

4,132.98

0.26%

8,040.73

0.25%

\$1,662.87

(per ounce)

\$93.64

(per barrel)

19,663.55

Flat

10,652.64

0.70%

3,226.25

0.18%

2,283.60

0.37%

Happy New Year

2013

NCC Bank Ltd.

Where Credit and Commerce Integrates

www.nccb.com.bd

FBCCI urges talks to end waterway strike

STAR BUSINESS DESK

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) yesterday expressed grave concern over the ongoing strike by water-transport workers.

A continued strike will hurt the local industry, export and import activities, the FBCCI said in a statement.

Many cargo vessels are left stranded at the Chittagong port, disrupting the imports from being distributed all over the country. "This could push prices up and make consumers suffer," the FBCCI said.

Also, industries are being deprived of the raw materials now stuck at the port and the delay will increase costs and stall production, hampering exports, according to the statement.

The breakdown in the supply of raw and finished products will adversely affect the economy, the FBCCI said.

The water transport system collapsed causing sufferings to the passengers. Many devotees are facing hardships in getting to the Biswa Ijtema starting today.

The FBCCI urged the government to take proper steps to resolve the issues raised by the Noujan Sramik Federation. The FBCCI also urged the strikers to sit for talks to resolve the issues for the sake of the economy and people.

Muhith, Atiur crack the whip on errant state banks

The finance minister and the governor instruct directors to put public interest first

STAR BUSINESS REPORT

Finance Minister AMA Muhith and Bangladesh Bank Governor Atiur Rahman both yesterday instructed the newly-appointed directors of the state-owned banks to put vested quarters at bay -- and work for the public interest.

The instruction comes following the recent spate of accusations against the state-run banks of misappropriation of public money and financial crimes such as the Hall-Mark scam that have rocked the banking system.

The tenure of the boards of the state-run banks expired in September of last year, but the government appointed the directors only in December.

In a break from tradition, the government this time has appointed less politically connected directors.

The direction from the minister and the governor came at a special briefing for the 22 newly-appointed directors to articulate their responsibilities.

This was the first time the banking and financial institutions division of the finance ministry has organised such orientation programme for directors to help them avert such scandals.

Speaking at the daylong event, Muhith ordered the newly-appointed directors to put public interest above everything.

"Your job is to safeguard public interest. Keeping this in mind, work accordingly," he said.

Muhith and Rahman addressed the directors in the morning, while senior officials of the central bank and the banking division briefed them on their responsibilities, duties and challenges during the three-year tenure.

The minister also said the central bank's jurisdiction over the state-owned banks is being expanded in the wake of the Hall-Mark scandal.

The government will pass the Banking Companies Act next month, giving Bangladesh Bank more control over the state-run banks.

"Bangladesh Bank could not lay a hand on the state-run banks. Now, it controls them -- in some measure."

"But the central bank has not been given the full authority. We have given as much authority as we deemed necessary," Muhith said.

The minister also said the amended Act would give authority to the central bank to remove managing directors of the state-run banks in case of detection of any irregularity.

But the minister did not state whether the central bank would be given power to overthrow boards of the state-run banks.

"It is unlikely that the central bank would be given such power," said an official of the finance ministry preferring not to be named.

Muhith said the directors of the state-run banks have been appointed in line with full compliance of the central bank requirements.

Unlike the private banks, the state-run banks must work for the country's best interests, Muhith added.

Rahman said a lack of internal auditing and control within the state-run banks created scope for major loan embezzlement such as Hall-Mark scam, which has gravely dented the image of the banking system.

"The central bank has brought in significant changes, both qualitative and quantitative, in monitoring of the state-run banks."

Rahman, too, hopes the new directors would be able to discount the influence of the vested quarters while evaluating credit risks and approving loans -- and establish strong accountability.



Visitors flock to the month-long Dhaka International Trade Fair being held at Sher-e-Bangla Nagar in the capital. Sellers expect a larger crowd today, a public holiday.

Costly misdeeds at govt firms

Tk 77cr lost in anomalies at 21 companies

MD FAZLUR RAHMAN

The country lost Tk 45.84 crore in 2008 when state-run Triple Super Phosphate Complex Ltd imported a huge amount of unusable rock phosphate with a faulty certification from a pre-shipment inspection company.

News of the irregularities surfaced after the Office of the Comptroller and Auditor General (OCAG) conducted an audit inspection in 2010 into 21 state-run companies controlled by the industries ministry.

Together, the 21 companies cost the country more than Tk 76.87 crore between 1988 and 2010, through non-compliance of government rules, a lack of internal control and failure to follow the rules of agreements.

The disclosure comes after the OCAG last month raised 605 objections over 22 ministries' spending amounting to Tk 4,811 crore.

Triple Super awarded the contract to supply 16,500 tonnes of rock phosphate -- used for fertiliser, animal feed supplements and industrial chemicals -- to the lowest bidder, Dubai-based Trade Line, in September 2008.

Documents show that National Marine Consultants Bangladesh issued a PSI certificate in January 2009 after assessing the quality and quantity of the chemical.

Triple Super, an enterprise of Bangladesh Chemical Industries Corporation (BCIC), cleared the full dues against the letters of credit in favour of the Dubai-based company -- without verifying whether the appropriate authorities have issued certificate of origin.

While offloading the consignment at the Chittagong Port, Triple Super learnt that the quality of the imported nondetrimental sedimentary rock did not match its requirements: the particle size was not right and its humidity was also higher.

Triple Super immediately informed the BCIC through fax, but the corporation under the industries ministry never responded.

As the local authorities did not object, the unusable substance was unloaded in February 2009.

Later, a joint laboratory test found that the vital parameters of the imported substance did not even match the certification made by the PSI agent.

But Triple Super neither raised any claim against the agent who gave the wrong certification nor against the supplier of the substance, as a result of which the company lost Tk 45.84 crore.

That episode was not the only spot of misdeed Triple Super was involved in.

Records show that in December 2004 Triple Super used 1,181 tonnes of rock sulphur to produce sulphuric acid, a component for fertiliser manufacturing.

It turns out the company did not produce the mineral acid that month, while costing the country another Tk 74.33 lakh.

READ MORE ON B3

Exports rebound, exceed target

December earnings rise 40pc to \$2.47 billion

REFAYET ULLAH MIRDHA

Exports made a dramatic rebound in December, rising by 40 percent to \$2.47 billion, compared to the previous month, mainly due to product and market diversification. In November, shipment fell 15 percent, compared to the previous month.

The December earnings were 2.89 percent higher than the target at \$2.40 billion set for the month, according to Export Promotion Bureau.

Exports grew by 7.01 percent to \$12.60 billion during the first six months (July- December) of the current fiscal year, compared to the same period last year.

"The export trend is positive now, and will remain so in the next few months," EPB Vice-chairman Shubhashish Bose told The Daily Star by phone.

Exports are growing mainly due to diversified products and markets, Bose said.



Exports of products, other than garments, are also increasing gradually for the same reason, he added.

Bangladesh is performing well in some new markets -- China, Russia, Japan, South Korea, Australia, Mexico, Brazil, Chile, Malaysia, South Africa, New Zealand, Turkey and India, he said.

With the rebound of the US economy, Bangladesh's garment exports to the country are also on the rise, exporters said.

READ MORE ON B3

Three closed jute mills reopen soon



The government plans to reopen three jute mills this month, a move expected to create 4,000 direct jobs.

SUMAN SAHA

The government is set to reopen three closed jute mills this month in a bid to revitalise the country's jute industry.

The three mills -- Daulatpur Jute Mills in Khulna, Karnaphuli Jute Mills and Forat-Karnaphuli Carpet Factory in Chittagong -- will be operated under the state-run Bangladesh Jute Mills Corporation (BJMC).

Prime Minister Sheikh Hasina is expected to inaugurate the Daulatpur Mills on 24 January and the Karnaphuli Jute and Forat-Karnaphuli mills on January 26.

"The government wants to revive the lost glory of golden fibre," said Major General Humayun Khaled, chairman of BJMC.

The full-scale operations of these mills will create jobs for about 4,000 people directly and enhance BJMC's total production capacity annually to 250,000 tonnes from the existing 230,000 tonnes, he said.

Daulatpur Jute Mills, which has been producing jute products on a test basis since April last year, will now go into commercial production.

Established in 1953 on 23 acres at Khalishpur, Daulatpur Jute Mills started commercial production in 1955 and was nationalised in 1965.

It was closed down by the BNP-led four-party alliance government on December 7, 2002 due to a severe financial crisis.

On July 18, 2007, the then caretaker government shut down Karnaphuli Jute Mills and Forat-Karnaphuli Carpet Factory and leased them out to a private company, Saad Musa Group, in 2008.

BJMC has already cancelled the lease and taken over the two mills, according to the BJMC chairman.

"BJMC has already prepared a project for modernisation and expansion of jute mills," Khaled added.

Under the project, the BJMC has a plan to replace old machineries, repair old factory buildings and construct new ones, replace cables and so on.

BJMC has a total of 24 jute mills, of which 18 are now operational.

READ MORE ON B3

Six listed companies lowered to junk

STAR BUSINESS REPORT

Seven listed firms were downgraded to 'junk' status last year as the companies did not declare dividends for their shareholders.

Of the seven, six were moved to Z category, an area for weak performing firms, from A, which is for the best performing enterprises.

The other firm entered the Z class from B category, an area for medium performing companies, according to the Dhaka Stock Exchange.

A listed firm has to declare at least 10 percent dividend a year to remain under the A category and if it offers less than 10 percent, it will be downgraded to B.

The companies will also need to hold annual general meeting regularly to remain under the A and B categories.

And when they do not declare any dividend or do not hold annual general meeting regularly, they fall in the Z category.

A total of 33 listed firms saw changes in their categories in 2012.

Of them, four were upgraded to A category from Z, while 10 were moved to A from N category.

The N region is a place for the newly listed companies, and after dividend declaration they are moved to other categories in line with the extent of the amount of dividend.

READ MORE ON B3

MTB BRICK BY BRICK

A MONTHLY DEPOSIT SCHEME

Monthly instalment	3 Years	5 Years	8 Years	10 Years
500.00	21,826.00	41,468.00	81,487.00	117,502.00
1,000.00	43,652.00	82,936.00	162,974.00	235,004.00
2,000.00	87,304.00	165,872.00	325,948.00	470,008.00
5,000.00	218,260.00	414,680.00	814,870.00	1,175,020.00

16219 or 88 096040 16219

নিউট্রাল ট্রাস্ট ব্যাংক লিমিটেড Mutual Trust Bank Ltd. you can bank on us