

Textiles ministry, Privatisation Commission at loggerheads over state-owned enterprises

Cabinet committee may give a decision on denationalisation

STAR BUSINESS REPORT

The textiles and jute ministry and the Privatisation Commission are at loggerheads over who would denationalise the state-owned enterprises under the ministry.

Against the backdrop, the Privatisation Commission sought intervention of the cabinet committee on economic affairs, which is likely to give a decision on the matter today.

In a proposal, the commission said the ministry has taken an initiative to denationalise some state-owned enterprises that fall under the jurisdiction of the commission. According to the Privatisation Act

2000, the ministry cannot denationalise the enterprises, the proposal said.

The commission said no other ministry, except the textiles and jute ministry, has taken such an initiative to sell any state-owned enterprise.

The ministry, citing the decision of a parliamentary standing committee, said, in future they will not let the commission sell any enterprise under the ministry.

Presently Rajshahi Silk Mills, Thakurgaon Silk Mills, Sylhet Textile Mills and Valika Woolen Mills are under the Privatisation Commission, waiting to be denationalised.

But the ministry in September last

year asked the commission to return those so that they can privatise those.

Besides, initiatives have been taken to sell 18 mills under the control of Bangladesh Textile Mills Corporation.

Meanwhile, the ministry took back five mills from the Privatisation Commission in 2012 to restart those.

The mills are: Chittaranjan Cotton Mills, Tangail Cotton Mills, Quaderia Textile Mills, Darwani Textile Mills and Ahmed Bawani Textile Mills.

But the mills are now closed and lying out of order, according to the commission, which now wants the mills back so that those can be denationalised.

Janata Bank improves bad debt recovery

STAR BUSINESS REPORT

Janata Bank's default loans decreased 0.77 percentage points due to better recovery. The bank's defaults were Tk 3,306 crore or 10.34 percent of its total loans in December 2014, compared to 11.11 percent in the same month of the previous year, according to statistics disclosed at the bank's Annual Conference yesterday.

Md Abdus Salam, managing director of the bank, said defaults were much lower than state banks' average rate of 20 percent.

Janata's performance was mixed in 2014 but it does not have any provision shortfall at present and its capital adequacy ratio stands at 10.30 percent, against a minimum requirement of 10 percent, Salam said.

In 2014, Janata realised Tk 885 crore against its classified loans, which is almost 85 percent of its annual target.

The bank made an operating profit of Tk 1,053 crore in 2014, which was 13 percent lower than in the previous year.

However, the managing director said among the state owned banks, Janata succeeded in bagging the highest profit.

The bank realised Tk 261 crore in cash from the written-off loans, and the number of its loss-making



JANATA BANK

MA Mannan, state minister for finance; Shaikh Md Wahid-uz-Zaman, chairman of Janata Bank, and Md Abdus Salam, managing director, attend the annual meeting of the bank at Sonargaon Hotel in Dhaka yesterday.

branches is now 60 out of a total of 904 branches, said Salam. It aims to turn 50 percent of those into profit-making units this year. Due to the finance ministry's reservation, Janata Bank could distribute only Tk 13.84 crore against a target of disbursing Tk 35 crore under its corporate social responsibility.

Shaikh Md Wahid-Uz-Zaman, chairman of Janata, said alongside widening the bank's scope in online services, it will ensure modern banking

services to its customers in remote areas through green banking, internet banking and mobile banking.

MA Mannan, state minister for finance, urged bank officials to provide high-quality services to customers using information technology. The government will not intervene in the day-to-day operations of the banks, he added.

The state minister said the present government is a reformist one; however, mistakes happen when reforms are made hastily.



KFC

Akku Chowdhury, managing director of Transcom Foods, poses with media personalities during the opening of a new outlet of KFC at Eastern Plaza in Hatirpool, Dhaka on Saturday. Transcom Foods operates KFC in Bangladesh.



IBCCI

Jahangir Bin Alam, chief executive of India-Bangladesh Chamber of Commerce and Industry, meets Vasundhara Raje, chief minister of Rajasthan, on the sidelines of the Global Partnership Summit of the Confederation of Indian Industry in Jaipur, India recently.

Gartner recognises IFS as leader

STAR BUSINESS DESK

IFS, a global enterprise applications company, has been recognised as a leader in the Gartner Magic Quadrant for Single-Instance ERP for Product-Centric Midmarket Companies, by Christian Hestermann et al, it said in a statement yesterday. The recognition came for its product IFS Applications 8™, it said.

IFS has been positioned as a leader for the second consecutive year in the report, and has improved its positioning on the 'completeness of vision' and 'ability to execute' axis, the company said.

"We are very proud to be recognised for the second year running as a leader in the industry," Alastair Sorbie, IFS president and chief executive, said.

"A considerable number of our customers have upgraded to IFS Applications 8 since its launch in 2012, and we feel that in this Magic Quadrant Gartner has recognised the breadth, scalability of the IFS solution," he said.

"We have had a very successful year, with double digit growth which is among the highest in the industry. We believe this is because we invest heavily in our product and remain true to our focused industry and segmentation strategies."

Gartner identifies companies as leaders based on midmarket ERP products with deep and robust functionality, a track record of customer success and momentum in growing market presence, and clearly communicated strategy, among others, the statement said.

Garment makers to form human chain Wednesday to demand security

FROM PAGE B1

A group of US-based garment retailers has threatened to shift work orders from Bangladesh to other destinations if political deadlock does not end soon, Islam had said earlier.

"The retailers said they are thinking of an alternative to Bangladesh as the ongoing blockade is hampering timely shipment of garments," the BGMEA president said, quoting an email he received from some retailers.

January and February are the most important time for garment makers as the entire year's orders are placed during these months, said Reaz-Bin-Mahmood, vice president of the BGMEA.

"So, a business-friendly environment is very important for us," said Mahmood, who was also present at the meeting.

Bangladesh's competitors such as Vietnam, Cambodia, India, Pakistan and Sri Lanka see their garment export growth rising at a faster rate, but Bangladesh's exports were not at the expected level in recent months, he said.

"If the political crisis lingers, we will lose our market share in some key destinations like the US and the EU," Mahmood said.

Meanwhile, eleven garment factories lost \$15.1 million between January 14 and January 24 due to the ongoing blockade, according to an assessment by the BGMEA. The losses include order cancellation, discount, air shipment charges, delayed shipment and excess transportation costs, the BGMEA said.

Tapan Chowdhury, BTMA president, AKM Salim Osman, BKMEA president, and AK Azad, a former president of the Federation of Bangladesh Chambers of Commerce and Industry, also attended the meeting.

Meanwhile, Shipping Minister Shajahan Khan, who is also the convener of Garments Sramik Samannoy Parishad, a trade union, called a rally at Suhrawardy Udyan on January 30 to protest the blockade.

Regulator's committee opposes proposed power price hike

STAR BUSINESS REPORT

A committee of Bangladesh Energy Regulatory Commission yesterday opposed the retail level electricity tariff hike proposed by Dhaka Electric Supply Company.

The technical committee of the energy regulator said retail power tariff for the consumers of DESCO would not be necessary as the state-run company is set to make a net profit of Tk 238.3 crore in the current fiscal year. DESCO urged BEREC to raise retail power tariff by 17.45 percent.

The technical committee said the regulator may raise the retail power tariff for the consumers of Bangladesh Rural Electrification Board by only 0.27 percent to help it reach break-even, instead of the demanded increase of 15.60 percent.

The recommendations came on the last day of hearings on bulk and retail power tariff proposals from the utility companies at the auditorium of the Trading Corporation of Bangladesh in the capital.

Earlier on Thursday, the committee recommended against any retail power hike for Dhaka Power Distribution Company Ltd (DPDC), as the company would make an estimated profit of Tk 290.9 crore in 2014-15.

On the same day, the committee recommended increasing the average retail power price by 3.09 percent for Power Development Board. The PDB proposed a 22 percent tariff increase.

The BEREC will give its verdict next month, after hearing on the proposals on a gas price hike next week.

Wales Chamber sees huge business prospects in Bangladesh

STAR BUSINESS REPORT

Businesses of Wales in the UK think they can do business worth £200 million in Bangladesh in the next five to eight years.

Mahbub Noor, secretary general of Wales Bangladesh Chamber of Commerce, said Bangladeshi people have sufficient money to invest in the country, but what they need now is skills and knowledge.

"So we have brought knowledge-based businessmen in the country to provide value and consultancy to create innovative products," Noor said at a press meet at Amari Hotel in Dhaka yesterday.

Most of the members of the mission are basically non-resident Bangladeshis at Wales, said a member of the chamber.

The chamber is looking for business opportunities in different sectors, including business consultancy, university, hotel business, tourism, lighting, frozen food, air conditioning systems, healthcare service, medicine equipment, real estate and infrastructure.

Later, the members of the Welsh government and Wales chamber met the leaders of the Federation of Bangladesh Chambers of Commerce and Industry at its office in the capital. The FBCCI leaders urged the delegation to invest more in Bangladesh.

"Bangladesh has huge potential for investment. Anyone can invest here directly or in joint-ventures in different sectors, including pharma, engineering, food processing and real estate," said FBCCI President Kazi Akram Uddin Ahmed.

Bangladesh established many special economic zones for foreign investors with flexible business conditions, Ahmed said. The investors from Wales can invest in these zones, he said.

Dilabor A Hussain, chairman of Wales Chamber, said: "We want to work with Bangladesh despite political instability." "Challenges will be there, but as entrepreneurs, we see challenges as opportunities."

The chamber wants to go for partnerships with Bangladesh's business community, he said.

Small power producers oppose gas price hike

FROM PAGE B1

"We have installed modern equipment, which is definitely more efficient than many other plants."

He added: "Had the state-run companies been able to supply us adequate electricity, we would not have built the power plants by spending such huge amounts of money."

SK Masudul Alam Masud, chairman of Bangladesh Auto Rolling and Steel Mills Association, said the businesses and industries have been going through a tough time since 2008.

"Our woes have now been compounded by political unrest -- we have been unable to do business in the last one month. If the gas price for captive power plants is hiked under these circumstances, we will go bankrupt."

Golam Rahman, managing director of Deshbandhu Group; Abul Kalam, managing director of Bandar Steel Industries; Mohammed Humayun Kabir, chief executive of Shinepukur Ceramics; and Mohammed Alamgir Kabir, chairman of GPH Group, were also present.

NBR unveils plan to check duty dodging

FROM PAGE B1

The NBR has also taken preparations to sign customs cooperation agreements with Bangladesh's major trading partners, particularly China, the country's biggest source of imports.

The move will enable customs officials to find out the exact value of the products in the countries from which they came.

The NBR has already prepared the draft and will soon forward it to the foreign ministry for the next course of action.

The tax authority also plans to introduce a risk management system which would allow compliant businesses to get quick release of goods and prevent non-compliant firms from duty dodging.

Under the scheme, the NBR will group importers as high, mid and low-risk categories. The move will reduce misdeclaration and ensure speedy service, he added.

The developments to curb duty dodging were shared at a press briefing at the NBR headquarters ahead of the World Customs Day.

The tax authority will observe Customs Day today along with 179 member countries of World Customs Organisation. Various programmes will be organised with the slogan 'Coordinated Border Management: An Inclusive Approach for Connecting Stakeholders.'

The customs wing of NBR will hold a rally and discussion programmes at nine customs houses including Dhaka and Chittagong, said NBR Chairman Md Nojibur Rahman.

The NBR chairman said steps will be taken to create awareness among rural and urban people on the need to pay tax.

"We will encourage people to carry out their responsibility as citizens," he added.



MEGHNA BANK

HN Ashequr Rahman, chairman of Meghna Bank, attends the bank's annual managers' conference at Six Seasons Hotel in Gulshan, Dhaka on Saturday. Mohammed Nurul Amin, managing director, was also present.



MIDLAND BANK

Md Ahsan-uz Zaman, managing director of Midland Bank, and Md Faruque Hossain, director general of the Central Procurement Technical Unit of the planning ministry's Implementation Monitoring and Evaluation Division, attend the signing of a deal for the bank to serve government contractors under e-GP, at Sher-e-Bangla Nagar in Dhaka recently.



NRBCB

Farasath Ali, chairman of NRB Commercial Bank, attends the bank's annual business conference in Dhaka on Saturday. Dewan Mujibur Rahman, managing director, was also present.