

US senator's comments unfortunate, Tofail says

STAR BUSINESS REPORT

Commerce Minister Tofail Ahmed yesterday bemoaned the unfavourable comments made by US Senator Robert Menendez recently on the state of worker rights in the garment sector.

"His comment astonished us. It was painful and unexpected," said Ahmed, reacting to Menendez's remarks that the government lacks political will to protect union organisers of garment factories against "vicious attacks".

Ahmed spoke to the media after a meeting with the visiting US delegation ahead of the inaugural meeting of the Trade and Investment Cooperation Forum Agreement in Dhaka today.

He said the comment came at a time when the two countries are looking to settle their trade disputes by way of Ticfa to boost bilateral trade.

Menendez, chairman of the senate foreign relations committee, issued a statement on the anniversary of the Rana Plaza tragedy, in which he accused the Bangladesh Garment Manufacturers and Exporters Association of supporting anti-unionism in factories.

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From left, Dan Mozena, US ambassador; Shahjahan Khan, president of DCCI; Michael Delaney, US assistant trade representative, and Aftab ul-Islam, president of AmCham, attend a discussion on Ticfa, in Dhaka yesterday.

TICFA TALKS

Labour, women in focus

US trade negotiator Delaney signals formation of two panels

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The US plans to establish separate committees on labour and women's empowerment under the Trade and Investment Cooperation Forum Agreement to ensure due rights for workers and spur women's participation in the economy.

Michael J Delaney, assistant US trade representative for South Asia, said the dedicated committees would enable the two countries to

jointly work on the important issues with an interagency and inter-ministerial team of experts.

The trade negotiator, who is currently in the capital leading a five-member US delegation for the inaugural Ticfa talks today, is optimistic about the efficacy of the arrangement, inked in November last year after decades of negotiations.

"I have long felt that we have not been well served by the

absence of a regular, formal trade and investment dialogue between our countries, so I attach considerable importance to the launch of the Ticfa," he said during a meeting with business leaders at Dhaka Chamber of Commerce and Industry in the capital.

"We hope to accomplish much in this forum—we have a considerable bilateral trade and investment relationship, but I believe these numbers are only a fraction of the

potential."

In 2013, bilateral trade exceeded \$6 billion, up by more than 50 percent on 2009, when it was \$4 billion, Delaney said, while highlighting the growing bilateral economic and commercial relationship.

The US diplomat said the Tazreen fire and Rana Plaza collapse were calls to action for Bangladesh and also for the many international retailers who source

BB tightens screw on state banks

REJAUL KARIM BYRON

Bangladesh Bank has tightened the screw on the four errant state banks this year, lowering their loan growth ceiling and raising the punitive measures for non-compliance to performance agreements.

The move comes after the International Monetary Fund expressed concern about the below-par improvement in performance in the four banks, an important condition for the Extended Credit Facility (ECF) loan.

The IMF's latest mission, which came early this month, partly blamed the central bank, saying it did not take actions for breach of conditions in the memorandum of understanding, signed with the four banks last year with the singular view of improving their financial health.

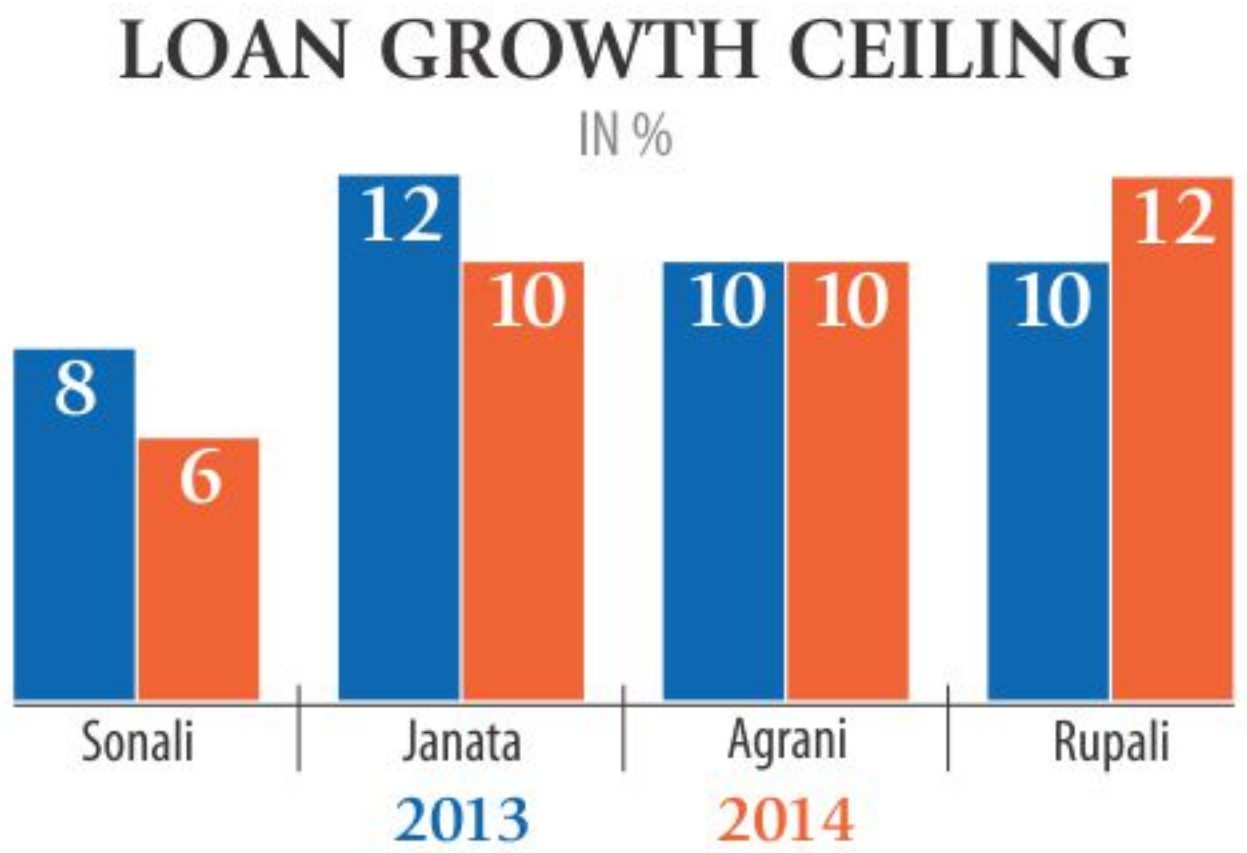
Subsequently, in the new memorandum of understanding finalised last week, the central bank has set the loan growth ceiling for Sonali and Janata at 6 percent and 10 percent respectively, down from 8 percent and 12 percent in 2013.

While Agrani's loan growth ceiling stayed the same as last year at 10 percent, Rupali's increased to 12 percent from 10 percent in 2013.

It has also decided to impose strong sanctions for non-compliance to areas of MoU which are directly under the banks' control such as loan growth ceiling and single borrower exposure limit.

For instance, if any bank breaches the credit growth ceiling, BB will order it to deposit as unremunerated reserves the entire excess amount lent over the credit limit.

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Islamic banking coming of age



Ahmad Mohamed Ali, president of Islamic Development Bank, speaks at a seminar on shariah banking at Radisson Hotel in Dhaka yesterday. Atiur Rahman, governor of Bangladesh Bank, was also present.

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Islamic banking is now recognised as a mainstream activity not just in Muslim-majority countries but also in global finance, Bangladesh Bank Governor Atiur Rahman said yesterday.

In Bangladesh, Islamic banking constitutes about a fifth of the total banking market, Rahman said.

He spoke at a seminar on shariah banking, organised by the Islamic Banks Consultative Forum (IBCF), a

forum of the Islamic banking industry, at Radisson Hotel in Dhaka.

Islamic banking has been gaining ground in the post-global financial crisis period because of its in-built risk sharing, speculation-averseness, value driven features, he said.

The Islamic banking industry is one of the fastest growing sectors of the international financial system, said M Azizul Huq, an Islamic banking consultant.

Deposits with Islamic banks in the

country grew by 25.60 percent in the last five years till 2013 as compared to 22 percent for conventional banks, he said during a keynote presentation.

Growth of investment for the same period of conventional banks was 20 percent against 24.60 percent for Islamic banks, he said. Total deposits of the Islamic banks and windows in December 2013 stood at Tk 1.198 trillion, holding market share of 19.3 percent.

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HC rules on suspension of BASIC Bank officials

STAR BUSINESS REPORT

The High Court yesterday instructed the authorities to explain in four weeks why the suspension of five officials of BASIC Bank should not be declared illegal.

It stayed the authorities' action suspending the facilities and privileges of the officials.

Bangladesh Bank, the finance ministry and BASIC Bank are respondents to the rule.

Justice Tariq ul Hakim and Justice AKM Shahidul Huq passed the order after hearing separate petitions.

The petitioners are: Deputy Managing Director Monaem Khan, and General Managers Zainul Abedin Choudhury, Kh Shamim Hasan and Mohammad Ali; and Deputy Manager Zahid Hasan.

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Districts to implement 50pc of budget: Muhith

STAR BUSINESS REPORT

Over 50 percent of the budget will be implemented at district level to strengthen the local government and equal distribution of resource, Finance Minister AMA Muhith said yesterday.

"The districts will be at the centre of future development, as funds will gradually be transferred to the district budget," Muhith said at a budget meeting with the chairmen of several parliamentary standing committees at the National Economic Council.

The chairmen of the committees made a series of proposals, including appointment of one inspector in every upazila to expand tax net, block allocation for lawmakers, tough policy for use of industrial plots.

Muhith said he would advise the government to ban establishing new industrial units in Dhaka city.

The government should set a timeframe for the entrepreneurs who have taken government lands on lease, he said. The leases should be cancelled if the entrepreneurs do not use the lands by the deadline, he said.

It is often heard that money has been laundered abroad, he said. "How do you catch launderers? Anybody can send us suggestions. The government will act accordingly."

Suranjit Sengupta, chairman of the

parliamentary standing committee on the law ministry, said a huge amount of money is being laundered abroad.

He said a Begum Nagar has been set up in Canada with laundered money; second homes have been built in Malaysia; and expensive apartments are being bought in Dubai.

Sengupta urged the government to take stern action against those who have siphoned off money.

The National Board of Revenue has identified 1.62 lakh new houses, which would be brought under the tax net, NBR Chairman Ghulam Hussain said on expansion of the tax net.

Besides, they have detected 265 luxury cars which have been imported into the country without paying tax. Hussain said they have already realised Tk 1 crore tax from each of 26 such cars.

A huge amount of land from the river banks can be reclaimed for investment by dredging the rivers, said Faruk Khan, chairman of the parliamentary standing committee on the civil aviation and tourism ministry.

Easybikes and battery-run rickshaws are wasting a huge amount of electricity at a time when the country is facing a power crunch, and the government should keep an eye on this, said Monnujan Sufian, chairperson of the parliamentary standing committee on the labour and employment ministry.

MIGA keen on large projects

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The Multilateral Investment Guarantee Agency (MIGA), the arm of World Bank which promotes foreign direct investment, yesterday expressed its interest to invest in Bangladesh's large infrastructure projects.

"We aspire to support high-impact and high value-added projects in Bangladesh," Keiko Honda, executive vice-president of MIGA, told reporters after a meeting with Planning Minister AHM Mustafa Kamal at the latter's office.

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Internet users have Tk 14,700cr of used goods in stock

A study indicates OLV's business potential in Bangladesh

STAR BUSINESS DESK

Internet users in Bangladesh have Tk 14,700 crore worth of used goods in their stocks, a study showed.

The number of used goods is 10.5 crore, which depicts that online ad networks have huge business potential, according to the study released yesterday by OLV, an online marketplace, and MetrixLab, a market research firm.

Internet users aged between 18 and 65 years in six divisions were covered in the survey, Argentina-based OLV said in a statement.

Alec Oxenford, co-founder and CEO of OLV, said e-commerce is still



growing in the region. "Many people in Bangladesh have used goods, which they have no use for."

"What gives OLV an edge in Bangladesh is our global experience, understanding of the users and a track record of fulfilling user needs of selling and buying goods across 105 countries."

OLV launched its Bangladesh operation as an online ad network in August 2013.

A network offers advertising space for free but sells banner ads on premium space, a major way of generating income.

"The response has been significant; in just eight months, OLV.com.bd has reached more than 225,000 ads on the site," the company said.

Among the items most stocked in Bangladesh are mobile phones, clothes, books, furniture and home electronics, OLV said. The average cost of each of the item was estimated to be Tk 1,400.

Heartiest Congratulations

Mr. SALIM AHMED has been re-elected as the **Vice Chairman** of the Board of Directors of **AB Bank Limited** at 32nd AGM of the Board of Directors.

Mr. Salim Ahmed is a renowned industrialist of the country and rewarded as **CIP** by the Govt. of Bangladesh in the Large Industrial Category for several times in recognition of his contribution to the national economy.

Mr. Ahmed is also the **Managing Director of Super Group of Companies** and **Chairman of Elite Paint Group of Companies**. He was the **President of Bangladesh Paint Manufacturers' Association (BPMA)** for consecutive 7 years and is also involved with many business apex forums and socio-cultural organizations.

Employees of **SUPER GROUP** express heartiest congratulations & giving grand salute to our beloved honorable Managing Director Mr. Salim Ahmed for his glorious and prestigious achievement.

We feel proud and honor for our honorable Managing Director Mr. Salim Ahmed for being Vice Chairman of AB Bank Limited for which we are expressing our thanks & gratitude to the Honored Shareholders & Directors of AB Bank for their outstanding support & co-operations. We pray to the Almighty Allah for his long life and good health to have every success in future.

With best regards

ALL EMPLOYEES OF SUPER GROUP OF COMPANIES

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