

# District budget should reflect local demands

Speakers say at CPD-organised discussion in Tangail

STAR BUSINESS DESK

The government should improve the method of formulating the district budget to reflect the demands of local people and deliver the desired outcomes, experts said yesterday.

"The legal framework and function of the district council should be reviewed to ensure adequate implementation of district budget. The structure of local government needs to be strengthened to mobilise local funds," said Debapriya Bhattacharya, distinguished fellow of Centre for Policy Dialogue (CPD).

Bhattacharya spoke at a pre-budget discussion at BURO Bangladesh's auditorium in Tangail, CPD said in a statement.

CPD organised the dialogue to highlight demands of the local people to policymakers as well as help the think-tank generate ideas on the best method of budget formulation, said Mustafizur Rahman, executive director of the organisation.

Bhattacharya said there is a need for a local government financing commission to ensure quality of public expenditure, which would determine appropriate financial allocation in line with local demands.

"The district budget needs a clear outline for revenue generation from district level, and the government should make sure that tax and VAT are duly being paid locally. The district budget should particularly address environmental vulnerability, hard-to-reach areas, marginalised people and women and children."

In his keynote paper, Towfiqul Islam Khan, research fellow of CPD, showed that Tangail excelled in reducing poverty in comparison to national average.

"However, extreme poverty has remained high," he said. As a district, Tangail mostly received budgetary allocation towards roads and communications while other areas remained relatively unattended, he added.

Bhattacharya, who moderated

the discussion, said Tangail's socio-economic development is rather mixed which is mainly due to the uneven development across different areas within the greater district.

"Policymakers should coordinate closely with the district-level administration to drive effective development measures."

Over 50 people from different areas participated in the floor discussion, chaired by Educationist Prof Sekender Hayat. They said the district budget is a good tool to ensure local development, but it is yet to deliver the desired impact at the district level.

Participants recommended decentralisation of the district budget and strengthening of the district council; improvement of local roads, markets, railways and highways to better connect them with the capital; facilitation of Tangail's thriving poultry sector; setting up of cold storages to preserve local produce, particularly pineapple; industrialisation without harming farm land; and

involving gender dimension in the district budget.

They also called for facilitating healthcare, particularly for women and children at local level and remote areas, vocational training for a huge population and improved sanitation.

"Lawmakers should place justified demands before the government for their constituencies to make sure that peoples' lives improve," said Fazlur Rahman Khan Faruk, district council administrator of Tangail.

Anwarul Islam Khan, a former ambassador, said the quality of education in Tangail has declined and requires more attention.

Prof Mirza Mohammad Abdul Momen, former chairman of economics at Govt Saadat College, proposed that the government should facilitate imports of raw materials for Tangail saris. He also urged the government to provide incentives to the local handicraft sector to help them develop into exportable items.



M Nazeem A Choudhury, head of consumer banking at Eastern Bank, and Hassan UI Abedin, head of sales and marketing at Rose View Hotel in Sylhet, sign an agreement at a programme in Sylhet recently. EBL cardholders will enjoy special discounts at the hotel up to January 31, 2016.

## Twitter buys livestream app maker Periscope

AFP, San Francisco

Twitter said Friday it had purchased the maker of the video streaming app Periscope, amid what seems to be surging interest in live video sharing.

"Excited to officially welcome @periscopeco to the Twitter team. Can't wait for everyone to see what they've built!" tweeted Twitter product vice president Kevin Weil.

Twitter did not release details about the deal, but media reports said Twitter was paying between \$50 million and \$100 million for the app, which is still in the testing phase and has only been available by invitation.

The news comes amid growing interest in live video sharing, and a rush of users to another streaming app called Meerkat, described by news website The Verge as "a sensation on Twitter." It was not immediately clear if Twitter would maintain Periscope as an independent app or integrate it into the messaging platform.

## Tata Steel workers set for a strike ballot

BBC NEWS

Unions representing Tata Steel workers are set to ballot members over industrial action after Tata announced a plan to close their pension scheme.

Tata Steel announced plans to close the final salary pension scheme on Friday. "We have been unable come to an agreement that would have enabled defined benefit provision to continue," said a Tata Steel spokesman.

Trade unions accuse Tata Steel of being "hell bent" on closing the pension scheme and refusing to compromise.

Tata's spokesman said that it will consult employees on the closure of the pension scheme - a move which will affect around 17,000 workers. It proposes to replace it with a defined contribution scheme. "We proposed changes to the defined benefit scheme which we believe would have had a balanced impact across our UK employees," Tata added.

It also said it believed the trade unions' proposals to change member benefits "would have unfairly disadvantaged younger scheme members, who would have had to bear most of the impact of the changes". Tata said "a more balanced solution was necessary if the defined benefit scheme was to remain open".

## Beef prices rise as supply shrinks

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The blockade has already more than doubled the transportation cost of cattle, as businessmen are now paying Tk 30,000-35,000 for each truck rented to bring cattle from Putkhal near Benapole port to Dhaka, instead of the usual fares of Tk 12,000-14,000, he said.

Currently, the capital's demand for beef hovers around 12 tonnes a day, but the supply has now dwindled to less than six tonnes, Alam said.

Indian cattle meet a significant portion of the country's total beef demand, even though the supply is largely reliant on informal trade over the border. The trade has declined in the last two and a half months due to strict monitoring of the border areas, they said. Regardless of how the cattle reach the border, the traders will have to pay a Tk 500 fee to get entry into Bangladesh, Alam said.

The meat traders also urged the government to take steps to import cattle from Bhutan, Nepal and Myanmar to reduce dependence on Indian cattle.

Bangladesh has more than 1 lakh butcher shops, including around 675 in Dhaka, according to the association.

## Second denim expo begins in Dhaka in May

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"I hope Bangladesh will be the third largest denim exporter in the next five years. I have been receiving amazing responses from international retailers, as they are coming with increased volume of work orders thanks to low prices."

Among the global players of the \$60 billion denim market, Bangladesh's position is far behind China, the US, Mexico and Italy.



PD Sarma, managing director of Airtel Bangladesh, and Anzam Ansar Bazu, chief executive of Saifurs Private Ltd, pose after signing a corporate agreement for mobile and data services, at Airtel's head office in Dhaka recently.



Md Abul Quasem, deputy governor of Bangladesh Bank, and Md Rezaul Haque, chairman of Social Islami Bank Ltd (SIBL), attend the launch of a family empowerment Islamic micro-finance programme of SIBL, at Hotel Purbani International in Dhaka recently.



Md Atiqur Rahman, director of Jamuna Bank; Shafiqul Alam, managing director; and Nurul Islam Milon, a lawmaker, attend the launch of a free medical camp of the bank at Barura in Comilla recently.

# HSBC nearing trial in France for tax-dodging complicity

AFP, Paris

HSBC appears headed for a criminal court in France, where prosecutors are seeking to try the banking giant for helping rich clients evade taxes, a judicial source told AFP Friday.

Confirming information published by French daily Le Monde, officials said prosecutors in Paris have motioned to take HSBC's Swiss affiliate to trial on evidence it helped French account holders hide money in 2006-07 that otherwise would have been taxed.

Though this marked a significant development towards probable trial, HSBC's Swiss affiliate said in a statement that the prosecutors' motion "is a normal step in the judicial procedure and the outcome of the case is not determined today."

The move came in the wake of SwissLeaks investigations by international papers -- led by Le Monde -- using stolen documents supplied by former HSBC IT employee Herve Falciani.

That data indicates the bank helped over 120,000 clients to hide 180.6 billion euros from tax authorities.

Those revelations came among growing evidence that pledges by banks to halt illicit or irresponsible activities that led up to the 2008 financial crisis have not been fulfilled.

"In reading the (findings), nobody could doubt the fact that auto-regulation promised by banks, notably HSBC, has utterly failed," William Bourdon,

Falciani's French lawyer told AFP.

"The very serious investigation by (authorities), aided a great deal by the exceptional revelations from Herve Falciani, has uncovered a veritable money laundering industry built on the organised and structured recruitment of French clients," Bourdon said.

According to the investigations into Falciani's whistle-blowing data, HSBC allegedly arranged for more than five billion euros (\$5.2 billion at current rates) to be tucked away in trusts, shell companies and offshore accounts for around 9,000 French clients.

Following acknowledgements last month by the British bank that "we sometimes failed to live up to the standards the societies we serve rightly expected from us," authorities in Switzerland raided HSBC's Swiss affiliate -- through which most of the hidden funds was thought to have transited.

An official close to the case said investigating magistrates leading the French inquiry obtained evidence indicating HSBC "benefitted from proceeds of financial fraud and, in organising the obscuring of financial flows, laundered funds of illicit origins, allowing thousands of clients holding large accounts to hide them from the French tax administration."

The request to take the case to trial follows failure of a plea bargaining deal between prosecutors and HSBC, which refused to pay the fine being sought, the source close to the inquiry said.

## Telenor aims to go big on mobile financial services

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Less than a quarter of the country's 16 crore people are using the normal banking system in their monetary transactions. "We will work more closely with banks, financial institutions and relevant authorities to reach our ambition."

Referring to the traditional banking system where a customer needs two to seven days for the bank account to become functional, she said agents of mobile operators can complete the registration process much quicker such that the account can be used for transactions within hours.

"We have partnerships with six local banks in Bangladesh. But we need to think more in partnership, as banks will be benefited," Wollbekk said, adding that they have the ability and tradition to handle large volumes of customers at very low cost.

Formal economy as well as banks can be bigger by increasing the mobile financial

services in a society, as the money will flow into the banks, she said.

"We are working with banks to get a better model to increase the mobile financial services and I am very encouraged that the regulators and banks are willing to form partnership with us to roll out mobile money services."

Apart from Bangladesh, Telenor has also a strong and growing footprint in the mobile financial services area in other Asian markets such as Pakistan.

Launched in 2009, its Easypaisa scheme in Pakistan handled around \$4.2 billion in transactions last year. Telenor also runs a similar service in Thailand and will introduce it in their newest market -- Myanmar.

With operations in six Asian countries -- Bangladesh, India, Myanmar, Malaysia, Pakistan and Thailand -- Telenor is the only European telecom company that reaches across the region and has 16 crore subscribers.

## Garment makers dreading order drought from June

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The retailers who attended the meeting account for \$22 billion of the sector's \$25 billion annual exports, according to Azim.

"So, we will face an order shortage after June," the BGMEA vice-president added.

David Hasnat, managing director of Viyellatex, a leading garment group, said the retailers that have full-fledged offices in Dhaka are placing orders in high volumes though.

But the majority of the retailers do not have such arrangements and they are the ones that are slashing the orders, he added.

Bakhtiar Uddin Ahmed, general manager of Fakir Apparels Ltd, a Narayanganj-based garment manufacturer, said he had a meeting in Hong Kong last week that was sup-

posed to be held in Dhaka, as the retailer refused to travel to Bangladesh.

Ahmed also agreed that the internal situation has improved a lot as they can carry goods easily from one place to another. For instance, he can now ship three lakh pieces of garment products from Narayanganj to Chittagong port a day without any problem.

But, the foreign retailers are still cancelling their trips to Bangladesh for apprehension of arson attacks and violence -- and using that as an excuse to cut down their orders, he said.

The blockade and shutdowns imposed by the BNP-led alliance have already crossed the two-month mark.



Md Rafiqul Islam, managing director of South Bangla Agricultural and Commerce Bank, opens one of the two ATM booths of the bank that were opened at Chandona in Gazipur and at Mirpur-10 in the capital recently.



Aminur Rashid, chairman of Edison Group, and Rezaul Islam Chowdhury, deputy general manager of Home Appliance, inaugurate Siemens's new outlet at Kalabagan in Dhaka recently.