BTRC suspends 2 officials over graft allegations

STAR BUSINESS REPORT

Bangladesh Telecommunication Commission Regulatory (BTRC) yesterday suspended two of its officials over "allegations of corruption and the repression of other officials".

The two are Md Amjad Hossain, deputy director and personal secretary to the chairman, and Mahdi Ahmad, deputy director at the engineering and operations division.

In the suspension letters, the BTRC said newspapers online portals published allegations of these officials involving in corruption through a

They were also accused repressing many other officials within the commission, the letter reads.

BTRC said newspapers and online portals published allegations of these officials involving in corruption

The suspensions came about following a demonstration staged by BTRC employees yesterday the commission's Dhaka protesting against corruption discrimination and demanding suspensions.

The protesting officials claimed that they have been denied promotions for years by corrupt officials.

They also called for BTRC to ensure uninterrupted internet telecommunication services.

The demonstrators also protested in front of the offices of Chairman Md Mohiuddin Ahmed and Vice Chairman Aminul Haque.

However, neither the chairman nor the vice chairman was present during the demonstration.



City

The garment sector will benefit in the long run as international clothing retailers and brands are upbeat about the interim government led by Dr Muhammad Yunus, according to various exporters.

RMG exporters want Yunus to advocate trade benefits

REFAYET ULLAH MIRDHA

Bangladesh should start utilising the reputation of the interim government's chief adviser, Prof Muhammad Yunus, as a Nobel laureate and pioneer of microcredit to enhance relations with the Western world and grow business, opine young garment and textile entrepreneurs.

Assurances from the "Banker to the Poor" to work towards labour and human rights, environmental and climate protection, and good governance will bear the credibility required for the developed economies to relax preconditions for trade benefits, they said.

The European Union (EU) removes import duties on products from vulnerable developing countries through three arrangements under a Generalised Scheme of Preferences (GSP).

One of the arrangements, GSP+, requires implementing 27 international conventions concerning the rights, environment and governance.

The US used to run a similar Generalised System of Preferences programme, which is also abbreviated as GSP.

It was suspended for Bangladesh in July 2013 over poor labour rights and poor disasters.

Tazreen Fashions fire in November 2012 that killed more than 110 business, he said.

workers and the other was the Rana Plaza building collapse in April 2013 which killed 1,138 workers.

Currently, the US does not provide trade benefits to any country under the GSP. The tenure of the last GSP programme came to an end in 2020 and the US Congress has not revived it since.

Both the EU and the US may relax their preconditions for Bangladesh if Prof Yunus takes up the issue, said Fazlee Shamim Ehsan, managing director of Eraf Composite.

Continuity of good governance and policies is necessary to enhance the country's image alongside business, he said

A good example is Japan, which has made exceptional progress in a myriad of fields irrespective of the people coming in to govern the country since World War II ended in 1945, he said

He said his foreign buyers were very happy to hear that Yunus was sworn in.

The international communities always raise questions over the state of human rights in Bangladesh, said Shams Mahmud, managing director of Shasha Denims.

The first thing Yunus did since coming into office is to urge citizens to prevent workplace safety following two industrial violence and this should give an indication that Bangladesh was on way to better protect numan rights and turn conducive for

Although the garment sector suffered for a short term, it will benefit in the long run as international clothing retailers and brands are upbeat about the Yunus administration, said Al Shahriar Ahmed, managing director of Adzi Trims

The export of garments may come back strongly soon with the changes in the government, so the dollar crisis also may be

Country image is a big factor in business, said AK Azad, managing director of Ha-Meem Group, a leading US-focused apparel exporter.

It is earned through efforts towards curtailing corruption and ensuring a hasslefree business environment, efficiency in port management and good governance, he

If such efforts are truly put in, the international retailers and brands will automatically place a good volume of work orders, Azad said.

Yunus is renowned the world over, especially in Europe and the US, said Mohammad Hatem, executive president of the Bangladesh Knitwear Manufacturers and Exporters Association.

Bangladesh should definitely utilise his reputation to grow business with trade partners, remove trade parriers preconditions for exports, he said.

Govt revokes BSEC order on lifting floor price of 6 companies

STAR BUSINESS REPORT

The finance ministry yesterday revoked an order. which the Bangladesh Securities and Exchange Commission (BSEC) chairman had issued just a day before he resigned, for lifting floor prices of

The Financial Institutions Division revoked the order, signed by Prof Shibli Rubayat-Ul-Islam and issued last Thursday. No prior meeting was held at the BSEC regarding the order.

Prof Shibli posted his resignation letter on social media on Saturday.

The ministry accepted the resignation letter yesterday and appointed Md Mohsin Chowdhury, a BSEC commissioner, as acting chairman of the regulatory body.

The order had stated that the floor price for Beximco, Shahjibazar Power Company and Khulna Power Generation Company would be lifted on August 11 for Islami Bank, BSRM and Meghna Petroleum on August 14.

The floor price is the lowest price at which a stock can be traded.

Analysts had criticised the order, pointing out that it would help Salman F Rahman, owner of Beximco, sell the company's shares at a lower price. The high price of the shares had left buyers

uninterested over the past two years. Salman F Rahman was the private industry and investment advisor to Sheikh Hasina, who

resigned and fled the country on August 5 following a student movement. "It is requested that the BSEC refrain from issuing any such market regulatory circular/order

without holding any commission meeting," the ministry said in a letter to the BSEC.

BTMA president resigns, Russell to take over

STAR BUSINESS REPORT

Mohammad Ali Khokon yesterday resigned from the post of president of Bangladesh Textile Mills Association (BTMA), which represents the primary textile sector spinning, involving weaving, dyeing, washing, printing, finishing and sizing, citing personal

reasons.



Showkat Aziz Russell

Showkat Aziz Russell, chairman of Amber Group and a former vice-president of the BTMA,

replaced Khokon. The BTMA's board of directors accepted Khokon's resignation letter during a meeting at its

Gulshan office yesterday, according to a director who attended the meeting.

Oil posts 3% weekly gains

REUTERS, Houston

Oil prices settled higher on Friday and notched over 3.5 percent in weekly gains as positive economic data and signals from Fed policymakers that they could cut interest rates as early as September eased demand concerns, while fears of a widening Middle East conflict continue to raise supply risks.

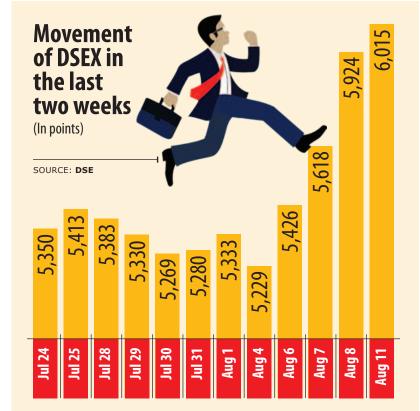
Brent crude futures settled 50 cents up, or 0.6 percent, at \$79.66 a barrel, while US West Texas Intermediate crude futures rose 65 cents, or 0.9 percent, to \$76.84. both benchmarks.

Brent gained more than 3.5 percent in the week, while WTI rose more than 4 percent.

"Crude is in a recovery mode ... as geopolitical tensions still seem to be a positive factor, and on-again offagain recession fears have calmed a bit, at least for now," said Dennis Kissler, senior vice president of trading at BOK Financial.

A trio of Federal Reserve policymakers indicated on Thursday that they were more confident that inflation is cooling enough to cut rates. A bigger-than-expected fall in US jobless claims data also helped to underpin the recovery.

Stocks cross 6,000 points



Businesses hit

"As such, I am unable to pay the full salaries to those who are daily wage earners. I told the workers to wait this week as there is no way I can manage cash now," the official added.

The official also said daily wage earners such as day laborers are now facing a very difficult situation.

"It's inhumane for them. If this situation persists for long, it will be very difficult to conduct business," the official added.

Riad Mahmud, managing director of National Polymer Group, said they were facing trouble in making payments to local raw material suppliers as they do not have bank accounts.

"Small vendors and local dealers do not maintain bank accounts. So, we have to pay them in cash. But we are facing cash shortages due to the withdrawal limit," he said.

"Besides, we pay our casual staff in cash every week, so we need cash in hand regularly," he added.

Mahmud said he believes the situation will hamper business if the situation persists. However, it will not substantially hinder activities if it lasts a short time, he added.

president Manufacturers and Association (BKMEA), have either," Ali added.

said some investors alleged they are facing difficulties due to the sudden

However, he said that while it should not affect salary payments, any sudden expense, such as for purchasing spare parts, or other

immediate needs would cause trouble. Mohammed Amirul Haque, managing director of Premier Cement Mills Limited, said this decision would create a short-term liquidity crisis.

On the issue, Finance and Planning Adviser Salehuddin Ahmed yesterday told reporters that the limit on cash withdrawals was required given the current situation.

Mohammad Ali, managing director and chief executive officer of Pubali Bank Ltd, said it is better to make electronic transactions in light of the current situation.

"The culture of electronic transfers needs to be created. Everyone needs to understand that it is safe," he said while adding that it is a good initiative that the central bank imposed the limit for the sake of security.

"It is not credible for a person receiving payments of Tk 50,000 Mohammad Hatem, executive to Tk 100,000 to not have a bank esident of the Bangladesh or bKash account. So, it is absurd or bKash account. So, it is absurd if someone like that says they don't

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Axiata with 4.30 percent, 5.76 percent and 9.51 percent, respectively.

Grameenphone was the most traded share with a turnover of Tk 138.7 crore.

Block trades, meaning highvolume transactions in securities that are privately negotiated and executed outside of the open market, contributed 1.6 percent to overall

Sector-wise, telecommunication, non-banking financial institutions (NBFIs), bank, food & allied, and engineering and fuel and power were in the positive while pharmaceuticals were in negative territory.

them, telecommunication booked the highest gain of 8.79 percent followed by NBFIs (4.72 percent), bank (4.11 percent), food & allied (3.31 percent), engineering (1.82 percent), fuel & power (0.72 percent).

AB Bank topped the gainers' list with a rise of 10 percent. GBB Power, Bangladesh Steel Re-Rolling Mills (BSRM), ACI Ltd and Grameen One: Scheme Two also fared well. Islamic Finance & Investment,

Islami Bank Bangladesh and The Dacca Dyeing & Manufacturing Company were also on the gainers' list. On the other hand, Crystal Insurance Company shed the most, losing 2.99 percent.

Libra Infusions, Hami Industries, Galvanizing, Pharmaceuticals, Kay Bangladesh, Asiatic Laboratories, GQ Ball Pen Industries and Hakkani Pulp & Paper Mills also recorded losses.

The Chittagong Stock Exchange (CSE) also witnessed an upwards trend as its premier bourse, the All-Share Price Index, edged up by 482.70 points, or 2.87 percent, to settle at 17,282.46.

Unrest in banking sector raises concerns

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the problem," said Toufic Ahmad Choudhury, director general of the Bangladesh Academy for Securities

to bank. So, the same medicine and equal dose should not be applied to all," he added. Citing that the central bank has

"The problem varies from bank

already identified several weak banks, he said a commission should now be formed to analyse their problems and suggest remedies. Choudhury, also a former director

general of the Bangladesh Institute of Bank Management, said common problems in the banking sector include a lack of good governance. "But this can be improved by ensuring strict monitoring by the central bank," he added.

A top official of a bank said a major target of the demonstrators is to create a situation that compels the bank authorities to dissolve their boards so that other major shareholders, who were deprived of directorship during the previous government's tenure, can replace

Choudhury suggested that the Bangladesh Bank dissolve the boards or remove directors and appoint independent directors at ailing banks for the benefit of banks and the sector

"This will get lenders out of the grip of politically influential people,"

he added.

"The central bank's monitoring and oversight becomes weak whenever politically influential people or public figures enter a bank's board," said Mamun Rashid, an economic analyst and veteran banker.

"If the board members are management cannot independently," he added.

"So, banks should be run by real sponsors, promoters and those who

have expertise," he said, adding that there is a process to follow when changing bank ownership.

Bangladesh Bank could also form a committee with members of the Bangladesh Securities and Exchange Commission. The committee could then analyse who are the best fit among the sponsors of the banks, added Rashid, also a former managing partner of PwC Bangladesh.

Rashid said banks should not be controlled by politically powerful people. Instead, people with proper knowledge on the financial sector, and adequate expertise and integrity should be hired as directors. Furthermore, the commission

could set criteria that keep banks away from political influence. Also, it could suggest how long members of a single family will be allowed to work as directors. Additionally, the commission

could outline how many members of a single family can be allowed to join as directors of a bank, he added. Asif Khan, president of the CFA

Society, said Bangladesh Bank needs to take swift action to ensure that no official can run away with funds at the last moment. So, it can appoint an administrator

for the banks that are facing such

threats. Otherwise, this type of chaos will erode people's confidence in the banking sector, added Khan, also chairman of Edge Asset Management. Anis A Khan, a former chairman of the Association of Bankers,

Bangladesh, said demonstrations are being held as several banks were taken over by force in the past.

"Now, the original owners are asserting their authority," he added.

Khan also said the issue is mainly between bank owners and politically influential, the bank's management officials who were deprived of directorship positions in

> "So, this should not concern depositors and investors," he added.