



Finance Minister AMA Muhith calls on Indian President Pranab Mukherjee at Sonargaon Hotel in the capital yesterday. Mukherjee is in Dhaka now on a three-day visit. Story on page 2

# Law to tighten reins on Islamic banking

Only Islamic banks will be allowed to offer shariah-based services; amended Banking Companies Act goes to cabinet today for nod

REJAUL KARIM BYRON

Traditional commercial banks will have to close their Islamic banking wings, and only the full-fledged Islamic banks will be allowed to offer the shariah-based services.

If commercial banks offer Islamic banking along with traditional services, the main spirit of the Islamic banking is hampered, a finance ministry official said.

The change has been incorporated in the amendment to the Banking Companies Act, which is likely to be placed in a cabinet meeting today for approval.

The law will also have stringent

measures to curb frauds in fund collection from people in the name of deposits, and scams in the banking sector.

If any non-bank organisation collects deposits from the public, it will have to take approval from the central bank, according to the proposed amendment.

Bangladesh Bank will also monitor the activities of these organisations and take punitive measures against them if any irregularity is detected.

The ministry official said the changes will be included in the amendment as different organisations, including Destiny, collected

deposits from their members and later embezzled the funds.

No bank will be allowed to appoint more than 15 directors, but the new banks will get two years to bring down the number of their directors.

Over the last decade, successive governments took a number of initiatives to limit the number of directors on the board to ensure sound corporate governance and discipline. But the moves fell flat due to pressures from influential bank owners.

The existing law does not specify the number of directors.

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## Hartal hits stocks hard

STAR BUSINESS REPORT

A bloody start to a three-day strike took a heavy toll on the stockmarket, as share prices declined 5.21 percent yesterday, the highest single day fall in the last 13 months.

The DSE Broad Index (DSEX), the benchmark index of the Dhaka Stock Exchange, finished the day at 3,765.98 points, after falling 207.29 points.

“Investor confidence deteriorated further, due to rising concerns over the ongoing political troubles,” said Ahasanul Islam, former vice president of the DSE.

The three-day strike enforced by Jamaat-e-Islami and BNP affected the stockmarket as the market is sensitive, Islam said. He urged investors not to panic over such fall.

Institutional investors are adopting a wait-and-see policy, Mohammad A Hafiz, president of Bangladesh Merchant Bankers Association, said, advising investors to be patient about the market.

“It is a dreadful start for March, as all indices dropped to their lowest in 2013 over confidence breakdown among investors,” said IDLC Investments, a leading investment bank.

“With political situation getting worse, investors seemed to lose confidence totally as improvement in investment outlook under prevailing circumstances seems a distant dream now.”

Turnover improved slightly by 22.62 percent to Tk 262 crore, as the market hitting the year-low prompted opportunistic investors to act contrary to market sentiments, the investment banker said.

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## IMPACT OF VIOLENT POLITICS

# Prices to spiral due to supply crunch

SUMAN SAHA

The commodity supply from the north of the country, the production hub, has been ground to a halt by the terror unleashed by Jamaat-Shibir activists.

From yesterday, the first day of a three-day strike, trucks and covered van owners stopped operating their vehicles fearing arson attacks especially in Bogra, Rajshahi, Joypurhat and Rangpur.

“We are living in tremendous fear,” said Md Mukbul Ahmed, president of Bangladesh Covered Van Truck Ponnio Paribahan Malik Association.

Pickers usually vandalise vehicles during hartals, but this time, they are

setting the trucks on fire, he said.

“So, we are not renting our vehicles, especially from the northern districts,” Ahmed said.

Popular vegetables item such as potato, tomato, green chilli, bitter gourd, cabbage, cauliflower, cucumber, brinjal and pointed gourd come from the northern part of the country.

Around 2,000-3,000 trucks come to Dhaka a day with agri-produce from the north, Ahmed said.

The miscreants yesterday set fire to 12-14 goods trucks across the country, said Rustam Ali, general secretary of Bangladesh Truck-Covered Van Owners' Association.

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# BTCL awards Tk 380cr deal violating rules

ABDULLAH MAMUN

State-run telecom operator BTCL awarded a Tk 380-crore contract to a company, bypassing rules.

The decision of awarding the deal for installing equipment for an exchange for access network was taken at a board meeting of the BTCL although the meeting minutes were not endorsed by the board members.

Even the objections raised by a board member regarding the contract were excluded from the minutes, to pave the way for a unanimous approval to the decision.

The company cannot take a final decision until all board members give a go-ahead to the meeting minutes, an official of Bangladesh Telecommunications Company Ltd (BTCL) said, asking not to be named.

The official said a notification regarding the award was issued even before the meeting minutes were approved, which is a violation of the Companies Act.

The board member whose objections

were ignored has recently submitted a "note of dissent" to the board against the prepared minutes that contained the approval to the contract.

He complained in the note that his apprehended points, observations and suggestions were barred from the meeting minutes. However, the BTCL is yet to enter into a final agreement with the awardee.

SOM Kalim Ullah, managing director of BTCL, confirmed that they received the note of dissent and said the matter will be discussed in the next board meeting.

Another board member said he was not present at the meeting when the matter was discussed. He also said, as the meeting minutes were not endorsed by the board, the matter will be addressed in the next meeting.

The BTCL director in his note suggested forming a committee to recheck both the technical and financial evaluation reports of the bid, as he found inappropriate acts and biased evaluation while awarding the contract.

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# Shutdown hurts Ctg businesses

UDAY SANKAR DAS, Chittagong

Business leaders in Chittagong are frustrated with the continuous political strikes, as the country's economy is taking a hit.

Hartals are tarnishing the country's image and foreign investors would move to neighbouring countries with their business if this continues, they said.

There were two strikes last week. Bangladesh Jamaat-e-Islami enforced a 48-hour strike starting

yesterday, followed by BNP's hartal on Tuesday.

Business leaders in Chittagong urged the political parties to refrain from hosting programmes that hamper business and to ensure a peaceful environment.

Nasiruddin Chowdhury, the first vice president of Bangladesh Garment Manufacturers and Exporters Association, said their business is based on imports and exports and hartals hamper the transportation of imported and manufactured goods.

He said, if the current situation continues, the garments industry would collapse and have a devastating impact on the economy. The foreign buyers are keeping an eye on the situation and it would not be surprising if they divert business elsewhere, Chowdhury added.

He urged all the political parties to come to an amicable decision for the economy's sake.

Mahbubul Alam, senior vice president of Chittagong Chamber of Commerce and Industry, said even though calling a strike is a democratic right of any political party, they should refrain from taking steps that are detrimental to business.

It is their responsibility to ensure smooth operations of businesses, he added.

Kamal Hayat, senior vice president of Bangladesh Shipping Agents' Association, said hartals affect port activities, causing “irreparable damage to the economy.”

Hayat said, at the end of the day, the common people suffer the most. He called upon the politicians to be more sensible and honest about their political activities, to ensure both economic development and peace and stability in the country.

Khatunganj, one of the biggest wholesale markets of essential commodities, was deserted yesterday, with hardly any trade taking place.

Syed Sagir Ahmed, general secretary of Khatunganj Trade and Industries Association, said transactions worth Tk 1,000 crore-Tk 1,200 crore takes place in Khatunganj on a normal day, which dropped to less than 15 percent of the amount yesterday.

He said the prices of essential commodities might rise if such a situation continues.

## Exports suffer most

DWAIPAYAN BARUA, Chittagong

Anxiety grips exporters in the port city as timely export of goods becomes uncertain with the beginning of a three-day country-wide shutdown yesterday.

Containers laden with 2,900 twenty-foot equivalent units of export goods remained stranded at 16 inland container depots (ICDs) in different parts of Chittagong on the first day of the hartal, according to officials of the ICDs.

Ruhul Amin Sikder, secretary of Bangladesh Inland Container Depot Association, told The Daily Star that the containers remained stranded even after completion of stuffing of goods as those could not be transported to the port for shipment due to the shutdown.

Almost 90 percent of these export goods are readymade garments, while the rest includes goods like jute prod-

ucts, he said.

Esac Brothers, an ICD located near the port, managed to transport only 30 containers out of 351 to the port yesterday, according to the officials.

But transport of goods could not be possible from the ICDs located at distant places, Sikder said.

On Saturday, the Chittagong Port Authority in a notice urged the ICDs to take assistance from the law enforcing agencies for safe transport of containers to the port.

Sikder said they usually take police escort at the end of a dawn-to-dusk hartal to transport goods in the night time.

“But this time it is a 48-hour hartal, and the situation is very violent elsewhere as police is also being targeted by the hartal supporters,” said the leader of the association.

“Who will take the liability of the valuable goods and covered vans during such violence?”

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