

Set up Belgium embassy in Dhaka: Barua

STAR BUSINESS REPORT

Industries Minister Dilip Barua yesterday urged the government of Belgium to set up an embassy in Bangladesh to accelerate trade and investment between the two nations.

The embassy in Dhaka will help boost bilateral trade between the two countries and strengthen partnership for mutual benefits, Barua said.

He spoke at a seminar on "exploring Belgium-Bangladesh business opportunities" at Ruposhi Bangla Hotel in Dhaka. A 17 members business delegation comprising officials from 10 renowned companies of Belgium came to Dhaka yesterday on a three-day visit. Currently, Bangladeshi people get their visas processed at the Belgium embassy in New Delhi for travelling to the European country.

The seminar was co-organised by the Federation of Bangladesh Chambers of Commerce and Industry, Metropolitan Chamber of Commerce and Industry, and Dhaka Chamber of Commerce and Industry.

The minister also urged the



Dilip Barua, industries minister, speaks at a seminar on exploring Belgium-Bangladesh business opportunities, at Ruposhi Bangla Hotel in Dhaka yesterday.

businesspeople of Belgium to explore new opportunities and invest in Bangladesh.

Bangladesh has tremendous business opportunities in IT, telecom, infrastructure, transport, power, garment and textile, real estate, natural resources, frozen

foods, agribusiness and many other sectors, the minister said.

"We've come to Bangladesh with a trade delegation because there is scope for more bilateral trade," said Jos De Clercq, trade and investment commissioner of Flanders Investment and Trade at

the Belgium embassy in New Delhi.

Flanders Investment and Trade is the government agency of Flanders, the northern region of Belgium, and promotes sustainable business in the interest of Flanders-based companies and

overseas enterprises.

One of the objectives of the delegation was to look for new business opportunities and establish business contacts, according to Clercq.

The delegation was also scheduled to meet officials of the World Bank and Asian Development Bank to increase Belgium's participation in future projects in Bangladesh, he said.

Belgium has been a long-standing trading partner of Bangladesh, said FBCCI President Kazi Akram Uddin Ahmed.

"The relationship provides a strong base for reinforcing economic cooperation in the context of global economic changes," he said.

The bilateral trade between the two countries was worth \$886 million in fiscal 2011-12, according to the FBCCI.

Bangladesh exported goods worth \$741 million, while imported products worth \$145 million from Belgium.

Sabur Khan, president of the Dhaka chamber, and Monowara Hakim Ali, first vice president of the FBCCI, also spoke.



Ahsan Khan Chowdhury, deputy managing director of PRAN-RFL Group, and Rajiv Pradhan, country director of iDe, attend a programme where the companies signed a deal to support improved access to irrigation and agri-machineries for small farmers in Bangladesh, at the iDe office in Dhaka on Saturday.

NRB Bank gets managing director

STAR BUSINESS DESK

Muklesur Rahman has joined NRB Bank as the managing director, the bank said in a statement yesterday.

Rahman was serving as deputy managing director of Eastern Bank Ltd prior to this appointment.

He has over 29 years of experience in banking, including corporate, SME, operation and consumer banking in different capacities with both local and foreign banks, including United Commercial Bank, Standard Chartered Grindlays Bank and Citi.



Tk 10 bank accounts for the destitute

STAR BUSINESS REPORT

The central bank yesterday asked state-owned commercial and specialised banks to open low-cost accounts for the destitute people who receive allowances from the religious ministry.

A farmer can open such an account easily with a Tk 10 initial deposit and submitting copies of national ID card or birth registration certificate or the certificate issued by the upazila nirbahi officer.

"There will be no requirement for maintaining minimum balance. No fees will be charged for these accounts," Bangladesh Bank said in a notice.

The central bank in 2010 took the initiative of opening accounts for the farmers in a similar manner and so far seven state-owned banks opened nearly 95 lakh accounts for them.

Provision to examine animal feed at ports goes

STAFF CORRESPONDENT

The government has withdrawn the provision to examine imported animal and poultry feed on arrival at the ports, as the provision has been hampering its import.

Cabinet committee on economic affairs at a meeting yesterday approved the proposal of withdrawing the provision.

After the meeting, Finance Minister AMA Muhih said the provision has been dropped to ease import procedures of the feed.

The minister, however, said the packets of the feed must contain writings to the effect that there is no harmful substance in the materials, and certificate from competent authorities in this regard has to be submitted.

The commerce ministry proposal said a provision in the import policy for 2012-15 made it mandatory for examining the packets of the feed to ascertain whether they contain harmful nitro furan and antibiotic.

The provision restricts businesses release huge amount of the feed from the port, which will in turn push up the prices of chicken and eggs in the long-run, according to the proposal.

Energy key to higher growth

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He, however, said there are no clear policies on the energy sector in Bangladesh and foreign investors would not be happy if they go through the contract documents.

Geoffrey Strong, president of Chevron Bangladesh, said more could be done to increase investment in gas producing and hike production, as the demand for energy keeps growing in Bangladesh.

"The government should also improve the fiscal terms of the production-sharing contracts to enable the huge investments that will be required to find and develop more gas resources."

"The gas price should be increased to reflect today's cost of doing business and the PSC contractors should be allowed to sell their share of the gas to third parties at market prices."

Strong said the price in the model PSC is not economically viable. Even with higher prices, domestically-produced gas prices will continue to provide the lowest cost of energy for Bangladesh.

M Riaz Hamidullah, a director general of the for-



AM Nurul Islam, vice chairman of Bank Asia, inaugurates the 72nd branch of the bank at Hemayetpur in Savar yesterday. Aminul Islam and Md Arfan Ali, deputy managing directors, were also present.



M Wahidul Haque, chairman of AB Bank, and M Fazlur Rahman, managing director, pose with the participants of an induction programme of the bank's newly recruited management trainees in Dhaka recently.

HSBC calls for faster banking reforms

REUTERS, London

HSBC called on regulators to speed up industry reform as its shareholders urged Europe's biggest bank to take a lead in cutting pay and criticised it for compliance failings and aiding tax avoidance.

HSBC Chairman Douglas Flint told around 400 shareholders at the bank's annual meeting that the fallout from recent scandals had created a "once-in-a-generation" opportunity to reform banking and the broader financial industry.

"As a first priority we need to speed up the reform process. Otherwise investor confidence in the sector will continue to be undermined," he said.

Investors approved its 2012 pay plan, with 11 percent of shareholders voting against it, compared with 10 percent at last year's meeting. Including abstentions, 14.7 percent of shareholders this year failed to back the plan.

"I'd like to see an immediate end to any increase in pay and a reduction in bonuses, which are totally disproportionate to what is delivered," said private shareholder David Haslam.

He said it was an industry problem, rather than specific to HSBC, but added HSBC should lead the way in pay reform.

CEO Stuart Gulliver was paid 7.4 million pounds last year, down from 8 million for 2011. The bank paid 204 employees more than 1 million pounds last year, including 78 in Britain.

Flint apologised to shareholders for the bank's failings after it was handed fines of \$1.9 billion in December, the largest ever imposed on a bank, following a US investi-

gation into its Mexican and US operations.

The probe made scathing criticism of HSBC's anti-money-laundering systems and found its lax controls allowed two drug cartels to move \$881 million through the bank.

"We were humbled and horrified to discover findings of such magnitude," said Flint.

The settlement included a deferred prosecution agreement (DPA), meaning the bank's operations would be monitored but it remains exempt from prosecution unless it transgresses again.

The Guardian newspaper on Friday reported a row between the US Justice Department and the judge overseeing the case. It said Judge John Gleeson was believed to be considering rejecting the deal, which could leave HSBC facing a criminal prosecution.

Flint said the bank was doing all that had been asked of it by US authorities and was not involved in any discussion between the judge and regulators. "We have done everything we said we were going to do," he said.

HSBC shares closed down 2.1 percent, underperforming a 1.1 percent fall in Europe's banking index. "There is increased concern in the US about DPAs, but the authority and role of the judges is unclear," analysts at Credit Suisse said.

Several shareholders slammed HSBC for its mistakes in Mexico and accused it of aiding tax avoidance by customers in countries including Switzerland and Jersey.

Flint said the bank was reviewing its operations in so-called tax havens and expected a significant reduction in the amount of business it does in those jurisdictions, though he said legitimate business was done there.

Gap renews pledge to stay in Bangladesh

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"Last October, after more than a year of negotiations that failed to result in an agreement, we announced our four-point plan that includes a meaningful commitment of financial support of up to \$22 million so that improvements are made," Gap said in a statement on May 13.

Gap purchases garment products from 78 factories in Bangladesh.

Urging the US to continue the generalised system of preferences for Bangladesh, Roy Ramesh Chandra, general secretary of IndustriALL Bangladesh Council, said millions of garment workers will lose jobs, if the US and the EU take trade actions.

"I would like to draw the attention of the US government so that Wal-Mart, Gap and Sears sign the fire safety accord, Ramesh Chandra said. "Unethical buying practices should be stopped. The brands should pay the right prices for

the garment items," he said.

"Our country will be in trouble if the US and Europe suspend GSP privileges."

Humayun Kabir, former ambassador of Bangladesh to the US, echoed Ramesh Chandra and urged the US to continue GSP.

Corporate governance needs to be established for solving problems in the private sector, said Karen Hanrahan, US deputy assistant secretary for democracy, human rights and labour, while co-chairing the session with former DCCI president Asif Ibrahim.

"This is a time for opportunity. We need to work together and we have to identify the problems first, by making checklists," she said.

The political, corruption related, social and cultural issues should be resolved through working together, she added. "The US government wants to bring opportunity to Bangladesh," Hanrahan said.

In his keynote, Wajedul Islam Khan, general secretary of Bangladesh Trade Union Centre, emphasised upholding the provision of decent work and wage and right to freedom of association.

Non-banks demand tax waiver for zero coupon bonds

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Zero coupon bonds are bonds that do not pay interest during the life of the bonds. Instead, investors buy these at lower price than their face value, which is the amount a bond will be worth when it matures. When a zero coupon bond matures, the investor will receive one lump sum amount.

NBFIs also intend to issue subordinated bonds like banks for raising funds from the money market.

Leasing companies said they have to compete with the banks and pay the same tax at 42.5 percent, but their business is restricted, such as they cannot take deposits for less than six months.

"Let us allow to take deposits of three months. We've developed short-term products that need short-term funding," said Khan.

The BLFCA president also said tax is imposed on the gross amount, including the provisioning figure, which is not fair for the industry. "NBR takes tax on the amount we did not profit," he said.



Abul Barakat, chairman of Janata Bank, attends a programme to honour 40 freedom fighters of Rajshahi and Rangpur divisions at RDRS Auditorium in Rangpur on Saturday.



Khondker Mosharrif Hossain, expatriates' welfare and overseas employment minister, opens a two-day expatriate banking and remittance fair in Faridpur on Friday. Enayet Karim, president of Global Economist Forum, was also present.