

WITH TODAY'S ISSUE

BFA GETS MAKEOVER
 It is equipped with world-class facilities under a Tk 86cr project
 PAGE 10

LULA LOSES APPEAL
 Court upholds graft conviction against the former Brazilian president
 PAGE 9

LIQUIDITY CRISIS DEEPENS

Money is there, money is not

ON THE face of it, banks are awash with money. In September last year, excess liquidity of the banks totalled Tk 92,000 crore. The paradox is the banks do not have money when it comes to lending.

And now Corporate Bangladesh can say goodbye to the low lending rate era they had been enjoying for quite a few years when their cost of fund was quite low after years of high rates.

Bangladesh's banking system is going through a strange and critical phase right now. The banks are plagued by huge frauds. Bangladesh Bank investigations are revealing on a regular basis how different phony organisations had taken out huge sums in fake loans. How banks have violated all banking norms to lend to shady companies. How some flagship names in business with long dubious reputations have viciously schemed to get new loans in the name of repaying old loans which they then usurped up as well without paying a dime.

Let's take a look at a few cases, the tip of the iceberg may be, from as long back as 2009. Basic Bank's loan irregularities

amounting to Tk 4,500 crore between 2009 and 2012 surfaced after the central bank's investigation.

Bismillah Group embezzled Tk 1,100 crore from five banks between 2011 and 2012. Sonali Bank's loan forgery of Tk 3,500 crore in 2012 also came to light recently. Beximco's controversial ingenious scheme of forcing a state-owned bank to guarantee a foreign loan to repay the local bank's default loan has broken all records.

Farmers Bank and NRB Commercial Bank became the latest examples of how money was taken out freely and liberally out of the system.

At the same time, a large number of banks had gone on an overdrive in lending, much of it to bad borrowers, that saw a phenomenal 19.06 percent growth in private loans much in excess of the targeted 16.2 percent. Low lending rates made bank money particularly attractive.

In December last year, lending rates went up to 13 percent, although big clients are getting loans at 10 percent, according to banks.

But the banks could not garnish their vaults with enough deposits because in

SEE PAGE 2 COL 1



Locals vandalising a microbus near the capital's Moghbazar Wireless Gate area yesterday. Some unidentified men impersonating DB members kidnapped a man and were taking him away in the vehicle. However, the locals stopped it and rescued the victim after he screamed for help. The rescuers then damaged the microbus, but the criminals managed to escape. Inset, a walkie-talkie and handcuffs found on the scene. Story on page 2.

PHOTO: ANISUR RAHMAN



Javed Patwary new IGP
 STAFF CORRESPONDENT

The government yesterday appointed Additional Inspector General Mohammad Javed Patwary as the new inspector general of police.

In this regard, the home ministry issued a gazette notification that stated the order would come into effect from January 31.

Javed, now serving as the chief of Special Branch, was

SEE PAGE 13 COL 2

EXCESSIVE LEAD IN POWDERED MILK

No marketing before laboratory tests

Food safety authority issues directive on imports
 PORIMOL PALMA

The customs authorities have been asked to ensure that all milk powder importers stock products in their own warehouses and have those tested at designated laboratories before marketing.

Bangladesh Food Safety Authority (BFSA) issued the directive to the customs yesterday after laboratory tests found excessive level of lead in products of six local brands that import milk powder in bulk quantities and repack those locally.

The permissible level of lead in milk powder is 0.02 milligram a kilogram. But the milk products of six of the seven local brands tested at laboratories contained lead between 0.2 and 0.3 milligram (10 to 16

times the permissible level), said BFSA Member Mahbub Kabir.

"This level of lead is dangerous for human body, especially for children," he told this correspondent.

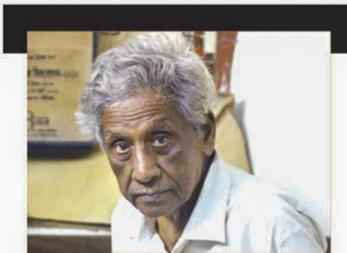
Dr Tahmeed Ahmed, director at the Centre for Nutrition and Food Security at the icddr, said if children consume excessive level of lead, they may become stunted.

This can even result in growth failure, learning difficulties and also behavioural problems.

Stunting is associated with weak immune system that predisposes children to infections, he told this correspondent.

Mahbub said the BFSA had milk powder of 15 brands tested at the laboratories of the

SEE PAGE 2 COL 5



Shawkat Ali (1936-2018)
 STAFF CORRESPONDENT

The pen stops

His unique style made his works instantly identifiable.

In a writing career spanning over four decades, he penned about 400 books, telling stories of the poor, the untouchables, the middle class and their struggle as well as the partition of the sub-continent and Liberation War of 1971, among numerous other subjects.

SEE PAGE 13 COL 2

Khaleda's first graft trial ends

Verdict in Zia Orphanage case on Feb 8
 STAFF CORRESPONDENT

The verdict in the Zia Orphanage Trust graft case against BNP Chairperson Khaleda Zia, her son Tarique Rahman and four others will be announced on February 8.

Judge Md Akhtaruzzaman of the Special Court-5 in Dhaka yesterday fixed the date after the prosecution and defence counsels completed their 16-day closing arguments in presence of Khaleda.

The prosecution sought highest punishment (life imprisonment) for the accused, claiming that it has been able to prove the charges.

However, defence counsels termed the case "imaginary" and sought acquittal of their clients saying that the prosecution totally failed to prove the charges.

The BNP chief faces 31 more cases. The same court yesterday fixed January 30 to resume proceedings in the Zia Charitable Trust graft case.

Mosharraf Hossain Kajal, public prosecutor of the orphanage trust graft case, told journalists that the lawsuit was related to moral turpitude and

SEE PAGE 2 COL 4



www.ssgil.com

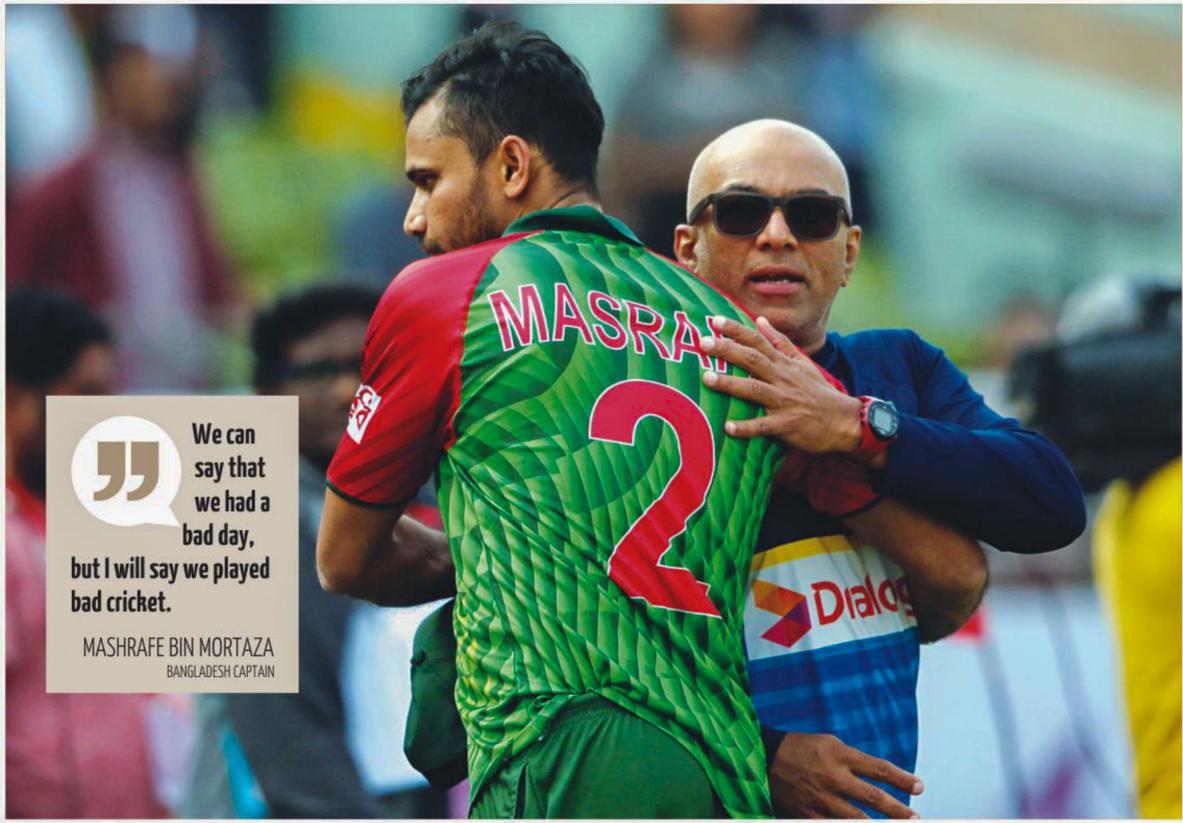
Tigers crumble to 10-wkt loss
 BISHWAJIT ROY

A day-night match was completed in broad daylight yesterday following Bangladesh's dismal batting show in the last league match of the tri-series that was dubbed as a dress rehearsal for the home side for Saturday's final. Sri Lanka required only 35.5 overs -- 24 overs to dismiss the Tigers for 82 and then 11.5 overs to reach the target -- to post a crushing 10-wicket victory to set the stage for a repeat match in Saturday's final.

But what was the demon that brought the high-flying Bangladesh crashing down to earth?

The TV cameras found former Bangladesh coach Chandika Hathursingha with a big smile inside the dressing room when Rubel Hossain, the last

SEE PAGE 2 COL 1



Sri Lanka coach Chandika Hathursingha gives Bangladesh captain Mashrafe Bin Mortaza a customary hug after his present charges inflicted a 10-wicket defeat on his former boys at the Sher-e-Bangla National Stadium in Mirpur yesterday.

“We can say that we had a bad day, but I will say we played bad cricket.”

MASHRAFE BIN MORTAZA
 BANGLADESH CAPTAIN

PHOTO: FIROZ AHMED

Suu Kyi 'lacks moral leadership'

Says veteran US diplomat Richardson as he quits 'whitewash' Myanmar Rohingya advisory panel

AGENCIES

Veteran US diplomat Bill Richardson has resigned from an international panel set up by Myanmar to advise on the Rohingya crisis, saying it was conducting a "whitewash" and accusing the country's leader Aung San Suu Kyi of lacking "moral leadership".

Richardson, a former Clinton administration cabinet member, quit as the 10-member advisory board was making its first visit to western Rakhine State, from where nearly 700,000 Rohingya Muslims have fled in recent months.

"The main reason I am resigning is that this advisory board is a whitewash," Richardson told Reuters in an interview, adding he did not want to be part of "a cheerleading squad for the government".

One-time Suu Kyi ally Richardson was one of five foreign members handpicked by Myanmar's civilian leader to serve on the committee.

But after a three-day visit to Myanmar, Richardson struck out at his hosts, saying he could not in "good conscience" sit on a panel he feared would only "whitewash" the causes of the Rohingya crisis.

He tore into the Nobel Laureate Suu Kyi for an "absence of moral leadership" over Rakhine and described her "furious response" to his calls to free two Reuters journalists arrested while covering the crisis.

SEE PAGE 2 COL 3



Bill Richardson