

DSEX
0.66%
4,200.96CSCX
0.63%
8,254.00Gold
\$1,205.50
(per ounce)Oil
\$99.35
(per barrel)MUMBAI
0.20%
21,074.59TOKYO
1.03%
16,174.44SINGAPORE
0.23%
3,134.36SHANGHAI
1.58%
2,073.10USD
104.48
77.20EUR
124.53
108.47GBP
0.73
128.53JPY
0.76BUY TK
SELL TK



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BUSINESS

DHAKA FRIDAY DECEMBER 27, 2013, e-mail:business@thedailystar.net

Four state banks get Tk 4,100cr to fix capital deficit

REJAUL KARIM BYRON

The finance ministry has injected around Tk 4,100 crore into four state-owned commercial banks to help them meet their capital shortfalls on condition that the banks will go through credit risk-related reforms.

Sonali Bank received Tk 1,995 crore, Agrani Tk 1,081 crore, Janata Tk 814 crore and Rupali Tk 210 crore.

Early this month, the central bank sent the 'business plans' of the banks to the Banking Division, credit risk management policy being a major component of the plan, a finance ministry official said.

The amount came in the first phase of a bailout package of the government against the banks' total capital shortfall of Tk 8,863 crore as of September as per an estimate of the central bank.

According to the World Bank, the four banks' capital shortfall is Tk 17,600 crore.

In line with the International Monetary Fund's conditions tagged with loans under its Extended Credit Facility programme, the government has taken steps to meet the capital shortfall of the banks in two phases.

As the banks are facing a huge capital shortfall due to various scams last year, the

IMF set a condition that public money will be injected into the banks only if they go through drastic reforms.

One of the conditions set by the IMF was that Bangladesh Bank will conduct separate diagnostic review for the four banks.

The central bank completed the review in June and the diagnostic examination revealed significant weakness in asset quality, liquidity management, and internal audit and control in the banks.

The diagnostic examination found that credit policies were not comprehensive, were not reviewed regularly and often not followed.

Loans were extended without appropriate credit analysis or proper documentation and problem loans were not receiving enough attention.

The review also found an absence of strategic planning for credit portfolio.

On the basis of the examination, the banks prepared their business plans and got those endorsed by their respective boards.

The state banks incorporated a sector-wise credit growth plan in their credit risk management policy, according to the business plans of the banks.

The banks showed that their highest credit growth would not exceed 8-12

Funds for fixing capital shortfalls

SONALI BANK

Tk 1,995
crore

AGRANI BANK

Tk 1,081
crore

JANATA BANK

Tk 814
crore

RUPALI BANK

Tk 210
crore



Poultry farmers demonstrate with day-old chicks at a human chain in front of the National Press Club in Dhaka yesterday to protest political shutdowns and blockades that brought the sector to its knees. Related story on page 1



FIROZ AHMED

Poultry farmers seek bailout

STAR BUSINESS REPORT

Poultry farmers yesterday sought a bailout package from the government to help them survive in the current political unrest that has brought the sector on the brink of collapse.

The government should take steps so that banks waive their interests for six months from October this year, they said at a rally in the capital.

They also demanded interest-free loan for small farmers and compensation for affected investors.

"The poultry sector is on the verge of destruction due to the political turbulence," said Moshirul

Rahman, convener of Bangladesh Poultry Industries Coordination Committee, a platform of six associations in the poultry sector.

The poultry industry has incurred losses worth more than Tk 4,000 crore due to political unrest in the last three months, he said at a human chain in front of the National Press Club in the city.

They also called upon the government to relax loan rescheduling rules for the sector and waive fine for delay in taking delivery of goods from ports.

The poultry sector leaders urged the BNP-led 18-party alliance to keep the sector out of the purview of strikes and blockades.

All the sub-sectors of the poultry

industry such as breeders, feed vendors, meat and egg producers and medicine sellers are counting losses due to blockades and shutdowns, said Rahman, also the president of Breeders Association of Bangladesh.

They are selling products more than 30-40 percent below the production cost, said Sайдур رহমান বাবু, general secretary of the breeders' association.

The feed industry has suffered losses of around Tk 1,000 crore in the last three months, said Fazle Rahim Khan Shahriar, secretary of the Feed Industries Association of Bangladesh.

Taher Ahmed Siddiki, president of Egg Producers' Association, said

banks should give interest-free loans for at least two years to small farmers.

The poultry sector leaders said they would announce tougher programmes if their demands are not met immediately.

They would also meet the finance minister and the chairman of the National Board of Revenue to discuss their demands.

The poultry industry contributes 4 percent to Bangladesh's gross domestic product. The country has six grandparent stock farms, 60-70 parent stock farms and hatcheries and 70,000 poultry farms. The sector has so far invested around Tk 25,000 crore and its annual turnover is Tk 30,000 crore.

Keep outsiders away from board meetings: BB tells banks

STAR BUSINESS REPORT

The central bank issued an order yesterday preventing banks from allowing outsiders to attend board meetings and dole out undue privileges to directors.

It has been observed that people who are not members of the boards, such as directors' relatives and shareholders, are taking part in board meetings.

Along with the directors, only the managing director and the company secretary can attend the board meetings, Bangladesh Bank said in a notice.

However, bankers on an instruction from the boards could attend meetings during presentation of an issue they are associated with. But they cannot stay there for the whole time.

"The banks are being advised to ensure that no outsider or shareholders could attend any board meeting and its other auxiliary meetings," BB said.

The banking regulator also said there are allegations that some banks are dole out financial amenities to the directors beyond honorarium mandated by rules for attending board meetings, which is a clear violation of existing rules.

"The Banking Companies Act 1991 clearly states that the directors can't avail financial or any other facilities beyond specific fees for attending a board meeting," said the central bank, instructing banks to strictly comply with the rules.

The BB also directed the banks to place the notice at the

Survey studies time spent on paid or unpaid work

GAZI TOWHID AHMED

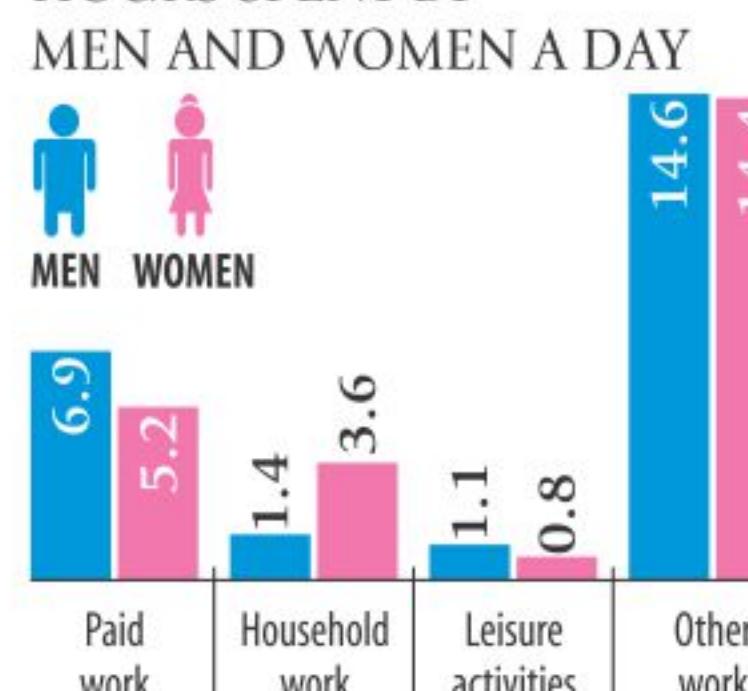
Men aged 15 and over spend 6.9 hours a day for paid work, while women spend nearly 5.2 hours, according to a survey conducted by Bangladesh Bureau of Statistics.

Time Use Pilot Survey 2012, the country's first survey on the use of time, has provided comprehensive statistics on people's average work hours according to paid work, unpaid work, other work and leisure activities, said Md Nojibur Rahman, secretary of the Statistics and Informatics Division.

These data will help assess contributions of the informal sector in measuring the nation's gross domestic product, Rahman said.

The survey will measure multiple tasks that women perform at home in 24 hours, which are not measured in the current GDP. In other words, the survey will measure the unpaid,

HOURS SPENT BY MEN AND WOMEN A DAY



money, he added. It will help make invisible work more visible.

Employed women spend about 3.6 hours a day doing household work, while men spend about a third of the time, 1.4 hours, doing the same, according to the report.

There are no significant difference in time spent on leisure and other work between men and women, the report added.

However, non-employed women spend 6.2 hours a day on household work, while men spend 1.2 hours, the survey showed.

The time survey has social and economical importance as we can develop policies based on the report, said Farah Kabir, country director of ActionAid Bangladesh.

"Women's contribution to the economy will be more visible to the policy makers through this report," Kabir said.

READ MORE ON B3

FACTORY INSPECTION 39 new inspectors join labour ministry

REFAYET ULLAH MIRDHA

Thirty-nine factory inspectors joined the labour and employment ministry yesterday to fortify the government's effort to ensure safety in garment factories.

The recruitment is part of the government's plan to appoint additional 200 inspectors to fulfil a requirement set by the American government to revive the GSP to their market, Labour Secretary Mikail Shipar said yesterday.

The ministry will have a total of 310 inspectors after the new recruits join work, Shipar said.

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