

Strong local govt needed to cut extreme poverty: economist

STAR BUSINESS REPORT

Strengthening the local government is a major way to reduce the extreme poverty level in the country, an economist said at a seminar in Dhaka yesterday.

Bangladesh's extreme poverty level is hovering between 11 percent and 12 percent, said Qazi Kholiquzzaman Ahmad, chairman of Palli Karma-Sahayak Foundation.

Mostly the people living in the hilly, haor and char areas, cleaners, tea garden workers and many physically-challenged individuals belong to the extreme poor group, he said.

"The government wants to eliminate the extreme poverty level within 2018. But without empowering the local government politically and financially, it is not possible to eliminate, even reduce the level," he said.

He was addressing the seminar on financial decentralisation and local government budget, jointly



MA Mannan, state minister for finance, and Qazi Kholiquzzaman Ahmad, chairman of Palli Karma-Sahayak Foundation, attend a seminar on financial decentralisation and local government budget, jointly organised by the Governance Advocacy Forum and Manusher Jonno Foundation, at the National Press Club in Dhaka yesterday.

organised by the Governance Advocacy Forum and Manusher Jonno Foundation at the National Press Club.

Mohsin Ali, coordinator of the forum, moderated the discussion.

The central government will of course play the key role in reducing

or eliminating extreme poverty, but a relationship is needed between the central and local government, Ahmad also said.

"There is always a conflict between the MPs (member of parliaments) and local government authorities over utilisation of gov-

ernment funds or allocations. This should be eliminated."

The local government authorities should be empowered to utilise the funds and allocations, although there are allegations against them of misusing such funds, he said.

Presenting a keynote paper, Amirul Islam Chowdhury, a professor of economics at United International University, said mindset of the policy makers needs to be shifted from control to advisory role.

"Greater local control and accountability with incentives needs to be built on expenditure choices with greater ability to raise own resource revenues," he said.

The financial decentralisation of the local government through the national budget can also play a major role in the country's poverty reduction, he said.

MA Mannan, state minister for finance; Fazle Hossain Badsha, an MP; and MM Akash, a professor of economics at Dhaka University, also spoke at the seminar.

Tender floated to appoint operators for New Mooring terminal

DWAIPAYAN BARUA, Ctg

The Chittagong Port Authority (CPA) plans to appoint private operators on two years contract to handle containers in the traditional system at four jetties of New Mooring Container Terminal.

The containers would be handled with the help of cranes on vessels where gantry cranes do the job in modern ports. The CPA on Tuesday floated two separate tenders to appoint the operators for handling containers and containerised cargo at four out of five jetties of the terminal, said Jafar Alam, the port authority's director for admin.

The other jetty of the terminal would be dedicated for handling containers bound for Pangaon container terminal, he said. The port authority would start selling tender documents today and it will continue till May 31 while the last date for submission of the tenders is June 1.

Currently, Saif Powetech with four gantry cranes handles containers in 10 jetties of the port and operates two jetties of Chittagong container terminal.

In the traditional system, the private operator has been operating two jetties of the terminal since 2007 and berth operators have been operating the rest six jetties.

Stock regulator moves to curb unusual price hike

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Also yesterday, the BSEC revised the circuit breaker system for existing listed companies by eliminating the numeral portion from the calculation mechanism.

From now, the circuit breaker will be calculated only in terms of percentage, instead of by both percentage and numeral.

The revision will ensure that a share worth up to Tk 200 cannot rise or fall by 10 percent on a single day.

For shares with values ranging between Tk 201 and Tk 500, prices cannot go up or down by 8.75 percent. The limit is 7.5 percent for shares priced between Tk 501 and Tk 1,000.

Stocks with prices between Tk 1,001 and Tk 2,000 will not see its value increase or decrease by 6.25 percent.

The price will not rise or fall by 5 percent if shares value ranges between Tk 2,001 and Tk 5,000. The limit is 3.75 percent for shares worth Tk 5,001 and above.

April exports fall slightly

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Citing the trend over the past five years, an EPB official said exports generally fall in April.

He said the demand for garment products in international market normally falls after December, which becomes evident in the export earnings figures in April.

Garments account for 80 percent of the country's total export earnings.

A finance ministry official said the political turmoil in the first quarter of 2015 and the recent fall of the value of euro also affected the export earnings to some extent.

However, exports grew by 2.63 percent in the first 10 months of the current fiscal year to \$25.3 billion, according to the EPB. Exports posted a growth of around 13 percent in the same year-ago period.

The government has targeted increasing its export earnings by 10 percent in the current fiscal year, which has been revised down to 5 percent owing to slow growth, the finance ministry official said.

Bangladesh earned \$30.17 billion from global exports in the last fiscal year.

Indian firm to conduct study at Jamalganj

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Jamalganj coal field, with an estimated reserve of about 1.053 billion tonnes of coal, is the deepest and largest coal field in Bangladesh. It has seven coal seams in the depth range between 600 metres and 1,100 metres below the ground surface. The coal layer is assumed to be 40 metres wide.

Compared to other coal fields in Bangladesh, with coal occurring at 150 to 500m depth, Jamalganj coal is considered to be too deep to be exploited by conventional underground or open pit mining.

So, developing coal-bed methane from Jamalganj field is being considered as a viable option for its exploitation.

The possibility of finding methane gas in the field is high, said the Energy Division proposal. The gas can be used to produce power.

Meanwhile, the cabinet committee on economic affairs yesterday approved the proposals to conduct feasibility study in two proposed economic zones in Sirajganj and Jamalganj.

Tofail slams BB for relaxing rules for big defaulters

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The policy is not evenhanded as the restructuring facility will benefit around 5 percent of all bank borrowers. So, 95 percent of the borrowers will be deprived of this facility, according to industry insiders.

At the event, analysts also stressed the need to raise awareness on alternative dispute resolution methods.

Businesses can derive benefits from alternative dispute resolution methods, particularly mediation that is already available in the country, to resolve commercial and investment disputes, they said.

Mediation can especially be a good alternative to the costly and time-consuming judicial process, they said. The government has already brought about a number of amendments to laws to make mediation mandatory in civil and money loan cases, in keeping with established practices in the developed world.

"These provisions cannot be implemented in the absence of awareness on the benefits of alternative dispute resolution methods," said Mahabubur Rahman, chairman of BIAC.

An enabling framework is necessary for entrepreneurship to flourish in trade and investment, Rahman added, while moderating the seminar.

Mediation can be an effective tool to recover overdue bank loans due to its unique features, said Md Ahsan-uz Zaman, managing director of Midland Bank.

Banks can avoid long court processes and high legal costs if they go for mediation, he added. Mediation is a voluntary dispute settlement

system and its outcome lasts long, said Abdul Mueyed Chowdhury, a former adviser to the caretaker government.

The first international arbitration institution of the country, BIAC, began operations in April 2011. The International Chamber of Commerce-Bangladesh, Dhaka Chamber of Commerce and Industry and MCCI are the sponsors of the centre.

But it has not gained the popularity as hoped by the sponsors earlier, though business communities around the world are increasingly adopting alternative means to resolving conflict as conventional routes are blamed to be costlier and time-consuming.

This led BIAC to seek assistance from the government in popularising the alternative dispute resolution system.

The courts in Bangladesh, like in many other countries, are over-burdened. There are as many as 2.4 million cases pending, of which, roughly one million are civil cases, according to BIAC.

"BB appreciates mediation. We have no objection if banks realise overdue loans through mediation, if bankers follow relevant laws and guidelines," said the central bank deputy governor.

The culture of default loans and a high interest rate on the national savings instruments are the two main factors behind high bank interest rates in the country, Chowdhury said.

Mohammad Shahidul Haque, secretary for legislative and parliamentary affairs division, stressed the need for changing the lawyers' mindsets to popularise mediation.

Rules finalised to implement labour law

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"We do not need to pass the rules in the cabinet. We need the vetting from the law ministry to publish the rules," he said.

Tofail Ahmed, commerce minister, said, "With the finalisation of the rules to implement the amended labour law, we have fulfilled all the 16 conditions to regain the GSP status in the US market."

After the collapse of the Rana Plaza building in 2013, the government amended the labour law in parliament on July 15 the same year, allowing full freedom of association by the workers in the factories.

The US government had suspended the GSP for Bangladesh in June 2013, within two months of the building collapse.

In addition to suspending the trade privilege, the US government laid 16 conditions that have to be fulfilled to regain the status. However, the GSP is currently suspended for all beneficiary countries since July 31, 2013.

Bangladesh has already submitted the progress report on the 16 conditions and hopes the country will regain the status once it is re-launched in the US market.

Leaders from Bangladesh Garment Manufacturers and Exporters Association, Bangladesh Knitwear Manufacturers and Exporters Association and Bangladesh Employers' Federation were also present at the meeting.

Inflation ticks up in April

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Hilsa prices trebled in the run up to the first day of the Bangla year.

Food inflation, which dictates overall inflation, was the key driver behind the recent uptick in prices because of a disruption to the supply chain amid political unrest. It rose from 6.11 percent in February to 6.37 percent in March and reached 6.48 percent in April.

However, non-food inflation went down to 6.08 percent in April from 6.12 percent in March, meaning consumers have cut spending on non-essential items because of the higher cost of food items.

The overall price level began crawling upwards after the onset of political unrest on January 6, resulting in a 10 basis points increase in inflation in February, when it stood at 6.14 percent.

"Non-food inflation is stable because of low fuel prices in the international market," Arastu Khan, a member of the planning commission, told The Daily Star.

Khan said people consume more food in poor countries like Bangladesh. Around 60 percent of the total inflation index is spent on food, whereas it is only 10 percent in developed economies like the US. "This is why food inflation is higher in Bangladesh."

Kamal said although inflation went up slightly, it would remain within the government's target of 6.5 percent in the current fiscal year. "In developing economies like Bangladesh, it is always better if inflation remains within 6 to 6.5 percent."

ACI Formulations Limited
ACI Centre, 245 Tejgaon Industrial Area, Dhaka-1208

Notice of the 19th Annual General Meeting

Notice is hereby given that the 19th Annual General Meeting of ACI Formulations Limited will be held on Thursday, 11 June 2015 at 9:00 am at Officers Club, 26 Baily Road, Dhaka, to transact the following business:

AGENDA

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31 December 2014 together with Reports of the Auditors and the Directors.
2. To declare dividend for the year ended 31 December 2014.
3. To elect/re-elect Directors of the Company.
4. To appoint Auditors for the year 2015 and to fix their remuneration.

By Order of the Board
Sheema Abed Rahman
Company Secretary

Dhaka
07 May 2015

Notes

- a. The Record Date shall be on Wednesday, 13 May 2015.
- b. The Shareholders' names appearing in the Register of Members of the Company or in the Depository on the Record Date will be eligible to receive the dividend.
- c. The Directors have recommended dividend as follows:
Cash dividend: @30% or Taka 3.00 per share of Taka 10 each for the year ended 31 December 2014.
- d. A member entitled to attend and vote at the General Meeting may appoint a proxy to attend and vote on his/her behalf. The Proxy Form, duly completed, must be deposited at the Share Office of the Company at 9 Motijheel Commercial Area, Dhaka-1000 not later than 48 hours before the time fixed for the Meeting.
- e. Members are requested to notify the changes of address, if any, well in time. For BO A/C holders, the same to be notified through their respective Depository Participants.
- f. Admittance to the Meeting venue will be on production of the Attendance Slip that will be sent with the Notice.

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের নির্দেশনা অনুযায়ী আসন্ন বার্ষিক সাধারণ সভায় কোন সভায় কোন প্রকার উপহার/খাবার/কোন ধরনের কুপন প্রদানের ব্যবস্থা থাকবে না।

Advanced Chemical Industries Limited
ACI Centre, 245 Tejgaon Industrial Area, Dhaka-1208

Notice of the 42nd Annual General Meeting

Notice is hereby given that the 42nd Annual General Meeting of Advanced Chemical Industries Limited will be held on Thursday, 11 June 2015 at 10:30 am at Officers Club, 26 Baily Road, Dhaka to transact the following business:

AGENDA

1. To receive, consider and adopt the Audited Accounts of the Company for the year ended 31 December 2014 together with Reports of the Auditors and the Directors.
2. To declare dividend for the year ended 31 December 2014.
3. To elect/re-elect Directors of the Company.
4. To extend the tenure of Independent Directors, Mr. Abdul-Mueyed Chowdhury and Mr. Juned Ahmed Choudhury.
5. To re-appoint Dr. Arif Dowla as Managing Director for a term of 5 years from 01.07.2015 to 30.6.2020.
6. To appoint Auditors for the year 2015 and to fix their remuneration.

By Order of the Board
Sheema Abed Rahman
Company Secretary

Dhaka
07 May 2015

Notes

- a. The Record Date shall be on Wednesday, 13 May 2015.
- b. The Shareowners' names appearing in the Register of Members of the Company or in the Depository on the Record Date will be eligible to receive the dividend.
- c. The Directors have recommended dividend as follows:
a) **Cash dividend:** @100%.
b) **Stock dividend:** @15%.
- d. A member entitled to attend and vote at the General Meeting may appoint a proxy to attend and vote on his/her behalf. The Proxy Form, duly completed, must be deposited at the Share Office of the Company at 9 Motijheel Commercial Area, Dhaka-1000 not later than 48 hours before the time fixed for the Meeting.
- e. Members are requested to notify the changes of address, if any, well in time. For BO A/C holders, the same to be notified through their respective Depository Participants.
- f. Admittance to the Meeting venue will be on production of the Attendance Slip that will be sent with the Notice.

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের নির্দেশনা অনুযায়ী আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার উপহার/খাবার/কোন ধরনের কুপন প্রদানের ব্যবস্থা থাকবে না।