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BUSINESS

DHAKA MONDAY NOVEMBER 19, 2012, e-mail:business@thedailystar.net



Sixth from left, Atiur Rahman, governor of Bangladesh Bank, poses with foreign delegates at the 12th SAARC Payments Council meeting at Sonargaon Hotel in Dhaka yesterday.

BB plans real-time fund transfer for banks

STAR BUSINESS REPORT

Bangladesh Bank aims to introduce a mechanism for faster settlement of funds transferred from one bank to another by 2014, particularly to help businesses get liquidity without any delay, said a senior official yesterday.

The arrangement, termed as Real Time Gross Settlement (RTGS), is much faster than the present Electronic Fund Transfer Network (EFTN).

"High-value transfer will be done in real-time due to the introduction of the RTGS. It will accelerate the pace of business as liquidity flow will rise," said Dasgupta Asim Kumar, a BB executive director.

"We want to implement it by 2014," he told reporters at the 12th Saarc Payments Council meeting at Sonargaon Hotel in the capital.

Delegates from all Saarc states, except for Afghanistan, attended the meeting to devise strategies to ensure a smoother, safer and faster payment gateway for all, said Dasgupta.

"Another objective is to share experiences of each other," he said.

Central banks of India, Pakistan and Sri Lanka have already established the RTGS system, while the Maldives, Nepal and Bhutan have also made strides in implementing it, said the BB official.

"We are ahead of others in other aspects though," said Dasgupta, adding that the central bank has made progress in establishing the EFTN and an automated clearing house.

He also said the BB would take service charge on automated cheque clearance and electronic fund transfer from the beginning of next year.

Inaugurating the meeting, Atiur Rahman, the BB governor, said automated clearance and EFTN have greatly facilitated promotion of financial inclusion by way of rapid expansion of mobile phone and smart card-based remote delivery of financial services.

"It has also facilitated cost-

effective and speedy transactions," he said.

The governor said the BB is now working towards a national payments switch to provide a common platform for inter-bank electronic payments originating from different delivery channels including ATMs (automated teller machine), POS (point of sales) terminals, internet, and mobile applications.

"The Saarc Payments Council may consider introducing training visits to payments system installations of other member countries. This may help speed up the eventual cross-border interlinking of electronic fund transfer channels of all member countries."

BB moves to design guideline to check suspicious stock trade

STAR BUSINESS REPORT

The central bank will issue a guideline by January to stop suspicious transactions in the stockmarket.

Bangladesh Bank took the decision at a meeting of the National Coordination Committee against money laundering yesterday, with Finance Minister AMA Muhith in the chair.

A finance ministry official said the BB will issue the guideline to meet the requirements of the Financial Action Task Force (FATF), a global anti-money laundering body.

The official said the guideline aims to prevent investment of money earned

through suspicious transactions or criminal activities in the capital market.

A BB official said the guideline will be prepared on the basis of the rules and regulations of the Securities and Exchange Commission.

Also, in line with the recent amendment to the money laundering act, the stockmarket related institutions will have to report to the central bank's financial intelligence unit on suspicious transaction reports.

The BB official said the guideline will provide direction about how the suspicious transaction reports will be made maintaining the 'Know Your Client' option for opening beneficiary owners' accounts.

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Early warning system in progress to fight financial scams: Muhith

STAR BUSINESS REPORT

Bangladesh Bank is modernising its supervision system to help foil Hall-Mark-like scams, Finance Minister AMA Muhith told parliament yesterday.

Hall-Mark swindled more than Tk 2,600 crore out of state-run Sonali Bank over the last two years.

Lawmakers from both the ruling alliance and the opposition asked Muhith what measures the government has taken to stop recurrence of such forgery in the banking sector.

An experienced banker has already been appointed as fraud risk detection and risk mitigation adviser and started working, Muhith said.

A process was underway to amend the Banking Companies Act, 1991, he said, adding that the amendments, once approved, would put the banking sector in order.

Replying to another query, he said the government had no plan to control or confiscate wealth and money of the Hall-

Mark Group.

Lawmaker Salma Islam from Jatiya Party asked Muhith whether the government has taken any measure to carry out an investigation to identify those involved in the Hall-Mark scam.

The minister, in a scripted reply, said cases have been sent to the Anti-Corruption Commission for taking action against those responsible.

The power to buy inland bills has been curtailed at the branch level and the full authority for the job has been given to the banks' head offices, aiming to stop recurrence of forgeries, he added.

"Chief executives of different banks have been warned so that Hall-Mark-like scams do not recur in the baking sector. The bankers' association has also been advised to ensure good governance."

On the waiver of bank interest during the present government, Muhith said the country's eight state banks waived interest worth Tk 4,561 crore of 213,588 loan receivers.

New markets brighten hope for RMG

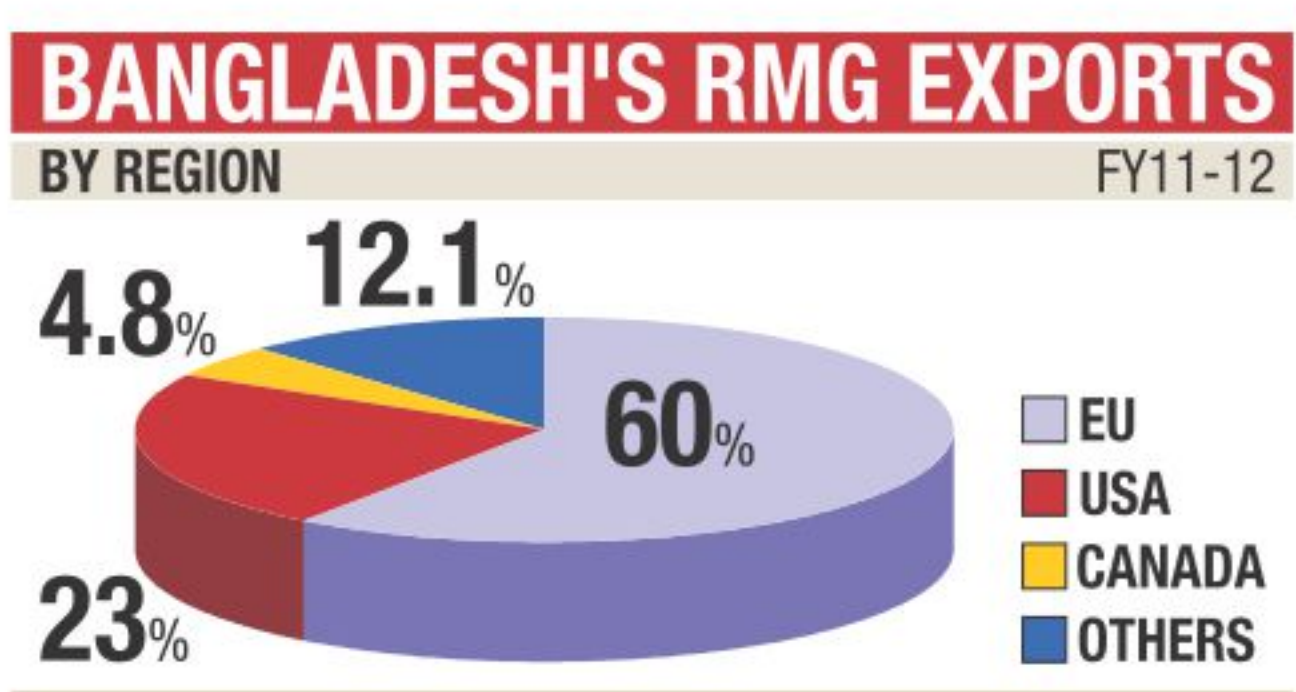
REFAYET ULLAH MIRDHA

The first quarter of fiscal 2012-13 saw a rise in garment exports to non-traditional markets, an encouraging sign for the sector hurt by economic crises at its traditional markets.

Exports to 11 new destinations stood at \$527.61 million in the first quarter of the current fiscal year, up 28.6 percent from the last fiscal year's \$410.12 million, according to data from the Export Promotion Bureau.

Following the onset of financial crisis in 2007, Bangladesh started looking for new destinations to offset the fall in exports to the traditional markets in the US, European Union and Canada.

Australia, Brazil, Chile, China, India, Japan, South Korea, Mexico, Russia, South Africa and Turkey are looking to be the more promising markets, followed by Malaysia, New Zealand, Norway, Saudi Arabia and Thai-



land.

Of the total export to the new markets, woven items registered a 30.76 percent rise to \$280.61 million, while knitwear, at \$247 million, was 26.32 percent higher than last year.

The Russian market, which raked in \$16.26 million of

exports during the quarter, showed the highest growth.

Turkey, on the other hand, registered a negative growth of 9.21 percent on the back of the 17.5 percent duty imposed by the Turkish government this year on imports from Bangladesh.

Exports to the EU, Bangladesh's largest garment export destination, fell 0.38 percent year-on-year to \$2.89 billion in the three months to September.

Mustafizur Rahman, executive director of Centre for Policy Dialogue, said besides the ongoing financial crisis in the EU, the declining price of cotton and the shortening of the winter period are also responsible for the slowdown of exports to the region.

The worrying matter is that, Rahman said, exports to the four main markets of the EU -- Germany, UK, France and Italy -- have also been affected this time.

"Any slowdown in the EU will have a negative

impact on all exports of the country," the trade analyst said, adding the current export condition brings into focus the need for continued exploration of new destinations.

Additionally, Bangladesh must increase its competitiveness via increased productivity to grab a bigger pie of the Eurozone market from China, who is on the back foot due to rising costs of production, he said.

"Not least, Bangladesh enjoys a zero-duty access to the EU."

If the EU debt crisis prolongs, the country's share of the pie will shrink further, said Faruque Hassan, vice-president of Bangladesh Garment Manufacturers and Exporters Association.

"But we will continue to perform well in the new destinations as we have managed to penetrate them."

Govt to put GI law in place soon

GAZI TOWHID AHMED

The industries ministry will place the bill of Geographical Indication (GI) Act of Bangladesh in the winter session of parliament to get it passed.

The law will ensure entitlement to the country's traditional products such as Jamdani sari, hilsa fish, Nakshikantha and Fazli mango and protect the reputation of the products against piracy.

"We are now working on the draft of the act to make it short," said Mohammad Moinuddin Abdullah, secretary to the industries ministry.

The GI is a name or sign used on certain products referring to a specific geographical location or the country of origin.

It certifies that a product possesses certain quality, is made according to traditional methods or enjoys a certain reputation just because it belongs to a specific geographic location.

The government has taken the initiative to formulate the GI Act in 2009 and prepared a draft in 2010, a ministry official said.

However, Abdullah said, "I don't know why the delay occurred in finalising the law."

The law will protect traditional products such as Jamdani sari, hilsa fish, Nakshikantha and Fazli mango against piracy

In the absence of the GI Act, Bangladesh is going to lose its rights to some traditional products as India has taken initiative to entitle Jamdani under its GI Act, industry

people said.

India will not be able to register the original Jamdani under its GI Act as the country is yet to get membership of World Intellectual Property Organisation (WIPO), said Mahboob Murshed, a former additional judge and a legal expert.

Bangladesh will be able to register Jamdani under its GI Act through Lisbon Agreement -- an agreement of WIPO -- as a country of origin of Jamdani, said Murshed. He suggested the Bangladesh government should be a member of the WIPO.

"The government should finalise the law as soon as possible to stop piracy of our traditional products by other countries," he said.

Once the law is passed, Indian Jamdani will not be able to enter Bangladesh's market and it also help boost export of Bangladeshi Jamdani to the international markets, he added.

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