

# Menon calls for greater cooperation in aviation among D-8 countries

STAR BUSINESS REPORT

Civil Aviation and Tourism Minister Rashed Khan Menon yesterday called for enhanced cooperation among the D-8 member countries for compliance with international, regional and national civil aviation safety standards.

It will assist in the development of a harmonised regulatory framework among the D-8 countries and encourage safe air transportation, Menon said at the inauguration of the 8th meeting of D-8 Working Group on Civil Aviation (WGCA) and Director General at Ruposhi Bangla Hotel.

Established in 1997, the Developing 8 is a group of developing countries with large Muslim populations that have formed an economic development alliance. The countries are: Bangladesh, Egypt,

Indonesia, Iran, Malaysia, Nigeria, Pakistan and Turkey.

Menon said Bangladesh is committed to contributing to the globally harmonised aviation activities. "To uphold the commitment, assurance to safety and security in the air transport our first and foremost priority."

"D-8 civil aviation cooperation has proved to be very promising," said Secretary General of D-8 WGCA Seyed Ali Mohammad Mousavi.

With a population of around 1 billion, which is 15 percent of global population, there is an abundance of technical and qualified human resources and opportunities available in this field among the D-8 community, he said.

To realise the potential, he suggested drafting in a workable action plan.

The civil aviation authorities of the member states will have to adopt

and execute a set of necessary policies and measures, said Mousavi, while citing the need for promulgation and harmonisation of necessary legislation and framing of requisite rules and regulations.

Mahmud Hussain, chairman of the Civil Aviation Authority, Bangladesh, said the development of aviation personnel to meet the requirement of future needs is one of the most fundamental challenges, which D-8 as a group can work on.

The D-8 members have already found opportunities to work together to improve safety and expedite the movement of passengers and goods at the same time, he said.

Now, a number of joint initiatives are required, he added.

The first meeting of D-8 WGCA was held in 2007 to realise potential of cooperation in air transport among the member states.

## Western Marine starts building vessel for MR Global

STAFF CORRESPONDENT, Cg

The construction of another vessel capable of carrying 176 twenty-foot equivalent units of containers started at Western Marine Shipyard in Chittagong yesterday through a keel-laying ceremony.

Owned by MR Global Ltd, the ship will be built under French class Bureau Veritas, the shipbuilder said in a statement.

The ship—MV Siara Ereshwa—will carry containers from Chittagong port to the newly developed Pangaon Inland Container Terminal in Narayanganj.

Western Marine Chairman Saiful Islam, Managing Director Sakawat Hossain and MR Global's Chairman Salim Chowdhury and Managing Director Shihab Chowdhury attended the ceremony.



SK Sur Chowdhury, deputy governor of Bangladesh Bank, speaks at the inaugural session of a five-day central banking course organised by SEANZA Forum, at Sonargaon Hotel in Dhaka yesterday.

## Five-day central banking course begins in Dhaka

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A five-day central banking course to disseminate newer tools of financial management to the new generation of regulators at the central banks and other regulatory financial institutions, started at Sonargaon Hotel in Dhaka yesterday.

An organisation of the central banks of 20 countries—SEANZA Forum—organised the event inaugurated by SK Sur Chowdhury, current chairman of the forum and deputy governor of Bangladesh Bank.

Slack management and overuse of derivatives by various financial institutions around the world weakened the financial system and affected all economies, Chowdhury said Bangladesh Bank has been working for the

2013-14 term as the chairman of the South East Asia, New Zealand and Australia (SEANZA) Forum established in 1956, BB said in a statement.

Thirty eight participants from 14 countries will attend the course to be conducted by 14 resource persons from home and abroad led by Emeritus Prof Peter Sinclair of Birmingham University.

As part of the event, Governor's Symposium 2014 on "Macroeconomic environment and financial stability: vulnerabilities and managing crises" will be held at Radisson Blu Water Garden Hotel in the capital on August 29 and 30.

Governors of the central banks of the forum-member countries will participate in the symposium, according to the statement.



Abul Mansur Ahmed, general manager for green banking and CSR of Bangladesh Bank, and Helal Ahmed Chowdhury, managing director of Pubali Bank, sign a participatory agreement at a programme in Dhaka recently for a re-finance scheme worth Tk 200 crore for Tk 10 account holders of 10 commercial banks. Atiur Rahman, governor of Bangladesh Bank, was also present.



AKM Atiqur Rahman, head of mobile banking at Mercantile Bank, and Md Mahubul Kadir, general manager of Mohammadi Group, attend the signing of a deal at the bank's office recently. Mohammadi Group will allow their employees and factory workers to open MYCash Account with the special mobile banking savings scheme MYDpS.

## Citi official in Dhaka to attend e-payment roadshow

STAR BUSINESS DESK

Noel Saminathan, managing director and head of cash product management in the Southeast Asian region of Citi, will be in Dhaka for a two-day official visit beginning today, Citi said in a statement.



Saminathan is also the country head for treasury and trade solutions at Citi Malaysia, it said.

He will attend the inaugural session of Citi-organised nationwide electronic payment roadshow to be initiated from Dhaka and to continue at various collection/payment centres across the country, it said.

Citi's pioneering electronic-to-paper ratio is over 40 percent within three years of the launch of the platform by Bangladesh Bank, it said.

The roadshow will facilitate exchange of views among clients, banks and regulators and aim to influence stakeholders' behaviour in favour of electronic payment, Citi said.

Based in Kuala Lumpur, Saminathan is responsible for the strategic direction and development of Citi's comprehensive suite of cash management solution.

## Ericsson study sees bright future for mobile banking

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In all three markets, there is a strong savings culture. In Bangladesh, 80 percent of the respondents save on a regular basis, while the figure is 92 percent in Indonesia and 75 percent in Vietnam.

Savings are typically kept at home, usually in a money box, penny bank or clay pot. About half of the consumers in Vietnam save money at home, while for Bangladesh and India it is for 40 percent and 35 percent of the respondents.

However, most would prefer to save in a more formal way rather than keep money at home, since it is not completely safe. The ability to use a mobile device to deposit, withdraw and save money is of interest to consumers because it is perceived safer than handling cash.

The survey also said that 78 percent of the consumers in Bangladesh and 57 percent in Indonesia are interested in using mobile payment for service bills. The figure is 37 percent for Vietnam.

The research findings were disclosed at a roundtable at The Westin hotel in Dhaka.

In Bangladesh, mobile banking now registers more than 20 percent growth in cash transaction a month thanks to the growing popularity of the service, according to the central bank. On average, around Tk 263 crore is transacted a day through mobile banking services, which was only Tk 121 crore in April last year.

As part of the government's financial inclusion programme, the central bank allowed 28 banks to provide mobile banking, but so far 19 of them have launched the service.

BRAC Bank's bKash, Dutch-Bangla Bank's mobile banking, Islamic Bank's MCash, United Commercial Bank's UCash, Trust Bank's mobile money, ONE Bank's OK mobile banking are now the key players in the market.

Last year, mobile banking registered 186 percent growth in cash transactions and 262 percent in the number of subscribers. Smartphones are less common in Bangladesh, but 20 percent of respondents intend to buy a smartphone within the next six months.

Some 42 percent have a bank account but only 11 percent hold a debit or credit card.

Afrizal Abdul Rahim, head of Ericsson ConsumerLab for Southeast Asia and Oceania, presented the research findings. Raj Jain, managing director of Ericsson Bangladesh, was also present.

## Minister spurs telcos to invest more

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Reforming the legislative and policy framework in Bangladesh is a key component of what needs to happen, he said.

"In particular, we look forward to the 1998 national telecoms policy to be updated to keep up with changing technology and for mobile-enabled solutions in the areas of health, education and financial inclusion so that the vision of 'Digital Bangladesh' can truly be met."

AMTOB Secretary General TIM Nurul Kabir said Bangladesh has one of the worst tax regimes in the world for the telecom industry.

## Tuba owner seeks Tk 30cr loans to turn around

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"It all started with the Tazreen fire," he said.

The members of Bangladesh Garment Manufacturers and Exporters Association, the garment makers' platform, paid arrears of May and June to 1,600 workers of Tuba Group while Hossain was in jail.

Hossain said he sold a printing factory established on 16 kathas of land at Badda in Dhaka, a 9.5-katha plot and machinery of the closed factories to pay July's salary, workers' overtime dues and clear the payments of the lenders of the BGMEA.

"I hope I will again be able to export \$50 lakh worth of goods a month if I can restart the business with the loan. I can also employ 6,000 workers again," Hossain said in his first public appearance since being released on bail from jail on August 5.

Hossain was sent to jail on February 9 in

a case related to the Tazreen fire, which killed 112 workers in 2012.

Hossain also called upon other garment factory owners to employ workers of his five units, as they are skilled workers.

Hossain said he would restart production in the five units soon, but he did not mention any specific time.

Asked, he said the company could not pay the workers for three months as the company failed to complete the work orders in May.

"It was sub-contract work orders. When the workers started agitation, the sourcing company took back their orders," he said.

Hossain said he used to export \$40 lakh worth of garment items a month before the Tazreen fire, which dropped to \$28 lakh in 2013 as the retailers walked out on the company.

## Modi govt renews pledge to deepen trade links with Saarc

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"We have a transit agreement and transshipments take place on an ad-hoc basis. We need a multimodal transit system and we need to institutionalise it."

Rahman particularly stressed setting up warehouses at ports and adequate infrastructure to harness the benefits of regional transit.

He also requested the Indian government to remove tariff and non-tariff barriers at land customs, as they are hurting trade and commerce between the two countries.

At present, about 14 percent of the country's total imports and 8.8 percent of global trade is with India, according to Kazi Akram Uddin Ahmed, president of the Federation of Bangladesh Chambers of Commerce and Industry.

Indian High Commissioner Pankaj Saran said the new government of India is "firmly and totally" committed towards a better relationship with Bangladesh.

He urged Bangladesh to hold roadshows in India and send business delegations to attract investment.

"I think it is important that the Bangladeshi chambers and investors and the Board of Investment travel to the different metropolitan cities and business centres of India to showcase the opportunities that Bangladesh has for Indian investors."

A large number of Indian companies are looking at Bangladesh for investment and business expansion, according to Saran.

"Only through investment and setting up manufacturing units in Bangladesh that we can generate jobs and value-addition and exports back to India and

other countries. And this way, we can help Bangladesh increase its exports to India."

Tripura Commerce and Industry Minister Tapan Chakraborty said the state shares an 856km-long international border with Bangladesh, most of which is in the non-mountainous areas.

The state's location and socioeconomic linkages with Bangladesh make it a potential hub for trade with and through Bangladesh for the entire northeastern region of India, he said.

For promotion of trade and investment in the South Asian region, Chakraborty urged the Bangladesh government to consider seven points which include full operationalisation of Ashuganj port for multimodal connectivity, allowing use of Chittagong port for Indian goods and strengthening land custom stations on Bangladesh side.

Meghalaya Chief Minister Mukul Sangma said the 443 km-long border with Bangladesh is reason enough to explore business opportunities in Meghalaya. "It is not only from the perspective of trade and commerce but also from a geo-political angle," Bangladesh can take advantages agro-forest resources of the north-eastern states including the natural resource-rich Meghalaya.

He also proposed joint ventures particularly in the field of electricity along the Indo-Bangla border, as the states have rich deposits of hydro power, granite and limestone.

Meanwhile, Singh also called on Foreign Minister AH Mahmood Ali at the ministry, during which issues pertaining to connectivity and trade were discussed.



Md Eskander Ali Khan, chairman of the executive committee of Islami Bank Bangladesh, speaks at the business development conference of Mymensingh zone of the bank, at Jamuna Resort in Tangail yesterday. Mohammad Abdul Mannan, managing director, was also present.

## ADB calls for 'realistic' criteria to gauge poverty

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Asia and the Pacific will likely see extreme poverty eradicated by 2025, when measured using the current conventional extreme poverty line of \$1.25/ person/day.

However, the ADB said, this measure does not give a complete picture of extreme poverty in the region. First, the lender argued, the \$1.25 poverty line is based on 1988-2005 data, highly weighted by Africa.

"Therefore, it is not just outdated, but inappropriate for measuring poverty in Asia. When updated Asian data is used, the result is a \$1.51 regional poverty line."

Using this, an additional 343.20 million people in 2010 were identified as extremely poor, which resulted in the 2010 regional poverty rate climbing to 30.5 percent, instead of the 20.7 percent more commonly cited.

Second, the report said, food

insecurity has become an emerging challenge for many countries in the region.

With food prices rising much faster in recent years than consumer prices generally—with price volatility up as well—the near-poor find it more difficult to meet basic nutritional needs.

"When factored in, food insecurity adds 4 percentage points to the region's poverty rate, increasing the number of Asia's extreme poor in 2010 by 140.52 million."

With urbanisation likely to divert more land and water resources away from food production, food insecurity will remain a key development challenge for years to come.

And third, the ADB said, low income households face increasing vulnerability from various risks or shocks such as those from frequent natural disasters and illness.

Using a vulnerability-adjusted

poverty line adds another 417.99 million people to the number of extreme poor in 2010 identified under the \$1.25 poverty line.

Combining these factors—notwithstanding possible overlaps—offers a more complete picture of extreme poverty in Asia and the Pacific. Thus, in 2010, 1,750.42 million Asians, or 49.5 percent, could be considered living in extreme poverty, instead of 733.06 million (20.7 percent).

The bank said economic growth, prudent macroeconomic management and good governance remain fundamental to confront these realities. Also, regional cooperation can be helpful.

Zahid Hussain, lead economist of World Bank in Dhaka, said the pace of poverty reduction between 2005 and 2010 is almost the same no matter which line is used.

Based on the \$1.25 a day line,

the poverty rate declined from 49 percent in 2005 to 43.5 percent in 2010 -- a decline of 5.5 percentage points.

Based on vulnerability-adjusted poverty line of \$1.38 a day, poverty rate declined from 56.4 percent in 2005 to 50.9 percent in 2010 -- a decline of 5.5 percentage points, exactly the same as in the \$1.25 a day line, Hussain said.

"The report is insightful, but the debate on what is an appropriate poverty line for a country, region and the globe is not new," he told The Daily Star.

One has to appreciate the compulsion that global poverty reduction targets require a global poverty line. "We could set regional poverty reduction targets based on regional poverty lines. But then the poverty rates will cease to be comparable across regions and so it will not