



Prime Minister Sheikh Hasina and leaders of Bangladesh Garment Manufacturers and Exporters Association stand in silence for a minute to mourn the victims of the Savar tragedy, at a meeting at the Prime Minister's Office in Dhaka yesterday. Related story on page 20

Green banking gets warm response: BB

MD FAZLUR RAHMAN

Local and foreign banks have spontaneously responded to the central bank's efforts to make the country's banking practices environment-friendly, a new report found.

Banks disbursed Tk 27,092 crore as green finance in 2012, said the central bank annual report on green banking practices in the country.

This is the first annual report on green banking prepared by the green banking and CSR department of Bangladesh Bank.

Khondkar Morshed Millat, deputy general manager of BB, and Md Zainul Abedin and Shamima Akhter, assistant directors, authored the report.

The authors said BB is the first central bank in the world to have a clear vision on promoting green banking and safeguarding the environment from unusual weather

patterns, rising greenhouse gases, and declining air quality.

The central bank has proactively come forward to put in place a fund of Tk 200 crore to refinance lending for renewable energy generation and other environmentally beneficial projects such as effluent treatment plants and energy efficient kilns for brickfields.

As of December 2012, Tk 85 crore out of the revolving fund has been allocated for different green projects in the areas of solar irrigation pumps, solar home systems, biogas plants, effluent treatment plants, brick kilns and solar photovoltaic module assembling plants.

It was only Tk 25 crore in 2011, said the report.

Banks are already required to report on their green banking activities on a quarterly basis. All scheduled banks have formulated their

own green banking policy and formed green banking unit.

The report said the central bank has formulated Environmental Risk Management guidelines. The guidelines are for assessing environmental risks and do not intend to squeeze investment but ensure sustainable finance, according to the authors.

According to the report, BB Governor Atiur Rahman said green banking is not only limited to building awareness but also in practice and banks are responding spontaneously.

"I am convinced that with the level of enthusiastic commitment and engagement demonstrated by our financial sector, green banking initiatives in Bangladesh will keep attracting yet wider recognition and attention from outside our borders," he said.

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Bourses ask for tax waiver for small investors in next budget

STAR BUSINESS REPORT

Stock exchanges have called for tax-exemption for small investors and come up with a host of recommendations for the upcoming budget.

"We have placed a number of demands to inspire long-term investment by institutional investors and bring in the small ones," Swapan Kumar Bala, chief executive officer of Dhaka Stock Exchange, said at a pre-budget discussion with the National Board of Revenue on Saturday.

Both the bourses in Dhaka and Chittagong proposed slashing the corporate tax for listed banks, insurance and non-bank financial institutions to 37.5 percent from the existing 42.5 percent.

They also called for reduction of tax at source for brokerage houses to 0.015 percent from 0.05 percent.

The bourses recommended a new scheme which would allow a 50 percent rebate on income tax for investors with outlays of up to Tk 1 lakh in the market. The scheme would have to have a lock-in period for three years.

"India introduced such a scheme last fiscal year. It will improve the depth of the capital market and increase the flow of savings to the market," Bala said.

The bourses also demanded cuts in taxes on capital gains for companies, who, currently pay 10 percent to the NBR on incomes derived from share transactions.

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Apparel exporters to appoint lobbyists to retain GSP

SAJJADUR RAHMAN

Apparel exporters have once again decided to appoint lobbyists to retain a trade benefit --generalised system of preferences -- and get duty- and quota-free access for their products to the US market.

Two trade bodies in the sector have jointly taken the decision after the government advised them to do so following the fire at Tazreen Fashions and building collapse in Savar.

"We're trying to appoint lobbyists; negotiations are going on," said Shafiul Islam Mohiuddin, the immediate past president of Bangladesh Garment Manufacturers and Exporters

Association.

Mohiuddin attended the latest GSP hearing before the United States Trade Representative (USTR) in March as Bangladesh's workplace safety came under severe criticism.

"This time we want a result; the lobbyists will have to have the capacity," said Mohiuddin based on his previous experiences.

Earlier, the BGMEA had appointed lobbyists twice -- in 2005 and 2007 -- for getting duty-free access to the US market, but to no avail.

"This time we'll give them a target," said Atiqul Islam, the incumbent president of the BGMEA.

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Remittances slip, slightly

STAR BUSINESS REPORT

Bangladesh received more than \$1.18 billion in remittances in April, down by 3.82 percent from the previous month, the central bank said yesterday.

The amount in April, however, was about 9 percent higher than that in the same month a year ago.

Overall, remittances rose 15.9 percent to \$12.30 billion in the first ten months (July-April) of the current fiscal year, from \$10.61 billion in the same period last year.

This is the 17th month in a row that remittances remained above the one-billion-dollar mark.

The building collapse in Savar last month might have an impact on the remittance inflow, said Mustafa K Mujeri, director general of Bangladesh Institute of Development Studies.

"It [the building collapse] was a great shock for the migrant workers. This made them psychologically disturbed, which might have discouraged them to remit," he said.

REMITTANCE INFLOW IN BILLION DOLLAR



The higher inflow of remittances is important as it eases pressures on the balance of payments and curbs volatility in the exchange rate.

Government efforts to send more workers abroad and banks' steps to ensure quicker delivery of money to the relatives of migrant workers have helped remittances climb.

Bangladesh sent 6.07 lakh workers abroad in 2012, up from 5.68 lakh the year before, according to state-run Bureau of Manpower, Employment and Training. Currently, more than 80 lakh Bangladeshis work abroad.

Remittance receipts totalled \$12.84 billion in fiscal 2011-12, up from \$11.65 billion in the previous year.

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Rio Tinto warns of more job cuts

AFP, Sydney

Rio Tinto chief Sam Walsh on Sunday warned of more job cuts as the mining giant works to make \$5 billion in savings by the end of 2014.

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