

CCCI polls caught in disputes

ARUN BIKASH DEY, Chittagong

The polls schedule of Chittagong Chamber of Commerce and Industry has been declared amid a dispute between the chairman and two members of the election board over complying with a court directive on removing irregularities in voter list.

Though the polls date has been fixed for February 14, Chairman of the election board Jamal Uddin Ahmed said he does not know anything about the schedule.

"The secretary of the election board set the date without my concern," said Ahmed.

However, the two members said they have already complied with the court order and the decision on the polls date was taken at a meeting presided over by the chairman.

The chairman said he issued the secretary a letter on Tuesday asking him not to start any election proceedings before removing the irregularities in the voter list.

"I told the secretary that if the voter list is not corrected and other necessary steps are not taken according to the High Court order, we will have to face contempt of court charges," Ahmed said.

"I asked him to postpone the polls proceedings."

Mohammad Shamsul Hoque, one of the two members of the election board, said the secretary issued the election schedule as per the decision of a meeting of the board on January 19, when the chairman was present.

Several meetings took place in January when they discussed the HC directive and came to a conclusion that all the HC directives were complied with, he said.

"We have verified the voter list and then decided to declare the polls schedule at a meeting on January 19 and accordingly the secretary declared the date," Hoque said.

Fauzul Mobin Khan, another member of the election board, also said they have started election proceedings after complying with the HC directive.

"The decision on the polls schedule was taken on the January 19 meeting and the chairman presided over that meeting," he said.

"If the chairman keeps himself out of the polls proceedings, we the two members, as the majority of the board, can hold the election," Khan said.

"I do not understand why he [the chairman] is saying he is not

concerned about it as the decision on the polls schedule was taken at a meeting presided over by the chairman."

Morshed Arif Chowdhury, a director of the chamber, said the HC has directed the chamber to comply with the TO (trade organisation) rule 1994, but the polls schedule has been declared without complying with this rule.

Ershad Ullah, a former senior vice-president of the chamber, said he has issued a legal notice to the secretary of the election board and called for postponing the polls proceedings before complying with the HC order.

"It is a clear violation of the HC order and we will file a contempt of court case if they do not stop the proceedings," he said.

The CCCI election for 2013-2014 was originally scheduled for September 16, 2012 but a dispute arose among the general members over the correction of the voter list.

Failing to negotiate, the rival parties went to the court, which in an order on January 2 postponed the election and directed the chamber to bring necessary correction to the voter list within 90 days and then hold the election.

Denmark turns to social business

STAR BUSINESS REPORT

Denmark has hosted a daylong conference on the social business concept of Prof Muhammad Yunus to find answers to some of the problems the Scandinavian country faces.

The Danish foreign ministry in cooperation with the Confederation of Danish Industries organised the conference in Copenhagen on Monday where the Nobel laureate was the chief guest.

Christian Friis Bach, Denmark's minister for development cooperation, hosted the conference, which was also attended by Crown Princess Mary, according to a statement of the Yunus Centre in Dhaka.

The conference was inspired by Professor Yunus' concept of social business. Sessions were dedicated to discuss ways for social business to be used as a tool by the Danish government to solve problems in the country, and through the Danish government's overseas development programmes, in other countries.

The founder of Grameen Bank gave two keynote addresses and took questions from the audience



YUNUS CENTRE

From left, Nobel Laureate Professor Muhammad Yunus discusses social business with Danish Minister for Development Cooperation Christian Friis Bach and Crown Princess Mary of Denmark at the Conference on Social Business hosted by Denmark's foreign ministry in cooperation with the Confederation of Danish Industries in Copenhagen on January 28.

throughout the day.

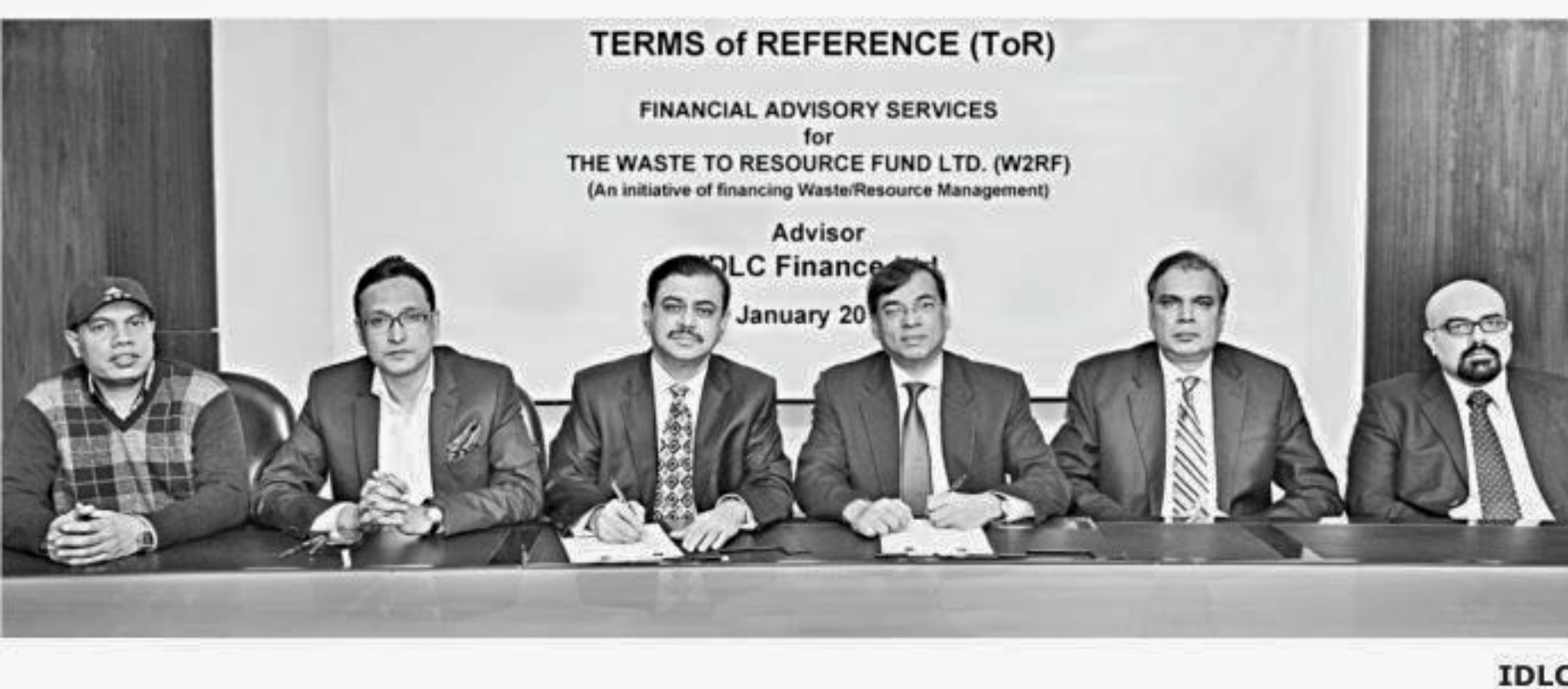
Dr Yunus narrated his experiences in setting up social businesses in Bangladesh, Haiti, Albania, Germany, France, Japan, Togo, Brazil, Colombia, Nepal, India, Tunisia and other countries.

The Banker to the Poor also gave proposals of how Denmark could use the social business concept to address social challenges within the country, such as

social exclusion and youth unemployment.

Over 150 guests, including top government officials, politicians and chief executives of corporate houses, took part in the conference.

The participants jointly identified top priorities for social business in development cooperation and social policy, according to the statement.



TERMS OF REFERENCE (ToR)

FINANCIAL ADVISORY SERVICES
FOR
THE WASTE TO RESOURCE FUND LTD. (W2RF)
(An initiative of financing Waste/Resource Management)

Advisor
IDLC Finance
January 2013

IDLC

Selim RF Hussain, chief executive officer of IDLC Finance, and Abu Hasnat Md Maqsood Sinha, director of Waste to Resource Fund (W2RF), sign a deal recently under which W2RF engaged IDLC to provide financial advisory services to design, evaluate, and monitor the investment process in their different projects.



GRAMREEN SOLUTIONS

Aziz Ahmad, managing director of Grameen Solutions Ltd, attends a ceremony to ring the closing bell of the New York Stock Exchange as an honour for his contribution to the field of business and financial sector for more than two decades in the USA recently.

Rate cut wins praise

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BB, however, has not been lending through repo for the last one year; instead it has been giving money to banks under an assured liquidity support known as special repo.

With the latest cut, the rate at which BB lends to banks, the repo rate, has come down to 7.25 percent, and the rate at which it buys money from banks, the reverse repo rate, to 5.25 percent.

The special repo rate remains unchanged at 7.75 percent.

Private sector credit and broad money growth targets have increased to 18.5 percent and 17.7 percent from the previous 18 percent and 16.5 percent respectively.

BB said customer deposit and lending rates remain sticky, but with the decline in inflation and short-term borrowing rates, they are expected to decline as well in the coming months.

"BB has created further space in its monetary programme in case there is greater lending appetite for productive purposes in H2FY13 [2nd half of fiscal 2012-13]," said the statement.

Ahmed, however, feels that setting a slightly higher credit target would not automatically lead to growth in investments, if energy deficiencies remain unaddressed. "I'm worried about employment. The BB could have enhanced the credit target to 19 percent or 20 percent to help the small and medium enterprises grow," he said. Bhattacharya, too, feels there are some pitfalls.

"Private sector credit growth may not be achieved like in the July-December period," he said, while adding that the quality of credit, slowdown in term loans, declining imports and a rise in bad loans concerned him.

AK Azad, the immediate past president of the Federation of Bangladesh Chambers

of Commerce and Industry, said: "Although the slight increase in private credit is not enough, it is the best of a bad bunch."

"We proposed raising credit growth to 20 percent as imports, both for capital machinery and raw materials, are declining."

Meanwhile, lenders hailed the new monetary policy stance, saying it would have a positive impact on the economy.

"This is a positive, forward-looking and constructive monetary policy stance," said Anis A Khan, managing director of Mutual Trust Bank, while adding that the various measures the policy proposes should usher in growth in the private sector.

"It looks like liquidity will remain at the current level, which is a stable one. However, a lot depends on the quantum of the government borrowing from banks," he said.

"A cut in repo rate and an increase in private credit target will facilitate availability of funds for businesses," said Helal Ahmed Chowdhury, managing director of Pubali Bank.

Chowdhury said the policy also targeted bringing down the spread, the gap between lending and deposit rates. "It is a balanced monetary policy to help contain inflation and boost growth."

Ahsan H Mansur, executive director of Policy Research Institute, a private think-tank, finds the proposed monetary policy to be a "broad continuation of the current one". "Some adjustments are noticeable, but it does not change the basic characteristics of the existing policy," said Mansur, also a former top official of the International Monetary Fund.

Although the economist deems the monetary targets in the policy to be fine, he feels the reverse repo rate could have been reduced more after another bout of fall in prices.

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BB lowers rates to spur economic growth

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This 'balanced' monetary policy will also aim to minimise excessive volatility of the exchange rate, he said.

Rahman also said these objectives involve tradeoffs, and the balance between BB's instruments and its targets will be reviewed regularly.

Allah Malik Kazemi, a senior consultant of the central bank, said the monetary policy is being described as 'balanced' because adequate measures have been taken to combat the risks created by the credit expansion.

Kazemi also said the aim of the monetary policy is to create a conducive environment for achieving the target for economic growth set by the government.

BB Chief Economist Hassan Zaman said, "Declining inflation has created the space for the repo rate reduction which should have an impact on lending rates and stimulate more growth-enhancing investments."

At the same time, the BB is mindful of inflation risks and has calibrated the rate cut accordingly, keeping in mind this inflation-growth balance, he said.

BB Deputy Governor SK Sur Chowdhury said the liquidity of the banks will increase and they will cut the interest rate on loans.

He said the banks have already started lowering the interest rate on credit and it will go down further.

The economy will expand more than 6 percent in the fiscal year, in line with the 10-year average, though growth may fall short of the government's 7.2 percent target, the BB said.

The goal of an average inflation rate of 7.5 percent "appears achievable, though risks remain," such as energy and food

prices, it said.

Consumer-price growth was 7.69 percent in December 2012, moderating from almost 12 percent in September 2011.

The MPS said financial sector stability is also important for effective monetary policy.

The recent measures include tightening loan classification and provisioning rules towards convergence with global best practices, introducing online supervisory reporting requirements on financial transactions and strengthening onsite and offsite vigilance.

Various measures to detect fraud have been implemented, it said.

The central bank has strengthened its supervision capacity as well as reiterated the role that bank boards and management play in this regard, the BB said.

The BB will focus on improving the quality, timeliness and transparency of reporting from the financial sector.

The central bank will also commence special diagnostic examinations at the four state banks in early 2013 and will begin publishing a set of quarterly performance indicators on these banks, the MPS said.

The MPS said the central bank will continue to encourage banks to focus on productive sectors and limit share of consumer credit.

Bank lending and practices which contribute to asset bubbles, such as in land prices, will be closely examined and discouraged, it said.

The MPS said closer bank supervision and inspection will also ensure that single borrower exposure limits are not exceeded so that the distribution of this private sector credit growth remains broad-based across the spectrum of different industry sizes.

Asia Energy CEO visits Dinajpur

STAR BUSINESS DESK

Gary Lye, chief executive officer of Asia Energy, a subsidiary of British coal miner GCM Resources, visited Dinajpur on Monday after touring the Birampur, Nawabganj, Phulbari and Parbatipur parts of the company's proposed mining area.

During the two-day visit, he met the heads of the local administration and the community members from four upazilas that straddle the coal project area.

"The affected populace of the four upazilas will be given adequate compensation and proper value for their land," said Lye at the meeting in Birampur.

"The benefits from the project are far reaching and all will benefit. It will be a catalyst to bring the people of all four upazilas to work together for the development of their region and the nation."

Textile sector booming

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

Local textile mills now meet 80-85 percent of knit and 35-40 percent of woven garments requirements of the RMG sector, said Jahangir Alamin, president of BTMA.

Bangladesh has the potential to raise RMG export to \$40 billion by 2020 as global wholesale buyers now count the country as a preferred source for apparel supply, he said.

"We have to harness and materialise this potential into reality through coordinated efforts from all concerned of the private as well as the public sector."

Local entrepreneurs will get an excellent opportunity to have a glimpse of the variety of latest machinery and the entire supply chain, including spinning, weaving, knitting, dyeing, and printing and washing, at the fair, he said.

Alamin urged local entrepreneurs to visit the fair to find out the most appropriate technology that will help them achieving competitive edges in the global market.

Bangladesh earned \$20 billion from export of textiles in 2011-12 and around five million workers, mostly women, are now working in the industry.

The fair will remain open from 12 noon to 8 pm

Safety drives flop on scanty budgets

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But the project was later pushed to the ADP of fiscal 2008-09 to be executed by fiscal 2011-12.

"And now, the same project is added in the current fiscal year's ADP -- without approval."

"It seems that some projects have been kept just for their face value," said Moazzem.

The proposal to strengthen the inspection department is another noteworthy carry-over scheme.

The government recently approved the project, which involves setting up five zonal and four regional offices of the inspection department, along with increasing the body's manpower and logistics.

The project, to cost Tk 24 crore, took three years to get an approval, said the official of the Department.

However, Zaid Bakht, research director of Bangladesh Institute of Development Studies, said the main problem is not the low budget; the problem is in the



BASIC BANK

Sheikh Abdul Hye Bacchu, chairman of BASIC Bank, distributes winter clothes among the poor at a ceremony in Tungipara of Gopalganj recently. Kazi Faqurul Islam, managing director, was also present.



ROBI

Mahmudur Rahman, executive vice president of Robi Axiata, and Mohiuddin Babar, vice president, attend a programme to mark the inclusion of 440 houses of Kurigram into the mobile operator's solar-power supplying project -- Robir Alo -- on Tuesday.



SSL WIRELESS

Syed Mohammad Kamal, chief executive officer of SSL Wireless, and Rashid Ahmed, managing director of Sunflower Life Insurance Co Ltd, attend the signing of a mobile insurance services agreement at a ceremony in Dhaka on Wednesday.