

Tea workers in Moulvibazar go on strike for dues

MINTU DESHWARA, Moulvibazar

Around 7,000 tea workers went on a strike in Moulvibazar yesterday to press home their demands for due payments.

The workers belong to five gardens of state-owned National Tea Company (NTC) in Madhabpur, Modon Mohanpur, Patrokhola, Kurma and Champarai in Kamalganj upazila, said Enamul Haq, officer-in-charge of Kamalganj Police Station.

The daily wage of the workers has been raised to Tk 85 from Tk 69 last year, said Makhan Lal Karmakar, president of Bangladesh Cha Sramik Union, a platform of tea workers.

"The workers have been paid at the rate of Tk 69. So they called the strike for the rest of Tk 16."

They also brought out several processions and held rallies at the tea gardens of Monu-Dhalai Valley of Moulvibazar.

Nirmal Das Painka, general secretary of Monu-Dhalai Valley of Bangladesh Cha Sramik Union, told The Daily Star: "We placed our demand before the owners' group in January this year. They did not respond."

"The owners did not take any initiative to sit with the workers' groups to discuss it. We will now discuss the matter with NTC."



MINTU DESHWARA

Tea workers of five gardens of state-owned National Tea Company in Moulvibazar perform a work abstention as part of a strike for dues.

Around Tk 3 crore is needed to clear the dues of the workers, said Mohammad Shahjahan, deputy general manager of NTC.

"It is risky to withdraw such a big amount

before the Eid, which is causing the delay in clearing the payments. We will sit with the leaders of the tea workers to solve the problem."

New chairman of NRB Bank

STAR BUSINESS DESK

Mohammed Mahtabur Rahman has recently been elected as the chairman of NRB Bank, the bank said in a statement yesterday.

Prior to taking the new role, he has been serving the bank as vice chairman, according to the statement.

He is currently the chairman and managing director of Al Haramain Perfumes



Mahtabur Rahman

Group of Companies, which has over 100 branches around the world.

Rahman is also the chairman of Hamidia Tea Co Ltd and Al Haramain Hospital Pvt Ltd in Bangladesh, the bank said.

He is also a sponsor of Al-Arafah Islami Bank Ltd and a director of AIBL Capital Market Services Ltd in Bangladesh, according to the statement.

New top brass for Shahjalal Islami Bank

STAR BUSINESS DESK

Md Towhidur Rahman has recently been elected as the chairman of Shahjalal Islami Bank.

The bank also elected Mohiuddin Ahmed and Md Harun Miah as vice chairmen, the bank said in a statement yesterday.

Rahman obtained an engineering degree from Europe. He is the chairman and managing director of Fresh Foods Ltd and Sea Fresh Ltd. He is also the managing director of Garments Libas Textile Ltd and Fresh Export & Import Ltd.



Md Towhidur Rahman

Ahmed is the chairman of Rupsha Trading Corporation, Mohiuddin & Company and Pacific Automobile.

He is also the chairman of Shahjalal Islami Bank Securities Ltd and a sponsor director of Islami Insurance Company Ltd.

Harun Miah is the managing director of Kushiara Financial Services Ltd and Kushiara Travels Ltd. He is also a director of Kushiara Cash & Carry, Shahjalal Islami Bank Securities Ltd, Bangla Frozen Food Ltd and Quality Sea Food Ltd, according to the statement.



FAS

Mohammad A Hafiz, chairman (acting) of FAS Finance and Investment Ltd, presides over the company's 19th annual general meeting at Hotel Abakash in Dhaka on June 23. The company approved 10 percent stock dividends for 2015.

A huge jump in logistics performance

FROM PAGE B1

Bangladesh's overall score stands at 2.66 this year, up from 2.56 in 2014. Of the six indicators, Bangladesh has scored better in customs, infrastructure, logistics competence and tracking this year compared to that of 2014.

On the other hand, Bangladesh's score went down slightly this year in areas of international shipments and timeliness.

The report said countries characterised by low logistics performance face high costs, not merely because of transportation costs but also because of unreliable supply chains -- a major handicap in integrating and compet-

ing in global value chains.

The WB has another measure -- a domestic LPI, which analyses a country's performance across four factors: infrastructure, services, border procedures and supply chain reliability.

The yardsticks are not comparable across all countries, but there are some that show Bangladesh still lags behind many countries.

For example, only 65 percent of shipments from Bangladesh meet the quality criteria, compared to 69 percent for India, 72 percent for China and 77 percent for Kenya.

On the other hand, it takes two and

three days to clear shipments, without and with inspection, respectively. The numbers are comparable to India and China.

Bangladesh has an average of 5 and 4 forms required for imports and exports, which are on par with India and China as well, but higher than Germany, which requires just 2 forms.

The lead time for exports through sea or air ports is 4 days, which goes up to 7 days for land ports; for imports, it is 5 days and 7 days respectively. Nearly 86 percent of declarations are submitted and processed electronically in Bangladesh.

Govt cuts source tax on exports

FROM PAGE B1

The tax rebate benefit will reduce gradually for those who earn above Tk 10 lakh a year. Depending on the level of income and the amount of investments, the tax discount will be applicable in three slabs -- 10 percent, 12 percent and 15 percent for the next fiscal year.

There is also relief for exporters, who will have to pay 0.7 percent source tax on their export proceeds from next fiscal year, instead of proposed 1.5 percent.

"It means that exporters will have to pay only Tk 0.1 more than what they pay now," Muhith said.

The revision came in the face of staunch opposition from exporters. "We welcome the decision," said Siddiqur Rahman, president of Bangladesh Garment Manufacturers and Exporters Association.

Taxmen said collections of source tax will rise if the export receipts continue to grow.

In the first ten months of the fiscal year, Tk 1,332 crore was collected as source tax, which is already higher than the previous year's full year receipts of Tk 1,065 crore, according to the NBR. Multinational companies also got a waiver from preparing their annual accounts, taking July-June as income year. They will be able to maintain their accounts in line with their parent firms.

The NBR earlier said companies except for banks and financial institutions will have to make their accounts taking July-June as the income year.

CHANGES IN VAT RELATED PROPOSALS

In the face of criticism, the government also backtracked on its plan to realise 50 percent of the VAT amount for appealing against claimed amount or penalty imposed by revenue officials. Businesses can continue to file appeals against claimed VAT by paying 10 percent, as they do now.

Also, all e-commerce activities, including shopping online, will be free from VAT.

CHANGES IN DUTY RELATED PROPOSALS

The zero duty import benefit for several essentials such as edible oil, sugar, pulse, onion and garlic will also continue next fiscal year. Life-saving drugs will also enjoy zero-duty import benefit, after the proposal to impose 5 percent duty on them was withdrawn.

The import cost for liquefied petroleum gas will be 5 percent in fiscal 2016-17 instead of 10 percent.

First US chain hotel in a half-century opens in Cuba

AFP, Havana

Starwood Hotels on Tuesday took over management of a luxury hotel in central Havana, becoming the first big American hospitality chain with a presence on the island since the Cuban Revolution a half-century ago.

The newly-rechristened Cuba Four Points by Sheraton on Havana's Quinta Avenida -- a hotel owned by the Cuban military -- now will be managed by the American hospitality giant.

Located in Havana's Miramar district, the posh hotel -- formerly known as the Quinta Avenida hotel -- has rooms available from \$246 per night, according to its website.

Management of the hotel under the Starwood banner is a point of pride, said Jorge Giannattasio, who oversees the company's Latin American properties.

Cut dependence on non-bank borrowing

FROM PAGE B1

"Hopefully, this year, more money will be taken from the banking system than non-bank sources," Paul said, making a presentation on the proposed budget and the overall economy. SA Samad, executive chairman of BoI, chaired the discussion while Waliul Islam, a former secretary, was present as chief guest.

The BB chief economist said Bangladesh's debt-GDP ratio is still low at 29 percent, which is 60 percent in India.

"We can afford more debt, if necessary, from foreign sources to use those in productive purposes," said Paul.

He also said the UK's decision to leave the European Union will not affect Bangladesh. British economic fundamentals are strong and their currency will also recover from the present plunge, he added.

Waliul Islam requested BB to be kind to the capital market. Good companies should come into the capital markets, he added.

On foreign direct investment, Samad said he does not see anything bad in reinvestments by foreign companies, because it shows they have confidence in the Bangladesh business.

Flights of Turkish Airlines from Dhaka unaffected

FROM PAGE B1

"No Bangladeshi passenger was hurt," he said. Currently, Turkish Airlines operates outbound and inbound flights from Dhaka every day.

Turkish Airlines also operates one separate cargo flight from Dhaka to Istanbul every week and carries more than 50 tonnes of goods from Dhaka to Istanbul.

In a notice on its website, the airline said, due to the incident passengers will be allowed to rebook and reroute all flights between June 28 and July 5 without any charge, provided they submit their requests by July 31. It will also accept refund requests and refund unused tickets.

Private investment to rise

FROM PAGE B1

However, Muhith acknowledged that there are a number of impediments to increasing private sector investment. These are: a lack of adequate energy, scarcity of land and poor communication infrastructure. The government is wholly conscious of the limitations and have taken up a good number of measures to address them, he said.

For instance, the government has taken an initiative to quickly implement eight mega projects to remove the weakness in communication infrastructure. Two more projects -- the Padma rail link project and Dohazari-Cox's Bazar-Gundam project -- will be included in these.

Some more projects -- Matarbari coal port, Bhola gas pipeline, and setting up a petrochemical factory in the coastal area -- will be treated as mega projects.

To implement the mega projects, the government will take some non-

concessional loans, Muhith said, adding that it will be ensured that the country's debt sustainability is not breached.

In the last 45 years, Bangladesh succeeded in keeping its debt burden in foreign loans limited to within 24 percent of its national income, he added.

Some Tk 34,230 crore has been allocated for next fiscal year to improve communication infrastructure.

Presenting the initiatives to ease traffic jam in Dhaka, he said the Metropolitan Transport Authority covering the city corporations in Dhaka and the adjacent areas will start their work next year.

In industrial management in Bangladesh there is an acute shortage of mid and high level officials, due to which about \$4 billion fly abroad in legal ways every year, Muhith said. "From this, an idea can be reached about the number of foreigners working in Bangladesh."

Fortune Shoes gets go-ahead for IPO

FROM PAGE B1

The company will use the fund from the initial public offering to purchase machinery and equipment and construct a building.

The company's weighted average earnings per share stood at Tk 1.41 with a net asset value per share of Tk 13.75 in February this year.

Imperial Capital and Prime Bank Investment will jointly manage the IPO.

Fortune Shoes is engaged in manufacturing and exporting all kinds of leather shoes and footwear, according to the company website. It exports footwear products to Germany, the Netherlands, France, Taiwan,

the UK and China.

After listing, Fortune Shoes will be the sixth company under tannery industries category, which accounts for less than 1 percent of total market capitalisation of Dhaka Stock Exchange.

The BSEC also approved the appointment of KAM Majedur Rahman, former managing director of Premier Bank, as the managing director of Dhaka Stock Exchange.

The post of the managing director of the premier bourse remained vacant after Swapan Kumar Bala completed his three-year tenure on April 12.

Regulator to remove Agrani Bank MD

FROM PAGE B1

The official said the letter of Hamid's removal will be sent to Agrani Bank today.

When contacted, BB spokespersons Subhankar Saha and FM Mokammel Huq declined to comment.

Several attempts were made to reach Hamid, but his mobile phone was switched off.

A central bank official said as per the decision, Hamid can not perform any responsibility in any bank for the next two years.

In February, the central bank served a show-cause notice on Hamid for nine counts of irregularities as per the Banking Companies Act.

He replied to the notice but the central bank found the response unsatisfactory. He also had to appear at a BB hearing.

The move against Hamid comes after the central bank's inspections into Agrani's main branch and the Asadganj and Laldighi East

branches in Chittagong.

The BB notice said Hamid approved loans for a few clients by violating the directives of the central bank and the board of directors of Agrani. In 2011, a loan of Tk 120 crore was extended to Tanaka Tradecom International from the bank's main branch.

The loan was approved by Agrani's board with the condition that supplementary collateral must be kept as security with the bank.

Tanaka Tradecom later proposed changes to the condition, which Hamid approved without the consent of the board.

Later in 2015, he rescheduled loans of the company amounting to Tk 10.79 crore -- a decision he was not authorised to make.

In another instance of violation, Hamid rescheduled a Tk 42.38 crore fund for Muhib Steel & Ship Recycling Industries that was already classified as bad loan.

Once again, he went above and beyond his authority to do so and without taking the approval of the board.

Not only that, Muhib Steel was given letters of credit facility time and again, which took its total outstanding amount to Agrani to Tk 91.93 crore. The entire amount has now been classified as bad loan.

Serious irregularities were also committed by Hamid when disbursing loans to Mizanur Rahman Mizan, a customer of Agrani's main branch, and various companies linked to the client's Sun Moon Group.

The tenure of Hamid's service was scheduled to end on July 10.

The move to remove Hamid is a second instance of action against the managing director of a state bank.

The BB, for the first time in history, removed BASIC Bank CEO Kazi Faqurul Islam.



SIBL

Md Rezaul Haque, chairman of Social Islami Bank, and Shafiqur Rahman, managing director, attend a programme to honour the employees who have served the bank for more than two decades.