

# BB moves to double banks' deposit insurance

STAR BUSINESS REPORT

Bangladesh Bank (BB) has moved to amend the Bank Deposit Insurance Act 2000 to double bank's coverage for depositors' funds, Governor Atiur Rahman said yesterday.

"We have recently sent a proposal to the finance ministry in this regard," he said at the inaugural of the Information for Deposit Insurance Premium Assessment software at the central bank.

The software was developed by engineers of the central bank to digitise the calculation of insurance premium instead of a manual system.

The regulator has proposed to double the deposit coverage from the current Tk 1 lakh per depositor to Tk 2 lakh for the same.



Atiur Rahman, governor of Bangladesh Bank, speaks at the opening of a two-day training programme for economic reporters co-organised by the Economic Reporters' Forum and BB, at the central bank office in Dhaka yesterday.

"If the new law is approved, depositors' money will be better protected and the financial sector will be strengthened," Rahman said.

Non-banking financial institutions will fall under

the purview of the new deposit insurance law, he said.

The deposit insurance scheme was introduced in Bangladesh in 1984 to minimise the risk of loss of funds deposited with

banks. In accordance with Bank Deposit Insurance Act 2000, premium collected from the insured banks and all other receivables are put in an account called the Deposit Insurance Trust Fund,

maintained at the Bangladesh Bank.

According to the scheme, premium rates depend on the performance of the banks. Problem banks pay 0.10 percent premium, banks under early warning system 0.09 percent and the rest of the banks are required to pay 0.08 percent.

The total amount under the DITF now stands at Tk 3,661 crore, according to BB.

Earlier, the governor launched a two-day training programme for economic reporters at the BB, co-organised by Economic Reporters' Forum and the central bank.

Rahman hoped the training will help reporters write fact-based objective reports.

Biru Paksha Paul, chief economist of the BB, also spoke.



Tomasz Lukaszuk, Polish ambassador, and Reshadur Rahman, director of Dhaka Bank, hand over the bank's donation of Tk 6 lakh to Dilara Sattar Nitu, managing trustee of SEID Trust, at a programme recently.

## StanChart's CEO for Asia in Dhaka

STAR BUSINESS DESK

Jaspal Singh Bindra, Standard Chartered Bank's group executive director and chief executive officer for Asia, is visiting Dhaka, the bank said in a statement yesterday.

Sunil Kaushal, regional chief executive for South Asia and for Standard Chartered India, is also here, it said.

Bindra will meet senior government officials as well as important clients and staff members during the visit.



Bindra joined Standard Chartered in 1998 and was appointed group executive director to the board of Standard Chartered Plc in January 2010. Before joining Standard Chartered, he worked with UBS Investment Banking, beginning his career with Bank of America.

Bindra also serves as an independent non-executive director of Reckitt Benckiser Group, is a governor of XLRI Business School, and director of US-India Business Council, it said.



Tapan Chakrabarty, industry and commerce minister of Tripura, and Hakim Ali, director of Diamond Cement, visit the stall of the cement company at a trade fair at Agartala in Tripura, India recently.

## CPD trustees suggest more research in inclusive growth

STAR BUSINESS DESK

Trustees of the Centre for Policy Dialogue approved its annual accounts for 2014 and budget for 2015 at the board's 44th meeting in the capital yesterday.

Presided over by Prof Rehman Sobhan, chairman of CPD, the trustees advised the think-tank's researchers to focus on the rural poor, gender budgeting, trade mainstreaming and employment promo-

tion in 2015.

The board also encouraged the CPD to undertake outreach activities outside Dhaka, it said in a statement yesterday.

CPD Trustees M Syeduzzaman, Anisuzzaman, Syed Manzur Elahi, Mahabub Hossain and Khushi Kabir also attended the meeting.

Debapriya Bhattacharya, distinguished fellow of CPD; and Mustafizur Rahman, executive director, were also present.

## Garment sector losses mounting by the day

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The garment sector contributes more than 80 percent to the country's exports. Last fiscal year, the sector raked in \$24.50 billion.

The sector's apex body will participate in the countrywide mass rally called by the Federation of Bangladesh Chambers of Commerce and Industry (FBBCCI) on Sunday to demand a peaceful solution to the political crisis.

Representatives of 65 international retailers that source garments from Bangladeshi factories have also demanded an immediate solution to the current crisis and an uninterrupted supply chain between Dhaka and Chittagong.

The retailers, who account for 88 percent of the garment exports, expressed their concern at the regular buyers' forum meeting at the capital's Westin Hotel on Monday.

Meanwhile, Rustom Ali Khan, general secretary of Bangladesh Truck and Covered Van Owners Association, said although no major untoward incident took place on the Dhaka-Chittagong highway so far, the number of goods-laden vehicles has still declined significantly.

The exporters and importers have cut their transportation needs from the port to the factories and vice versa fearing arson attacks on vehicles. For instance, yesterday at least 5,000 trucks and covered vans sat idle.

## Turmoil fuels food inflation

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The price has already increased by Tk 1-2, as the main rice growing region, which is the country's northern parts, carries the stigma of greater political violence.

The rising food inflation though was negated by the sliding non-food inflation to take the overall inflation to its lowest level in 26 months.

Inflation stood at 6.04 percent in January against 6.11 percent the previous month.

Non-food inflation dropped to 6.01 percent last month, after rising for three consecutive months. In December last year, it stood at 6.48 percent.

Kamal said the reason for the drop in non-food inflation was that most of the items that constitute as non-food are

import-based, such as capital machinery, industrial raw materials and intermediary goods.

Their prices fell in the international market and so they did in the local market as well.

The planning minister went to cite the oil price, which was \$147 per barrel few weeks back but dropped to \$45 of late, to further his point.

But experts say both the rise in food inflation and fall in non-food inflation are consequences of the political unrest.

The decrease in non-food inflation may be a reflection of weak demand for non-food items because of the deepening political uncertainty and the adverse shock it has had on income and employment, particularly in rural areas,

Hussain said.

Rahman said the reason for the drop in non-food inflation is the stagnation in demand from consumers, particularly as the incomes of non-fixed earners have decreased since the onset of turmoil, which is now the longest since 1996.

About the overall inflation, Hussain said it appears to be on track to achieving the 6.5 percent target set out in the Monetary Policy Statement for the second half of the fiscal year.

However, it could be de-railed if the political unrest drags on, added the WB economist.

Rahman echoed the same. "Now, only the supply chain has been hit, but if the unrest prolongs, the production network will also suffer."



Choon Soo Moon, managing director of Samsung Bangladesh, and Supun Weerasinghe, chief executive of Robi, pose at the launch of Tizen-based Samsung Z1 for the Bangladesh market at a programme yesterday.

## Samsung launches Tizen-powered Z1 handset

STAR BUSINESS DESK

South Korean mobile giant Samsung yesterday premiered its proprietary Tizen operating system in the country by way of low-price smartphone model Z1.

Priced at Tk 6,900, the handset has been customised for the local market.

"We expect that the users will accept the Samsung Z1 for its ease of use and clutter-free experience. The localised content will be an added bonus," said Choon Soo Moon, managing director of Samsung Bangladesh.

The dual SIM device, available in white, black and red, is manufactured at Samsung's state-of-the-art facility in Vietnam. It is powered by a 1.2 gigahertz dual-core processor, 768 megabyte of RAM and 4 gigabyte of internal memory which

is expandable up to 64GB.

Z1 also features a four-inch display, 3.1 megapixel rear and front camera and 1,500 mAh battery. Samsung Z1 also has a 4" WVGA PLS screen, which allows consumers to enjoy multimedia content to the fullest with crystal clear resolutions, even when outdoors.

It comes pre-loaded with Facebook, LinkedIn and Twitter as well as local portals Bdjobs.com, bdnews24.com, bikroy.com, ekhanei.com and Prothom Alo. Local apps such as Prayer Times have also been pre-loaded.

Customers purchasing the Z1 handset from Robi will get a special package on the network, which includes 300 minutes talk-time (Robi to Robi), 100 minutes talk-time (Robi to other numbers) and 1GB data for the first month.

## No dividends for DSE shareholders

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The DSE's net income was Tk 133.95 crore with earnings-per share (EPS) of Tk 0.74, against Tk 115.51 crore and Tk 0.64 a year ago. Most of the income is generated from interest on fixed deposits, rather than the bourse's core business.

The NAV per share stood at Tk 10.93 at the end of June 2014, up from Tk 10.19 a year ago.

"The bourse should have a lucrative EPS and NAV so that reputed foreign and local organisations are encouraged to become shareholders of DSE," the board member said.

As per the demutualisation scheme, 60

percent shares of the bourse have been kept in a block account for strategic and institutional investors and the general public. The rest 40 percent were allotted to existing shareholders.

The existing shareholders think that it will be more profitable to sell the shares at higher prices to the strategic, institutional and general investors, instead of receiving cash dividends at the moment.

After demutualisation, which converted the bourse from a mutual organisation to a corporate entity owned by shareholders, DSE's paid-up capital stood at Tk 180.38 crore.

## Cash crunch at ATMs outside Dhaka

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Abul Kashem Mohammad Shirin, deputy managing director of Dutch-Bangla Bank that operates the second biggest network with 2,000 machines, said transporting cash to ATMs outside Dhaka has become a challenge. "We take police protection while loading ATMs in the capital, but such protection is not always available in remote areas." He said 80 percent of DBBL's cash is carried by four security firms, but they cannot load ATMs in remote areas for security reasons.

Daily average transaction through DBBL was Tk 100 crore in December, which slipped to Tk 95 crore in January, Shirin said.

Munir said average transaction through Q-Cash Consortium remains almost unchanged at Tk 250 crore a day.

## New office bearers for ICMAB

STAR BUSINESS DESK

Abu Sayed Md Shaykhul Islam was elected as the president of the Institute of Cost and Management Accountants of Bangladesh on Monday.

Islam is the director for operation and finance of Radiance Group, ICMAB said in a statement yesterday.

The institute also elected Arif Khan and Jamal Ahmed Choudhury as vice presidents; Md Abdur Rahman Khan as secretary and Swapan Kumar Bala as treasurer, according to the statement.

Arif Khan is a commissioner of Bangladesh Securities and Exchange Commission, Choudhury is an executive director of Beximco Pharmaceuticals, Rahman Khan is the first secretary of the NBR and Bala is the managing director of Dhaka Stock Exchange.



Abu Sayed Md Shaykhul Islam

## IFAD Autos to set up new assembly line

FROM PAGE B1

Bangladesh Securities and Exchange Commission gave permission to raise money from the public in September last year. The company will pay Tk 9.33 crore in loans from the IPO fund, it said.

IFAD will assemble commercial vehicles such as goods trucks, dump truck, air-conditioned buses, deluxe buses and prime movers, Akter said.

It will resume assembling operations in the first half of 2016, she said.

The company is estimated to assemble 960 units of 'tuskier super-1613h trucks' for the first year after resuming operations, according to the prospectus. The body building unit's capacity will stand at 840 vehicles a year, it said. The company generated a turnover of Tk 815 crore last year.

Presently, the company has sales outlets in Dhaka, Khulna, Rajshahi, and Chittagong divisions, covering the districts of Jessore, Faridpur, Mymensingh, Rangpur, Comilla and Sylhet.

The company has 25 distributors across the country.

Nitol Motors is the market leader with a 40 percent share, followed by IFAD at 38 percent, Runner Motors at 10 percent and others at 12 percent.

The company's earnings per share as of June last year stood at Tk 5.16 with a revalued net asset value of Tk 44.12 per share.

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**Invitation of Applications for Participation in Bangladesh Furniture and Interior Decor Expo-2015 (BFID Expo-2015) to be held during 24-26 March, 2015**

4th Bangladesh Furniture and Interior Decor Expo-2015 will be organised at Jamuna Future Park Shopping Mall, Progoti Soroni, Kuril, Baridhara, Dhaka during 24-26 March, 2015. Applications are invited in a prescribed form from the interested manufacturers of furniture and furniture related craft items, diversified jute products, home & specialised textile, art gallery, lighting materials, mattress, felt, board manufacturers etc. for participation in BFID Expo-2015. Application forms are available in EPB, TCB Bhaban (8th Floor), 1, Kawran Bazar, Dhaka and at the website No. [www.bfidexpo.com](http://www.bfidexpo.com). Concerned manufacturers and exporters are requested to apply for participation in BFID Expo-2015 putting tick mark on the following Pavilion and Stall categories downloading the application form by 25th February 2015.

01. Pavilion categories (reserve for furniture)	a) 40'x36' b) 40'x...
02. Stall categories (reserve for allied products)	16'x08'
03. Space rent	Tk 196.00 (one hundred ninety-six)/sqft only.

**Terms and conditions:**

- Shell Scheme Type stall(s) will be provided by the Expo Authority along with two chairs, one table and fascia;
- 100% space rent should be paid in the form of Pay Order/Bank Draft in favour of Bangladesh Furniture and Interior Decor Expo at the time of submission of application;
- Application form can be downloaded from the website [www.bfidexpo.com](http://www.bfidexpo.com). Photocopy of the original form will also be acceptable;
- Participants should provide cooperation to the Expo authority to make theme based venue arrangement;
- Non-participation after confirmation by the participant will result in forfeiture of the space rent;
- Selling or displaying of non-declared goods is prohibited;
- Delivery of sold goods from the expo venue is prohibited;
- The Fair Authority will not be responsible for poor turnout of visitors and thereby reduction of rent;
- Applicants are allowed to apply for more than one stall. But the selection committee reserves the right to allot more than one stall;
- Participants should display their exhibits until closing of the Expo each day;
- The Expo authority reserves the right to accept or reject any or all application(s) for allotment of a pavilion/stall.

**Md. Abdur Rouf**  
Director

EPB & Member Secretary  
BFID Expo Organising Committee

GD-458