

# Business leaders seek policy clarity from political parties

STAR BUSINESS REPORT

Political parties must clearly outline in their election manifestos the course of action they intend against scandals that marred the banking industry recently, speakers said yesterday.

"It is urgent to bring discipline to financial institutions. So, the major political parties have to specify the goal in their upcoming election pledges," said AK Chowdhury, a founding partner of Hoda Vasi Chowdhury, a leading chartered firm in Bangladesh.

He spoke at a discussion, 'Stakeholders Meeting on Upcoming Election Manifesto of the Political Parties' organised by International Business Forum of Bangladesh (IBFB) at its office in Dhaka.

Even minimum accountability can prevent banking scandals significantly

and political parties have to be bold against the wrongdoers, Chowdhury said.

In recent times, swindlers have taken large amounts of money from state banks. Hall-Mark and five other companies took away over Tk 3,500 crore from Sonali Bank between 2010 and 2012 on forged documents.

Janata, Agrani and Rupali banks were also to blame for their involvement in lending to fake companies. Recently, BASIC Bank came into focus for irregularities in lending of over Tk 4,000 crore, greatly risking the depositors' money.

Private banks were also scandalised along with the state owned ones. Bismillah Towel, a Terry towel maker, has allegedly taken away over Tk 1,000 crore on false documents from some banks, including Prime, Jamuna and Janata banks.

"Banking reforms are a must for prudential regulation," said M Abul Kashem Mozumder, a professor of public administration at Jahangirnagar University.

The political parties should prepare their election manifestoes to ensure a good business environment in the days ahead to attract the voters of the business community, said Kazi Akram Uddin Ahmed, president of the Federation of Bangladesh Chambers of Commerce and Industry.

Suhel A Chowdhury, a former commerce secretary, also urged the political parties to clearly outline policies to achieve 8 percent GDP growth in their election pledges.

Besides, election hopefuls should also provide an outline on how they will commission at least two special economic zones in five years, he said.

Political parties have to make honest

commitment against all types of political violence during shutdowns, even if they do not win, said Priti Chakraborty, director of Bangladesh Chamber of Industries.

Humayun Rashid, managing director of Emurgypac Power Generation Ltd, urged the parties to single out railways and waterways as priority projects in their manifestoes.

"Rail and waterways are trusted and cheap modes of communication. Political parties have to give importance on modernising the sectors," he said.

Habibullah N Karim, a former president of Bangladesh Association of Software and Information Services, stressed finding ways to reduce costs of doing business.

Hafizur Rahman Khan, president of IBFB, and Mahmudul Islam Chowdhury, immediate-past president of IBFB, also spoke.



TRUST BANK

Ishtiaque Ahmed Chowdhury, managing director of Trust Bank, receives a plaque for the bank's support to increase inward foreign remittances, given by Centre for Non-Residential Bangladeshis, from Dan Mozena, US ambassador to Bangladesh, at Sonargaon Hotel in Dhaka recently. Atiur Rahman, governor of Bangladesh Bank, was also present.

## Biman chairman wins prestigious award

STAR BUSINESS REPORT

Biman Chairman Jamal Uddin Ahmed has won the annual Asia's Most Promising Leaders' Award, while Biman Bangladesh Airlines has been nominated for Asia's Most Promising Brands Awards, the airline said in a statement yesterday.



Jamal Uddin Ahmed

Judged by a panel that included KPMG auditors, evaluators and researchers of WCRC and ibrand 360, Ahmed was nominated in the promising leadership category.

Considering the chairman's visionary leadership that paved the way for a major ongoing overhaul of the airline, the members of the jury were in full agreement for his nomination, according to the statement.

Since joining Biman in January 2009, Ahmed, a retired air marshal, brought some "phenomenal" changes to the management and operations of the airline.

Ahmed will receive the award at a gala ceremony during the Asian Brand and Leadership Summit 2013 to be held in Dubai on August 26-27.

Kevin Steele, managing director and CEO of Biman, is expected to be present at the summit on behalf of Biman.

## India to supply 20 lakh bales of cotton to Bangladesh

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Under the draft pact, private sectors of the two countries and the CCI and the TCB will engage in exports and imports.

"In case of imposition of restriction on export of cotton by India at any time, the CCI and TCB will determine through consultation the remaining volume of cotton exports in the season," an Indian textiles ministry official said.

At present, exports of cotton are in 'open general licence' category with registration of export contracts by the Indian Directorate General of Foreign Trade.

India's cotton exports are estimated at around 100 lakh bales in the current cotton season. In the previous season, the country exported 129 lakh bales.

The textiles sector collaboration pact came into effect yesterday and will remain in force for a period of five years. The agreement will be reviewed in every two years, the official said.

"We have signed the collaboration agreement which would act as a major trade facilitation mechanism, by establishing institutional mechanism for collaboration through Joint Working Group," Rao said.

Under the textile cooperation pact, India and Bangladesh would cooperate in different areas like fashion technology through exchange programmes, skill exchange through institutions and upgradation and enhancement of productivity, efficiency, management techniques and research and development.

The pact was signed by Indian Textiles Secretary Zohra Chatterjee and Bangladesh Textiles Secretary Ashraf Moqbul.

Also, the two sides discussed about establishment of a successor organisation for the International Jute Study Group in Dhaka through joint efforts at the UNCTAD.

India and Bangladesh together account for nearly 94 percent of the world's production of jute and allied fibre.

## NBR shuffles 147 officials

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The transfers of some officials were due, he said. Some officials were transferred for "family and health" reasons.

The transfers however have raised questions among a section of revenue officials, as some officials were shifted before they completed their two-year assignments.

On the issue, Ahmed said the reshuffle included officers that had either completed the two-year terms, or were "very close to that level."

## Lawyers divided over loan rescheduling plan

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"They are of the opinion that those funds are gone forever, otherwise," the official added.

Of the outstanding amount, around Tk 200 crore was taken out as loan and the rest through various irregularities. The official cited the withdrawal of Tk 1,000 crore against a mere "slip" as an example of the irregularities that took place.

The official said the proposal together with the legal team's differing views would be placed before the board today. "What the board decides, we will put into action."

Meanwhile, Sonali Bank, upon finance ministry's instruction in March, has evaluated the assets of Hall-Mark Group and found their value to be in the region of Tk 700 crore.

The ministry also asked the bank to come up with ways to resume Hall-Mark Group's operations, such that its 40,000 workers can continue to be gainfully employed. The move, however, faced staunch criticism from different quarters.



AMCHAM

Rehman Sobhan, chairman of Centre for Policy Dialogue, second from left, and Aftab ul Islam, president of American Chamber of Commerce in Bangladesh (AmCham), second from right, attend the regular monthly meeting of the chamber at Ruposhi Bangla Hotel in Dhaka yesterday. Story on B1.



MERCANTILE BANK

M Amanullah, chairman of Mercantile Bank, attends the bank's half-yearly conference held at Radisson Water Garden Hotel in Dhaka on Saturday. M Ehsanul Haque, managing director, was also present.

## DSE surges for six straight days

STAR BUSINESS REPORT

Shares on the Dhaka Stock Exchange surged 250.38 points in the last six trading days, powered by a buying spree.

Trading of heavy-weight stocks took turnover to Tk 476 crore, a 5.84 percent rise from the previous day.

Improving turnover in the last few sessions boosted investors' confidence as they were relying on a temporary respite on the political front, IDLC Investments said in its market analysis.

DSEX, the benchmark general index of the Dhaka bourse, closed the day at 4,083.92 points, after gaining 50.14 points or 1.24 percent.

Scrip-wise swings continued from the beginning of trading as 17 percent of total traded scrips posted a 4 percent rise, the investment banker said.

"We are observing an increasing trend of turnover, indicating improved participation by investors," LankaBangla Securities said in its daily market analysis.

"Investors are recovering some of their position which they offloaded in the selling frenzy before Eid-ul-Fitr."

But the market direction is still not clear, the stockbroker said.

Now, whether the market resumes the bull trend or this is just a temporary bounce from the downward trend which started from the peak of the recent rally, is a matter to be seen in next few trading days, it added.

Of the 289 issues that traded on the DSE, 186 advanced, 79 declined and 24 remained unchanged.

A total of 1.06 lakh trades were executed with 9.04 crore shares and mutual fund units changing hands on the Dhaka bourse.

All major sectors posted gains; telecoms rose 3.05 percent, banks 1.87 percent, pharma 1.18 percent, power 0.59 percent and non-bank financial institutions 0.41 percent.

Padma Oil featured in the most traded stock chart with 7.58 lakh shares worth Tk 28.68 crore changing hands.

Central Pharmaceuticals was the biggest gainer of the day, as it posted 12.42 percent gains, while Midas Finance was the worst loser, slumping 13.06 percent.

## EPZ exports rise with growing reputation

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The precarious politics scenario is not helping matters either, Nazma said.

"Many foreign investors have cancelled meetings with the BEPZA due to the frequent hartals, especially in the second half of the fiscal year," she said.

Ershad echoed the same. "A favourable political environment is a must to attract foreign investment. The confrontational politics does no one any good," he added.

As of June 2013, 419 industries are in operation and 143 in different stages of implementation in the EPZs, according to BEPZA.

Of the 419 operating units, 237 industries are foreign-owned, 119 locally owned and 63 joint ventures.

Meanwhile, BEPZA has given the nod to hi-tech eco-friendly service-oriented industries to ensure maximum protection of the environment.

The authority has also approved six power plants to produce 290 megawatts of electricity for the EPZ enterprises.

## Rana Plaza collapse a governance failure

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Sobhan also said good governance and a strong regulatory system are the preconditions to stop recurrence of the disasters like the Rana Plaza collapse.

He suggested the BGMEA take measures to make the garment factory owners more accountable.

The factories should have collective bargaining agents and the owners should share 5 percent of their profit with the workers to improve their living standards, Sobhan said.

Eminent jurist Dr Kamal Hossain called for setting up a 'garment palli' as soon as possible to better manage the factories and ensure compliance.

Fazlul Hoque, the immediate past president of Bangladesh Employers' Federation, also spoke at the programme chaired by Aftab ul Islam, the AmCham president.

## CPD plans to celebrate 20th anniversary

STAR BUSINESS DESK

The Centre for Policy Dialogue (CPD) plans to celebrate its completion of 20 years as the most respected private think-tank.

The decision was made at a meeting of its trustees held on Monday to review its activities, the CPD said in a statement.

The board reviewed CPD's research, dialogue and publication activities involving national, regional and international studies and events in January-July, and expressed satisfaction.

The board also considered the CPD's Audit Report for 2012 and half-yearly accounts and revised budget for 2013.

It appreciated CPD's research and dialogue activities including budget-related initiatives, research on gender contribution to GDP and domestic resource mobilisation.

The board particularly appreciated CPD's initiative to monitor the post-Rana Plaza commitments in partnership with a number of civil society organisations and eminent personalities.

The board was briefed on the international conference CPD will be hosting October on 25-27, before the upcoming Ninth WTO Ministerial Conference in December.

Prof Rehman Sobhan, chairman of CPD, presided over the meeting.

## Private banks' capital goes up 7.75pc

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However, he said, compared to the public banks, the financial base of the private banks is stronger as they are operating under strict monitoring by the central bank.

The state banks' capital did not increase rather the amounts fell short of the requirements, according to central bank statistics.

On June 30, the capital shortfall of the state banks was Tk 9,062 crore and that of specialised banks Tk 5,650 crore.

Among the private banks, ICB Islamic Bank had the highest amount of capital shortfall -- Tk 1,302 crore, followed by Bangladesh Commerce Bank's Tk 250 crore, and Premier Bank's Tk 183 crore.

Premier had a capital surplus of Tk 47 crore in December last year, but the other two had a deficit in the month.



TVS AUTOS

Aupee Karim, an actor, and Reaz Ahmed, chief operating officer of TVS Auto Bangladesh, exchange documents of an agreement appointing her as brand spokesperson for TVS Scooty recently.



SINGER

Kazi Rafiqul Islam, general manager (wholesale) of Singer Bangladesh, launches a Singer Pro Exclusive Dealer shop 'Mazumder Electronics' at Bangodda Bazar in Comilla recently. M Ismail Hossain, territory manager, was also present.