

Minister directs BSCIC to cancel jamdani plots given to non-weavers

10-day fair begins in Dhaka



A man displays a jamdani sari at a fair that began on the National Museum premises in Dhaka yesterday.

STAR BUSINESS REPORT

Industries Minister Amir Hossain Amu yesterday directed Bangladesh Small and Cottage Industries Corporation or BSCIC to cancel any plot given to non-weavers at

Jamdani Industrial City in Narayanganj.

Amu instructed the BSCIC to ensure proper allocation of plots among real weavers. Also, many recipients have rented out their plots to others.

The BSCIC must be firm on the plot allocation, he said. "No excuse will be acceptable."

The minister spoke as the chief guest at the inauguration of a 10-day jamdani fair co-organised by the BSCIC and National Museum

on the museum premises in Dhaka.

A total of 409 industrial plots were developed on 20 acres in Tarabo in Rupganj of Narayanganj district, especially for jamdani weavers. The project cost Tk 5.86 crore.

Of those, 399 plots were already allocated and 363 jamdani industrial units have been set up.

Amu stressed improving skills of the entrepreneurs and weavers to tap the sector's potential.

He advised the BSCIC to be more vigilant in ensuring establishment of jamdani industrial units in all the allocated plots.

The training centre at the industrial city is yet to be fully operational, said BSCIC Chairman Ahmed Hossain Khan.

Some 38 entrepreneurs and weavers are displaying their jamdani products, including saris and panjabis. Prices range between Tk 3,500 and Tk 90,000 per sari.

Md Anwar Hossain, owner of Anwar Jamdani Weaving Factory, said he sold three saris and five panjabis at the fair yesterday. The prices of saris ranged from Tk 4,500 to Tk 50,000, said Hossain, owner of two factories in the industrial city.



Mahbubur Rahman, chairman of Bangladesh International Arbitration Centre, and Manwar Hossain, managing director of Steel and Building Materials Division of Anwar Group, pose at the signing of a deal at the Group's head office in Dhaka recently for resolution of commercial disputes. Anwar Hossain, chairman of Anwar Group, and Hossain Khaled, DCCI president, were also present.

Inflation picks up in Indonesia during Muslim holy month

AFP, Jakarta

Inflation rose in Indonesia in June as tens of millions of Muslims observing the Islamic holy month spent extra cash on food, government data showed Wednesday.

The consumer price index rose 7.26 percent year-on-year, the government's Statistics Agency said. Inflation in May was 7.15 percent.

The cause of the inflation is basic food commodities, as demand is high during the fasting month and ahead of the Eid al-Fitr, Suryamin, the agency chief who like many Indonesians goes by one name, told reporters.

Food prices typically rise during Ramadan in Indonesia, the world's most

populous Muslim-majority country, as people stockpile food both for the less fortunate and to break their daily fast with lavish meals.

Inflation is expected to pick up further next month as the country of 250 million celebrates Eid al-Fitr, the end of the holy month, which falls in mid July.

Despite inflation being higher than the previous month, the June figure was lower than forecast by economists.

Inflation in Southeast Asia's biggest economy has been edging up in recent months due mainly to higher fuel costs.

President Joko Widodo, elected in October, virtually abolished huge subsidies at the start of the year and allowed petrol prices to float on the global market.



Mizanur Rahman, general secretary of Bangladesh Association for the Aged and Institute of Geriatric Medicine, and Rashida Chowdhury, managing director of Okapia Mobile, attend the launch of a cellphone called Okapia Maa, especially designed for the elderly, at Spectra Convention Centre in Dhaka on Tuesday.



Ali Reza Iftekhar, managing director of Eastern Bank, and Dilip Pal, chief financial officer of Grameenphone, inaugurate a kiosk of the bank at GPHouse in Dhaka recently. The kiosk has an ATM, a bills pay machine and a service desk to cater the financial needs of GP employees.

Malaysia's outlook now stable: Fitch

AFP, Kuala Lumpur

Credit ratings agency Fitch surprised analysts by upgrading Malaysia's sovereign outlook to "stable" from "negative", boosting the country's currency on Wednesday and providing welcome relief to the country's controversy-plagued government.

In a statement just before midnight on Tuesday, Fitch affirmed the country's credit rating at "A-", the fourth-lowest investment rating, and said Malaysia's fiscal finances had improved since 2014, citing progress on a newly-introduced consumption tax and fuel subsidy reforms.

"Malaysia's rating remains supported by reasonably strong real GDP growth rates and low inflation volatility," said Fitch, which had downgraded Malaysia's sovereign outlook to "negative" in 2013.

The positive news helped bolster the local currency on Wednesday, with the ringgit at 3.7347 against the US dollar, up from 3.7733 on Tuesday.

"It (the outlook revision) is a nice surprise," Nicholas Teo, an analyst at CMC Markets in Singapore, told AFP.

"We are seeing a big bounce on the ringgit now, presumably on the back of this."

IG Markets strategist Bernard Aw characterised the news as a "180-degree turn", noting that "the market had been bearish towards the outlook with sentiment being

driven by fears the rating would be downgraded". "The underlying fundamentals of Malaysia's economy are still stable," he added.

Rising government debt, mounting stress on the ringgit and weakening oil prices have been denting Malaysia's economy this year.

The Fitch statement will also be welcomed by Prime Minister Najib Razak, who is facing pressure to get Malaysia's financial house in order.

Along with having to deal with public anger over a newly-introduced consumption tax, Najib, who is also the country's finance minister, has been struggling to fend off a persistent campaign for his ouster by influential former premier Mahathir Mohamad.

Najib was weakened by 2013 polls in which Malaysia's long-ruling coalition nearly lost power, and his reputation has been hammered this year by a drip-feed of damaging allegations of fraud at a debt-ridden state investment company he oversees.

The prime minister has skirted demands that he explain how hundreds of millions of dollars have allegedly gone missing from deals involving 1Malaysia Development Berhad (1MDB).

He has denied wrongdoing and ordered government auditors to examine 1MDB's books. Malaysia's finance ministry on

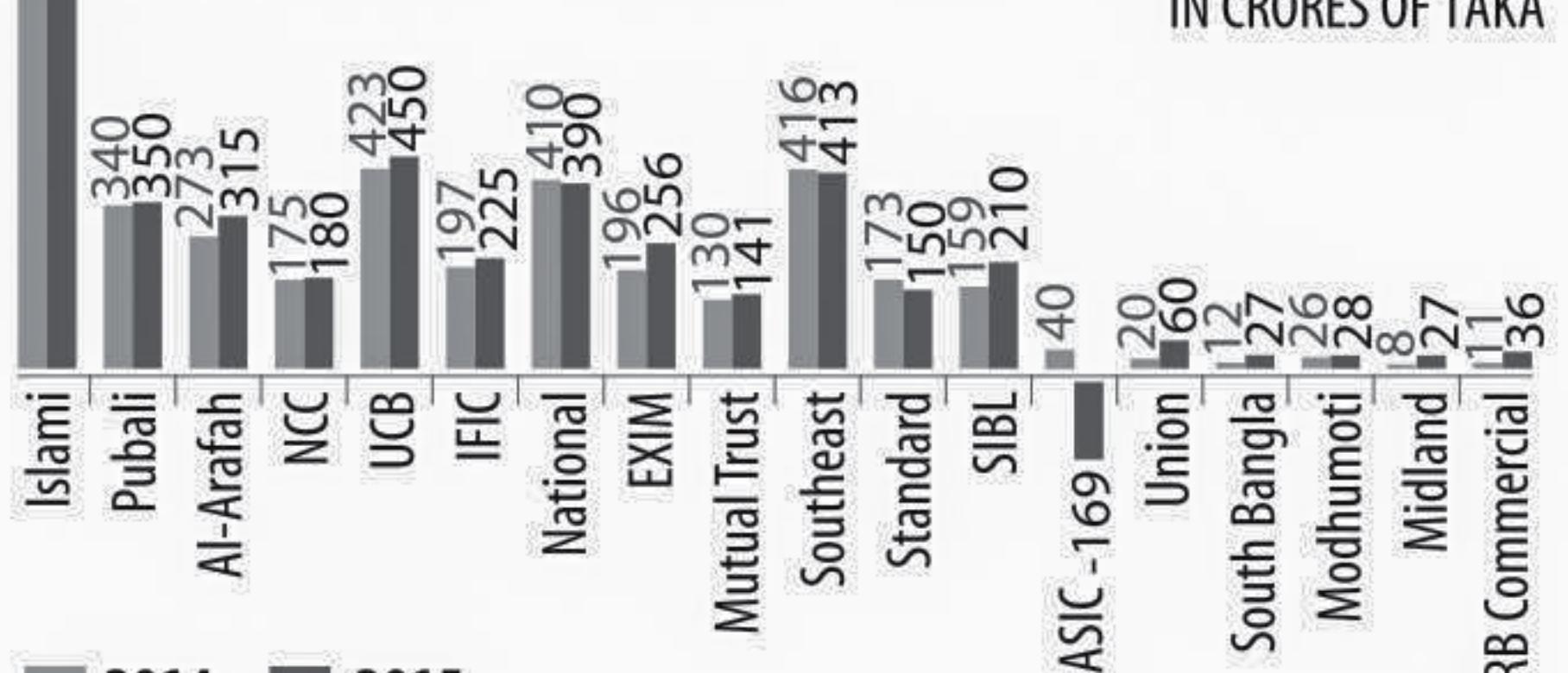
Banks' profits rise slightly

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Banks had excess liquidity of Tk 103,756 crore at the end of April this year, according to central bank statistics.

An official of United Commercial Bank said banks are being compelled to reduce lending rates due to stiff competition. Banks will lose clients if they do not lower interest rates, he said, adding that 75 percent of their income comes from interest.

According to the central bank, private sector credit growth is increasing gradually --



Mobile talk a bit cheaper

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The National Board of Revenue issued a notice yesterday, instructing all operators to implement the new rate.

Before this, subscribers paid just the 15 percent value-added tax on their usage but

now, they will also have to pay 3 percent supplementary duty.

The government is likely to earn around Tk 800 crore from the move, said a senior executive of a mobile phone operator.



Prodip Kumar Dutta, managing director of Sonali Bank, presides over a meeting at the bank's head office in Dhaka on Tuesday.



Ruhul Amin Molla, chief executive of Orion Footwear, opens an outlet of the company in Chittagong recently. Two outlets of the footwear company were opened at GEC Circle and Chawk Bazar on the day.

West African leaders urge liberalisation of region's power sector

AFP, Abidjan

Five West African leaders Wednesday urged regional governments to liberalise the region's electricity sector to overcome insufficient power capacities that deprive most of the area's 300 million inhabitants access to energy.

The prime ministers of Benin, Mali, Niger and Togo and the Ivory Coast made their appeal Tuesday in Abidjan during the founding meeting of the West African Energy Leaders Group -- an initiative assembling political and business leaders seeking to boost public-private power development projects in the region.

"African states must carry out deep structural and sectoral reforms, notably the liberalisation of the electricity sector," said summit host and Ivorian Prime Minister Daniel Kablan Duncan.

He stressed the private sector is the only actor in the energy sector capable of "assuming the often considerable investments that are virtually impossible for state budgets alone to finance" in an appeal co-signed with his fellow heads of government.

Duncan said efforts to resolve the region's chronic shortages of electricity have become even more urgent amid "the strong economic growth observed over the last five years demanding more and more energy resources."

Duncan noted that 15 percent of the world's total population lives in Africa, but consumes a mere three percent of global electricity supplies. He called the limited access to energy "a major brake on the economic and social development of the continent."

BB toughens anti-money laundering steps

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Later, the CEO will forward the report to the board of directors and the BFIU.

The central bank issued a similar notice for banks in December last year. The insurance industry will also receive a similar notice soon, said Mahfuzur Rahman, executive director and chief spokesman of the central bank.

Although Rahman said there were no big changes in the latest notice, the industry players found significant additions.

The financial institutions must comply with the Money Laundering Prevention Act 2012 and Anti Terrorism Act 2009 (including amendments of 2012 and 2013), according to the notice.

A financial institution has to report to the BFIU immediately after any news regarding money laundering and terrorist financing published in mass media.

The BB has asked the institutions to increase due diligence for "politically exposed persons" and their family members and close associates.

Similar attempts must be taken by the FIs for influential persons (persons who have been entrusted domestically with prominent public functions) and their family members and close associates. It said FIs have to know their sources of income.

Also, FIs were advised to follow certain customer identification procedure for opening of accounts and monitoring transactions of a suspicious nature for the purpose of reporting it to the BFIU.

The know-your-customer (KYC) policy is no more limited to the account holder only, according to the notice.

From now on, KYC of a beneficiary has to be ensured. In case of a company, shareholders having 20 percent or more shares will be considered as a beneficial owner, and separate KYC has to be done for them.

If a customer fails to meet due diligence standards, the financial institution must not open account, or will close existing account with a prior notification to customer and higher management.

The notice also stressed using anti-money laundering and terrorist financing issues before the recruitment of employees.