

# President stresses stronger regional economic ties

UNB, Dhaka

The time has come to take better coordinated efforts to establish a more dynamic South Asia to reap more benefits of the intra-regional economic cooperation, President Abdul Hamid said yesterday.

The president spoke at the inauguration of the Ninth South Asia Economic Summit, organised by the Centre for Policy Dialogue (CPD), at Le Meridien Hotel in Dhaka.

"We want a South Asia, where there'll be no poverty, where there'll be opportunities for decent jobs and decent work, where distribution will be just and governance will be participatory and people will live in harmony with nature," Hamid said.

He said the government is committed to advancing the cause of South Asian solidarity and promoting cooperation among Saarc countries.

He said the close cooperation with South Asian neighbouring countries will help Bangladesh implement sustainable development goals.

Bangladesh now targets to graduate to an upper middle-income country in the next few years, he said.

"We strongly believe that close cooperation with our regional neighbouring countries, in various areas, can contribute to achieving the goals set by our government in this regard."

Prime Minister's International Affairs Adviser Gowher Rizvi and CPD Chairman Professor Rehman Sobhan were also present among others.

# Show me the money: Thailand's mega-rich monarchy

AFP, Bangkok

Late Thai king Bhumibol Adulyadej has left behind one of the world's richest monarchies, with a multi-billion-dollar empire spanning property, construction and banks.

Analysts say the vast royal reserves have allowed the crown to build a deep network among the Thai elite, helping insulate the king from the political pressures felt by monarchs who rely chiefly on state funding.

But as with all issues linked to the Thai monarchy, the crown's financial dealings are shielded from criticism by one of the world's harshest lese majeste laws.

Even the king's semi-official biography admits that the Crown Property Bureau (CPB), the banner under which the assets are held, is a "unique" and "rather mysterious institution". Here is what we know about the opaque but powerful palace purse.

The CPB is not obliged to release any details of its accounts or activities, so its precise assets are unknown.

But 2014 estimates by Porphant Ouyyanont, a Thai academic who has done landmark research on the CPB, put its portfolio at up to \$59.4 billion -- nearly four times richer than the British crown.

The CPB has invested in dozens of companies over the years, but the bulk of its returns come from land, banking and cement.

Company accounts show it holds a 23.69 percent stake in Siam Commercial Bank, the kingdom's oldest bank, and a 31.6 percent stake in Siam Cement Company, a sprawling conglomerate that has paved Thailand's urban expansion and branched out across the region's growing economies.

The CPB is also one of the kingdom's largest landlords with 40,000 rental contracts, half of which are in prime areas of Bangkok, according to the 2011 biography of Bhumibol published on the CPB website.

The book put the bureau's returns -- tax-exempt by law -- at around \$300 million annually.

The CPB was initially placed under state control when it was

formed in 1936, just a few years after absolute monarchy was abolished in Thailand.

But a decade later the keys were handed back to the king, giving him final say over any asset sales and power to appoint six out of seven board members. The 1948 legislation also made clear revenue "may be disbursed only by the king".

This reclamation of royal control came just after Bhumibol ascended to the throne, marking the start of a long, highly successful effort to revitalise the monarchy's prestige and power.

By the time Thailand's post-World War II economic boom was underway, the stability that came with palace backing made the CPB the most attractive partner for foreign firms flocking to the kingdom, embedding its control over the economy.

"In the 60s we were almost the only institution foreign investors spoke to," the CPB's director-general Chirayu Isarangkun, who declined to comment for this article, said in a rare 2012 interview published on the bureau's website.

The bureau's funds are used to

cover the royal family's expenses and the upkeep of palaces and other royal sites. However the palace also receives millions of dollars from the government budget to foot a number of other expenses.

Around \$170 million annually in state funding covers the salaries of staff working in the Royal Household Bureau and other key palace offices, plus security provided for the royals by police and armed forces, according to the king's biography. Public funds also cover many of the rural development projects that have been exhaustively promoted by the palace's propaganda arm.

The CPB's director-general has previously said the king prefers to use as little of the taxpayers' money as possible.

"There is no sign that King Bhumibol ever used it as his own money pile," said Paul Handley, author of "The King Never Smiles", a biography of Bhumibol banned in Thailand. He noted that the bureau is overseen by some of the country's most trusted technocrats, and monitored by one board member from the Ministry of Finance.

# Oil from Kazakhstan's Kashagan field exported for first time

AFP, Moscow

Kazakhstan's vast offshore Kashagan oil field has produced its first crude for export, authorities in the ex-Soviet nation said Friday, in spite of many setbacks.

More than 26,000 tonnes of crude oil and 22.8 million cubic meters of natural gas have been produced and were shipped Friday through various pipelines, the Kazakh energy ministry said in a statement.

"The first batch of export oil

was shipped today from Kashagan," it said, adding that some testing is still ongoing.

"Reaching stable operation will take some time."

The Kashagan field, located in the north of the Caspian Sea, is viewed as one of the largest oil discoveries of the past 40 years.

Authorities have said that production at the field will be launched officially at a ceremony on October 23.

Plagued with a number of problems including a failed launch over recurring gas leaks in 2013, the start of production at Kashagan comes amid plunging crude prices.



Jacky Tsi, director of Huaren Lenin Group, speaks at the Huaren Linen Corporate Night 2016, at Radisson Blu Water Garden Hotel in Dhaka on September 29. The group is a Chinese exporter of linen and linen related products.

# What Brexit? Top Dutch bank moves traders to London

AFP, The Hague

Dutch top bank ING said Friday it is moving dozens of trading jobs to London, defying expectations of an exodus of financial sector professionals from Britain because of Brexit.

An ING spokeswoman said 60 jobs would be moved from Amsterdam and Brussels to the City of London to join its corporate finance banking team of 650 people already working there, creating a single unit.

"It makes more sense to regroup functions that belong together," spokeswoman Carolien van der Giessen told AFP, adding that ING will

deal with the consequences of Britain's departure from the EU when its modalities become clear.

"Even if Brexit has important consequences, they are currently very difficult to envisage. When the time comes, we'll see what we can do," she said.

In the meantime, the City of London remains attractive because of "a great pool of talent", she said.

The EU has warned Britain that it will not allow Britain to cling to advantages for its financial industry while blocking free movement of labour in the wake of Brexit.

London's financial district has benefited from Britain's EU member-

ship as a foothold in the single market for British and non-EU banks.

Huge volumes of euro-denominated trade pass through Britain thanks to so-called "passporting" rules, which allow the UK to host transactions in the single currency despite not itself being a part of the eurozone.

But in the wake of the nation's June 23 vote to quit the European Union, that access may be under threat.

Several major players in the sector, including US giant JP Morgan and Swiss UBS, have warned that thousands of jobs could leave the "Square Mile" financial district for the continent if that happens.

# WB president arrives in Dhaka today

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"I am eager to hear how the World Bank Group can work with Bangladesh to promote private sector investment by strengthening governance and improving the investment climate."

There is also much to do by increasing investment in infrastructure, human development, and climate change, he said. During this visit, Kim will also meet with Prime Minister Sheikh Hasina and Finance Minister AMA Muhith along with other senior government officials.

They will discuss the country's development progress and explore opportunities to deepen the World Bank's engagement, according to the statement.

He will also meet with civil society representatives and private sector leaders and visit several World Bank-supported projects.

# Rise above politics and focus on SDGs: analysts

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He said countries would not be able to attain any of the SDGs if political leaders follow the business-as-usual approach.

SDGs, otherwise known as the global goals, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

These 17 goals build on the successes of the Millennium Development Goals, while including new areas such as climate change, economic inequality, innovation, sustainable consumption and peace and justice.

Although the role of regional cooperation has not been spelled out in the SDGs, a collaborative effort among the countries would not go amiss.

"It will depend on whether countries can move to consensus from conflicts," Chowdhury said.

The implementation of SDGs would require sustainable and rapid economic development, rapid expansion of democracy and good governance, said Sarath Amunugama, minister for special assignments of Sri Lanka.

"We are missing a lot of it [three factors] at the moment."

He went on to blame the politicians, who are fixated on the idea

of nation states and cannot go beyond it.

Political rivalry is a challenge for the region, said Choida Jamtsho, a lawmaker of the National Assembly of Bhutan. "Political leaders are not ready as a team in the region to achieve the 2030 goals."

Pakistan's Khan said the postponement of the Saarc Summit has been a disappointment for the whole region.

"The summit provides a vehicle to hold dialogue -- you can achieve something through the dialogue."

He said an independent, developed and stable Nepal, for example, is in the best interest of India. "And this is true for all the countries in the region."

There is a lack of excitement among the people of the region about South Asian integration, said Amir Khosru Mahmud Chowdhury, former commerce minister of Bangladesh.

"Governments are trying to integrate the region, but people of South Asia have been left behind. South Asia should not discriminate our people," he added.

A sub-region consisting of India, Nepal, Bhutan and Bangladesh is working within Saarc while the other part of the bloc is not functioning, said Nazir Kabiri, adviser

to the finance minister of Afghanistan.

"The most successful network in the region is the network of the terrorists -- we have to get out of the hostage situation."

He said sub-regional groups can be effective but people have to be engaged.

Despite being established more than three decades ago Saarc has not integrated although the countries share many things in areas of culture and language, said Shekhar Gupta, a leading journalist and owner of Mediascape in India.

"The region has some political and cultural strength," he said, adding that although 40 percent of the world's Muslim population lives in the region there is no presence of terrorist outfit ISIS.

He however said he does not see any possibility of European Union-style integration of South Asian countries in the near future.

Speaking from the floor, Dr Kamal Hossain, a noted Bangladeshi jurist, said the 2030 agenda has revived the issue of empowering people.

"The 2030 agenda has given voice to the people of the region. So, political leaders have some responsibility towards implementation of the SDGs."

The motor vehicle agreement signed between Bangladesh, Bhutan, India and Nepal can be a building block if there is coherence, said Nagesh Kumar, head of UNESCAP South and South-West Asia office in New Delhi.

Saarc has not picked up the way everybody wanted, said Jagadish Chandra Pokharel, chairperson of the Nepal Institute of Urban and Regional Studies.

"If Saarc did not pick up, other regional groups would come forward," he headed.

Bhattacharya said whether the subregional groups will make Saarc defunct is a critical question that has to be contemplated in the coming years.

The objective of this year's summit is to advance the cause of regional integration in South Asia through discussion and reflections by stakeholders on the key issues of interest and concern to countries and people of the region.

The summit organisers are CPD, the Institute of Policy Studies of Sri Lanka, the Research and Information System for Developing Countries of India, the Sustainable Development Policy Institute of Pakistan and the South Asia Watch on Trade, Economics and Environment of Nepal.

# Popular Pharma to go public

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Popular Pharmaceuticals has a paid-up capital of Tk 120 crore. Its half yearly earnings-per share stood at Tk 0.96 at the end of June this year, while the net asset value per share was Tk 35.12.

The Popular Pharmaceuticals factory is located on six acres in the Tongi Industrial Area. It started commercial operations in 2005, and now holds about 2 percent of the total pharma market, which is worth around Tk 15,500 crore.

Apart from supplying to the local markets, it also exports to 26 countries.

At present, 28 companies are listed on the stockmarket under the pharmaceuticals and chemicals category, which accounts for around 16 percent of total market capitalisation.



Azharul Islam, chairman of Uttara Bank, and Mohammed Rabiul Hossain, managing director, attend the fourth conference of the bank's zonal heads, at the bank's head office in Dhaka on Thursday.

UTTARA BANK

# Growth must translate into job creation

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Nayyar emphasised focusing on education and healthcare and the role of governance for structural transformation of South Asia by 2040.

"Efficient market needs effective governance," he added.

South Asia is itself a big economic entity but intra-regional trade is stuck at only 5 percent of total trade in the region, said AHM Mustafa Kamal, planning minister of Bangladesh.

In contrast, the intra-regional trade under the Asean block is 26 percent, he added.

Najma Afzal Khan, a member of Pakistan's Punjab Assembly, said South Asia faces some challenges such as reforms in governance in social sectors. "But the biggest challenge is the lack of cooperation and peace in the region."

She went on to call for collaboration in skills, knowledge transfer, cooperation in trade and investment and facilitation of people-to-people contact.

The region needs to shift focus on green growth as it cannot afford to continue the use of resources in an unsustainable way, said Sultan Hafeez Rahman, executive director of BRAC Institute of Governance and Development.

He also emphasised strengthening institutions. "We, in South Asia, need to understand that the flip side of the market is regulations."

The South Asian countries need to keep an open mind for regional cooperation, said Shamsher Mobin Chowdhury, former foreign secretary of Bangladesh.

The government has to focus on increasing revenue mobilisation, bridging rural-urban divide and getting female workers into the labour force, said Dushni Weerakoon, deputy director of Sri Lanka's Institute of Policy Studies of Sri Lanka.

Saman Kelegama, executive director of IPS, moderated the discussion, where Swarnim Wagle, member of National Planning Commission of Nepal, also spoke.

# Robi wants to pay merger fees in four instalments

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Following the merger, Robi will be the second largest mobile phone operator in Bangladesh after Grameenphone.

As of July, Grameenphone's total active SIMs stood at 5.63 crore. Robi and Airtel together had 3.62 crore active connections and Banglalink 3.14 crore, according to BTRC. The country's total active connections stood at 12.89 crore.

Robi and Airtel opened talks on a possible merger in August last year and both their parent companies signed a deal in January this year.

Airtel entered Bangladesh in 2010 by acquiring a 70 percent stake in Warid Telecom. Later in 2013, it picked up the remaining 30 percent.

Robi started operations in 1997 under the brand name of Aktel; in 2008 it was rebranded as Robi. The operator renewed its licence in 2011 after completing its first 15-year tenure.

In the merged entity, Axiata, the parent company of Robi, will hold a 68.7 percent controlling stake. Bharti Airtel will hold a 25 percent share and Axiata's old partner NTT Docomo of Japan 6.3 percent. Currently, Malaysia-based Axiata has a 91.59 percent stake in Robi and NTT Docomo 8.41 percent.