ASIAN MARKETS

TOKYO

1.05%

MUMBAI

V 0.94%



DHAKA THURSDAY AUGUST 7, 2014, e-mail:business@thedailystar.net

COMMODITIES

BGMEA gives workers more time to take salary

583 workers receive two-month salary from BGMEA

STAR BUSINESS REPORT

STOCKS

0.13%

DSEX

The BGMEA yesterday extended the deadline for Tuba Group workers to collect their two months' salaries to Thursday after requests from many workers, who were held off at their factories.

The garment makers' platform initially asked

the workers to come between 9am and 6pm yesterday to its headquarters at Karwan Bazar to pick up their salaries, but only about 583 of the 1,458 workers managed to get there. "Many workers were unable to come to the association office to draw their salaries as a vested

quarter is playing games with innocent workers," Atiqul Islam, president of the Bangladesh Garment Manufacturers and Exporters Association, said at a press conference. He said the workers could not collect their ID

Badda's Hossain Market that houses three factories of the group. The BGMEA chief also said the management of Tuba Group will pay salary for the remaining

cards from factories as they were caught up at

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BANGLA CHOKH

CURRENCIES

BUY TK 77.00

SHANGHAI

V 0.11%

SINGAPORE

V 0.22%

A worker of Tuba Group receives partial payments of their dues at Bangladesh Garment Manufacturers and Exporters Association's office in Dhaka yesterday.

Nepal keen to sign power trade deal with Bangladesh

STAR BUSINESS REPORT

month on August 10.

Nepal is ready to sign an agreement with Bangladesh to spur power trade between the two countries, a minister of the Himalayan nation said yesterday.

Nepal is close to striking a deal with India on power trade, and a similar deal could be signed between Dhaka and Kathmandu, said Nepalese Energy Minister Radha Kumari Gyawali.

"We had a fruitful and productive meeting to forge cooperation in the power sector between the two countries," Gyawali said at a media briefing after daylong ministerial talks on power sector cooperation in Dhaka.

power potential, but the country suffers demand of energy in the years to come in from a severe power crisis as it is able to course of development. generate barely 800MW and imports elec-

tricity from India during winter. The country is expected to become power

surplus by 2016, and signing of the power trade agreements will allow Nepal to export electricity to India and other countries.

Bangladesh, which has doubled its power generation in the last five years, is also struggling to meet its electricity demand, although only half of the population are connected to grid power.

Nasrul Hamid, state minister for power, led the host country at the meeting, while Gyawali led the visiting side. Both ministers termed the meeting fruitful.

Gyawali said the two sides discussed and reviewed current energy situations and the future power demand in the two countries. Nepal has 83,000-megawatt hydro- There will be a significant increase in

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BE A TEAM PLAYER WITH THE BEST IN BANKING

Commercial Bank of Ceylon PLC maintains its presence in Bangladesh since 2003 with a strong Corporate Portfolio, demonstrating rapid growth in large and medium sized corporate lending. We are in search of a suitable candidate to fill the following key position in the Corporate Management.

HEAD OF CORPORATE BANKING

The position will be in the Corporate Management, reporting directly to the Country Manager, with the responsibility of overall management of the Corporate Banking Division which includes a team of well experienced Relationship Managers.

The primary responsibilities of the position include nurturing the existing relationships while expanding the overall Corporate Banking portfolio with new relationships in line with the credit risk appetite of the Bank. The potential candidate is expected to have a wide exposure in managing a Corporate Banking portfolio from diverse sectors.

Apart from the thorough knowledge in credit risk management, the candidate should also possess excellent relationship management, communication, analytical and negotiation skills with a passion to achieve challenging goals within the established risk and governance framework of the Bank.

The candidate should also be very competent in setting challenging goals for the Corporate Banking Division and is responsible for planning, implementing and guiding the performance of the whole team towards achieving such goals.

As a member of many Corporate Management level committees, this position will provide the potential candidate to take part in strategic decision making process of the Bank.

The ideal candidate should posses,

- · A Post Graduate Degree, preferably an MBA in Finance/Business Studies from a reputed business school.
- At least 15 years of Corporate Banking exposure with sufficient (minimum of 3 years) experience in heading a Corporate Banking Team.

If you are confident of meeting the above criteria, please forward your CV to career@combankbd.com not later than August 21, 2014. Please clearly indicate the position you are applying for as the subject of your email.

The Commercial Bank of Ceylon PLC is an equal opportunity employer. The Bank offers an appropriate remuneration and benefits to the right person considering the suitability of individual candidates that commensurate to the best in the industry and provides an excellent working environment where both individual drive and team efforts are significantly valued.



Price fluctuation of commodities leads to a rise in default loans: BB study

REJAUL KARIM BYRON

Price fluctuation of commodities in local and global markets was the reason why loan against trust receipt (LTR) was turning defaulted in Chittagong, according to 48 percent respondents of a Bangladesh Bank study.

The findings came when BB interviewed LTR clients and officials of different bank branches in May-June 2012 and April this year.

The loan against a trust receipt is provided to a client when the documents covering an import shipment are given without payment. Under this system, the client will hold their sales proceeds in trust for the bank, until the loan allowed against the trust receipt is fully paid.

According to the study report, the total LTR was Tk 48,312 crore until September 2013, which was 32.82 percent of the total outstanding trade financing. Of the amount, Tk 9,352 crore turned into term loans or default loans as those were not paid timely.

Bank officials said a major portion of the LTR was from Chittagong where commodity traders took the loans from different banks for a short period. But later they failed to pay the loans in time.

In the study, 8.7 percent respondents blamed exchange rate fluctuation for the LTR turning into default loans, while 4.8 percent mentioned transfer of fund, and 16.3 percent stocking commodities for a long period as a reason. Besides, 22.1 percent cited various other reasons.

The study said the possibility of recovering these term loans is apparently very low due to a lack of adequate mortgage, absence of goods in the banks' warehouses and fluctuation of prices of unsold goods.

In many cases, importers/clients divert the fund to purchase lands, invest in the stockmarket and set up new business, it said.

The study said interest rate for LTR loans and commissions for letters of credit (L/C) are much higher -- interest rate 13 percent to 22 percent per annum and commission 0.25 percent to 0.50 percent per quarter.

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1.44 lakh B0 accounts closed in July SARWAR A CHOWDHURY

Around 1.44 lakh BO accounts were closed in the first month of the fiscal year due mainly to nonsubmission of renewal fees.

Investors are required to renew their BO (beneficiary owner's) account every June for a certain fee.

The total number of BO accounts now stands at around 28 lakh, according to statistics available from the Central Depository of Bangladesh Ltd, which preserves electronic data of all individual and institutional investors. In fiscal 2013-14, some 2.20 lakh BO were closed.

If an investor does not renew or deposit the annual fee with the DP [depository participant], the account is closed automatically, according to Md Moniruzzaman, managing director of IDLC Investments, a merchant bank.

At present, an investor has to pay Tk 500 per annum to keep the account active. Of the Tk 500, the DP gets Tk 100, the CDBL Tk 150, the Bangladesh Securities and Exchange Commission Tk 50 and the remaining Tk 200 goes to the government exchequer. **READ MORE ON B3**

Prime Bank loses mobile banking licence

SAJJADUR RAHMAN

The central bank yesterday cancelled Prime Bank's mobile banking licence due to "gross violations of rules" by the company that Prime had appointed to run the service.

"The central bank was not satisfied with Prime Bank's

response. So, we have formally withdrawn our NOC [no objection certificate] for the bank's mobile banking service," said Dasgupta Asim Kumar, executive director of Bangladesh Bank. The board of directors of Prime Bank also took the

issue seriously and decided to launch an investigation to identify the culprits within the bank responsible for the irregularities. Like many other banks, Prime Bank received BB's

approval to run mobile banking in 2010-11. Later, Prime appointed SMG Infocom International as its mobile banking partner in 2011. According to the bank, SMG was supposed to build infrastructure and appoint agents to operate the service.

SMG in 2012 ran ads in newspapers for appointment of agents in district, upazila and union parishads, using Prime Bank's logo.

Assessing SMG's balance sheet, the BB investigation found that the company took Tk 7,000 to Tk 100,000 from each agent appointed, in gross violation of rules.

SMG appointed 25,000 agents and collected over Tk 15 crore from them, the BB official said. When the agents found the SMG office shut early last

year, they contacted Prime Bank. The bank told them that it was not responsible for it. Later, many of the agents lodged complaints with the BB that detected gross violations in the consequent investigations. "When we came to know that SMG was taking money

for appointing agents, we issued them letters asking to pay back the money. We had also run a notice in the newspapers in this regard," Ehsan Khashru, managing director of Prime Bank, told The Daily Star. Asim Kumar, however, said mobile banking is a bank-

led model in Bangladesh and the banks must take responsibility.

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বিশেষ বিজ্ঞপ্তি

সম্মানিত গ্রাহকদের সদয় অবগতির জন্য জানানো যাইতেছে যে, উন্নত গ্রাহক সেবা প্রদানের লক্ষ্যে ০৭ আগস্ট, ২০১৪ রাত ০৯ টা থেকে ০৮ আগস্ট, ২০১৪ রাত ১২ টা পর্যন্ত Real Time Online কোর ব্যাংকিং সিস্টেম Upgradation এর কাজের জন্য আমাদের এটিএম, এসএমএস ও ইন্টারনেট ব্যাংকিং সেবাসমূহ সাময়িকভাবে বন্ধ থাকবে। এজন্য আমরা আন্তরিকভাবে দুঃখিত।

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HEAD OF RISK

The position will be in the Corporate Management reporting directly to the Country Manager, with the overall responsibility of the Risk Management function.

The primary responsibilities of the position include overall management and continuous development of the comprehensive framework of identification, assessment, monitoring and mitigation of plausible risks that could affect the Bank.

The candidate must possess a comprehensive knowledge and hands on experience in implementation of risk management principles as prescribed in Basel 2 and Basel 3 capital measurement framework covering Credit, Market, Operational and liquidity Risk Management. He/She should also be familiar with local regulatory requirements and industry practices in relation to risk management functions of commercial banks.

As the selected candidate will be responsible for managing and interacting with key personnel in the field of credit, operations, treasury and compliance, a high level of interpersonal, leadership and managerial skills, including exceptional oral and written communication skills will be required.

The ideal candidate should posses,

- A Post Graduate Degree, preferably an MBA from a reputed business school.
- · At least 15 years of Banking experience with a minimum of 5 years in Risk and 3 years in heading the risk management unit of a reputed bank.

If you are confident of meeting the above criteria, please forward your CV to career@combankbd.com not later than August 21, 2014. Please clearly indicate the position you are applying for as the subject of your email.

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