

3 new banks get nod amid outcry

STAR BUSINESS REPORT

The central bank yesterday gave nod to three new banks -- at a time when the sector is saturated and stressed for rising nonperforming loans and declining corporate governance.

Bengal Bank, People's Bank and Citizen Bank will soon set up shop, taking the total number of banks to 62.

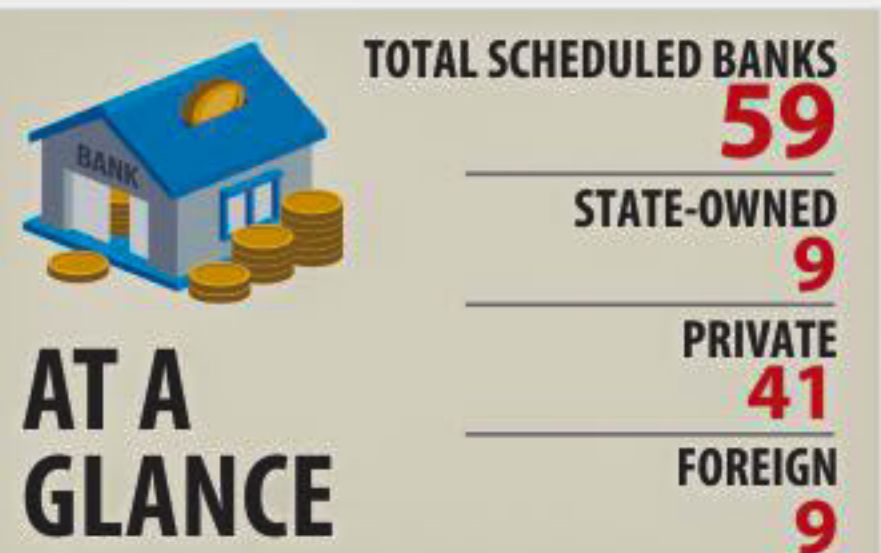
But the new banks will have to pull up paid-up capital of Tk 500 crore each, which is Tk 100 crore more than what the last batch of new entrants had to cough up in 2013.

"We have increased the amount of paid-up capital considering the size of the economy," said Abu Farah Md. Naser, executive director of the central bank.

All three new banks have connections to the Awami League government. The Bengal Group of Industries is the sponsor of Bengal Bank. AL lawmaker Morshed Alam is the



dbiceramics.com f dbiceramics 01713656565



TIMELINE: NEW BANKS

- 1st generation banks were allowed in 1980s
- 2nd generation in 1991-1995
- 3rd generation in 1996-2000
- 4th generation in 2013
- 5th generation in 2019

chairman of the group and his younger brother Jashim Uddin is the chairman of the proposed bank.

MA Kashem, an AL leader in the US, is the chairman of the proposed People's Bank, while Jahanara Huq, mother of Law Minister Anisul Huq, is the chairman of Citizen Bank.

READ MORE ON B3

Development budget to be revised upwards

REJAUL KARIM BYRON

In a departure from previous years, the development budget for the current fiscal year is likely to be revised upwards -- by about 11 percent -- to meet the government's ambitious plans.

The planning ministry has drafted a revised Annual Development Programme (ADP) allocation of Tk 200,546 crore. The original ADP allocation for fiscal 2018-19 is Tk 180,869 crore.

The draft was placed yesterday at the ADP review meeting chaired by Planning Minister MA Mannan at the National Economic Council office in Dhaka. No final call was made on the revised ADP at the meeting.

"We have not reached that stage yet," said Md Nurul Amin, secretary of the planning division, when asked by reporters about the size of the revised ADP budget after the meeting.

The status of ADP implementation was reviewed in the meeting, he said, adding that a decision will be taken in the next one month.

Some 35 ministries and divisions have demanded Tk 36,000 crore of additional allocation from the government's own fund.

The road transport and highways division demanded the highest amount at Tk 5,797 crore despite being one of the poor performers this fiscal year when it comes to ADP implementation.

The average ADP spending in the first seven months of the fiscal year was 34.43 percent, but the road transport and highways division managed only 25.57 percent.

The other ministries that demanded higher

ALLOCATION OF FUNDS IN PROPOSED ADP FOR 2018-19

	(In crore taka)			
	ORIGINAL	REVISED	CHANGE	IN %
Govt-owned fund	113,000	141,734	+ 287,34	+25.43
Foreign fund	60,000	51,000	- 9,000	-15
State-owned fund	7,869	7,811	- 57.26	-0.73

SOURCE: PLANNING MINISTRY

allocation include: the local government division (Tk 4,069 crore), the power division (Tk 3,819 crore), the water resources ministry (Tk 2,624 crore), the election commission secretariat (Tk 2,456 crore), the housing and public works ministry (Tk 2,296 crore), and the prime minister's office (Tk 2,246 crore).

On the other hand, 23 ministries and divisions proposed for cuts amounting to Tk 7,200 crore. Of them, two are implementing mega projects and are running behind schedule.

After the meeting, Mannan told reporters that he is hopeful that the full allocation would be used up this fiscal year as the higher-ups of different ministries and divisions have assured him.

Development spending in the first seven months of the fiscal year has been the highest in six years, as the government's efforts to improve implementation is slowly bearing fruit.

Between July last year and January this year, the ministries and divisions spent Tk 62,282 crore,

which is 34.43 percent of the total ADP outlay, according to data from the Implementation Monitoring and Evaluation Division.

The amount is an increase of 13.82 percent year-on-year.

Mannan has also taken some initiatives to further expedite implementation, including personally visiting the field level offices of different ministries and divisions to instruct the officials.

He identified some problems in implementing the projects.

"For instance, one person is managing several projects, although different projects should have different project directors."

Another problem, he identified, is that the project directors were supposed to be in the project areas, but they do not stay there.

Complication with land acquisition is another problem in implementation of the projects, he said. Mannan said that he will take the issues to the prime minister for a solution.

Huge gender pay gap drives women away: analysts

STAR BUSINESS REPORT

Barriers to women's participation in the workforce have eased but there is still a huge wage gap between men and women, said economists yesterday.

Women are doing the same work with same skills as men, but are getting paid less, said Wahiduddin Mahmud, an eminent economist, at the 4th SANEM Annual Economists' Conference organised by the South Asian Network on Economic Modelling at the capital's Brac Centre Inn.

"This is one puzzle that the economists have been unable to solve. In economics, wage is determined by the demand and supply. But here, it is not working that way."

The wage differentiation is acting as a deterrent to women joining the workforce.

"This is a big reason behind their poor participation," said Mahmud, also a professor of the Dhaka University's economics department.

Bangladesh has been performing well in the social indicators where women played a very important role.

But, in the indicators pertaining



Akbar Ali Khan, fourth from right, former adviser to a caretaker government, attends a session of the 4th SANEM Annual Economists' Conference at the capital's Brac Centre Inn yesterday.

to repression, violence and discrimination in health centres, Bangladesh is not doing well.

"This is an anomaly," he added.

The country needs a comprehensive plan to reduce the problems women face in workplace, said

Sayema Haque Bidisha, a professor of economics at the Dhaka University, who presented a study styled 'Female Employment Stagnation in Bangladesh' at the event.

The labour force participation rate of female increased but it has

been stagnant at about 33 to 36 percent since 2010.

"On the other hand, women are being paid lowly and not employed for productive activities," she added.

READ MORE ON B3

Aussie firm opens \$10m hanger factory

JAGARAN CHAKMA

Australia's TIC Group has set up a factory in Bangladesh to produce hanger with an initial investment of \$10 million.

TIC Manufacturing (Bangladesh Ltd), located in the Meghna Industrial Economic Zone at Meghnaghat in Narayanganj, will begin its commercial production today. The plant will produce five lakh pieces of hanger annually for export markets.

In January 2018, TIC and local Meghna Group of Industries signed an agreement for setting up the plant at the private economic zone. The trial production began in November last year.

"After the successful test-run, we are beginning the commercial production from today," Mohammad Rafiquzzaman, local contact person of TIC Group, told The Daily Star yesterday.

He said TIC's plant is fully export-oriented and will ship most of its products to Australia and European markets. It may also sell the products to Bangladesh's garment manufacturers if they are nominated by their international clients.

TIC will import raw materials from South Korea, China and Saudi Arabia to make finished products.

The plant has created about 1,500 jobs and the number of workers may rise to 5,000 in the next few years, according to Rafiquzzaman.



Mostafa Kamal, chairman of Meghna Group of Industries, said it is a good thing that Australia's renowned business group has set up an export-oriented factory in the economic zone.

He said considering Bangladesh as a fast-growing and important garment manufacturing country, TIC decided to set up its own production facility with a significant investment.

Paban Chowdhury, executive chairman of the Bangladesh Economic Zones Authority, said this type of foreign investment would help reduce the trade gap and create much-needed jobs.

READ MORE ON B3

Punish wilful loan defaulters: FBCCI

STAR BUSINESS REPORT

The wilful loan defaulters should be handed down exemplary punishment as they have tainted the image of the business community and affected the banking sector, said the chief of the country's apex trade body yesterday.

"We want exemplary punishment to the wilful loan defaulters," Shafiu Islam Mohiuddin, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

He was addressing a group of businesspeople at a discussion on the budget for the next fiscal year at Dhaka Club in the capital.

In the business world, there are two kinds of loan defaulters: first, those who default because of losses incurred for various reasons; and second, those who borrow from the banking system but never repay, Mohiuddin said.

"The FBCCI will stand by the defaulters who became defaulters while running businesses."

Mohiuddin said the amount of non-performing loans has crossed the Tk 1 lakh crore-mark, which is a bad sign for the banking sector and also for the economy.

"We want transparency in politics and transparency in business. The whole business community can't be portrayed as criminals because of only two to three black sheep," he said, indicating at wilful defaulters.

The FBCCI chief said in Bangladesh large loan defaulters get the opportunity to have their loans rescheduled several times whereas such opportunities are non-existent for small and medium enterprises.

READ MORE ON B3

Maize an emerging crop

Int'l body says on cultivation in Bangladesh

STAR BUSINESS REPORT

Maize has become an emerging crop in Bangladesh with the highest productivity, said the International Maize and Wheat Improvement Center (CIMMYT) yesterday.

The crop is now grown on 4.47 lakh hectares of land with productivity of 8.7 tonnes per hectare, said Thakur P Tiwari, CIMMYT representative in Bangladesh.

He was addressing a stakeholders' meeting jointly organised by the Bangladesh Wheat and Maize Research Institute (BWMRI) and CIMMYT at InterContinental Dhaka.

Tiwari said Bangladesh's annual demand for maize was 40 lakh tonnes and three-fourths of the requirement were locally produced. Maize is now gaining popularity as human food, he said.

Being a laggard two decades ago, maize has become the second biggest cereal crop after rice, sending wheat to the third position, owing to increased interest of growers to cultivate the crop for demand from the feed industry.

Agriculture Minister Muhammad Abdur Razzaque said demand for maize was growing.

"Maize has tremendous prospects in Bangladesh. The market is very big," he said, adding that demand for wheat was also increasing, partic-

ularly from the biscuit industry.

He said the country was now self sufficient in rice and potato production while cultivation of other crops, such as vegetables, has also increased.

READ MORE ON B3



CIMMYT-BANGLADESH

Agriculture Minister Muhammad Abdur Razzaque speaks at a stakeholders' meeting at the InterContinental Dhaka yesterday.

ECONOMIC ZONE Nitol Niloy gets final licence today

STAR BUSINESS REPORT

Nitol Niloy Group is all set to receive the final licence from Bangladesh Economic Zones Authority (Beza) today to establish Kishoreganj Economic Zone.

The Bangladeshi business entity will set up a pickup assembly plant at a cost of Tk 300 crore inside the 84-acre land.

"We have already brought in the equipment that is necessary for the plant. We may start assembling pickups by November this year," Matlub Ahmad, chairman of the group, told The Daily Star.

Local assembling of pickups would help to cut the present market price of each truck by Tk 1 lakh, he said.

The group would upgrade the plant in phases to go for manufacturing of pickups and heavy trucks in future, he said.

An Indian company has also showed interest to establish a steel manufacturing plant inside the zone, he said.

The Kishoreganj zone sits in a very suitable location and it will create nearly 15,000 jobs in five years of its operations, said Paban Chowdhury, executive chairman of the Beza.

Beza has so far handed over eight licences to private entities and all of them are in operation now.

Nitol Motors started assembling Tata buses and trucks in 1991 and has been a partner of Tata Motors since 1988.

READ MORE ON B3