

Govt to fight extortion to reduce prices

Salehuddin says

STAR BUSINESS REPORT

The government will take steps against extortion and monopolies to bring down prices of essentials and benefit consumers, said Finance and Commerce Adviser Salehuddin Ahmed yesterday.

"We will stop this," he said when allegations of extortion in the value chain of essential commodities, including perishables, were raised during a meeting with top officials of the commerce ministry.

He said he found out that an item changes hands four times at Dhaka's Karwan Bazar alone and traders are asked to sell the product at specific prices.

In exchange, the trader is given a "commission" or a certain amount of money, Ahmed added.

"I have also come to know that Tk 7,000 is collected from each truck...I have received a lot of complaints," he said.

Ahmed said when one group leaves, another group begins preparations to extort people.

However, he said it was not the responsibility of the commerce and finance ministries to take steps against extortion.



Matin Mallick harvests string beans which he cultivates, along with other vegetables, utilising the edges of a pond he uses for fish farming. Although around 35 to 40 kilogrammes of string beans can be availed during each harvest, he can sell each kilogramme for just Tk 23 to Tk 25 at wholesale whereas retailers sell it for as much as Tk 50 to Tk 55. The photo was taken near Beel Pabla in Khulna's Dumuria upazila recently.

PHOTO: HABIBUR RAHMAN

Calls raised to dissolve boards of Islami, Social Islami banks

STAR BUSINESS REPORT

Three former senior executives of Social Islami Bank PLC yesterday wrote to Bangladesh Bank Governor Ahsan H Mansur, urging him to immediately dissolve the current board of directors of the Shariah based bank.

Likewise, officials of Islami Bank Bangladesh, another Shariah-based bank, submitted a separate letter to the central bank governor yesterday demanding the same.

The three executives of Social Islami Bank are Maj (ret'd) Rezaul Haque, ex-chairman of the board, Md Anisul Haque, former chairman of the executive committee, and Md Angur Rahman, former chairman of the audit committee.

In the letter, they alleged that S Alam Group and its associates, under the direct supervision of a special security force of the former government, took the chairman of the board of directors, chairman of its executive committee, managing director and company

secretary hostage at gunpoint and forced them to resign on October 30, 2017.

Later that same day, Mohammed Saiful Alam, founding chairman and managing director of S Alam Group, and his associates called a board meeting at Westin Dhaka, where they accepted the resignations of the top executives.

However, it did not stop there. Almost all other directors were gradually forced to resign, with S Alam's men taking their places.

Since then, various concerns of the group have illegally taken loans of around Tk 15,000 crore from the bank under the direct supervision of its current board, creating the current crisis at the bank.

Besides, in a clear violation of service rules, the group appointed a huge number of employees who hail from Patiya of Chattogram, the birthplace of S Alam, without checking their qualifications.

The three former executives also claimed that S Alam and his close associates, including son-in-law Belal Ahmed, the current chairman of the

bank's board, went into hiding after the recent political changeover.

However, they are still trying to disburse loans to concerns of S Alam Group, the letter said.

More than a hundred officials of crisis-hit Islami Bank submitted a letter to the Bangladesh Bank governor seeking the dissolution of their board of directors

At the time of S Alam's takeover, the bank's total disbursed loans amounted to around Tk 20,000 crore. It has ballooned to about Tk 35,000 crore at present.

With these loans slowly turning sour, the bank is now on the brink of bankruptcy.

Realising the urgency of the situation, the former executives have asked the central bank to take immediate steps

to dissolve the current board and ensure good governance to protect the depositors' money.

Meanwhile, more than a hundred officials of crisis-hit Islami Bank submitted a letter to the Bangladesh Bank governor seeking the dissolution of their board of directors.

In a letter, they cited various media reports about the looting of the bank's funds through conniving board of directors and other dishonest officials.

They added that the reality is worse than what has been reported. It has become difficult for the bank to carry out normal operations in the face of constant looting, the letter stated.

So, the bank's current board of directors should be dissolved to restore it to its former glory, protect the interests of all shareholders, restore investor confidence and resume normal operations.

The officials also demanded to reconstitute the board with honest and knowledgeable people, including former directors if necessary.

Amnesty for black money should not exist

Says new NBR chairman

STAR BUSINESS REPORT

The scope for whitening black money should not exist at all, Md Abdur Rahman Khan, the newly appointed chairman of the National Board of Revenue (NBR), said yesterday.

The amnesty is undesirable and indecent, he said while speaking to journalists at the NBR headquarters in Dhaka's Agargaon after joining office for the first time.

The provision encourages corruption and disheartens honest taxpayers, he added.

"When I was secretary to the Financial Institutions Division of the finance ministry, I personally opposed the decision. As a citizen of the country, I think this is not a good practice at all," said Khan.

The scope can be scrapped if the interim government wants, he said, adding: "Now, I can't give the final nod."

Despite widespread condemnation from economists, watchdogs, businesspeople and even multiple

lawmakers, the Sheikh Hasina-led government retained the provision allowing individuals and businesses to whiten black money without scrutiny by paying a 15 percent tax for the current fiscal year.

Khan vowed to take steps against all those involved in money laundering and tax evasion, irrespective of their political influence.

The NBR will form three task forces to review existing laws and make them business-friendly, he said. He emphasised that it did not matter who the culprits were.

"The Bangladesh Financial Intelligence Unit is already working on identifying these criminals, and we will not sit idle. The NBR will take strict action on these issues," Khan said.

The root cause of the irregularities on such a large scale was a lack of rule of law, he said, underscoring the importance of preventing any such offence in the future by maintaining vigilance.

The NBR chairman was asked how a former member of the revenue authority, Matiur Rahman, who was embroiled in allegations of corruption in June, rose through the ranks.



STOCKS	
DSEX ▼	CASPI ▼
2.12%	1.85%
5,778.63	16,715.36

COMMODITIES		AS OF FRIDAY
Gold ▲	Oil ▼	
\$2,508.18 (per ounce)	\$76.96 (per barrel)	

A group of businessmen seeks resignation of CCCI leaders

STAR BUSINESS REPORT

A group of businesspeople staged a demonstration in front of the office of the Chittagong Chamber of Commerce and Industry (CCCI) in Chattogram yesterday calling for the resignation of the members of the chamber's board of directors.

The protesters also demanded simplifying the process for obtaining membership of the chamber.

Rakibul Alam, vice president of the Bangladesh Garment Manufacturers and Exporters Association, told The Daily Star that a syndicate has transformed the Chittagong chamber into a "family-run institution".

Habibur Rahman, secretary to the Bangladesh Reconditioned Vehicles Importers and Dealers

Association, accused certain groups of corrupting the chamber engaging in authoritarianism and nepotism.

"To make the chamber business-friendly, a new management committee should be formed through elections," he said.

SM Nurul Haque, former senior vice president of the chamber, alleged that the current committee was elected through irregularities.

"We want a free and fair election at the chamber through the participation of its genuine members," he said.

Former employees of the chamber also joined the protest, demanding reinstatement to their jobs.

The current president of CCCI is Omar Hazzaz, whose father MA Latif had earlier served in the same

capacity. His younger brother, Omar Muktedir, is one of the 24 directors as well.

Contacted by The Daily Star, Hazzaz said, "We were elected...There is no nepotism here...Businesspeople can protest. We have heard their protest. The matter will be raised in the next board meeting."

He also said the 120-year-old CCCI now has about 8,000 members and "we respect the demands of all members".

After Akhtaruzzaman Chowdhury, his son Saifuzzaman Chowdhury had become the CCCI president, and after Amir Khosru Mahmud Chowdhury, his brother Amir Humayun Chowdhury had become the CCCI president, he said.

"Such a question did not arise then," he said.

Dollar falls against peers

REUTERS, New York

The dollar fell against the yen on Friday, and was softer against other peers as traders took profits and investors sifted through economic data to gauge the Federal Reserve's appetite for interest-rate cuts.

Disappointing US housing numbers also kept pressure on the greenback, helping it shed some of the lift it got a day earlier from data showing inflation trending down and consumer resilience.

US single-family homebuilding fell in July as higher mortgage rates and house prices kept prospective buyers on the sidelines, suggesting the market remained depressed at the start of the third quarter.

The dollar fell 1.04 percent against the Japanese yen to 147.75, having touched a two-week high of 149.40 in the prior session. Still, the yen looked on course for its biggest weekly decline since June after US economic data eased fears of a recession and supported bets of gradual rate cuts.

"The overall tone in the FX market today is best characterized as 'corrective'. After a big rally on the strong US consumer data yesterday, the U.S. dollar is giving back some of its gains as traders take profits ahead of the weekend," said Matt Weller, head of market research at StoneX.

"The yen is the strongest major currency today - though still the weakest on the week - as traders rein in expectations for interest-rate cuts among other major central banks."

Risk-sensitive currencies such as sterling were firm as the improved economic outlook spurred a rally in equities.

CPD calls for phasing out

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Despite providing high subsidies and upward tariff revision, the Bangladesh Power Development Board has still been unable to come out of losses.

He added that no further power tariff revision should be made in the name of subsidy adjustments.

"The previous government had drawn up a plan to increase the price of electricity four times a year for the next three years to withdraw all subsidies in the power sector. They raised the price in February, but through such an adjustment, the burden is fully passed to the consumers - households, agriculture, industry, businesses, services and

other economic activities."

The CPD termed the automated fuel pricing formula, launched in March this year, as unclear. "The price calculation mechanism of petroleum is unclear and there are a few hidden charges without any proper justification."

As the procurement process was non-competitive and confidential, fairness could not be ensured regarding issues such as the determination of power purchase rate and capacity payment. It also led to extensions of contracts with inefficient power plants, it said.

So, the CPD asked the government to review the procurement and bidding process of the power plants.

Sonali Bank asked to show

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It said that the entire loans of the company are classifiable under the bad and loss category as there are outstanding instalments.

Sonali Bank disbursed the loans to Orion Infrastructure for the construction of Mayor Mohammad Hanif Flyover in Dhaka.

Till December last year, the company owed around Tk 30 crore as the principal amount and Tk

75.80 crore as interest, central bank documents showed.

Salman Obaidul Karim, managing director of Orion Group, told The Daily Star yesterday that some adverse business conditions had been created over the past few months, which resulted in the company being unable to pay on time.

"We have not defaulted on any payments yet to the best of my knowledge," he added.

Govt to form banking commission

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"So, as the band has been increased, transactions will take place legally. This will ultimately increase the confidence of customers," he said.

Rahman added that a roadmap would be helpful for all banks. "It is good to have a task force so long as there is a delineation of the responsibilities of the commission, which should be formed with persons that have credibility."

faced by various banks can be identified, actions can be taken. This will ultimately increase the confidence of customers," he said.

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AFP, New York

Boeing's new boss said Friday he was looking to "reset" relations with a key union representing tens of thousands of its workers, amid negotiations for a new labor contract.

"I met with the presidents of IAM 751 & W24 this week in Seattle for a productive conversation and the opportunity to listen," Boeing chief executive Kelly Ortberg wrote in a message to the aerospace giant's 170,000-plus employees, a week after taking office.

"I shared with them my commitment to reset our relationship and reach a new contract where we can come together to build a strong future for our employees

in the region," Ortberg said in the message, shared with AFP, adding that contract negotiations were in the "final phase."

The two local branches of the International Association of Machinists and Aerospace Workers represent around 33,000 Boeing employees.

They are based in the Seattle area, home to factories for the company's best-selling 737 and 777 aircraft.

The current 16-year-old agreement expires at midnight on September 12. Union members voted on July 17 to approve the possibility of strike action if there's no agreement by then.

"Ortberg knows that we can't rewrite the past, but we can work on a path forward in the future,"

the IAM District 751 negotiating committee said in a statement Thursday after the meeting.

"Boeing cannot rebuild the trust it shattered over the last two decades unless it commits to securing these jobs right here, where they belong," they added.

The union is demanding Boeing manufacture its next aircraft - expected in 2035 but not yet announced - in the region.

It is also demanding a pay hike of at least 40 percent over three years, as well as better benefits, including in health insurance and pensions.

"While Ortberg may not be sitting at the bargaining table, his influence on the negotiation process is undeniable," the committee said.