

Govt may cut renewal fees for insurers

STAR BUSINESS REPORT

Finance Minister AMA Muhith yesterday assured insurance companies of reducing their renewal fees in a bid to revitalise the sector.

The assurance came at a seminar on "Protecting the Poor: Emerging Micro Insurance Market in Bangladesh and South Asia" organised by Bangladesh Insurance Association at Dhaka Club.

Insurance companies have to renew licences with the Insurance Development and Regulatory Authority (IDRA) every year, paying

Tk 3.5 for every Tk 1,000 premium. They demanded complete withdrawal of the fees.

Muhith said NGOs would have to take insurance policies from insurance companies against their microcredit, and the government would provide incentives for insurance companies against the launch of innovative products.

He said, now non-government organisations (NGOs) themselves provide an insurance facility though they are not authorised to do so. He found it wrong that NGOs do not provide insurance claims of relatives

following a client's death.

Muhith also lamented that though GDP increased and business expanded in Bangladesh, the insurance sector has not progressed much.

The association President Sheikh Kabir Hossain said they paid Tk 6,000 crore against insurance claims of clients last year.

Senior Secretary to Bank and Financial Institution Division Eunusur Rahman, IDRA Chairman Shafiqur Rahman Patwari and Secretary General of Insurance Institute of India P Venugopal also spoke.

Huawei customers win Smart City awards

STAR BUSINESS DESK

Four Huawei customers were recognised for their outstanding achievements to establish smart city, at the Smart City Expo World Congress 2017.

The competition was greater than ever this year with 309 entries from 58 countries, Huawei said in a statement yesterday.

The seventh edition of the awards took place in Barcelona, Spain from November 14-16.

Shenzhen in China won the Safe City Award with its Smart Transportation Project, and Yanbu in Saudi Arabia won the Data and Technology Award with its Smart City

Project.

In addition, Weifang in China was one of the finalists for the City Award with its Smart City 3.0 project, while Cameroon was nominated for the Innovation Idea Award with its Solar Energy Project.

These cities have leveraged Huawei's Smart City solutions customised to meet city management needs across different regions and at different levels of development, according to the statement.

"The solutions drive digital transformation to improve city administration, create sustainable economies and enable efficient public services."

"The ultimate goals of a Smart City are to enable good governance, pro-

mote industry development and deliver benefits for the people," said Yan Lida, president of Huawei's Enterprise Business Group.

"Together with our customers and partners, we are moving towards achieving these goals by improving city governance and service capabilities, helping to develop the local economy and stimulate innovation and making cities more liveable."

Huawei is a leading global ICT solutions provider. Its products, solutions and services are used in more than 170 countries and regions. Founded in 1987, Huawei is a private company fully owned by its employees.



Mahbubur Rahman, president of International Chamber of Commerce Bangladesh; Muhammad A Rume Ali, chairman of the chamber's banking commission, and Anis A Khan, chairman of the Association of Bankers, Bangladesh, attend a workshop on "Capital and credit risk distribution" at the Westin Dhaka on Sunday. Story on B1



Ahsan Khan Chowdhury, chairman and CEO of Pran-RFL Group; Uzma Chowdhury, director for corporate finance, and Ashraf Ahmed, CEO of Riverstone Capital Ltd, a boutique merchant bank, attend a programme to celebrate successful completion of their first export credit agency deal. Riverstone arranged fund for Habiganj Agro Ltd, a concern of Pran-RFL Group, from Sace Italy, an Italian export credit agency, for purchasing machinery from leading Italian suppliers.

Bangladesh elected member of Industrial Development Board

DIPLOMATIC CORRESPONDENT

Bangladesh has been elected member of Industrial Development Board (IDB), which is one of the two main policymaking organs of the United Nations Industrial Development Organisation (UNIDO).

The official declaration came yesterday morning at the 17th session of the General Conference of UNIDO in Vienna, says a message from the Bangladesh mission there.

IDB comprises 53 members, elected for a four-year term. IDB meets annually, reviews work programmes and the regular and operational budget of UNIDO and makes recommendations to the UNIDO General Conference.

Bangladesh has been elected for the 2017-2021 term, along with five other countries from the Asia-Pacific -- the Philippines, Saudi Arabia, Iran, India and Pakistan. It is believed that Bangladesh's election would provide the opportunity to more actively contribute to UNIDO's policymaking.

This will particularly be helpful for effective implementation of SDG 9, which focuses on building resilient infrastructure, promoting inclusive and sustainable industrialisation and fostering innovation.

Knitwear makers call for easing Brazilian visa rules

STAR BUSINESS REPORT

Knitwear makers yesterday demanded easing of Brazil's visa rules so that more businessmen from Bangladesh can frequently travel to the Latin American country to explore business potential.

AKM Salim Osman, president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), made the request while speaking at a discussion in the association's Dhaka office.

Brazilian Ambassador in Bangladesh João Tabajara de Oliveira Júnior attended

the meeting, according to a BKMEA statement yesterday.

Osman urged the envoy to facilitate bilateral investment as Brazil is an important source for Bangladesh for raw cotton.

He also proposed a joint venture investment by Bangladesh's knitwear entrepreneurs to import yarn from Brazil.

Regular interactions between chambers of the two countries can help establish warm business relations, said the statement.

During the 2014 FIFA World Cup, Bangladesh supplied millions of pieces of jerseys to Brazil.

Compliant firms to get fast customs clearance

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Many economies and blocs such as the US, the European Union, Japan, Singapore, India and China have already introduced the AEO system. Bangladesh initially planned to implement the AEO from 2013 but it could not do so because of many unforeseen issues, Hoque said.

Now, after the ratification of the World Trade Organisation's Trade Facilitation Agreement, the introduction of AEO has become mandatory for Bangladesh.

Manufacturers, importers, exporters, carriers, clearing and forwarding agents, warehouse keepers and distributors will be eligible for the status subject to fulfilling some conditions.

Businesses must have good compliance records, proper management of commercial records, financial viability and capacity to ensure security of cargoes on its premises and throughout the supply chain.

They must also have human resources with knowledge on AEO to qualify for the status, according to the NBR official.

The rules and other criteria for selection

of AEOs will be framed in light of the experience of the pilot scheme.

"For the pilot, we are in discussion with some big firms that have good track records of compliance," Hoque said.

The NBR has already incorporated a provision in the Customs Act to grant the AEO status. An AEO will enjoy simplified customs formalities in accordance with the terms and conditions of the revenue administration.

AEOs will be able to save time and cost because of quicker clearance of export and import goods and the new system will help them take their goods to consumers very quickly, Hoque said.

Most importantly, if a country has mutual recognition arrangements with other countries, its AEOs will enjoy similar benefits in those countries.

"For example, if we have an MRA with the EU, our exporters will enjoy similar benefits at Rotterdam, Hamburg or Antwerp ports. This will definitely boost our companies' comparative advantage against exporters from other countries."

Government of People's Republic of Bangladesh
Office of the Project Director
Bangladesh Railway
Outer Circular Road, Kamalapur, Dhaka-1217

No. PD/AADLP/Tender/WD1/2017 Dated: 26.11.2017

Package No. WD1: Construction of 10.01km DG Main line track and 4.25km DG loop line track along with Bridge, Other Civil Works, General Requirements, Day works including supplying all requisite materials, equipment, plants & machineries, labour & transportation cost (Bangladesh Portion).

Ref: IFT No. PD/AADLP/Tender/WD1/2017; Dated 12.10.2017

Corrigendum No.-1

SI No. of IFT		Existing Provision	Provision as per Corrigendum-1
16	Tender document last selling date	03-12-2017	17-12-2017
17	Tender closing date and time	Date 04-12-2017 Time 14:00 hrs BST	Date 18-12-2017 Time 14:00 hrs BST
18	Tender opening date and time	Date 04-12-2017 Time 14:30 hrs BST	Date 18-12-2017 Time 14:30 hrs BST
23	Eligibility of tenderer	(a) Similar experience of Construction of minimum 1 (one) work of New MG/BG/DG Railway Line; /Doubling or Tripling of existing Single/Double railway line respectively which includes earthwork in formation/embankment, construction of similar railway bridges, laying of BG/MG/DUAL GAUGE track using mechanical means etc. along with testing and commissioning the system satisfactorily with a minimum of 1 (one) year defect liability period during last 5 years for a minimum of 5 Km Main Line MG/BG/DG track work.	23 (a) Minimum experience of similar work shall be under 1 (one) contract for Construction /Complete Rehabilitation of minimum 5km Railway Line which includes earthwork in embankment with mechanical compaction, construction of railway bridges, laying of railway track using mechanical means etc. along with testing and commissioning satisfactorily with a minimum of 1 (one) year defect liability period during last 5 years for a minimum of 5km track work. 23 (b) Bidder(s) having pending litigation representing in total not more than 10 (ten) percent of the Bidder's net worth. Average Annual Construction Turnover having more than BDT 1550 Million or equivalent INR (Conversion Rate: 1 USD = BDT 82.45 & 1INR = BDT 1.27) over the best 3 (three) years in the last 5 (five) years.

All other terms and conditions of the tender document shall remain unchanged.

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GD-2586

Bad loans ring alarm bells for economy: ICCB

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Alternative dispute resolution and mediation will be useful in cutting the bad debt of commercial banks, said Ali, also the chief executive officer of the Bangladesh International Arbitration Centre.

Global trade is moving towards digitisation so Bangladesh should prepare itself in that direction, said Anis A Khan, chairman of the Association of Bankers, Bangladesh.

"The bankers of our country must upgrade themselves using modern tools and rules. In order to become a good and efficient banker one should have working experience in trade finance," said Khan, also the CEO of Mutual Trust Bank.

He said the Association of Bankers Bangladesh has been actively working with the central bank to develop the banking sector and create a corporate culture.

Banks are facing increasing funding costs, said Kah Chey Tan, immediate past chairman of the ICC banking commission, in his presentation.

"Securing stable and cheap funding is a challenge for banks now."

The global trade finance gap currently stands at an estimated \$1.6 trillion, so there is a substantial trade opportunity not being met by traditional sources, he

added.

The ICCB statement said facilitating trade has become more expensive for banks on account of enhanced know-your-customer and anti-money laundering requirements.

A recent Thomson Reuters survey found that financial institutions are now spending an average \$60 million per year on KYC procedures, with some even spending as much as \$500 million.

Banks are also required to hold much higher levels of capital to meet the Basel - III requirements. This has impacted the trade business of banks.

Many banks have been forced to refocus their activities, leading to a withdrawal from certain markets. This "de-risking" has primarily impacted small and medium enterprises in developing markets in particular, with many struggling to access finance.

Some 56 percent of all SME trade finance proposals are rejected, Tan said quoting a 2016 survey by the Asian Development Bank.

A total of 118 bankers and two insurance executives took part in the workshop, which was also attended by Bank Asia CEO Md Arfan Ali and ICCB Secretary General Ataur Rahman.

Seven persons face Tk 1,000cr money laundering case

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The syndicate had laid out a plan to import the items in 90 containers in favour of two firms that do not exist and even succeeded in bringing 78 of them.

The last 12 containers got caught by the CIID in March this year.

The 12 containers had 16,170 bottles of alcohols, 3.84 crore of cigarette sticks, 4,074 LED television sets and 281 old photocopyers -- the value of which come to Tk 134 crore.

Import duty of 600 percent is applied on alcohol, 500 percent on cigarette and 190 percent on televisions, according to the CIID.

The importer, which said the items were capital machinery for

poultry feed, declared the value to be Tk 50 crore, according to the CIID.

Only 1 percent import duty is applicable on capital machinery import. "None of the containers had poultry machinery," said CIID, adding that the consignments were labelled that way to evade duty.

Detectives found that the containers were imported by two non-existent firms: M/S Henan Anhui Agro LC of Khilkhet and M/S Agro BD & JP of Keraniganj. And Rabeya and Sons, a clearing and forwarding agent, was responsible for clearing the consignments from China.

The importers had opened letters of credit with the IFIC Bank's Naya Paltan branch using fake

addresses and photos.

A person named Abdul Motaleb, hailing from Patira under Dumni union of Khilkhet, Dhaka, was shown as the owner of the importing firms. But a photo of a person named Khorshed Alam was used as Motaleb to get VAT registration.

The importer opened a bank account at the Paltan branch of IFIC Bank and then an LC. The CIID said the bank account and LC were opened in connivance with some officials of the bank.

The alleged persons have committed money laundering related offence by evading duty and tax through smuggling of the goods in 12 containers, the CIID said.

Muhith defends licence for two new banks

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The other bank is People's Islami Bank, proposed by MA Kashem, an Awami League leader living in the US. When asked about the other bank that stands to get the licence, Muhith did not give any name, but finance ministry sources said the bank is for the police force.

In 2009, after Awami League formed the government nine banks were given the permission on political consideration despite opposition by the central bank and other quarters.

After four years of operation the financial condition of two banks including Farmers Bank started deteriorating. Now the BB has taken an initiative to change the management of the bank.

The health of the banking sector has worsened further since 2013, said Ahsan H Mansur, executive director of the Policy Research Institute and a former top official of the International Monetary Fund. "The government should learn from the past. Allowing any new bank will not bring any good to the financial sector."

He claimed that the BB had issued licences to nine banks in 2013 considering the political background of the owners and despite severe criticism from different quarters.

"57 banks are too many for Bangladesh -- the weaker banks should merge with stronger ones," he added.

Mustafizur Rahman, distinguished fellow at the Centre for Policy Dialogue, said the government and the BB should rather focus on reforms and establishing discipline in the banking sector.

The importer paid only Tk 50 lakh through banking channel, with the rest transferred by way of hundi.

The attempt to dodge duty through fake declaration is defined as smuggling in the customs law.

Sending money through illegal channel is also an offence under money laundering prevention law. Bijoy Kumar Roy, assistant revenue officer of CIID, filed the complaint.

This is the biggest instance of trade-based money laundering case in the history of Bangladesh, said Moinul Khan, director general of CIID.

"We will now conduct detail criminal investigation into the case."