

Accenture closes Dhaka office

STAR BUSINESS REPORT

Accenture, a global professional services company, left Bangladesh shutting its Dhaka office on Monday without paying the current month's salary and other benefits to its staff members, according to some employees.

Some 300 employees staged demonstration in front of Accenture's office in Gulshan and threatened to go on a hunger strike to realise the dues and benefits, Shahin Ahmed, general secretary of the Accenture Employees Union Bangladesh, said yesterday.

The demonstration will continue until the demands are met, he said.

The announcement of the closure of operations came from a tri-party talk among the Accenture management, employee leaders and government representative.

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Ailing Farmers Bank gets Tk 96cr from BB

AKM ZAMIR UDDIN

Cash-strapped Farmers Bank yesterday got a shot in the arm after the Bangladesh Bank agreed to provide short-term loan amounting to Tk 96 crore by way of repo to meet its instant liquidity demands.

Repo is a short-term loan from the central bank of a country to a commercial bank in the event of any shortfall of funds. A bank has to count 6.75 percent interest if it takes loans through the repo from the Bangladesh Bank.

The last time the instrument was used by the Bangladesh Bank was back in August 8 last year, when a bank took out a loan for Tk 47.50 crore.

"Farmers Bank had to take the loan because of acute liquidity crunch," said a BB official. For instance, on Monday, the bank had just Tk 65 lakh in its current account with the central bank, according to BB.

Earlier this month the bank twice failed to honour a cheque worth Tk 35.44 crore presented by the Bangladesh Telecommunications Company Ltd due to fund shortage. The state-owned telecom firm eventually got the sum.

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Meghna Bank MD resigns

STAR BUSINESS REPORT

Mohammed Nurul Amin, managing director of Meghna Bank, one of the nine new banks, has stepped down recently citing personal reasons.

The development comes at a time when the new banks were hitting the headlines due to poor performance and a lack of good governance in their boards.

Amin resigned on November 2 and the board accepted the resignation on November 19, officials said.

HN Ashequr Rahman, chairman of the bank, confirmed the resignation, which will be effective from November 30.

Amin has been with the bank since 2014 and was due to serve for another year. "I have resigned for personal reasons," he said.

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Nonperforming loans on the rise

Writ petitions by defaulters add to woes

AKM ZAMIR UDDIN

Nonperforming loans in the banking sector are on the rise this year on the back of increasing tendency of habitual defaulters to file writ petitions, which stall the loan recovery process.

At the end of last year, the sector's NPL ratio stood at 9.23 percent, which crept up to 10.53 percent at the end of March.

The ratio dipped to 10.13 percent over the following three months, only for it to shoot up to 10.67 percent at the end of September.

BB data shows the defaulted loans increased by Tk 6,159 crore to Tk 80,307 crore in September compared to the figure a quarter ago.

Some wilful defaulters continue to file writ petitions with the High Court to show their loans as unclassified, said Kazi Masihur Rahman, managing director of Mercantile Bank.

The habitual defaulters take fresh loans from banks soon after filing the writs as these give them a clean slate. The Credit Information Bureau reports they present then are flawless.

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NONPERFORMING LOANS, IN %

10.34

9.23

10.53

10.13

10.67

Sep '16 Dec '16 Mar '17 Jun '17 Sep '17

SOURCE: BB

"But they do not pay back the loans," he said, while urging the central bank to take steps to rein in this tendency.

Banks are yet to take the requisite tough administrative and legal actions against habitual defaulters, said Salehuddin Ahmed, a former governor of Bangladesh Bank.

"This has encouraged others to run their business without paying back bank loans."

The default loan culture is becoming widespread in the country's financial sector due to a lack of strong corporate governance.

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Govt to finally relax rules for trade unionism

REFAYET ULLAH MIRDHA

Under pressure from the international community and rights groups, the government has finally agreed to ease the requirements for forming trade unions at factories in the next amendment of the labour law.

At present, signatures of at least 30 percent of the workers in the factory are needed to form a trade union -- an uphill task for union leaders. Furthermore, many workers do not want to participate in the election process of trade unions out of fear of getting sacked.

The requisite number of signatories might now be brought down to 15-20 percent. It might be even lower for large factories.

The decision came at a meeting of

Commerce Minister Tofail Ahmed, Law Minister Anisul Huq and State Minister for Labour Mujibul Haque Chunnun at the secretariat yesterday.

At the meeting, the ministers discussed the recent feedback from the International Labour Organisation on the draft of the amended labour law that it forwarded in August.

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