DHAKA SUNDAY JULY 16, 2017

The Daily Star

SECOND EDITION

www.thedailystar.net

REGD. NO. DA 781 | VOL. XXVII No. 178 | SRABAN 1, 1424 BS [Your Right to Know] SHAWAL 21, 1438 HIJRI | 20 PAGES PRICE : TK 12.00

MUGURUZA'S FIRST

The Spaniard claims her first Wimbledon title, blowing away Venus Williams

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PUBLIC BANK SCAMS

Problems left to persist

Inter-government watchdog sees no effort to bring back money, points fingers at politically exposed persons in the board

REJAUL KARIM BYRON *and* REAZ AHMAD

Governance failings and appointment of politically linked people to the boards of public banks have been contributing to default on large loans, frequent scams and poor recovery of stolen money.

These open the door for corruption, money laundering, and financial crime risks, according to the Mutual Evaluation Report (MER) of the Asia/Pacific Group on Money Laundering (APG).

In the report, the Australia-based inter-governmental body fighting money laundering, said better government steps were needed to freeze assets early on during investigation and to bring back the money that had been laundered.

Default loans stood at Tk 111,347 crore as of April this year, said Finance Minister AMA Muhith in parliament on Monday. Just before the Awami League-led alliance assumed power in early 2009, the amount was Tk 35,000 crore.

Since 2009, the government had appointed politically linked people to the boards of public banks, much to the dismay of the central bank.

The recent APG report, prepared after its mission to Bangladesh late last year, referred to the $467 million loan scam of Sonali Bank (discovered in 2012), fraud involving $337 million of BASIC Bank between 2010 and 2012, and the embezzlement of $51 million from Janata Bank.

It said, "Significant involvement of politically exposed persons in the board and management [of state banks] and failings of internal controls and governance were common factors … ."

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PHOTO: PALASH KHAN

A group of writers, artists, students, teachers and journalists show "red cards" to the mayors of the two Dhaka city corporations at Shahbagh yesterday. They blamed the mayors for the failure to solve the city's waterlogging problem and control Aedes mosquitoes that have caused the chikungunya outbreak. During the unique demonstration, the participants also warned of a dengue outbreak in the capital if the mayors did not act immediately as both the diseases are transmitted by the same mosquitoes.

Mayor sorry for mosquito remarks

STAFF CORRESPONDENT

Dhaka North's Mayor Annisul Huq yesterday regretted his remarks on controlling Aedes mosquitoes and the chikungunya outbreak in the city.

Talking to the Daily Star, he said he made the comments in response to a specific question by a journalist about the DNCC's awareness campaign on using mosquito nets.

"But the way I said it, I might have failed to express myself properly.

"We wanted to say that we don't have the scope to go inside homes. If anyone felt hurt by my comment, I am sorry," Annisul said.

The city corporation took various initiatives to fight chikungunya, he added.

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He is India's worry too

Kolkata police team in town to hold talks about detained militant kingpin Sohel

M ABUL KALAM AZAD *and* MOHAMMAD JAMIL KHAN

Sohel Mahfuz

Sohel Mahfuz, who had worked for about five years from 2009 to set up an extremist network in India's West Bengal, was planning to expand the activities of IS-inspired militant group "Neo JMB" to the neighbouring country.

He wanted to visit India by this year and open a wing of "Neo JMB", counterterrorism officials said after interrogating him on remand.

Arrested in bordering Shibganj upazila of Chapainawabganj on July 8, Sohel is now on a seven-day remand in the Gulshan café attack case.

He allegedly supplied firearms and explosives for the café attack and is also one of the prime accused in the case over the 2014 Burdwan blast that left one Bangladeshi and one Indian militant dead inside a house. Indian police put Rs 10 lakh bounty on his head.

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Trade future hinges on bilateral FTAs

Analysts, businesspeople say citing the country's probable elevation to middle-income status in 7/8 years

REFAYET ULLAH MIRDHA

BANGLADESH'S ADVANTAGE

- Very strong in garment business
- Has skilled garment workforce
- Strong in agro sector

SRI LANKA'S ADVANTAGE

- Very strong shipping line, ICT, tea business
- Has skilled technical manpower in service sectors
- Has intl standards financial institutions

Bangladesh's future trade benefits will largely depend on bilateral free trade agreements (FTA) as the country may lose duty-free facilities once it graduates to a middle-income nation in seven-eight years, analysts and businessmen yesterday said.

This is the backdrop to businesses' welcoming the government move to sign first ever FTA with Sri Lanka to boost bilateral trade cooperation.

"FTA with Sri Lanka can be a good test case and learning for Bangladesh," said Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue (CPD).

"The deal must include not only trade in goods but also services for greater benefits."

The government should engage technical professionals and the private sector in assessing the pros and cons of the deal that the two countries agreed on Friday to sign this year, Moazzem said.

Presently, as a least developed country, Bangladesh gets duty-free market access to European Union, Canada, Australia, Japan and some other countries.

The country also gets duty-free access to Indian and Sri Lankan markets under the South Asian Free Trade Agreement (Safta). But the access is

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