about the power plant.

MCCI President Amjad Khan Chowdhury moderated the discussion.

BB to tighten grip on banks to avert shocks

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The report found that the interest rate spread (the difference between lending and deposit rates) in the banking sector increased to 5.5 percent in December 2011 from 4.9 percent in January 2011.

The report blamed the hike in spread on higher spread in the foreign commercial banks.

"The foreign banks' average spread was almost double the industry's average," it said.

According to the report, the banking sector's balance sheet

grew by 21 percent to Tk 587,400 crore at the end of 2011 compared to that a year ago.

The report also showed that the loans and advances disbursed by the banks in 2011 decreased by 1.3 percentage points compared to the previous year.

It said the inter-bank money market faced a liquidity pressure in 2011 due to huge government borrowings amid a slowdown in savings by the households because of high inflationary pressure.

However, in 2011, the amount of government bonds held by

banks was Tk 66,210 crore, up by 11.3 percent than a year ago.

The report also said prudent steps by the central bank helped the commercial banks to reduce their credit-deposit ratio to 78 percent in December 2011 from 86 percent in January the same year.

The banking sector's net profit decreased by 9.7 percent to Tk 752 crore in 2011 from Tk 833 crore in 2010 although the operating profit rose by 9.3 percent to 1,868 crore, the report said.

However, Islamic banks showed a remarkable growth in 2011 as

their assets grew by 25.8 percent, deposits by 25.8 percent, and loans and advances by 21.4 percent compared to those in 2010.

The governor asked the CEOs of banks to remain extra cautious about the risks that may arise from internal and external shocks.

"Don't take too much risk to profit more," said Rahman.

Deputy Governor SK Sur Chowdhury, Chairman of Association of Bankers Bangladesh Nurul Amin and BB's Banking Supervision Adviser Glenn Tasky were also present.

DSE to probe Delta Spinners, United Airways

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But every time, the firms insisted there was no such information in circulation.

DSE's doubts, however, intensified after the two companies announced handsome dividends.

United Airways declared 15 percent stock dividends on September 23, while Delta Spinners, which never gave dividends upwards of 10 percent in the last decade, announced a 50 percent stock dividend on September 29.

The DSE on September 30 sent a letter to the Delta Spinners asking for their rationale behind the five times higher dividends than in previous years.

The premier bourse had also had

reservations over the financial disclosure that came with Delta Spinners' dividend declaration.

Delta Spinners revealed its yearly earnings per share (EPS) to be Tk 3.06 and net asset value (NAV) per share to be Tk 38.69, which, according to the DSE, are inconsistent with previous quarters' figures. In reply, Delta Spinners said it acted within the rules.

The DSE, however, did not ask for any elaborations from United Airways over its dividend declarations.