

DHAKA MONDAY FEBRUARY 16, 2015, e-mail: business@thedailystar.net

BASIC Bank still suffers from scam after-effects

Its default loans rose in every quarter of 2014

REJAUL KARIM BYRON

Despite various efforts, including wholesale management changes and rescheduling, default loans at scam-hit BASIC Bank rose in every quarter of 2014.

"The bank is still suffering from the after-effects of serious scams," said a senior official of the finance ministry's banking division.

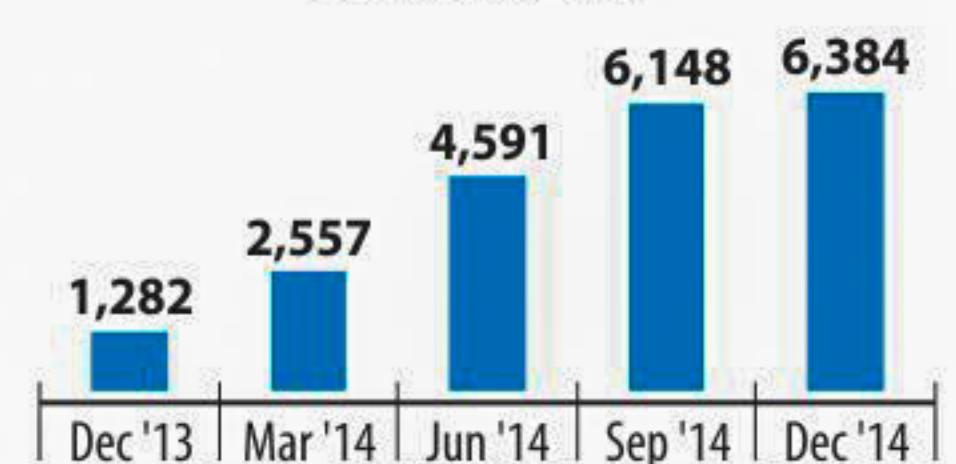
The new board, which took over in July last year, has taken various initiatives to bring down the default loans. "But it won't come down overnight -- it will be a long and painful process."

In the last quarter, default loans crept up 3.83 percent, but the increment was way less than in the preceding three quarters, when it rose 99 percent, 79 percent and 34 percent successively.

On December 31, 2014, the state-run commercial bank had bad loans of Tk 6,384 crore, which was 53.48 percent of its total loan portfolio -- the highest in the banking

SOURED LOANS AT BASIC BANK

In crores of taka



sector in terms of proportion. Its operating loss for 2014 stood at Tk 50 crore.

Meanwhile, a BASIC board member said the new management has aggressively moved to realise the classified loans from the bank's top 100 defaulters, who account for 86 percent of the total bad loans, as well as restore consumer confidence in the bank.

They managed cash recovery of Tk 126 crore against the default loans and another Tk 9.51 crore from writing off bad loans.

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TVS Auto brings new bike

STAR BUSINESS REPORT

TVS Auto Bangladesh, an assembler of India's TVS motorcycles, launched a new model yesterday to cater to the growing demand of motorcycle.

The motorcycle --TVS Metro Plus-- has 109.7 cubic centimetre engine with cost saving fuel capacity of 86 kilometres per litre, said J Ekram Hossain, managing director of the company.

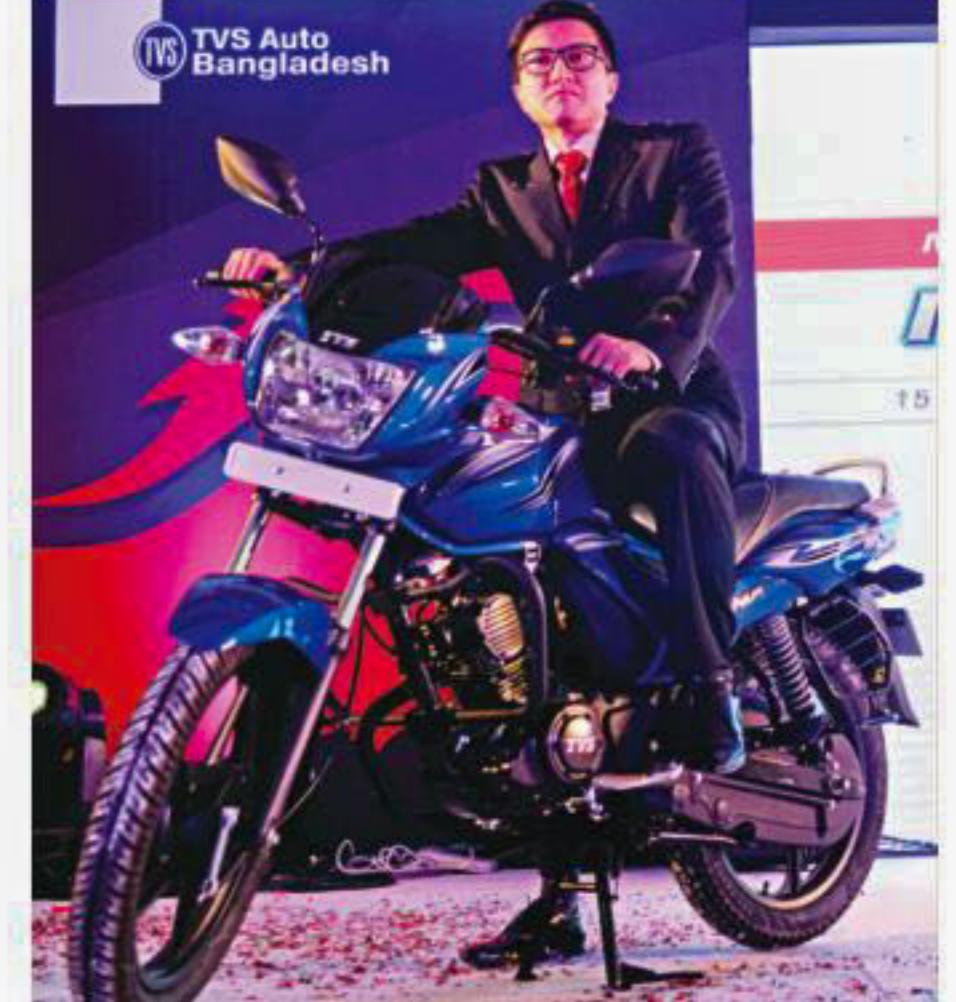
"Our new motorcycle has stylish look with powerful engine," Hossain said at the launching ceremony at Bangabandhu International Conference Centre in Dhaka.

The bike will be available at TVS-approved dealer points with Tk 135,500 in three colours: scarlet, black and blue.

The new Ecothrust engine that has a four-speed gearbox with an electric start in any gear delivers a solid four-stroke performance, he said.

Its high torque ensures more power and pickup with the motorcycle racing from zero to sixty in just 7.6 seconds with a top speed of 90 kilometres per hour, he said.

The motorcycle has a comprehensive digital dashboard with an analogue speedometer and an advanced digital informa-



J Ekram Hossain

tion display monitor, he said.

It also features a service indicator meter, which indicates when the bike is due for service and when for fuel, he said, adding that the buyers will get two years warranty with service.

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Canada plans to invest more in Bangladesh

STAR BUSINESS REPORT

Canada looks to boost its foreign direct investment in Bangladesh to explore opportunities in the steadily growing economy, the Canadian high commissioner in Dhaka said yesterday.

"Moving forward, the next step is to increase Canadian foreign direct investment in Bangladesh," Benoit Pierre Laramee, high commissioner of Canada, told reporters on the concluding day of Showcase Canada 2015 at Sonargaon Hotel. Canada has identified ICT and garment sectors in Bangladesh to lend its expertise to, he said.

Investment from Canadian investors stands at about C\$300 million, according to Masud Rahman, president of Canada Bangladesh Chamber of Commerce and Industry or CanCham.

"Canadian manufacturers can think about bringing technology and advanced management instruments to Bangladesh. This will create a win-win situation for both Canadian businesses and the Bangladeshi people."

Canada has been a development partner for Bangladesh for more than 40 years, while the North American country has provided more than C\$4 billion in development assistance.

"Development assistance has helped Bangladesh in making that progress, but ultimately, it is the Bangladeshi people themselves, and the private sector in particular, that have transformed this country," Laramee said.

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Ministries reluctant to spend foreign aid: minister

STAR BUSINESS REPORT

Ministries and divisions show reluctance in using foreign aid in project implementation and seek government funds instead, Planning Minister AHM Mustafa Kamal said yesterday.

The reason is, foreign aid often comes with strings and the money has to be spent with much transparency.

"There has been a trend that our project directors feel comfortable with spending government money, not foreign aid," the minister said at a meeting with project directors.

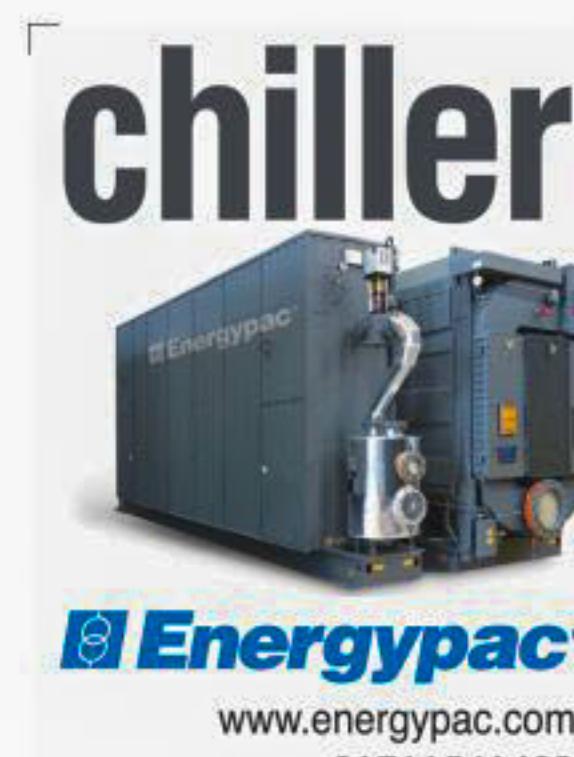
"It's unexpected."

Kamal would soon sit with the Economic Relations Division (ERD) to find a way out, according to a statement.

The minister held meetings with 700 project directors -- out of 1,287 -- in two sessions in the morning and afternoon, in a bid to speed up implementation of the annual development programme.

A bigger ADP has been taken in the current fiscal year, but only 31 percent of the total allocation could be spent in the first seven months of the year, against 33 percent in the same period last year.

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