

# Capital market needs better way of operation

## Says Muhith at the dividend handover ceremony of Investment Corporation of Bangladesh

UNB, Dhaka

The present chaotic and polluted path of operating the capital market needs to be improved, Finance Minister AMA Muhith said yesterday.

"But, I'm hopeful that we'll see the improvement as we've taken some reform initiatives to implement those fully. We will demutualise the bourses soon," he said at the dividend handover ceremony of Investment Corporation of Bangladesh (ICB) at the finance ministry.

ICB Chairman SM Mahfuzur Rahman handed over a cheque for Tk 45.56 crore to Muhith, including Tk 22.78 crore as cash dividend and Tk 22.78 crore as

dividend warrant for 2011-12.

The minister said the present government from its very beginning has been trying to energise the capital market and also got results to some extent.

"We might not have got results to such extent of our targets set earlier, but surely we've got something," Muhith said, hoping that the newly introduced price indices at Dhaka Stock Exchange would help remove the lack of trust among the investors.

Based on the free-float methodology used by the world's major indices, the DSE launched two price indices: DSEX and DS30 that were designed by Standard and Poor's, one of the world's leading credit-rating agencies.

Muhith also lauded the recent initiative from the Federation of the Bangladesh Chambers of Commerce and Industry to rejuvenate the capital market.

Demutualisation must be done in the proper sense of the term, as it is a very important instrument for the market, he said.

The minister also emphasised the need for simplifying the procedures and management of the EEF fund of Bangladesh Bank so that small investors could avail themselves of these easily.

Asked about the ICB's proposal to allow the investment of undeclared money in the Bangladesh Fund without any fine, Muhith said undisclosed money could remain. "But, if you want to invest it, give fine and

that should be the practice."

"Otherwise, it would be injustice to those who have announced their undisclosed money."

Muhith said the system for investing undisclosed money with fine will continue, no matter who will come in this finance ministry in the future.

He said the government usually makes investment in many sectors, but does not get significant returns. Muhith also said it is a misperception that it is possible to influence the market with government investment.

Acting Secretary of the Bank and Financial Institution Division Amalendu Mukherjee and ICB Managing Director M Fayequzzaman were also present.

## Biman gets \$118m from BB in a special deal

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Sonali Exchange will then refund the amount to the central bank, he said.

Earlier Biman purchased two planes from Boeing with a syndicated term loan \$114.5 million arranged by Eastern Bank.

In 2008, Biman signed an agreement with Boeing for purchasing 10 planes. Of those, two were added to the Biman fleet last year.

Biman has been counting losses almost every year. The amount was Tk 632 crore last year.

The IMF earlier advised the government not to give any credit facility or guarantee to the loss-making Biman.

Under a \$1-billion credit programme, the government also committed to the IMF that it will conduct a special audit into the flag carrier by June this year and prepare a five-year plan to make it a profit-

## Spanish retailer scraps deals with suppliers with Smart links

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"I have come to clarify the situation to the Inditex officials in Dhaka. I have been working in Dhaka for the last 22 years," he said.

Nestor said he has been dealing with Dhaka-based Centex for a few years.

"I do not know how the orders were shifted to Smart Export," he said, denying the allegation of arranging a sub-contract between Smart Export and Centex.

"I do not have any relationship with Smart Export," he said.

The owners of Smart Export could not be reached for their comments as they are absconding after the fire.

Jashim Uddin Ahmed, managing director of Centex told The Daily Star by phone that their agreement with Wonnover was not scrapped yet.

"Centex did not make any sub-contract deal with Smart Export. The allegation has no base," Ahmed said.

Names of six other members of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) have surfaced so far which used to produce clothes for western buyers at Smart Export through sub-contract.

These six companies are MHC Apparels, Mac-Tex Industries, EnergyPac Fashions, Fashion Store, Mrinmoy Fashion and Concorde Creation Ltd, according to Bangladesh Garments and Industrial Workers Federation, and Bangladesh Centre for Workers Solidarity.

Nasir Uddin Chowdhury, acting president of the BGMEA, said they had an instruction to all their members not to sub-contract their work to non-bonded and non-member factories, as they do not follow safety standards.

"The instruction is, however, not in written. Still, most members follow it," he said.

Usually, sub-contracts are signed between the two companies who are members of the trade bodies and have the bond licences so that the trade bodies can take the responsibilities in any accident.

Bangladeshi garment makers import fabrics under bond licences to manufacture the garment items. The bond licences are also used for export of the manufactured items.

Smart Export used to produce clothes for international brands such as Inditex, KIK, G Blog, Solo Invest, SCOTT & FOX and Newly Look, according to the labour rights groups and the tags found in the burnt factory.

But no western brand has so far come forward to announce responsibility. The two labour groups also



Masaki Matsumae of Sony South-East Asia, attends the launch of XPERIA, a Sony smartphone, at Bashundhara City Shopping Mall in Dhaka on Monday. Aktar Hussain, chairman of Rangs Group of Companies, was also present.



Shanti Narayan Ghosh, chairman of the executive committee of Bangladesh Development Bank, inaugurates the bank's 25th branch in Hossainpur of Kishoreganj on Wednesday. Md Zillur Rahman, managing director, was also present.

# India seeks small ships movement between Chittagong, Vizag

THE HINDU

Seeking expand of trade and economic engagement, India on Monday asked Bangladesh to allow smaller ships to operate between Chittagong and Visakhapatnam to help faster movement of goods and reduce the trans-shipment cost as most of the present trade through sea route happens via Singapore inflating costs.

The issue came up for discussion during the bilateral talks between the Indian Commerce and Industry Minister Anand Sharma and Bangladesh's Commerce Minister GM Quader held at Agra in India.

Stating that India was seeking to increase trade with Bangladesh and wanted to give a new impetus to exports from Bangladesh into India, Sharma told his counterpart the India was strongly in favour of bringing down the massive trade imbalance in favour of India.

"As directed by Prime Minister Manmohan Singh to engage with its neighbours, we are constantly work-

ing on not only reducing the tariff and non-tariff barriers but also on how to increase imports from Bangladesh in India," said Sharma.

"We are for creating the right kind of economic environment for our neighbours and our actions should provide benefit to the youth of Bangladesh in shape of employment and business opportunities."

He also informed his Bangladesh counterpart that in order to facilitate border trade, work on upgrading infrastructure was being taken up at Petropole, Dawki; Akhaura Land Customs Stations to integrated checks posts has already begun on the India side.

In addition to the Border Haats at Balamri-Kalaichar and Lauwaghar-Balat at Meghalaya, two new Border Haats at Srinagar and Kamla Sagar in Tripura have also been approved.

Sharma informed that upgrading Hili, Changrabanda, Sutarkandi and Kawarpuchia land check posts will be taken up in next phase.

He also informed that on Bangladesh's request, work on upgra-

dation of warehouses in Petropole and Dawki will be taken up on priority.

India also informed that to improve trade infrastructure and connectivity, Department of Border Management under the Home Ministry was developing seven Integrated Check Posts (ICPs) on India-Bangladesh Border -- Petropole, Agartala, Dawki, Hili, Chandrabangha, Sutarkandi and Kawarpuchia.

The ICP at Agartala is expected to be completed by the middle of next year and Dawki by the end of 2013 or early 2014.

Further, eight land custom stations are being developed along the Indo-Bangladesh- Borosora, Dalu, Ghasupara, Mahadipur, Hilli, Phulbari, Srimantpur and Gojadanga.

Sharma also sought removal of port restrictions on items like yarn, milk powder, fish, sugar, potatoes which are affecting Indian exports particularly from West Bengal and North eastern States.

## Textile machinery fair starts tomorrow

STAR BUSINESS REPORT

A four-day exposition starts in Dhaka tomorrow to showcase the latest technology in textile and garment machinery to mill owners and investors.

A total of 850 companies from 31 countries will exhibit modern apparel machinery at 1,050 booths at the tenth Dhaka International Textile and Garments Machinery Exhibition.

Bangladesh Textile Mills Association (BTMA) is organising the show at Bangabandhu International Conference Centre in association with Chan Chao International Co Ltd and Yorkers Trade & Marketing Service Company Ltd.

"The textile and clothing sector faces immense competition. The use of modern technology in the sector will raise product quality and reduce production costs," Jahangir Alamin, president of BTMA, said at a press conference yesterday.

The BTMA chief said the expo has become known as MINI-ITME (International Textile Machinery Exhibition) in South Asia.

Alamin stressed the need for setting up a permanent fair complex saying that such a fair complex has become indispensable to meet the rising demand for holding fairs, expositions of different export oriented industries.

Bangladesh, being the second largest destination for RMG outsourcing in the world, has earned \$20 billion from export of textiles during 2011-12 fiscal and around five million workers, mostly women, are now working in the industry, he said.

Bangladesh accounts for 5 percent of the global readymade garment exports, according to Alamin.

Finance Minister AMA Muhith is scheduled to inaugurate the exhibition.

## UAE keen to build deep-sea port in Bangladesh

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"It's an open avenue," Sheikh Lubna told reporters after a meeting with Foreign Minister Dipu Moni at the Padma state guesthouse.

China has already shown interest in the project and discussion has already taken place at the highest level between the two countries, a government source said.

Sultan Ahmed Bin Sulayem, chairman of DP World, was part of the visiting UAE delegation which also held a meeting with the top officials of the Board of Investment.

Meanwhile, during her meeting with Sheikh Lubna at the Prime Minister's Office, PM Sheikh Hasina requested the UAE to reopen its labour market to Bangladesh as the amnesty period would end on February 4, 2014.

"The UAE may take engineers,

doctors, nurses, paramedics, IT experts, management consultants, certified accountants as well as skilled and semi-skilled workers from Bangladesh," she said.

In response, Sheikh Lubna said the restriction imposed by the UAE on issuance of new work visas applies to many countries -- other than Bangladesh.

"The restriction is not particular to Bangladesh. It covers workers of different nationalities."

Muhith also raised the issue during his meeting with the delegation.

"They said there are many illegal workers, whom they are legalising, and hence the bar on new visas. It will start again once the procedure is complete," he said, adding that there are 10 lakh Bangladeshis in Abu Dhabi alone.


Briefing reporters after the meeting, PM's Press Secretary Abul Kalam Azad said Sheikh Hasina and Sheikh Lubna discussed issues of bilateral interests.

The prime minister expressed her happiness over UAE's willingness to co-operate in port development and management, New Mooring Container Terminal, inland container depot and rail connectivity in Dhaka and Mongla Port, according to Azad.

She appreciated the UAE's role in promoting renewable energy and urged the UAE government to invest in the country's energy sector.

In this context, Hasina extended Bangladesh's support to UAE's bid to become the International Renewable Energy Agency (IRENA) headquarter.

With details from UNB



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ইন্টারন্যাশনাল কাইন্যান্স ইনভেস্টমেন্ট এন্ড কমার্স ব্যাংক লিমিটেড


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## PRICE SENSITIVE INFORMATION

The Board of Directors of IFIC Bank Limited in its 601<sup>st</sup> Meeting held on January 28, 2013 at 7.00 p.m. approved a proposal for purchasing 2767500 promoters shares of Nepal Bangladesh Bank Limited now standing in the name of Bank Asia Limited. The Board also decided to purchase 3846600 nos. local promoters shares of Nepal Bangladesh Bank Limited at a cost of NRS 260.00 per share (cost assessed by the Auditors as per due diligence Audit). The above mentioned deal will be materialized subject to approval from Bangladesh Bank and Nepal Rastra Bank respectively.

After successful completion of the above deal, total (about) 42.00% shares of Nepal Bangladesh Bank Limited shall be under control of IFIC Bank Limited.

On behalf of IFIC Bank Limited



**(A.K.M. Mozharul Hoque)**  
SEVP & Company Secretary

Dated: Dhaka  
The 28<sup>th</sup> January, 2013

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