



**Mosleh Uddin Ahmed  
SBAC Bank  
gets new  
CEO**

**STAR BUSINESS DESK**  
The South Bangla Agriculture and Commerce Bank recently witnessed the appointment of a managing director and CEO.  
The appointee, Mosleh Uddin Ahmed, previously served NCC Bank as managing director and Jamuna Bank as additional managing director and deputy managing director, says a press release.  
He graduated in electrical and electronic engineering from the Rajshahi University of Engineering and Technology and attained an MBA degree from the Institute of Business Administration of the University of Dhaka.

**Samsung heirs to pay billions, donate Monet, Picasso works for tax bill**

**AFP, Seoul**  
The heirs to South Korea's Samsung group announced their plans to pay more than \$10b in death duties Wednesday -- one of the world's biggest-ever inheritance tax settlements -- including donating Picasso and Monet artworks.  
Lee Kun-hee, the late Samsung Electronics chairman, was the country's richest man when he died last October at age 78 after being hospitalised for years, leaving an estimated 22t won (\$19.6b) in assets.  
South Korea has stringent inheritance tax laws and high rates, resulting in a hefty bill for the family, including Samsung Electronics vice chairman Lee Jae-yong, who is currently in jail for bribery, embezzlement and other offences.  
Lee's family "expects to pay more than 12t won in taxes related to inheritance, which is more than half of the value of the late Chairman's total estate," Samsung said in a statement.  
"The inheritance tax payment is one of the largest ever in Korea and globally," it added, saying the Lee family will pay it off in six instalments starting this month.  
The assets include shareholdings in Samsung Electronics, Samsung Life and Samsung C&T, as well as real estate, according to the statement.  
The late chairman also left a trove of antiques and artworks reportedly worth 2 to 3t won. Around 23,000 pieces from Lee's collection will be donated, Samsung said, including 14 items classed as National Treasures that will be showcased at the National Museum of Korea.  
Works by Western artists including a Claude Monet water lilies painting, Salvador Dali's Family of Marsupial Centaurs, and pieces by Pablo Picasso, Paul Gauguin, Joan Miro and

others will be donated to the National Museum of Modern and Contemporary Art, it added.  
Reports say the art donations will reduce the family's tax liability.  
"Samsung has carried out a realistic calculation on donating the late Lee's artworks," said Kim Dae-jong, professor of business at Sejong University in Seoul.  
"If they had not decided to donate them but instead opted for the children to inherit them, it would have been subject to high inheritance tax. With their donation of such high value works,

they don't have to pay that tax while doing general public service at the same time."  
Another 1t won will be donated to health causes, half of it to be spent on building South Korea's first specialist infectious diseases hospital.  
Samsung -- whose flagship subsidiary is among the world's biggest smartphone and computer chip makers -- is by far the largest of the family-controlled empires known as chaebols that dominate business in South Korea, the world's 12th-largest economy.



**A woman walks past the Samsung logo displayed on a glass door at the company's Secho building in Seoul on April 28.**

**Euro zone bond yields rise ahead of Fed meeting**

**REUTERS**  
Euro area bond yields tracked Treasury yields higher on Wednesday, ahead of the close of the US Federal Reserve's policy meeting later in the session.  
While no major policy changes are expected at the meeting, investors will pay close attention to Chairman Jerome Powell's comments for further insight into the bank's thinking on inflation and bond purchases.  
Expectations of higher growth and inflation generated by a vast fiscal stimulus package in the United States have pushed up safe-haven government bond yields this year.  
The Fed has committed to continue its \$120b a month of government bond purchases until "substantial further progress" is made in an economic recovery from the pandemic, but recent strong data has investors looking for any signs that the Fed may start talking about tapering the buying.  
US 10-year yields continued to rise on Wednesday, touching their highest in nearly two weeks at 1.647 per cent, adding to a 5 basis point rise on Tuesday.  
Germany's 10-year yields, which are closely correlated with Treasuries, rose in tandem, to its highest in over a week in early Wednesday trade at -0.224 per cent, and was up nearly 3 basis points by 0706 GMT.  
Italy's 10-year bond yield rose broke another seven-month high at 0.851 per cent. Jens Peter Sorensen, chief analyst at Danske Bank, said the negative open to the European bond market was expected, given Treasury yields mostly rose following the European close on Tuesday. Bond yields rise when prices fall.  
"The upward move in US Treasury yields is driven by the expectations for a more upbeat Federal Reserve committee as well as the solid rise in the consumer confidence," Sorensen said, referring to US data for April that jumped to a 14-month high on Tuesday.

**ADB cuts growth projection for second wave**

**FROM PAGE B1**  
It had initially targeted to achieve an 8.2 per cent expansion of the gross domestic production (GDP) in the current fiscal year and later the target was reset at 7.4 per cent.  
Earlier in March, World Bank projected that Bangladesh's GDP might grow as high as 5.6 per cent in FY21.  
International Monetary Fund (IMF) in its latest World Economic Outlook on April 6 forecast that the country would achieve a GDP growth of 5 per cent in FY21.  
"We are now experiencing the second wave of the pandemic with increased number of infections and deaths. The healthcare system has been stretched again to its limit," said Parkash.  
Mentioning that the government has imposed a lockdown and travel restrictions to control the spread of infections, he said these necessary measures would save lives but have led to a disruption in economic activities which could adversely affect livelihoods and slow down economic recovery.  
A potential slowdown in vaccination due to supply related issues may further exacerbate the already adverse situation, said Parkash, adding that the impact of the second wave in countries exports were destined for could also undermine economic recovery.  
The Asian Development Outlook (ADO) 2021 stated that a continued strong remittance inflow was likely to support domestic demand with growth in private consumption.  
Pointing out that a move towards universal healthcare is critical to ensure inclusive and sustainable development, the ADO said

healthcare in Bangladesh could improve with more public funding and effective administration.  
A contributory public social health insurance scheme could help achieve universal healthcare, it opined.  
The ADB country director said the ongoing pandemic was an opportunity to undertake further reforms in social protection and the healthcare sector, improving competitiveness of the private sector, reducing cost of doing business, diversifying exports and developing skills. Expanding social safety nets, enhancing investments, creating employment, ensuring mass vaccination and improving the healthcare sector are critical actions for achieving the Eighth Five Year Plan goals, he opined.  
He said the financially insolvent and vulnerable people were impacted the most during the pandemic.  
Mentioning that 85 per cent of the country's employment is in the informal sector, Parkash said livelihoods of these people have largely been affected during the ongoing lockdown.  
He stressed on the need for programmes that could support these people with access to finance, which would give a kind of immediate relief in terms of cash support.  
"Short-term unemployment will increase and poverty rates will go up, but the challenge is how quickly we can bring them back to normalcy...And for that we need to take certain affirmative actions," he said.  
"...we need to skill people, we need to provide them livelihood opportunities, we need to provide them easy access to

finance..."  
"...and we also need to make sure that we are able to create a certain environment where these people are brought back to their normal livelihood opportunities," he said.  
The ADB has already provided \$650 million in loans and \$7.23 million in grants to Bangladesh for managing socio-economic impacts of the Covid-19 pandemic and supporting quick recovery, said a press release.  
The ADB is also processing two programme loans of \$500 million each and a \$940 million loan for the government's Covid-19 vaccination programme.  
For 2021-2023, the ADB has programmed \$5.9 billion firm and \$5.2 billion standby project assistance for Bangladesh, it stated.  
**FINANCE MINISTER'S REMARK**  
Regarding the ADB's revised projection, Finance Minister AHM Mustafa Kamal said, "Their forecasts are often close to our actual attainment."  
"Though our expectation is to achieve more growth, if we can achieve as they (ADB) have projected that will be a good achievement," he said.  
"If we can achieve according to their projection, then we will be on top of all in the South Asia and Southeast Asia," he said in a virtual briefing following the meeting of cabinet committee on purchase.  
Mentioning that the government has projected a bit more growth, the minister said it cannot be fixed until the fiscal ends.  
Their (ADB) projection about the country's growth is however much higher compared to what was stated for other countries, he said.

**Is FBCCI becoming a puppet organisation?**

**FROM PAGE B1**  
"The FBCCI has turned into a sub-division of the government as it has no teeth to bite and oppose the government's anti-business decision. It always follows the government's decisions without question," he said.  
"The FBCCI is failing to play its due role because of the weak leadership as leaders are chosen without a proper election."  
The businessman said in India, the national level trade federation was so strong. In most cases, the government decisions are reversed if the Federation of Indian Chambers of Commerce and Industry opposes.  
In Turkey, the national level trade federation is also very strong. "We have a lot to learn from the examples," he said.  
There are allegations that votes are sold in exchange for money.  
"Even this year, some of the voters were given money so that they do not contest in the election," said a former leader of the FBCCI.  
The daily star could not independently verify the claim.  
"The FBCCI has lost its credibility as the national institution as most of the presidents, vice-presidents and directors come here to use the platform to be a member of the parliament, minister, or an influential government activist," said a former director.  
"It is no more an independent body."  
The former director also questioned about raising the number of the director posts to 80.  
A decade ago, the number of directors was 25.  
Over the last few years, the number of directors rose to 80.

"Unfortunately, all the increased posts are sold in exchange for money as many businessmen want to get a berth on the FBCCI board to enjoy government facilities," said the businessman.  
"Although the quantity of the FBCCI directors increased, the quality deteriorated significantly," he said.  
The representatives of nearly 400 trade associations and 86 chambers are the voters of the FBCCI election.  
A commission should be formed to restructure the FBCCI and protect it from the control of the influential people so that it can work for the greater interest of the nation, he also said.  
The FBCCI should allow large local and multinational companies to be direct members in order to instil dynamism in the federation, he said.  
Md Shamsul Alam, a member of the election board, said his board was scheduled to announce the names of the directors on May 5.  
Some 488 voters from the chamber group and 1,931 voters from the association group were eligible to cast their votes in the election this year, he said.  
The voters came from 86 chambers and 389 associations. Of the 86 chambers, 72 belong to A grade with six voters each and 14 belong to B grade with four voters each.  
Of the 389 associations, four belong to B grade with three voters each. The rest of the associations has five voters each.  
Alam said the directors reached a consensus because of Covid-19 as many would not be able to come to Dhaka to vote.

**Govt floats tender to lease out 25 jute mills**

**FROM PAGE B1**  
"Whether the company who will take the lease will be able to finance the investment and how they will revamp the industry, these issues are not clear yet," he added.  
Besides, a five-to-20-year leasing period is a very short term compared to long-term business strategies.  
"If such a short-term lease is given, it will not be possible to make a profit by making a large investment here. This is another big problem," Patwari said.  
As such, most companies will not be interested in the short-term investment.  
"Before you invest somewhere, you must consider the potential profit. Now it remains to be seen how the government addresses these issues," he added.  
However, Golam Dastagir Gazi, the minister for textiles and jute, said effective measures have already been taken to reopen

the closed BJMC mills on a lease basis.  
While addressing a virtual ministerial meeting yesterday, Gazi expressed hope that the jute sector's contribution to the economy would increase further due to the productivity and management strategies being implemented by private jute mills.  
Regarding the laid off workers, the minister said they would get job opportunities on a priority basis at privately-run mills.  
At the same time, this move will create new employment opportunities for able and skilled workers while all those who remain would be rehabilitated in phases.  
The arrears and wages of workers of four of the shuttered jute mills -- Jatiya, Khalishpur, Daulatpur and KFD -- were paid in August last year.  
For those among 34,657 workers who are individually owed over Tk two lakh in dues,

the ministry will pay half in cash while rest will be paid through profit-based savings certificates on a half-quarterly basis.  
Gazi went on to say that they had received Tk 1,69.41 crore from the finance ministry to pay the cash portion to the workers of all 21 mills.  
Till date, Tk 1662.17 crore has been paid to the bank accounts of 31,656 workers, which is about 93.94 per cent of the allocation, it said.  
BJMC Chairman Rouf further said they have already paid 97 per cent of the worker's dues.  
However, payments to the rest of the workers have been delayed by problems over litigation, audit objections, mismatch of NIDs, and non-availability of bank accounts of the workers.  
"All necessary steps are being taken to resolve the issue," he added.

**Kamal unaware of FBCCI plan for new bank**

**FROM PAGE B1**  
The outgoing FBCCI board approved the proposals in a virtual meeting on Saturday.  
However, Kamal maintains that no approached him about the proposed bank.  
"There were no discussions regarding this. When I will know, then you [journalists] will also be well informed," he said after a meeting of the cabinet committee on government purchase. Experts criticised the proposal to set up a separate bank.  
"The idea is absurd as the apex trade body has done little for the cottage, micro, small and medium enterprise (CMSME) sector," said Ahsan H Mansur, executive director of Policy Research Institute of Bangladesh.  
There are currently 61 banks and 34 non-banking financial institutions operating in the country.  
As the apex trade body, the FBCCI has a lot of responsibilities. This includes negotiating with the government to protect the interests of the local business community.  
"But it can't ask to run a separate bank. There is no such precedence of bank operations by any trade body in the world," Mansur added.

Fahmida Khatun, executive director of the Centre for Policy Dialogue, said there is no need for any new bank as the number of lenders is already too high given the country's business volume. "Allowing a new bank will not bring any good to the economy. Rather, we should focus on how to improve the financial health of existing lenders as only 10 to 15 of them are doing well," she added.  
Salehuddin Ahmed, a former governor of Bangladesh Bank, said there was no genuine logic behind the FBCCI seeking a bank licence.  
"If the directors of the FBCCI or other businesses face any problem in managing loans, they can urge the government and the central bank to reform the banking industry."  
Siddiqur Rahman, senior vice-president of the FBCCI, said the board would go ahead and lobby the government to set up the bank, a university and an insurance company.  
A bank is needed to disburse loans to businessmen, especially to the CMSMEs, as the existing commercial banks are reluctant to lend to firms without collateral. "So, we aim to provide collateral free loans for firms in the sector," he added.

**Mercantile Bank director Reza removed from board**

**FROM PAGE B4**  
The BFIU and the central bank inspection teams unearthed that Reza had received a portion of loans, which were actually disbursed to PK Halder, from International Leasing and Financial Services Ltd (ILFSL).  
Halder, a former managing director of now-defunct NRB Global Bank, is believed to have fled to Canada after he and his accomplices misappropriated about Tk 2,500 crore ILFSL, Tk 2,200 crore from EAS Finance, Tk 3,000 crore from Peoples' Leasing, and Tk 2,500 crore from Reliance Finance between 2009 and 2019.  
Reza has a direct link with Halder, according to the BB inspection.  
Contacted, Reza told The Daily Star that the loan taken by him was now unclassified, and he was giving instalments on time.  
"ILFSL disbursed a portion of loans to me from another loan account. And I

did not have any involvement with the delinquent borrower. The NBFU did it without informing me."  
He said that he would apply to the central bank board for the withdrawal of the decision.  
According to the central bank notice, Reza was involved in activities that went against the interest of depositors. So, the standing committee of the central bank has decided to remove him.  
In January, the BB served a show-cause notice on Reza, asking him to explain his involvement in the scam.  
He submitted his response on February 3, but it failed to satisfy the central bank.  
On April 4, Reza made a written explanation to the standing committee. But the committee did not find the explanation to be logical, leading it to recommend his removal from the board.

**BB forms panel to probe IT debacle**

**FROM PAGE B1**  
Some 18 officials will work under the committee, which will also draw up short- and long-term recommendations to strengthen the ICT system.  
The committee will also ensure the ICT security of the central bank as well.  
Monthly update of the ICT system will have to be submitted to the higher-ups of the central bank.  
Interbank electronic cheque transaction and electronic fund transfer (EFT) activities through the Bangladesh Automated Clearing House (BACH) of the central bank were suspended on April 13 due to the disconnection of an optical fibre cable between two data centres of the BB.  
The central bank restored the connection between the centres -- one at Motijheel and the other at Mirpur -- on the evening of April 13, but the operation of the BACH had been inoperable.  
The central bank restored the operation of

inter-bank cheque transaction on April 18. But it took more than one week to activate the EFT.  
The BACH, the first-ever electronic clearing house in Bangladesh, has two components -- an automated cheque processing system (ACPS) and the EFT.  
The interbank transactions through the two digital modes are the largest in terms of number and volumes.  
For instance, clients submit around one lakh interbank cheques, amounting to around Tk 12,000 crore, per day.  
The ACPS uses a cheque imaging and truncation technology for electronic presentation and payment of paper-based instruments.  
Under the EFT system, around 1.5 lakh transactions are settled by clients every day, amounting to Tk 1,000 crore.  
Established in February 2011, the Bangladesh Electronic Fund Transfer Network (BEFTN) was the country's first paperless electronic interbank funds transfer system.

It facilitates both credit and debit transactions as a lead over cheque clearing systems.  
The network can handle credit transfers such as payroll, foreign and domestic remittances, social security payments, company dividends, bill payments, corporate payments, government tax payments, and person-to-person payments.  
**Plastic pipe industry growing fast**  
**FROM PAGE B1**  
"That is why the duty on imported pipes should be increased for the further development of the local industry."  
The small entrepreneurs, who manufacturer substandard products, will ultimately get ousted from the market, as people now prefer buying quality product only, said Manwar Hossain, group managing director of Anwar Group, which runs Anwar Polymer.