

# Dhaka Bank celebrates 20 years of operation



DHAKA BANK

Atiur Rahman, governor of Bangladesh Bank; Reshadur Rahman, chairman of Dhaka Bank; and Niaz Habib, managing director, pose at the 20th anniversary celebrations of Dhaka Bank at Radisson Blu hotel in Dhaka yesterday.

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Dhaka Bank celebrated 20 years of its operation in Bangladesh through a slew of festive and charitable activities.

The bank also launched a personal social responsibility office and a reconciler office under its corporate social responsibility programme at an event to mark the occasion at Radisson Blu hotel in Dhaka yesterday.

Atiur Rahman, governor of Bangladesh Bank, attended the programme as the chief guest, Dhaka Bank said in a statement.

Among the initiatives, financial grants were given to Khulna University, Rotary Community District Hospital, SEID Trust, Dhaka Ahsania Mission Hospital and the Centre for Women and Child Care, the bank said.

Bangladesh Fire Service and Civil Defense received a rescue boat and financial aid was handed to the families of 10 employees of the institution who died while doing duty.

The bank also launched a special deposit scheme—Joma—for garments workers, according to the statement.

Reshadur Rahman, chairman of Dhaka Bank, and Niaz Habib, managing director, were also present.



Mashirul Rahman, economic affairs adviser to the prime minister; Marcia Stephens Bloom Bernicat, US ambassador; and Humayun Rashid, managing director of Energypac Power Generation, attend the local launch of John Deere tractors through Energypac's new Agro Machineries Division, at a programme at Lakeshore Hotel in Dhaka recently.



M Moniruzzaman Khandaker, chairman of Midland Bank, opens the bank's 12th branch at Panchrukhi in Araihaazar, Narayanganj on Thursday. Md Ahsan-uz Zaman, managing director, was also present.

## World Bank removes critical section from China report

APP, Beijing

The World Bank has removed a critical portion from a recently released report on China's economy, saying the section had not been adequately reviewed.

On Wednesday, the Washington-based institution released its China Economic Update report in Beijing, which included a section urging the country to accelerate reform of its state-dominated financial sector.

In blunt language, the World Bank warned that failure to address the issue could end "three decades of stellar performance" for the world's second-largest economy.

"Wasteful investment, overindebtedness, and a weakly regulated shadow-banking system," had to be addressed for China's broader reform agenda to succeed, it said.

The organisation, however, said in an update to the report posted on its website on Friday that the section had been removed.

"Section 3 on the financial sector that was previously included in this report was removed because it had not gone through the World Bank's usual internal review and clearance procedures," it said.

World Bank officials in Beijing could not immediately be reached for comment on Sunday.

The section had also noted that the Chinese state exerts strong control over a majority of commercial bank assets, "making it an outlier by international standards".

In some cases, it added, authorities were simultaneously owners, regulators and customers of banks.

"Financial reform will only prove effective if it removes the distorted incentives and poor governance structures that have affected how financial resources are mobilised and allocated," it said.

## Premier Leasing re-elects office bearers



AKM Shamsul Alam



SM Shafiqul Islam

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SM Shafiqul Islam Mamun and AKM Shamsul Alam have been respectively re-elected chairman of the board's executive committee and chairman of the audit committee of Premier Leasing and Finance.

The elections were held at a meeting of the company's board of directors, it said in a statement.

Mamun is a director of Premier Leasing Securities, Mercantile Bank Securities and Desh General Insurance.

He is also the managing director of Naomi Sweaters and Paragon City Developments, a sponsor and ex-director of Mercantile Bank, and the owner of Car Impo, it added.

Alam is the chairman of the Institute of Share Research and Training. He is also serving as an independent director of the Securities Broking and Management Services and editor of Share Research.

He is also a member of the ICAB council's committees on professional development, public finance and public sector accounting and professional accountants in business, according to the statement.

## BB must widen scope for hedging

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For instance, in 2010-11, the local cotton importers had to count an additional \$500 million as losses due to abnormal price volatility of the item in the international market.

The hedging instrument can be used on import of a wide range of commodities like cotton, edible oil, petroleum products, sugar, wheat, rice and metals.

The central bank is still doing its preliminary work for preparing the rules.

Bangladesh Textile Mills Association, the spinners' and weavers' platform, held a meeting with the higher-ups of Bangladesh Bank on hedging last month.

"We need to formulate the hedg-

ing rules as soon as possible," said Farah Diba, a research associate at BTMA.

Bangladesh annually imports goods worth more than \$45 billion, which the experts are saying will cross \$60 billion soon for higher economic performance.

Ahsan H Mansur, executive director of Policy Research Institute, said Bangladesh Bank has the scope to show a liberal attitude by allowing hedging by commercial banks as the country's overseas trade volume has been increasing every year.

"The hedging will minimise the risk and cost and uncertainty in trade. Definitely, Bangladesh can save millions of dollars from the hedging instrument."

# Barcelona struggles with rising tide of tourists

AFP, Barcelona

Tourists are vital to Barcelona's economy, but the 27 million people who visit each year have become a headache for the new mayor as she battles to save the iconic Spanish Mediterranean port from becoming a bland theme park.

"Tourists go home" is frequently found painted on the walls of buildings in the centre of Spain's second-largest city, which is struggling to cope with a surge in tourism that started when it hosted the Olympics in 1992.

The city of 1.6 million residents is now the third most visited in Europe after London and Paris, according to a 2013 study by Mastercard, and tourism contributes to 14 percent of Barcelona's economy.

The arrival of the summer tourist season highlights the problems of mass tourism: long snaking queues to visit buildings by modernist architect Antoni Gaudi, tour groups jamming the narrow streets of the Gothic quarter and crowded beaches with little room to lay down a towel.

"Barcelona is at a crossroad. If nothing is done, in 30 or 40 years it could become a Venice, a city completely specialised in tourism," Francesc Munoz, a geography professor at Barcelona's Autonomous University, told AFP.

The dependence on tourism is already evident in some areas of the city, such as the tree-lined Ramblas avenue.

Once a meeting place for locals, the street is now heaving with tourists who throng fast

food restaurants and souvenir shops.

"We are losing our essence. Where once there used to be flowers, now there are only souvenirs," said Carolina Palles of the oldest flower shop on the Ramblas, which was founded by her great-grandmother in 1888.

In front of her shop a huge banner hangs from a balcony that reads: "Barcelonians, return to the Ramblas."

Vendors at the nearby historic La Boqueria market complain that gawking tourists prevent locals from buying their groceries.

Local officials earlier this year banned tour groups from entering the market during peak shopping times.

"Traditional clients have stopped coming because they don't have room to walk or move their shopping cart," said Xavier Alonso, a fishmonger at the market who says his sales has halved in the last five years.

Last year there were even grassroots protests against tourism in the seaside neighbourhood of Barceloneta following an explosion of short-term rentals that flooded the area with young, rowdy visitors.

The tourism boom has been a very quick process -- in 25 years -- and the city did not absorb it well. This has generated this tourismophobia," said University of Barcelona geography professor Frances Lopez Palomeque, who worked on the city's 2008-13 tourism plan.

Now Ada Colau, an anti-eviction activist who was sworn in as mayor last month after winning a May municipal election, is working on a plan to make local residents' daily life

compatible with this important economic sector, which generates 120,000 jobs.

Her first measure, announced on Thursday, was to stop issuing new licences for tourist accommodation for one year while a new strategy is being developed for the sector.

But that has affected some 30 projects, including a plan to turn the city's iconic geyser-shaped Agbar skyscraper tower into a five-star Hyatt hotel, sparking warnings from key investors.

Investment fund Emin Capital, which bought the Agbar building in 2013 for 150 million euros (\$166 million), had planned to open the hotel in 2017 and estimated the project would generate around 1,000 jobs.

But with Thursday's suspension of new licences, Emin Capital president Jordi Badia warned: "Barcelona is a global model when it comes to tourism. Every investor wants to come here, but if we create legal insecurity, they will go elsewhere."

Barcelona currently has 600 hotels with 74,000 rooms as well as 9,600 registered tourist apartments.

But officials suspect the number of unregistered tourist apartments rented through online platforms like Airbnb is much higher. A study by Spanish tourism sector body Ectur estimates there are 137,000 rooms for rent in private homes through online platforms.

"There is a campaign to give us a bad name because we take market share away from them," said Enrique Alcantara, president of Barcelona's tourism apartment association APARTUR.

## WB plans big to fund connectivity

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In five years till 2014-15, Bangladesh received \$2 billion in loans from the WB, double the amount the country had got in the previous five years.

Lending will go up in the next five years, but the figure has not been finalised, a WB official said.

So far, Bangladesh got the loans as a low-income country from the WB's soft-loan wing -- International Development Association, known as IDA, which charges 0.75 percent and carries a repayment period of 38 years with eight-year grace period.

If the income increases in the next years, the country may lose the IDA eligibility quota. In this case, Bangladesh can take loan from the WB's commercial wing -- International Bank for Reconstruction and Development (IBRD).

The IBRD charges interest rates at LIBOR plus 1.35 percent, and the repayment period is between eight years and a maximum of 20 years.

However, Zahid Hussain, a lead economist at the WB in Dhaka, said it would be a mistake to assume that the access to IDA finance automatically stalls after a country crosses the IDA eligibility threshold.

Currently, there are 31 low-income countries but the number of IDA borrowing countries is 77, showing there are 46 countries above the lower middle income country threshold which are IDA borrowers.

Hussain said a country can become a 'blend' country after crossing the IDA eligibility threshold. A blend country has access to both IDA and IBRD finances.

The 'blend' category is used to classify countries that are eligible for IDA resources on the basis of per capita income but also have limited creditworthiness to borrow from IBRD.

Generally, given the access to both sources of funds, blend countries are expected to limit

IDA funding to social sector projects and use IBRD resources for projects in the 'harder' sectors. Moreover, as their creditworthiness increases, such countries should be able to take on more IBRD financing, which in turn allows their access to IDA financing to be gradually reduced.

Over time, this results in a gradual hardening of the blend ratio, preparing the country for the eventual graduation from IDA, according to the WB.

Bangladesh's per capita income reached \$1,080 in 2014, which is higher than the WB's lower middle income threshold of \$1,046.

In the present calculation, if a country's per capita income goes above \$1,215 it loses the IDA-only eligibility.

In the last fiscal year ending on June 30, Bangladesh's provisional per capita income was \$1,315. But it came down to \$1,217 in line with the WB calculation. The threshold is normally revised upward every year.

If Bangladesh continues to grow at the current pace and crosses the WB-fixed threshold, it would not qualify for the IDA-only finance.

"But it won't be a problem for Bangladesh," another WB official said. "The WB will assess the impact of soft loan on the country's overall need. If it needs concessional loans, it will continue to receive the financing."

The official gave the example of Vietnam, which receives IDA financing although its per capita income stands at \$1,800.

A finance ministry official said Bangladesh takes a big amount of hard term loans from India and China. "Compared to the financing from India and China, the IBRD loans would be more flexible and less costly for Bangladesh."

Besides, the IBRD financing will open a new window for Bangladesh to implement large projects to meet infrastructure deficits, he said.

## Samsung opens first exclusive store in Dhaka

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Chowdhury of Rangs said the showroom at the heart of the capital would provide the busy city-dwellers with easier access to smart Samsung products.

Samsung products have been available in Bangladesh since 1980s, but the company opened its office here in 2006, as the demand for the company's high-end products increased among middle-class customers.

Rangs Group has presence in the areas of automobiles, pharmaceuticals, banking, insurance, electronics, IT, media, real estate, energy, apparel and telecommunications. It also represents global brands in the country.

Munir Uddin Ahmed, chief operating officer of Rangs Industries, was also present.



Shamsur Rahman, chairman of Bay Group, and MA Quader, chief executive of Bay Emporium, launch a new outlet of the footwear brand on Banasree Road in Rampura, Dhaka recently.



Maksudur Rahman, executive committee chairman of South Bangla Agriculture and Commerce Bank, opens the bank's 42nd branch at Eakub Centre in Nasirabad, Chittagong yesterday. SM Amzad Hossain, chairman, and Md Rafiqul Islam, managing director, were also present.



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