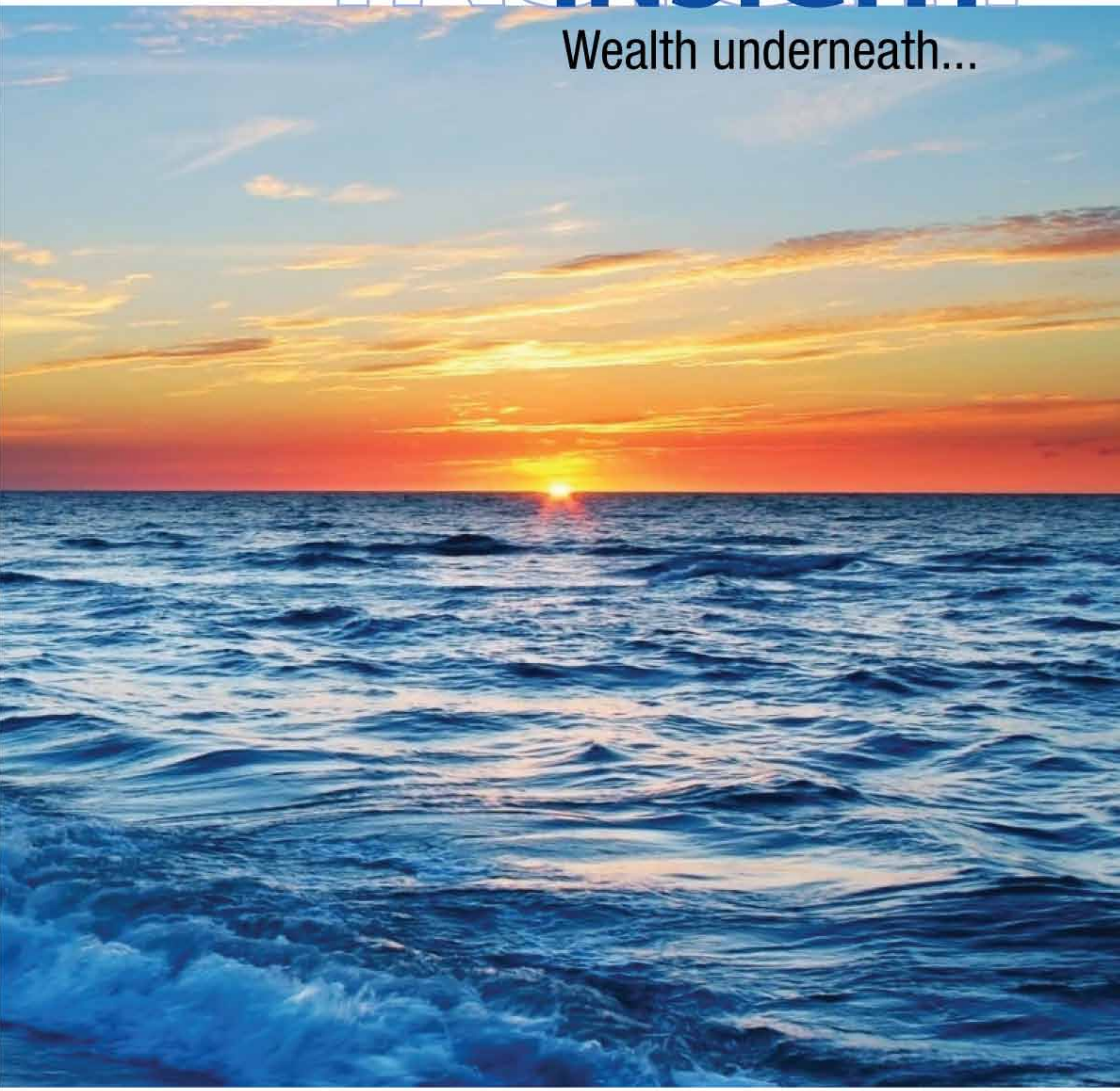
INSIGHT

Wealth underneath...



JUNE 2014 | VOLUME 13 | ISSUE 2

DHAKA BANK LIMITED

EXCELLENCE IN BANKING

www.dhakabankltd.com

Published by Research & Development Unit
Sara Tower, 3rd Floor,
11/A Toyenbee Circular Road, Motijheel C/A, Dhaka 1000
Email: *r&d@dhakabank.com.bd*

Design & Print: Paper Rhyme

CONTENTS

EDITORIAL
Envisioning a new age of new thinking and a caring Bank

Burden of excess liquidity
Beyond question, liquidity strength is a strong indicator of financial stability. But excess liquidity lingering for long does not provide a sanguine view of a going concern. Banks are hard-pressed to crash open windows to flow down the streams of cash. All efforts have come to naught as the field of investment is too rocky to smoothen out the passage of finance. Banks' holding of Taka 1,022 billion in excess liquidity, according to May 1 data, has suddenly jolted us awake in surprise. The idle funds in banks contrast the sparks and wonders of above-six percent continuous economic growth of Bangladesh, which should vibrate with pulsating rhythm from all spheres of business. Beneath the surface, factors and assumptions have gathered to exhibit the ground for lackluster liquidity scenario in the country. Contraction in investment activities, stagnated credit portfolio, infrastructure in traction, high lending rates are thought to be the main agents to swell out unwanted liquidity sails. Scam-hit industry, though centered on a few banks, is another serpent to spit venom at both business confidence and bank-client relationship. To curb the impact, the central bank has notched up cash reserve requirement (CRR) by 50 basis points to 6.00 percent for commercial banks; a safe measure to protect money but seemingly less accommodating to commercial gains.

How long can banks afford to idle away with the idle fund? A vexed question. First of all the banks have to plan for cost-cut without exceptions. Low-cost deposits can be a good match for loan attractiveness at lower rates. Economical deposit, though not easy to design, can be based on a trade-off between competitive charges and changing features of the products. Demographic consideration is a befitting alternative to structure savings product and sell them to whom they are made for. At the same time, loans to demographic segments of customers will favourably increase retail loan customers. Policy revision in car loan enhancing bank's lending cap will boost the retail loan market in leaps and bounds. Places and people with lower car density can be the sales focus as the metros are already littered with mushrooming cars. The window of loans recently opened to foreign investors can aptly be used to bankers' relief. Why not feed the share market with excess liquidity by expanding margin loans and banks' exposure as the market starts to breathe in fresh air of confidence?

Diversification out of the periphery
Each passing day, the world is producing a beacon of hope for generations next and the striving citizens of the day unearthing priceless resources (hidden even at the bottom of the sea), prized possessions of human faculty, new tech and invention as well as alternative solution with a peripheral vision. Endless possibilities, we can hit upon, if we look out for gems which are waiting for long to be discovered by voyagers. Our comfort with a few sectors of economic growth will definitely saturate our dreams one day. We had better take a long look at the possibilities widely understood as diversification. With the pride of garments, exports have many other horizons with a spectra of choices, be it product, resource, market, alternative, process or value chain. A vast wide sea, we have conquered by international settlement is bubbling with scopes and opportunities. Amazing transformation can take place in the country by way of committed investment in sea resources (see Blue Economy at page 25). Many local brands have achieved universal stature to enter global paradise. Able Bangladeshi professionals can revolutionize IT sectors through outsourcing, adequate investment, software development and programming. Astronomical changes are possible in business promotion by social networking through facebook, twitter and others. It's high time to enter international production network; many would bet that Bangladesh can change into an outsourcing heaven in the production of parts and components and as an assembler of famous global brands (aptly pictured in page 16). No less important is policy shift and support – the country can go for overhauling the regime of tariffs and levies, customs procedures and port passage for the best bargain in its favour and decide what and how much to procure and produce here and what not.

Good governance and a caring bank
Since long years from independence, our banking system has been built on strong international footing, framework and credit mechanism. Shockingly, the industry's confidence has been shaken by repeated fraud and financial scams mostly connected with intentional breach of credit norms. People of conscience can no longer relax safe in the knowledge that the string pullers behind the scene were none other than a powerful circle of principals and agents of respective banking companies. The failure, of course, is attributable to banks' operation – in fact, the term more relevant is lack of good governance. The custodians of people's money are a selected few fortunate to take the onus of national interests. Mere financial gain and personal pleasure will delimit their status as very important person (VIP). They should be given an insight to look skyward with starry performance and deed for common good. **A caring bank is who stands on the foundation of law and is able to draw peoples' trust into the venture. Continuous efficient and unbiased services to customers reenergizes the faith everyday and the collective faith of the millions in the long run swells up an indomitable wall of a powerful banking brand – revered by generations and remembered too even when the sponsors are enshrined in the frame of golden memory.**

Festive euphoria takes a new look
Wrapped in rebounding euphoria, the inner soul of Bangladesh is awake again. The major event in Islam, Eid-ul-Ajha has come up to evince the great sacrifices of the Muslims. The joy of giving away in the name of Almighty is unique and the ecstasy that follows is divine. Gleefully, the nimble bulls' hooves have started beating the streets and the fences of Eid huts raising the storms of dust. Spirited so is the nation, the economy and the business. But mind, we exercise passion and be careful about the sanctity of the event and holiness of Qurbani. We wish, the festivity is not the merriment of a few better-offs rather a passionate participation of all, the rich, the poor and the have-nots. Also, we wish our sincere greetings to all on the occasion of Sharodiyo Durga Puja. The delights have doubled with the coincidence of the twin festivals and a long spell of holidays. **EID MUBARAK.**

A mosaic of cultures, the land of six seasons, the golden Bengal allows us to see her many facets with the turn of every season. Like all other years, summer 2014 too brought the smell of ripe sweet Mangoes and Jack fruits. Then arrived monsoon with heavy downpours for us to breathe a sigh of relief from the scorching heat of summer. This year people all across the city spent moments of different rhythm and swing enjoying breathtaking World Cup Football encounters and Eid shopping under the shadow of hot and humid summer.

Euphoria over 11.5 billion dollar World Cup Football being hosted by the Brazil swept all across the globe in the early half of June this year. Football lover in this part of the world had to sacrifice their usual sleep to watch their favourite team's performance at the dead of the night. Football fever was almost everywhere. Any international sporting event is connected with large-scale economic impact. The economics of Football is related to world-wide economic activities. It is not only the host country but also other country whose economy gets a big boost. Bangladesh has at least exported jerseys worth USD 500 million for this exciting event. Proudly enough, Made-in-Bangladesh was indelibly imprinted in the minds of crazy soccer lovers in Brazil.

With Eid-Ul-Fitr around the corner, retailers rushed to meet the huge demand for apparels by opening new stores and keeping shops open for longer. Pre-Eid shopping is seen as one of the biggest revenue generating periods for the economy. This boom of shopping not only leads to increased sales but also demands in other sectors of economy as well, such as banking and advertising sectors as buyers and sellers interact vigorously during this timeframe.

Country's export-import trade and inward remittances increased in the first and second quarter of the current fiscal year on the back of a relatively calm political situation which is likely to last further. Even though the rate of inflation staged a steep rise in July given the rising demand during the Ramadan and Eid-Ul-Fitr festival but again fell slightly thereafter. The operating profit of the country's Private Commercial Banks (PCBs) showed an upward trend in the first half (H1) of the current calendar year as the interest rates on deposits were lower than the lending rates and foreign trade operations stable.

Bad loans, the worst category of defaulted loans, in the banking sector increased by 23.47 percent to Tk 39,413.53 crore in the first six months of 2014 due to scheduled banks' failure in recovering

FROM THE DESK OF CHAIRMAN

classified loans amid lost investment dynamism. As of June 30, 2014, the bad loans accounted for 76.76 percent of the total defaulted loans of Tk 51,344 crore in the banking sector according to Bangladesh Bank data. Inspections by the Bangladesh Bank into scams that hit state-run banks over the course of last year unearthed a number of bad loans. Some of those loopholes have been addressed, many have not. We must not forget that this is public money that is being squandered because authorities lack the political will to rectify bad practices which will put an end to establish norm of graft in these banks. Maintaining macroeconomic stability, restoring momentum in economic activities, enhancing revenue collection, achieving the export target, containing inflation and above all improving law and order conditions in the country will be the major challenges for the government which they may have to confront and overcome in style in their quest to achieve the oft repeated GDP growth of 7.3 percent.

As we look forward to 2014, I believe it will be a year of daunting challenges, but also a year of opportunities for well capitalized private sector bank like Dhaka Bank. I also believe, we will continue to have opportunities to acquire more quality customer relationships in the days ahead of us. We have the employees, the management and products to take advantage of these opportunities, and to emerge from the current competitive market environment a stronger, more profitable Bank.

Abdul Hai Sarker
Chairman

MESSAGE FROM THE MANAGING DIRECTOR

Arguably though, the best time to enjoy Bangladesh is monsoon. Almost lyrical and poetic in its clouded splendour, rural Bengal washes away grit and grime and adorns an even greener veil of beauty. The monsoon clouds gather and rain pours down, soaking the city along with everyone and everything in it. In the vain attempts to stay dry, anything can become an umbrella.

Shifting my attention from monsoon musings to our economy, I can see that Bangladesh pitifully keeps banking mainly on six exportable items and four markets in its external trade over the years apparently for failing to effectively implement the plans for diversification of the 'Export Basket' and Overseas Market. I strongly feel that the government policy support is the need of the hour to change the entire export scenario including opening new missions, branding the local products and cash support for the potential sectors. Almost 90 per cent of our foreign currency revenue comes from six sectors only while, as a whole, there are as many as 750 products which are generating revenue right now. Now is the time to go for product and market diversification in the right earnest against the backdrop of ever growing competitive global market trajectory.

Defaulted loans in the banking sector increased by a staggering Tk 10,761 crore in the first six months of this year as many of the defaulters who were allowed to reschedule their loans on the ground of pre-polls political unrest turned defaulter again. Such a large amount of default loans has undermined the asset quality of banks and eventually squeezed profitability and pushed up cost of funds in this crucial sector of the economy. An upturn in both export and import trade has substantially helped the commercial banks to raise operating profit. Mainly, lower interest rates on deposits than lending ones coupled with relatively stable foreign trade business have contributed to achieving such feat.

Monetary Policy Statements (MPS) for the first half of FY2014-15 was unwrapped on July 26, 2014 against the backdrop of a large number of challenges in the macro economy and financial sector amidst an apparently stable political atmosphere giving a breathing space for the economy. New MPS focused on reining inflation (to be brought down to 6.5 per cent from last fiscal's 7.4 per cent) keeping the key policy rates unchanged. Truly, Bangladesh Bank has formulated a Monetary Policy compatible with the expected state of the economy. It has set monetary growth targets in line with realistic growth of inflation targets. There is adequate space for growth of credit to private sector and accommodation of the government's bank borrowing target in the fiscal 2015 budget.

In a landscape of challenges, Dhaka Bank still stands strong driven by determination and good work of its thousand of dedicated workforce. Our products and services help lift people up when they need it most and it is something that makes all of us at Dhaka Bank extremely proud and it propels us to do more and achieve more. I believe, we will continue to achieve more by building on the same strength that have been the pillars of our success.

Niaz Habib
Managing Director

Budget FY 2015: some major observations

M. Sohel Shahriar Akhand
VP & In-charge, R&D Unit

Generally Budget denotes the anticipation of income and expenditure for a given period. A budget is also known as the annual financial statement of the country. The national budget is not far different from an individual's budget. Realistically, National Budget of a country is the annual programme of the government's expenditure and income for a fiscal year. In a developing country like Bangladesh, the annual national budget reflects the government's development philosophy, priorities and approaches towards equity and social justice. The role of public sector to provide infrastructure and basic and basic public goods is to create an enabling environment for the private sector to act as the engine of economic growth through the national budget. National budget should be framed on ground realities not on vision.

The budget 2015 stands at slightly over Tk 250,000 crore and represents an estimated 16 per cent rise above last year's budget. Budget for FY2015 brings in lot of promises both in terms of expenditure and revenue. The fiscal framework has been designed in a way that the budget deficit will be the usual 5 percent of total budget. Total expenditure in budget FY2015 is set at 18.7 per cent of Gross Domestic Product (GDP), an increase from 18.3 percent in the revised budget of FY2014. The size of Annual Development Programme (ADP) witnessed an increase by 33.5 per cent compared to the revised ADP of FY2014. The share of ADP is planned to be 6 per cent of GDP.

Growth target

The government faces an uphill task of achieving 7.3 per economic growth in the next fiscal year given the dismal investment scenario, ambitious revenue generation target and lack of reforms to generate higher GDP expansion. The GDP growth might be very desirable target, but the budget structure and associated measures might not generate confidence that this number is achievable. In order to achieve the GDP growth target, the country would need to have around 30 to 33 per cent investment-GDP ratio, up from around 28 per cent now. Only 7 to 8 per cent of the required investment-GDP ratio would come from the public sector, meaning private sector would have to chip in with 25 percent. In reality, private investment now stands at 21 per cent of GDP as per the latest data from the Bureau of Statistics. This implies that we will need an extra four percentage points of incremental investment from the private sector. That is a highly ambitious number and has hardly ever been achieved in the nation's history. While the budget is providing a wide range of tax concessions, tax rebates, harmonization of tariff structures and cuts in supplementary duties, it would still not be enough to generate the desired levels of private investment.

Implementation of ADP: delay trap

The need for a large budget is obvious. Budget has to cater to the demand of a large population who need employment and income. Public expenditure shows an increasing trend during the last few years though during the first nine months of FY2014 public expenditure has been relatively slow. The growth of public expenditure has been constrained by the low level of resource mobilization efforts. Much of it due to political turmoil during the first half of FY2014. However, this is also due to low expenditure capacity by ministries in implementing ADP. The size of the ADP has been revolving more or less around 3 to 5 per cent of GPD during the last decade or so. This, in no standard is adequate to lead the country towards earning middle income status that potentially requires huge investment. Low public investment which in turn discourages foreign investment. During the first nine months of FY2014, only 43 per cent of ADP has been implemented which was 5 per cent lower than the same period of FY2013.

TOP ALLOCATIONS FOR FY15

In crores of taka: percentage change compared to outgoing fiscal year

PUBLIC SERVICES 38,234 42.2%	DEFENCE SERVICES 16,462 8.4%	FUEL & ENERGY 11,540 16.5%	INTEREST 31,043 17%
PUBLIC LOCAL GOVERNMENT & RURAL DEVELOPMENT 17,715 15.1%	HEALTH 11,146 12.0%	AGRICULTURE 19,095 7.9%	INDUSTRIAL & ECONOMIC SERVICES 2,874 21.0%
EDUCATION & TECHNOLOGY 32,769 15.9%	SOCIAL SECURITY & WELFARE 15,197 23.4%	TRANSPORT & COMMUNICATION 24,437 57.7%	RECREATION, CULTURE & RELIGIOUS AFFAIRS 1,991 2.0%

An important feature of ADP projects is that the number of carry-over project is high. In the budget of FY2015 a total of 1034 projects are listed in the ADP, of which only 29 are new, 296 are carry-over projects, 357 are to be completed in FY2015 and 352 projects will be continued beyond FY2015. The failure to complete projects within stipulated period leads to higher cost of projects and tells upon the quality of expenditures. Besides, the quality of expenditures also erodes due to ill planned and politically motivated projects.

Revenue generation & financing of the budget

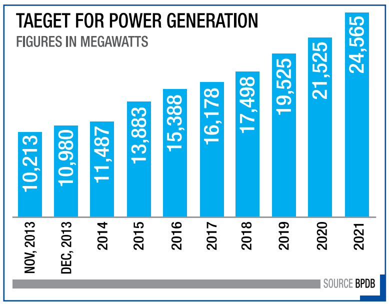
The revenue generation target has been set at Tk 1,82,954 crore, an increase of 16.77 per cent from the outgoing year's revised target. As it looks, the budget has put emphasis on revenue generation from domestic sources. This is a right move since one of the most important challenges will be the financing of the budget. In a resource strapped country financing of planned development activities and budget deficit cannot be done by resources from one single source. Multi-sourcing and mix of resource package will determine the implementation to a large extent. During the last few years (since 2006) there is a tendency to depend more on domestic resources for meeting expenditures. In recent years the gap between financing from domestic and foreign sources has widened manifold. In FY2010 the difference between financing from domestic sources and foreign sources was 0.5 per cent of GDP, which reached 1.9 per cent in FY2013. During the outgoing FY2014, budget deficit has been revised upward to 5 per cent against the target of 4.6 per cent of GDP. Though up to March 2014 deficit finance was 1.4 per cent of GDP but this is expected to rise significantly towards the end of FY2014. Lower figure till March 2014 was not because of any significant improvement in revenue generation but because of the lower development expenditure. The dependence on domestic resources as a source of financing has increased to more than 94.3 per cent during July-March 2014. About 72.1 per cent of total budget deficit was financed by was financed by domestic resources in FY2013. Increased dependence on domestic resources for deficit financing is a matter of concern from the point of public finance management, particularly when domestic resources are not enough to meet the demand of the country.

In financing the budget for FY2015 from domestic source lot of emphasis has been attached to revenue generation by National Board of Revenue (NBR). Towards that, NBR will have to achieve Tk 1,49,720 crore in FY2015, an additional Tk 24,720 crore compared to FY2014. In terms of composition of revenue, income tax will be the major source with a target of Tk 57,500 crore. Traditionally, the major source of NBR tax used to be the indirect tax during years gone by. This is a positive move since direct tax is progressive in nature while indirect tax is discriminatory as the incidence falls disproportionately on people irrespective of their income.

Sector-wise allocation

Power & energy

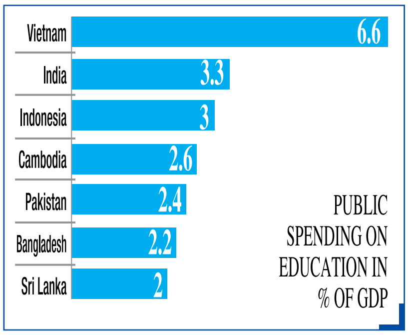
To achieve double-digit growth rate for the economy within seven years, the new budget continues to hammer away at the government's old plans to massively expand the power sector using coal, nuclear, renewable and other sources. The new budget has allocated Tk 11,540 crore to the power and energy sector, a figure close to that of last year's. Among the new schemes, the finance minister has proposed allocating Tk 400 crore for an ambitious plan to produce 800 megawatts of electricity by next year using renewable energy. Only a few countries have actually gone for such a large renewable energy project as it requires a lot of land



compared to conventional power plants. But if such power plants are built, it would obviously improve the country's energy security while delivering power to the remotest area. In developing the gas sector, the government will continue to enhance the capacity of Bapex to help it to discover new gas and oil fields.

Education

Although the government has increased budgetary allocations to the education sector over the years attaching top priority to it, the allocation this year is still far behind the expected level. In terms of percentage of GDP, Bangladesh spends only around 2.2% for education, which remains almost static for the last few years. On the other hand, countries like Vietnam and Nepal are much more ahead of Bangladesh as regards to spending on education. For education, Vietnam spends around 6.6 per cent, Nepal over 4.7 per cent, Maldives spends around 8.5 per cent of their GDP. Even India spends over 3 per cent. Budget FY2015 has allocated Tk 29,213 crore for education sector which is 11.6 per cent of the total budget. The allocation is 10.96 per cent higher than the revised budget of the previous year.



Health

The World Health Organisation (WHO) suggests that the health budget be at least 15 per cent of total budget. In Bangladesh, it is only 4.60 per cent of the current budget. The Finance Minister allocated Tk 11,146 crore for health budget – which is up from previous year's revised budget of Tk 9,955 crore but down in share of total budget. This goes against the government's health financing strategy to up allocation for health to 15 per cent by 2032 to ensure quality and affordable health care for all. The declining trend that started from 6.8 per cent in 2009-10 continues amid rising health care costs in Bangladesh, where people spends 64 per cent of total health cost from their own coffer against the global status of 32 per cent.

Agriculture

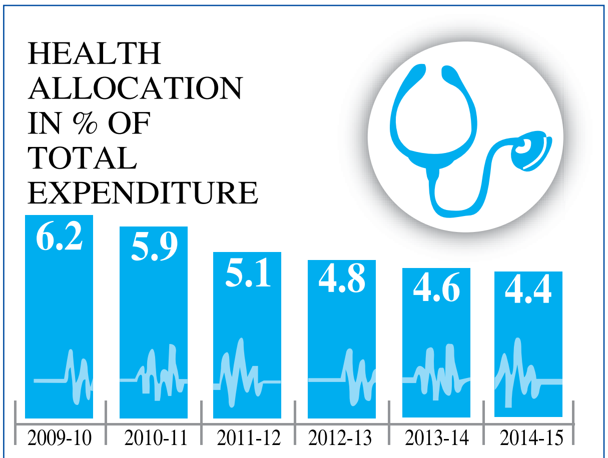
The budget FY2015 allocated Tk 12,390 crore for agriculture sector which is 0.73 per cent less than that of previous year. The budget also proposed Tk 9.000 crore as subsidy just the same as previous year but not specified where it will be used. Over last few years government focused on increasing productivity of farm sector, however, the success appears to dim when it comes to the interest of farmers, who feeds the nation.

Subsidies

Subsidy allocation has been slashed by 19.5 per cent in budget FY2015, with the bulk of the cuts falling on fuel subsidy in keeping with the commitments made to international Fund. Total allocation for subsidy is Tk 26,053 crore in fiscal 2015, in contrast to Tk 32,354 set aside in the previous fiscal. Power subsidy has been increased by 15 per cent to Tk 7,000 crore, while fuel subsidy has been slashed by 67.35 per cent to Tk 2,400 crore, in keeping with the government's pledge to IMF. Agriculture subsidy will remain the same as last year, which was around Tk 9,000 crore. Meanwhile, Export subsidy has been upped by 10 per cent from last year's to Tk 2,850 crore. Food subsidy too got a raise to Tk 1,806 crore from outgoing fiscal's revised figure of Tk 1,689 crore.

Highly centralized sector-based budget: District- based budget is a far cry

Poor governance is actually a by-product of the highly centralized yearly budget which is in place in Bangladesh. The decision has to come from the capital even to build a road or to develop a hospital in a remote village. If the local administration at district, upazila and union level can be financially empowered, stagnancy in development will be solved much more easily. But the dream of financially empowering local government or allowing them to submit their consent in budget development is a far cry. In Bangladesh the ministry of finance enjoys the sole authority to prepare the annual budget. Even by the constitution provision, there is no chance for parliamentary standing committee to incorporate their recommendations in the budget. As a result, in a democratic country like Bangladesh, there is almost no scope for the representation of people's demand in the government budget. Although concerned authorities time and again promised a district budget but in reality the first ever district budget prepared in 2013 did not reflect peoples demand as hoped earlier. Practically, this oft repeated district budget was rather a 'district based budget' in real sense of term. It was like



SOURCE: CALCULATED FROM MOF REVISED BUDGET FIGURES

an information brochure of the government's fund allocation for a particular district. From the very beginning governments have been preparing merely Sector-based budget which should be prepared on the basis of regional needs and demands. This centralized planning and budget development system actually paves the way for economic discrimination and injustice. It is very unfortunate that a businessman in Dhaka who has been allocated Tk 710 from the Annual Development Budget pays the same amount of tax paid by a businessman in Mymensingh who enjoys only Tk 390 from the Annual Development budget. We believe that in this land of abundant potentiality, the earnest endeavours of our policy makers with a view to implementation of national budget with proper mobilization and utilization of required source will never be futile to lead us to our cherished destination. Any attempt at making the budget decentralized, participatory and accountable will go a long way in fulfilling this aspired goal.

Monetary Policy:

Restraining inflation, boosting investment & achieving inclusive growth

The 18th Monetary Policy Statement (MPS) that the Bangladesh Bank unwrapped recently for the first half of the FY 2014 -15 (July-December 2014) has adopted an approach to supporting the government's development goals by containing price rise, ensuring adequate private sector credit supply and financial stability. MPS H1FY2015 was announced in the backdrop of a large number of challenges in the macro economy and financial sector amidst an apparently stable political atmosphere giving a breathing space for the economy.

Objective

As expected, the MPS has been framed with objectives of maintaining inflation at moderate levels and supporting the government in meeting its inclusive growth objectives. The issues related to financial stability received due attention in the MPS. In fact, ensuring financial stability as one of the core objectives of the Monetary Policy received renewed recognition following the most recent global economic crisis. Bangladesh Bank's approach is, however, different from the mainstream monetary policy approach of the developed economies. The BB monetary policy approach is: It is aimed helping the economy maintain growth and stability amid domestic shocks and external turbulences. Based on the assessment of development during the preceding period, the structured MPS contains information about BB's outlook on the real sector and monetary development in immediate future and strategy to pursue. In setting the targets, monetary policy authority rightly considered achievement of the previous monetary growth targets.

Key focus areas

In Monetary Policy Statement for H1FY15, Bangladesh Bank analysed global economic prospects and probable consequences for our economy, discussed and reviewed previous MPS (January-June 2014), held productive consultation with key stakeholders and has accommodated policy initiatives and strategies to create a more investment- friendly environment and stabilize inflation to spur economic growth and development. Following the same spirit this H1FY15 monetary stance focused on the following:

Inflation

Current MPS has targeted monetary growth path of bringing down the inflation to 6.5 per cent by June 2015 and proposing inclusive economic growth. With a view to attaining this, Bangladesh Bank has revised its Reserve Money Growth to 15.5 per cent and Broad Money Growth 16 per cent by December 2014, which were 16.2 per cent and 17 per cent in the last MPS respectively. It also revised its Net Foreign Asset (NFA) growth to 30.3 per cent and Net Domestic Asset (NDA) growth to 12.4 per cent which were 8.4 per cent and 19 per cent respectively thus relatively took relatively 'Contractionary Stance'. Bangladesh bank has targeted 16.5 per cent Private Sector Credit growth (including foreign borrowings by local corporate houses) in line with the output growth targets of the country, out of which 14 per cent borrowing is expected from the local sources by December 2014. Expectedly, borrowing from foreign sources would be preferred given the very low interest regimes than the domestic sources. Bangladesh Bank has also reiterated its stand to lend only to the creditworthy borrowers in the productive sectors. The Private Sector

Monetary Aggregates

(Y-o-Y growth in percent)

Items	Actual			Programme	
	FY12	FY13	May. 14	Dec. 14	Jun. 14
1. Net foreign Assets	7.8	50.1	39.1	30.3	16.8
2. Net Domestic Assets	19.2	11.1	9.9	12.4	16.4
Domestic Credit	19.2	10.9	10.1	13.8	17.3
Credit to the public sector (Incld Govt.)	17.4	11.1	5.3	12.9	24.8
Credit to the private sector	19.7	10.8	11.4	14.0	15.5
3. Broad money	17.4	16.7	15.2	16.0	16.5
4. Reserve money	9.0	15.0	10.8	15.5	16.0

@ Constant exchange rates of June 2011 have been used
once borrowing from foreign sources is included this indicative ceilling rises to 16.5% in December 2014

Source: Bangladesh Bank

credit growth might not be sufficient to ensure an adequate private sector credit flow and attain the desired GDP growth rate. Actually, the targeted Private Sector credit flows, if productively used, should be sufficient to attain the targeted level of growth. The BB's initiative to divert credit from the unproductive sectors to the productive ones in recent years is really commendable.

Apart from the above, BB has also aimed to raise Export Development Fund from USD 1.2 billion to USD 1.5 billion just to boost exports. To consolidate country's external sector stability, BB will continue to support a 'Market Based Exchange Rate' by building-up of foreign reserves at a more moderate pace than FY14 to avoid excessive foreign exchange rate volatility. It is also hoped to maintain fiscal-monetary coordination on a regular basis by attending Coordination Council meeting. For effective transmission of Monetary Policy BB aims to promote 'Interest Rate Flexibility' by tackling asset quality issues, strengthen financial inclusion diversification and strengthen domestic debt market.

Financial & credit market

Financial and Credit market of the country is witnessing upheaval and some challenges. Currently most banks are having excess liquidity and the government borrowing from the banking system was much lower than projected. It is well known that limited borrowing by government from banking system is crucial for achieving the inflation target. This also offers a great opportunity for the banks to lend to the private sector. Bangladesh Bank raised CRR (Cash Reserve Ratio) in June 2014 by 50 basis points to absorb part of the excess liquidity and tame inflation. As an investment incentive, foreign investors are now allowed to source term loan from local banks. However, banks must also find alternatives lending and investment opportunities in the productive sector and lend to the people in un-served and underserved regions.

Bangladesh Bank is encouraging banks to diversify their portfolios and ensure the quality of credit. There is no doubt that it is mainly the quality of the credit that matters most in promoting sustainable banking and economic growth of the country. The MPS H1FY15 reiterated the BB commitment to strengthen the financial system and improve asset quality. It is well-known that BB has been working towards maintaining financial stability and extending financial outreach to the underserved and the new MPS has restated its promise in this direction. BB has undertaken some laudable initiatives for improving credit flows to the Agriculture and SME sectors as part of its financial inclusion campaign. It is monitoring the interest spread in order to promote more competitive banking sector and enforcing a stringent classification and provisioning system. As asserted in the MPS, the BB would resort to focus on the quality/composition of private sector credit and interest rate spreads.

Under the subsection 'Strengthening domestic debt markets', MPS has righty discussed about developing a 'Domestic Debt Market'. It is a long standing and desirable issue. It is very essential to develop Market-Based Instrument instead of non-market based (e.g. various Sanchaypatra) instruments to ensure transparency and demonstrate the strength of debt market to the investors (both domestic and foreign). Aiming to improve market mechanism, Bangladesh Bank is working to strengthen Domestic Debt Management through promoting greater use of the secondary market trading platform for government securities. The Central Bank has also committed to continue its collaboration with the regulatory authorities in the effort to stabilize the capital market of the country.

Limitations

Amazing export performance & falling remittance growth

Coupled with amazing export performance, forex reserve crossed the landmark USD 20 billion in April 2014. It has been a notable success of Monetary Policy that continued to have discouraging impact of spending foreign currency unproductive sectors. This happened due strong and macro-prudent policies initiated by Bangladesh Bank despite upheavals in the financial sector, deserves a big applause. By contrast, a big chunk of forex will be spent on Padma Bridge, which would wreck serious pressure on the reserves. The declining trend of foreign remittance, especially since March 2014, is a matter of concern in the short run; it is likely to alter shortly because of two Eids. However, increasing export of manpower services is necessary to achieve sustained growth of remittance, a major lifeline of the Bangladesh economy. On the other hand, productive use of remittance is yet to be encouraged through monetary policy. Perhaps a separate policy document is required to yield desirable national returns to support graduation of Bangladesh to a middle-income country.

Fiscal & monetary authority

Global growth prospects for 2014 (3.6 per cent) are higher than previous two years and it is likely grow even higher (3.9 per cent in 2015 which palpably signals a good prospect of increasing export momentum. Given all these, Bangladesh bank predicts the country's economic growth between 6.2 per cent and 6.5 per cent in the current 2014-15 fiscal not conforming to the national budget expectation whereupon government announced a GDP growth target of 7.3 per cent and inflation 6.0 per cent for FY2014-15. These two authorities' growth and inflation projections differ significantly within a very short span of time. Even though by this time country's economic ambiance alongside global economic environment did not signal any positive or negative shock. A weak coordination between fiscal and monetary authority is seemingly in sight.

Interest rate flexibility & NPL

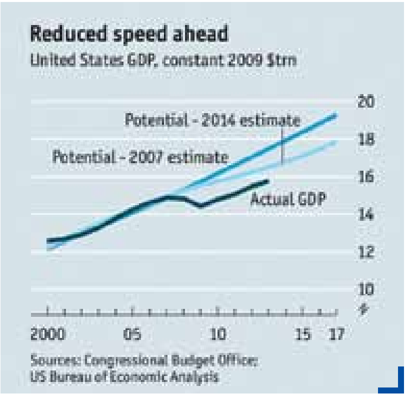
Under the subsection 'Promoting interest rate flexibility by tackling Asset Quality issues', MPS has underscored a very little about NPL (Non-performing Loan) and absence of governance practice by SoCBs. It was pertinent to incorporate more detailed analysis and provide guidelines about governance and NPL handling along with citable corrective measures already taken in order to win back the trust and confidence among the private sector prospective investors. Finally, a big problem is the overall negative impression about the financial sector, which is due to credit scams in two public banks. Bangladesh bank being supreme oversight authority did their part in unveiling the scams. Now it is government's turn take rapid and appropriate measure. The implementation of monetary policy should aim at creating further pressure on all banks through intensified vigilance, which would help regain peoples shaken trust in this sector. Without such an invaluable but intangible capital this sector may be like a house of cards, which would ultimately lead to schism in the entire economy.

(Compiled form various analyses & studies on MPS)

US: the New Economy at underwhelming pace

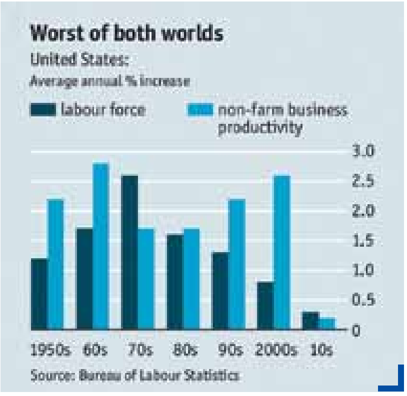
Rosy memories of American shines, back in the mid-1990s are still afresh in mind. Productivity soared while immigrant and foreign capital flocked to take advantage of the quickly dubbed 'New Economy'. The jobless rate touched the 4% level, yet the inflation remained low. Things led economists to conclude that America's potential rate of growth – the speed at which the US economy can expand - had risen sharply from its decade-long average of 3%, to 3.5% or even higher. Sadly, the new economy at this span of time is not on the brightened side of potential growth. Evidence is mounting that the recovery from the recession of 2008-09 has been the weakest in post-war era. The two key determinants in the economy, the supply of work force and the rise in their productivity have fallen short. Last year performance data of labour force and output per hours indicate a fall. The IMF recently cut its estimate of the country's potential rate of growth to 2%. Boosting demand is what can solve the short-term problem, which requires the Federal Reserve to keep interest rates low. But to boost long-term growth, supply side need to be addressed – the more workers and faster increases in productivity.

The disappearing workers, not a mystery



The number of working-age American shot up by an average of 1.2% a year in the 1990s in contrast to a mere 0.4% in 2013. Their share actually in the workforce has fallen from over 67% to less than 63%. The recession is a likely cause – because after years of joblessness some people have lost hope for finding a job. That is one reason why boosting the recovery is important. The ageing of the baby-boomers is another reason as the older is rising fast. These worsening vulnerabilities are rooted in policies that depress the supply of workers. Most to blame is America's broken immigration system. Getting into the country offers awesome barriers. Visas issued today for highly skilled people is a fraction of what it was in the 1990s, even if unfilled vacancies for skilled workers have expanded. The number of workers on disability, hardly any of whom will work again, has doubled since 1997 to 9 million.

The mystery of sagging productivity



To boost long-term growth requires workers to become more productive, as they did in the 1990s. Innovation drives productivity growth and new developments suggest that innovation is speeding up. The mystery is that yet the growth in the average workers' output per hour was slowing before 2007 crisis and has fallen further since. This may change as it takes a while for firms to respond to disruptive technologies. Computers started to spread in the 1980s but their impact did not show up in the data for more than a decade. Much is to be done by US policymakers to bolster investment. It could, for instance, increase government spending on infrastructure. It could reduce the high corporate tax rate which encourages firms. The impact is visible on AbbVie, the biopharmaceutical giant proposing to shift its base to Britain by buying Shire – to move abroad rather than invest at home. So, American economy at an underwhelming pace waits for a turnaround that hinges much on the leaders.

The euro-zone economy: recovery limping along

The single-currency club of euro zone has plotted two storylines this year. One is brightly lit, featuring the revival of both consumer and business confidence, the return of investors to the troubled economies in the periphery and breakthrough from the double-dip recession. The other is somber, focusing on the weakness of that upturn, the arrival of disturbingly low inflation and the incessant fragility of over-indebted economies and their banks. The second story is still unfolding its claws. A crisis at Banco Espírito Santo (BES), one of the Portugal's biggest banks, hastened a plunge in Portugal's stockmarket and lesser tumbles elsewhere. The changing episodes illustrated how swiftly market pulses could return and how fragile the construction of the euro remained.

Renewed worries about banks were accompanied by some gloomy economic numbers. Industrial production fell by 1.1% in May compared with April, leaving it up on 0.5% over the past year. Business surveys have also been signaling a cooling in the euro zone since April. Investors' confidence in the German economy, Europe's powerhouse, is waning, according to the ZEW index. The overall recovery, which started in the spring of 2013, remained feeble in the second quarter. To date, euro-zone GDP growth has averaged only 0.2% a quarter (an annualized rate of 0.9%). The French economy, the second biggest in the euro area, stagnated while Italy's, the third biggest, contracted. Unemployment has come up to bother in much of the euro zone. The overall jobless rate moved up to 11.6% of the labour force in May, much disturbed by high fluctuation in the region such as 5.1% in Germany, 12.6% in Italy and 25.1% in Spain. On the backdrop, not surprisingly the inflation is stuck at just 0.5%. In a survey of the euro-zone economy published on July 14th, the IMF urged the ECB to adopt quantitative easing – creating money to buy assets including sovereign bonds – if inflation remains too low.

The BRICS bank: beginning of a new era with a new development group

Yearning for years to become more than an acronym, the BRICS countries are about to dispel any lingering doubts. The leaders of Brazil, Russia, China and South Africa, who gathered in the Brazilian city of Fortaleza for their sixth annual summit on July 15th, announced the creation of two financial institutions: the New Development Bank (NDB) to finance infrastructure and sustainable development projects with $50 billion capital and the $100 billion Contingent Reserve Arrangement (CRA), to tide over members in financial difficulties. On the surface, the NDB and CRA awaiting approval by the five countries' parliaments, look like contender to the World Bank and IMF, together the cornerstone of the post-war economic order. The BRICS argue that the 70 years' history of the Bretton Woods outfits came less rewarding for the developing world. China, whose economy is second only to America's, have fewer votes there than the Benelux countries. America and Europe did little to redress the imbalance.

Shanghai, the showpiece of the Chinese boom, is leading a race to host the headquarters of the new 'BRICS' bank. Brics, the acronym was invented by former Goldman Sachs economist Jim O'Neill to describe the world's largest fast-growing emerging markets. The new bank, the first bricks-and-mortar institution to be set up by the Brics economies looks initially too small to rival World Bank or the IMF in terms of size and importance. But it sends a reminder to US policy makers of the need to reform these institutions to better reflect the shift in the global economy towards the developing world. Each of the Brics will contribute an initial $ 10bn to the new bank, of which part will be paid immediately and the rest will be callable capital – if needed to meet the bank's obligations. The total authorized capital will be $ 100bn. The WB had capital as of June 2013 of $ 223bn, most of it is callable. NDB will consider other countries' membership at a later stage but the Brics will remain in control of the majority of the shares. China is planning to establish Asian Infrastructure Bank to balance the influence of Asian Development Bank (ADB). The biggest obstacle to Brics is that they have little in common. The Chinese economy is 28 times the size of South Africa's. Income per person in India is one-tenth that in Russia. Besides, a deep contrast lies between two opposing ideologies – lively democracies of Brazil-India-South Africa and authoritarian regimes of Russia-China.

Europe's path to recovery yet to shine on its companies' bottom line

Europe's economies on the path to recovery have yet to show up in its companies' bottom lines. The macro data have been turning up for six to twelve months, it is consuming time to feed through into earnings at company level. With 235 companies from the Stoxx 600 index companies having reported results so for, negative shocks on revenue growth have so far outweighed positive surprises. According Bloomberg, in seven out ten sectors, sales have continued to fall. The third quarter saw the weakest reporting season for revenues since 2009 due to euro strength, emerging market weakness and a sluggish global recovery, says the head of European thematic strategy at UBS. So far in the fourth-quarter earnings surprises (positive) have fallen to their lowest since Europe fell back into recession in the second half of 2011.

Nestlé, the world's largest food company by sales, was one group to give a downbeat assessment of the prospects for the global economy after reporting

HQ of food giant Nestlé

its slowest year of growth since 2009. Despite disappointing revenue growth at many of the European companies to have reported so far, profits are on the rise indicating efforts by many corporates to cut costs. But despite efforts to keep costs down, profit margins in many sectors remain depressed. Sector-specific factors gave out a telling effect on company performance-line. The oil sector has had a particularly weak results season, as the majors struggle with rising costs, sliding production and a stagnant oil price. At Europe's banks, earnings were hit in part by one-off charges relating to restructuring, provisions and higher costs. RBS, for example, took a GBP 1.9bn litigation charge for settlement relating to US mortgage-backed securities.

The best places to live: a data-driven ranking

Not New York nor Paris nor Tokyo. Urbanites in Britain's former dominions should count themselves lucky, according to data from the Economist Intelligence Unit. Its annual "livability" puts eight of the ten most comfortable places in Australia, Canada or New Zealand. The index crunches 30 factors related to things like safety, healthcare, educational resources, infrastructure and environment in 140 cities. Over the past five years urban life has deteriorated somewhat: livability has declined in 51 places and improved in

Best cities

Based on liveability index*

Rank	City	Country
1	Melbourne	Australia
2	Vienna	Austria
3	Vancouver	Canada
4	Toronto	Canada
5	Calgary	Canada
5	Adelaide	Australia
7	Sydney	Australia
8	Helsinki	Finland
9	Perth	Australia
10	Auckland	New Zealand

*Based on 30 factors spread across five areas: stability, infrastructure, education, health care and environment

Source: Economist Intelligence Unit

31 places. During that time, the index average has dropped 0.7 percentage points (skewed by cities in conflict areas where survival, rather than living well, is the priority). Interestingly, the top cities have not changed much over time. The EIU notes that they "tend to be mid-sized cities in wealthier countries with a relatively low population density." Hence those of us in London, San Francisco and Shanghai must endure the rat-race, and dream of dwelling amid Viennese coffee houses or Vancouver's sailing and skiing.

Slower growth of China safer, say reports

After three decades of remarkable growth, China's economy has been slowing. The country needs to implement the announced reform agenda and address vulnerabilities to secure a safer development path, said the IMF. China's growth was 7.7 percent in 2013 and is expected to be around 7.5 percent in 2014, in line with the government's target, the IMF said in its most recent report on the state of the Chinese economy. Much of China's slowdown has been structural, reflecting the natural growth convergence, but weak global growth has also contributed. In their annual assessment, the report's authors emphasize that China's heavy reliance on investment and credit to drive growth since the global financial crisis is running out of steam as investment efficiency has been declining. The result has been resource misallocation and rising vulnerabilities.

The report says that the current growth pattern has created a web of rising vulnerabilities. To finance rapid investment growth, firms and local governments borrowed from both banks and nonbank financial entities (the so-called "shadow banks"). This has resulted in rising corporate and local government indebtedness, which is the flip side of the large increase in total credit since 2008. In addition, many strands of the web run through the real estate sector. While an abrupt adjustment in the near term is unlikely, given China's policy buffers, repeated use of this growth strategy would further weaken balance sheets, reduce investment efficiency, and leave China more vulnerable to shocks in the future

Greece: Years of pain give way to signs of revival

Athens is still reminiscent of an economy in tatters – from shuttered shops to ransacked dustbins in wealthier neighbourhood of the capital. The deepest in memory is the six years of recession that

took a heavy toll on Greece. The country's output shrank by almost 25 percent, a great deal of household businesses collapsed; on the other side, pensioners and the unemployed suffered a disastrous fall in living standards under the impact of social spending cuts. The worse was job market disappearing at an unprecedented rate; more than 100,000 skilled Greeks migrated to Germany, the UK and the Gulf states fearing that there is no sign of immediate fortune for careers at home. Greek exit from the euro was shouted by many-a-voice.

Yet silver lining has to be somewhere. Greek growth is poised to turn positive this year and accelerate in 2015, driven by a boom in tourism, the revival of EU-backed infrastructure project stalled by disputes and growing scopes of loans from newly recapitalized banks. Thanks to wrenching reforms imposed in return for current 172bn bailout by European Union (EU), signs finally started to bear fruits. Greece's successful return to international capital markets in April has boosted confidence drawing hedge funds and private equity groups to take a closer look at Greek companies. Budget figures for the first five months show revenue on track to hit this year's target of a primary surplus of 1.5 percent of national output, before interest payment. Reforms making it easier for young entrepreneurs to set up a new business and hire part-time staff, together with EU-backed funding for small and medium companies, are making an impact on the economy.

Argentina defaults for the second time

Argentina has defaulted on its debt - for the second time in 13 years - after last-minute talks in New York with a group of bond-holders ended in failure. So-called "vulture fund" investors were demanding a full pay-out of $1.3bn (£766m) on bonds they hold. Argentina has said it cannot afford to do so, and has accused them of using its debt problems to make a big profit. A US judge had set a deadline for a deal. The crisis stems from Argentina's 2001 default. The latest default is expected to exacerbate problems in Argentina's recession-hit economy, analysts say. However, the effect will not compare with the consequences of the country's economic meltdown in 2001-02, when savers' accounts were frozen to stop a run on the banks and violent street protests led to dozens of deaths.

The investors, also known as "hold-outs", are US hedge funds that bought debt cheaply after Argentina's economic crisis. They never agreed to the restructuring accepted by the majority of bond-holders. President Cristina Fernandez de Kirchner has described as vultures the minority bond-holders - including Aurelius Capital Management and NML Capital. She accuses them of taking advantage of Argentina's debt problems to make large profits. Ratings agency Standard & Poor's (S&P) downgraded the country to "default" although the price of the bonds did not react. S&P noted that it could revise the rating if Argentina were to find some way to make the payments.

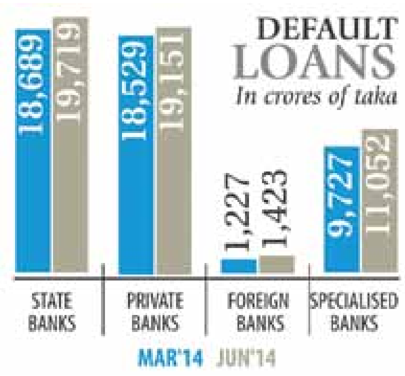
Int'l banks' overseas lending gains confidence

International banking houses, on way to recovering from years of uncertainties, have started to expose to more overseas lending for the first time in three years showing signs of confidence. The Bank for International Settlement (BIS) reported recently that cross border lending rose $580bn from December of last year to the end of March 2014. This points to the first substantial increase since late 2011, when the eurozone sovereign debt crisis had yet to hit its peak. Lending overseas is an important measure of banks' behaviour as it reflects their confidence in the global economy. The increase of across-the-border lending was diverse in countries and sectors, though a more significant rise occurred in China, the second-largest economic power of the world, where borrowings aggregated more than $1.0 trillion from foreign banks. In the eurozone, transnational lending went up for the first time since early 2012. This indicates that foreign peers are beginning to trust their counterparts in the single currency area once again. Banks expanded their overseas loan books substantially in the run-up to the collapse of Lehman Brothers, the US investment bank that filed bankruptcy six years ago. Lenders, since then have cut back their exposure abroad focusing on home customers – the trend economists warned to be the danger of sudden reversal of capital flows in a globalized financial system.

(Source: Print & e-version of leading dailies & internet)

Scams take a heavy toll on banks' health

Banks' total default loans rose Tk 3,183 crore in March-June quarter with the scam-hit BASIC Bank accounting for almost two-third of the rise. On June 30, the banking sector's total non-performing loans (NPL) stood at Tk 51,345 crore, indicating 6.59 percent increase from the first quarter, according to recent data from Bangladesh Bank. Thus the industry NPL ratio grows as high as 10.75 percent at the half-year end. The state-run BASIC Bank alone accounted for Tk 2,034 crore of total classified loans, which is 40.77 percent of its total outstanding loans. Only ICB Islami Bank has a higher percentage of default loans.



Of 47 scheduled banks (excluding the nine new banks), 23 banks saw their default loans ascend and 24 descend. The four state-owned commercial banks' default loans soared Tk 1,030 crore between the month of April and June, with Agrani alone accounting for Tk 571 core. The default loans of private commercial banks are up by Tk 632 crore with just two banks responsible for 80 percent of the sum. Foreign banks saw their default loans increase by Tk 196 crore. Banking experts see many reasons behind the NPL growth, which include failure to repay loans within deadline under admissible rescheduling facility, extending facilities to default borrowers to improve balance sheets, lack of due diligence to measure bad loans and profits, fraud loans gradually becoming defaults and last but not the least, low confidence in short term business outlook of the country.

Half-yearly profits of banks show uptrend

The operating profits of the country's private commercial banks (PCBs) showed an upward trend in the first half (H1) of the current calendar year 2014. According to the banking sources, the profits increased, as interest rates on deposits were lower than lending rates and foreign trade operations were upbeat. Of the 30 PCBs, excepting the nine new ones, 11 witnessed an uptrend in operating profits, while one saw a slight fall, according to provisional data. The un-audited operating profit, however, does not indicate the actual financial position of a bank, as the banks have to leave aside funds for provisioning bad debts and taxes payable to the public exchequer. An upturn in both export and import trade has substantially helped the commercial banks to raise their operating profits in the first half of 2014 over the corresponding period of the previous year, bankers said.

Most of the PCBs had faced a downturn in operating profits in the first six months of 2013, due mainly to lower import payments. Political uncertainty for a standoff over the general election played its part in the economic slowdown, they added. The country's export earnings grew 12.56 per cent to $27.38 billion in the first 11 months of the just concluded fiscal year (FY), 2013-14, compared to the same period a year ago, according to the state-run Export Promotion Bureau (EPB). On the other hand, overall imports in terms of settlement of letters of credit (LCs) grew by 14.24 per cent to $30.59 billion during the July-April period of FY 14 from $26.78 billion in the corresponding period of the previous fiscal. The PCBs earned such profits despite a significant rise in default loans in the first quarter of this calendar year. The volume of default loans increased by 18.70 per cent to Tk 481.72 billion in the January-March period of 2014, from Tk 405.83 billion in the previous quarter of the last calendar year, the BB data showed.

Banks, NBFIs fade in capital market

The capital market has witnessed a radical change in sectoral turnover in the last two fiscal years with banks and NBFIs losing their leading edge, market analysts said. The turnover value of the heavyweight banking sector was reduced by 88.41 percent to Tk 105.19 billion in the last four FYs. The downtrend in the market prices of listed banks resulted mainly from strict provisioning rules, continuous reductions in dividends, limited exposures to capital markets and huge idle money reducing banks' profit. In the FY 2013-14 and FY 2012-13, fuel, power and textile sectors were the dominant players in sectoral turnover replacing banks and NBFIs, whose shares were considered as blue chips before 2010-11 debacle. In the FY 2013-14, due to lower market prices, the banking sector became the fifth in the ranking of sectoral turnovers grossing above Tk 105.19bn despite the highest number of shares traded. Still now, of 30 listed banks, the market prices of 19 are spinning around the face value. In the FY 2010-11, the banking sector topped the list of 20 sectors of the listed securities with a turnover worth above Tk 908.34bn being 28 percent of market turnover value. In FY 2010-11, NBFIs secured the second position with total turnover of Tk 489.98bn accounting for 15.28 percent of total market turnover.

Plastic goods varieties spur market demand

The recent years has seen a demand boom for plastic products from households, as manufacturers continue to expand their product range amid stiff competition. The plastic industry is now wide enough to cover the rising demand from local and foreign markets, experts say. According to recent data, The annual sales of plastic products are estimated to be around Tk 15,000 crore in the domestic market which grew 15 percent a year over the last several years. The house-holds' items account for around Tk 2,000 crore of total home sales. The plastic sector is witnessing Tk 100-150 crore in new investment each year, sources from Bangladesh Plastic Goods Manufacturers and Exporters Association said. Study reveals, continued innovations and adding newer products to the baskets helped increase the use of plastic products. Against a 6 percent average GDP growth, per capita plastic consumption in the country stands at 3.5 kg, which is around 13 kg for India – this gives a large market space, yet to be explored for plastic customer segment. RFL- top manufacturer of plastic product in Bangladesh, produces as many as 1,000 household items. Hamko Industries, another leading plastic goods maker has brought in lots of innovations in the sector, adding 400 product in the household segment including kitchenware, furniture, tiffin box and jugs. Bengal Group, RFL, Partex, Talukder Group, Luna, Taj, Lira-Samrat, Sunflower and Hamko Group are now the leading players in the sector. Around 1.2 million people are now directly and indirectly employed in around 5,000 small, medium and large plastic goods making units. Earnings from plastic goods stood at Tk. 85.70 million in fiscal 2013-14, increased by 1.41 percent year-on-year, according to Export promotion Bureau (EPB). Meanwhile, a UN report has projected the turnover of plastic goods at $4 billion by 2020 if the country rightly addresses the issues like infrastructure, waste management, recycling and skill development.

Housing bubble in Bangladesh – was the tremour felt?

Bangladesh might have had a housing bubble, some studies say. According to Wikipedia, Bangladesh has witnessed a housing bubble in the recent past. It is difficult to know from local sources if such incident took place. But if there was any, it might have happened between 2000 and 2010. A research study,

conducted by the Real Estate and Housing Association of Bangladesh (REHAB) in 2012 accompanied by a few teachers of the Institute of Business Administration (IBA) does indicate to that direction. According to the study, in the span of time between1990 to 2000, the increase in real estate price in Dhaka hovered between 15% & 55%. But the next decade saw the price bubble of housing properties. The average rate of increase in property prices was 174 percent during 2005-2010 compared to 8 percent during 1990-1995. The astronomical rise in real estate price was not in proportion with substantial provision in supply side. The average annual supply of apartments in Dhaka city in 1982 was 147 while the same increased to 13,300 in 2010.

The factors building housing bubble in developed economies are more or less absent in Bangladesh. The first and foremost factor is cheap housing loan. The cheapest housing mortgage loan in the US during 2007 and preceding years, blew out the stream of worst recession, not only the US suffered, the world economy too bore the brunt of it. In fact most economies are yet to recover from that crisis. Bangladeshi banks have never allowed cheap loans. The real estate companies are main borrowers in housing sectors. The reason behind abnormal price rise during the course of 2000-2010 include sky-high price of land in Dhaka and the hike in the prices of construction material. With the sagging demand of goods and services in the economy exacerbated by deficiency in infrastructure and political gridlock, the entrepreneurs in housing market gradually ran into debt default in recent years. Banks suffered the major casualty of slowdown in real estate. Bangladesh Bank statistics showed, nearly 38 percent of loans extended to real estate sector by banks were found to be non-performing at year-end 2013. REHAB data confirm that more than 22,000 ready flats have remained unsold for long. Realtors are hard pressed to find a new buyer in prime locations despite sizable cut in prices.

BB report on green banking pins optimism

The green banking activities of banks and financial institutions (FIs) in June, 2014 quarter saw significant progress. The report said, the increasing trend of investment and expenditure in various green banking activities of banks and FIs gives an optimistic portrayal of green banking expansion in Bangladesh. Green Banking and CSR Department of Bangladesh Bank released the report recently. According to the report, all 47 banks (except the new banks) have their own green banking policy guidelines approved by their Board of Directors, establishing Green Banking Unit (GBU) to pursue green finance and green operations. In-house green mechanism is also in place with the banks. Out of Tk 243.50bn allocated for green banking activities, 47 banks (scheduled before 2013) have allocated around Tk 242.67bn for green finance, Tk 1.12bn for climate risk fund and Tk 0.70bn for marketing,

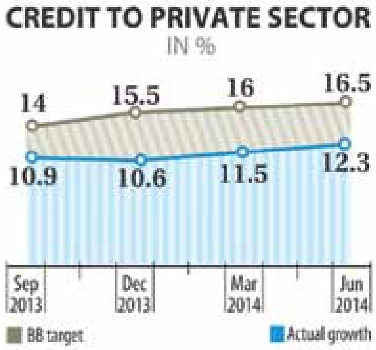
training and capacity building on annual basis. A total of 38 banks have utilized Tk 112.70bn in the reporting quarter for green banking activities. The utilization of green fund sees significant jump during the quarterly shift. As many as 45 banks have carried out environmental risk rating in the reporting quarter. A total of 11,349 projects were scrutinized for environmental due diligence (EDD) rating accordingly. A total of 46 banks except the new have at least one online branch and 30 banks opened up internet banking facility up to June 30, 2014. Notable progress is made in the expansion of online branches, internet banking, mobile banking, SMS banking, training initiatives, etc, says the BB report.

Reserve requirement for banks raised

Bangladesh Bank recently raised the daily average reserve requirement for banks after a pause of four years to six percent from five and a half percent with an aim to curb inflation. Also known as cash reserve ratio (CRR) reserve requirement is the minimum fraction of customer deposits and notes that each commercial bank must hold as reserves or place with the central bank rather than lend out. This is an important tool for monetary policy as it influences the country's borrowing and interest rates. The higher the reserve requirement is set, the less funds banks will have loan out, leading to lower money creation and perhaps ultimately to higher purchasing power of the money previously in use. The move comes as banks sit on excess liquidity in the face of sluggish investment climate and businesses' increased tendency to obtain loans from abroad. On May, the amount of excess liquidity stood at Tk 102,223 crore, according central bank statistics. Basically, banks deposit the excess liquidity with the central bank, for which the rate is 5.25 percent. The interest rate when banks borrow from the central bank is 7.25 percent. Since January, banks have been depositing more money with BB than borrowing, indicating that the central bank's earning potential by this channel has shrunk. The step will not affect investment, as private sector credit growth shows sufficient space for banks to lend to their customers if they wish to, said Chief Economist of Bangladesh Bank. If excess liquidity lies with banks for long, investment in unproductive and risky sectors will increase, that may spur inflationary pressure, he said.

Private credit, though rises, its growth is below target

Declining interest rates boosted private-sector credit growth in the past several months, but the growth still remains far below the central bank's target. According to Bangladesh Bank data, private sector credit accelerated 12.3 percent in June this year, up from 11.4 percent in the previous month and 10.8 percent in June a year ago. Though the June credit growth was the fastest in fiscal 2013-14, it is well below the BB set target of 16.5 percent. Experts said, a fall in lending rates has led to the credit growth in recent month and the demand for money is increasing gradually. A further rise in the private credit demand is expected at the end of



the September quarter. Many bankers viewed that manufacturing and productive activities are yet to pick up to the level of 2011-12, but trade and commerce and services sectors and an overcrowded domestic market have kept the economy going. The year-on-year export growth for fiscal 2013-14 was 11.56 percent, which they said was better than expectations. Overall exports, including shipments of garments also increased. The economy is showing some signs of recovery. The slow pace of credit grow has many factors to count such as rise in non-performing loans making bankers more cautious, surge in low-cost loans from foreign sources and a contractionary monetary policy.

Consumer Price Index moves to 7.04pc in Eid cheers

Inflation crept up seven basis points in July, the first month of the new fiscal year, on the back of the spending spree accompanying Eid-ul-Fitr, the country's biggest festival. Subsequently, it has accelerated to 7.04 percent in contrast to 6.97 percent in June. Food inflation stood at 7.94 percent, down six basis points from June, while non-food inflation gained 26 basis points in July to settle at 5.71 percent.

A lead economist of the World Bank's Dhaka office said food inflation has declined because of boro harvests which have cooled the rise in rice prices. Non-food inflation, he says, has increased most definitely for Eid and the sharp increase in remittance. The CPI has many chances to tick upward on the occasion of Eid-ul-Ajha. The increase in farm income as a result of good boro harvest could also have contributed. The central bank's latest monetary policy, released in the last week of July, however, said the inflation would be 6.5 percent in the current fiscal year provided that no risks surface during the course of the year. Global crude oil and food prices, both of which are on the rise, might test the government's inflation target.

Surge of local brands in global market

Bangladeshi brands are making buzzing presence, thanks to better quality and diversity of products, officials of the concerned groups say. The leading brands in the domestic market include garments, medicine, battery, furniture, tea, agro-processed food and footwear. Our brands are gradually making inroads and getting popular among global consumers for better quality, sources from Rahimafrooz told. Rahimafrooz Batteries is the largest lead-acid battery manufacturer in the country exports battery to more than five countries around the world. Rahimafrooz is manufacturing about 200 different varieties of batteries for automotive, motorcycle, IPS and other applications, which are exported to markets such as Japan, China and India. Otobi, a market player furniture brand with more than 30 percent annual growth is reported to have shipped furniture to 50 countries pulling in Tk 600 million last year. On the other hand, PRAN group is largest exporter of processed food from Bangladesh having exposure to over 94 countries in the global markets. The brand has earned international reputation in manufacturing juice, snacks, soft drink and dairy products using its own brand. Pran's agro-products have good demand mostly in Middle-East and African regions due to standard quality, competitive pricing and strategic competence in marketing. Its exports in 2013 were worth $20 million, more than half of the total processed-food exports of Bangladesh.

Term deposits flowing to govt savings tools; bankers not worried

In the continuous decline in rates of interest offered by banks, a substantial volume of term deposits are flowing out of banks and getting invested in government savings schemes. Economists and senior bankers fear that such diversion may leave a number of adverse consequences on the economy. As they feel, the rate of interest of the national savings tools should be market-based ones to help create a level-playing field for all in the financial markets. The government's expense will rise significantly due to high interest payment against these public savings instrument. It is believed that many general clients of the commercial banks have been withdrawing their term deposits and investing the money in national savings certificate. The difference in yield rates of the national savings tools and the interest rates on term deposits of banks now stands at around 3.0 percent. The products belonging to the National Savings Directorate (NSD) offer profits at rates ranging from 11.0 percent to 13.45 percent. The commercial banks, however, do not mind the diversion of deposits as they are now awash with surplus fund.

Car loans to gather pace under policy relaxation

The central bank has doubled the ceiling for car loans to reflect the increased prices of motor vehicles and provide banks a channel to utilise their excess liquidity. Banks can now extend up to Tk 40 lakh as car loan, Bangladesh Bank said in a notice recently. The previous ceiling for car loans was Tk 20 lakh. The debt-equity ratio has also been changed to 50:50 from 30:70 earlier. In other words, consumers can now buy cars worth up to Tk 80 lakh by availing a Tk 40 lakh bank loan. Previously, cars worth up to Tk 67 lakh could be purchased by taking out a bank loan. The move comes in response to the higher market prices and demand for vehicles, said sources from the central bank. A BB official said the relaxation of the car loan policy arose from the need to give banks a channel to direct their huge piles of liquidity in the face of sluggish investment demand. At the end of May, banks were sitting on Tk 140,243 crore of excess liquidity, up from Tk 79,441 crore at the end of June last year. It is expected that the increase in car loan ceiling will not affect inflation, as the product is generally consumed by the society's high-income group. Many have welcomed the central bank move as the new policy will be beneficial for small businessmen who until now could not afford the high cash requirement to purchase a car or utility van, he said. Last year, a total of 10,472 cars, 2,537 microbuses and 945 sports utility vehicles (SUVs) were sold, according to a relevant source. Between January and March this year, 3,624 cars, 946 microbuses and 355 SUVs were sold.

(Source: Print & e-version of leading dailies & internet)

DIVERSIFICATION
-from products to possibilities far beyond

Emranul Huq
Deputy Managing Director, Business Banking

Our business communities are obsessed with the passion to forge ahead with one-dimensional business horizon. Lots of cost-effective and well-paying sectors are there in Bangladesh to cash in on for business entrepreneurship. Investment in multi-dimensional areas is the crucial need for enhancing sustainable economic growth. Short-term diversification of investment in production, marketing, export and other structures of the economy has been a common feature of many developing economies. The concept of diversification in today's world has wider implication. Beyond the periphery of mere products and businesses, it's a wayfarer to hunt down every possibility across the roads to development, say, manufacturing value chain, export market, under-the-sea economy, advanced processes, manpower export, tech shaping and underserved segments of the economy.

All roads leading to RMG need to diverge

Presently the economy of the country is strikingly dependent on the performance of ready-made garments (RMG) which have flourished immensely and made extra-ordinary progress in production, employment and steady economic growth. In the changing face of globalization, developed and developing world alike are confronting stiff competitions. As a result, Bangladesh RMG & Textile industries have fallen into a tough battle with global competitors. Losing lucrative international markets, RMG sector is struggling to survive with one-dimension investment while many industries are facing shutdown. The broader RMG industry in Bangladesh is stricken with faltering infrastructure and environmental compliance. Amid continuous losses by a good number of RMG factories, it's prudent to formulate strategies to divert the investments to economically and financially viable industries. A weak domestic outlook of business signals poor perception of internal market about our businesses. Diversification can provide a strong remedy here.

Global experience

There is little time to waste as the countries in Africa and Latin America have already forged a good fortune with their diversification programmes. To find an alternative to reliance on oil and natural gas, the Gulf country Qatar now considers in its economic strategy. According IMF projections, the growth in its non-oil sector in the course of 2012-2016 is expected to reach 9.1 percent while the growth in oil will decrease to 4.4 percent. Besides conducting the overseas activities of Qatar's sovereign wealth fund, the nation has plans for massive infrastructural changes including further diversification in manufacturing, construction, trade, communication, real estate and business services. Malaysia, for example, has an economy endowed with natural resources. It has been diversifying its economy for the last 40 years. The economy has shifted from one-dimensional

agriculture, agricultural output and exports to industrial expansion. Manufactured products now form a sizeable share of total exports. Information technology has become a top-listed export item in the economy of India.

Hundreds of budding dreams can spring here, there, everywhere

Export diversification

The country's export is overwhelmingly dependent on readymade garments. So far this has served the country well but there is no guarantee it will continue to do so for eternity. As long as shadow of economic recession and sluggish business lingers on, there is a need for restructuring the country's export policy. In that case, new areas will have to be explored and emphasis shifted depending on the prevailing conditions. The doctrine of diversification resonate the approach that 'all eggs in one basket are not as good as eggs in different baskets'. Diversification is a much-used and talked-about strategy. It aims to trace the directions of development that take an organization away from both its current products and markets at the same time.

Apart from the intermediate goods, the country has always made some progress in a few sectors where enormous potential await to be explored. Leather sector is one such area. Signs are clear that the country is already doing well in the export of shoes and leather goods. Similarly, the potential of jute remains unrealized. Now people's environment concern, is heightened worldwide, they are in favour of natural fibre and package instead of artificial gains. Thinner bags, finer ropes made from jute have captured the imagination of people everywhere. A whole variety of artistic goods made of jute can have a strong appeal. Initially a few such sectors should be taken up on a priority basis for export expansion and then the range could be expanded even further.

Although there are as many as 750 products on the list of exportable, about 85 to 90 percent of total export receipts come from only six items, including apparels, frozen foods, jute and jute goods and leather products, according to official data. The country receives a lion's share of its export receipts from four destinations, including the European Union and the United States. In the July-June period of the just concluded fiscal (2013-2014), the aggregate export earnings from the very six products stood at US$27.49 billion as against the country's total export earnings of US$ 30.17 billion; it's an amazing concentration on our export basket. The government has listed ten products, including software and ship, to tap new markets and diversify country's exports. Besides, processed agro-items, electric and home appliances, footwear, furniture, luggage, paper pharmaceuticals and rubber are among the products to be exported to new destinations, according to frequent observation of experts.

Local brands at global stage

Better quality and diversity of local brands are being heard from across the borders. The scented pull of Bangladeshi brands, includes not only garments but medicine, battery, furniture, tea, agro-processed food and footwear also. Rahimafrooz Batteries, Otobi Furnitures and Pran Food Items have made niche among international buyers. Many aspiring hands can now follow the footsteps of the pioneers. A number of local brands have excelled in plastic varieties producing increasing interest from global importers. Bengal Group, Humko Group, RFL, Partex, Talukder Group, Luna and Taj are now the leading players in the sector. It is widely viewed that plastic goods are no less potential than RMG. But its possibilities are less explored. The sector has failed to grab the potential global market mainly for absence of national policy support.

Tech shaping

The modern economy with its advanced and sophisticated technology needs IT extensively. Bangladesh can invest more in the IT sector since it has fast-growing numbers of qualified IT engineers and programmers. These newly emerging experts, the country cannot feed until scopes are optimized either here or in the oversea regions or both. A new turn to IT investments may generate more investment opportunities and give more dividends to the investors. Bangladesh has become 26th best destination for IT outsourcing. AT Kearney, a leading global management consultancy firm, has for the first time included Bangladesh in its Top 50 Global Services Location Index. This is a significant boost to ICT investment and outsourcing


Meghnaghat Power Plant

to Bangladesh as global companies and investors follow this report and ranking for decision making. But in terms of cost competitiveness in outsourcing services, Bangladesh ranks the first.

Diversification to IT infrastructure seems to be a mantra for changing life and sustainable footing where IDCOL, Bangladesh is an example of efficiency. Since 1997, IDCOL has designed a special vehicle to ensure the involvement of the private sector in infrastructure development. Through its 47 partners, it has installed 3.2 million solar home systems that provide clean electricity to 13 million rural people of the country. How big is the achievement of IDCOL? The number of solar home systems in the rest of the world is fewer than 2 million. The company has financed infrastructure like land ports and invested heavily in the telecommunication sector.

Expanding business by introducing new equipment has novelty no doubt. ACI Motors, a unit of business conglomerate Advanced Chemical Industries (ACI) has introduced new construction material in the market. ACI will market and distribute construction equipment of Case Construction Equipment, India such as loader backhoes, vibratory compactors, wheel loaders, graders and skid steer loaders. ACI will import wheel loaders made in Case's Italian unit, graders manufactured in Brazil and skid steer loaders in the US.

Technology can shape management style, strategy and actions too. Accountants are now required to be able to navigate the software rather than derive the ratios and profit margin themselves. Alongside supporting efficiency, technological shift help reduce waste for organizations and have an environment impact.

Social networking

The need for a strong technological based social networking can be seen through the rise in use and popularity of Facebook in Bangladesh. Facebook users in Bangladesh currently number 8.4 million. Emerging firms like Lamudi and GradConnect have already been able to garner extensive exposure

through Facebook and well established organizations such as Bikroy and Ekhnei have benefitted due to social advertisements. This method of advertising requires an understanding of not only a strong theoretical base of understanding the market, but also technical know-how to exploit opportunities to determine which ad to run, when to run and when to boost.

Manpower export

The two major forces that are driving the economy of Bangladesh forward for the last couple of decades are export earnings and inward flow of remittance. Much to our dismay, manpower employed overseas in 2013 was almost 33 percent lower than the number of 2012, according to the Bureau of Manpower, Employment and Training (BMET) data. This sharp decrease in labour migration is supposed to have impact on remittance earnings in upcoming years. The country composition of our overseas employment is enough to show how ridiculously the flow of Bangladeshi migrant workers is concentrated in two markets, viz. UAE and KSA. Until and unless new markets for our manpower export are identified or the traditional markets are revived through diplomatic negotiations, Bangladesh might have to pay the price dearly for a heavily concentrated manpower export.

Maritime resources

Many countries have benefitted from sea resources while Bangladesh is a new entrant to this sector. We see a new horizon for Bangladesh as the country is privileged to add more sea areas in the Bay of Bengal by international settlement. Framing strategies for exploiting maritime resources is the need of the day. The sea sectors commonly known as the blue economy are numerous such as aquaculture, coastal tourism, marine biotechnology, mining, sea energy and so forth. A total of 475 species of fishes are available in the Bay water. Only a fraction of fish is exploited by our fishermen leaving much to be explored. Apart from fishes, many other treasures lie on the seabed; to name a few are gas, copper, magnesium, nickel, precious metal like cobalt and renewal electricity. Radical changes can be brought about in the production of pharmaceuticals discovering the bands of invaluable minerals and rare species of flora and fauna. Tourism, shipbuilding and ship-breaking are another bright side of the dream. Once sea economy begins to steer the wheels, the direct beneficiaries are none other than our people suffering since long under the shackles of unemployment.

Exploration of agri-product market

As approved by the concerned authorities of the government, Bangladesh is going to export 50,000 tonnes of coarse rice to Sri Lanka under special arrangements. Bangladesh exported aromatic rice in the past. This will be the first-ever shipment of non-fragrant rice from Dhaka. Bangladesh can emerge as a rice exporter if the current stock of 11 lac tonnes of rice is taken into account. Similarly, other agricultural output can explore new markets beyond the borders. This country, with every resource, capacity and environment, can change into a land of daily industries like New Zealand. Dairy products had a huge market at national and international levels. Import costs of dairy products have been eating away our hard-earned foreign exchange since song.

International production network

Developed countries find manufacture of industrial products including machines and parts at home uneconomic for a number of reasons. Then the usual practice is to shift a whole plant or build smaller plants in countries where labour is cheap and the supporting conditions of such collaboration. In the early days, countries like Malaysia were a favourite destination for Japanese electronic and other manufacturing giants. India has of late welcomed a good number of Japanese automobile and motorcycle companies to set up manufacturing plants there. So can Bangladesh profit enormously if such plants are built in this country. Along with these plants come foreign investment and in the process it generates employment for local workers and employees. As a by-product, local expertise develops and that is

not a small matter. Also as a further benefit, the price of locally assembled vehicles is likely to be less than the imported type. Bangladesh has hardly any meaningful participation in developing international production network. Empirical evidences show that Bangladesh needs to depend on such networks for diversified industrial growth more than China and India. Over the last two decades, global trade in manufacturing has risen sharply to US$ 23.4 trilion but the share of Bangladesh remains negligible and that too is limited to readymade garments only. On the other hand, international trade in parts & components (P&C) has accelerated its share in manufactures from around 16 percent in 1992 to 24% percent in 2011. In this field small player Bangladesh can expand industrial production by widening stocks of FDI in manufacturing sector.

A few recommendations

- It is time for the government to come forward with a policy support to the non-RMG products, services and processes.
- Small suppliers can expose their scintillation to global markets. They need networking, match making and information sharing to popularize their products to the world.
- Aggressive state-to-state negotiations are required to reduce barriers, particularly to the non-traditional markets, facing the non-traditional products.
- The government should organize more trade fairs and exchange of missions to various destinations in line with the products' demand.
- Cash incentives and EDF fund should also be extended to new entries in the export markets.
- Foreign Direct Investment (FDI) should be a priority in government policies.

CSR

Dhaka Bank donates Taka 1.20 Crore to Khulna University & Rotary District Community Hospital

Dhaka Bank Limited donated Tk.1.20 Crore to Khulna University & Rotary District Community Hospital (KURDCH) under the Bank's CSR initiatives on June 4, 2014. Dr. Atiur Rahman, Honourable Governor of Bangladesh Bank was present in the event as Chief Guest. Chairman of Dhaka Bank Mr. Abdul Hai Sarker along with other Directors of the Bank namely, Mr. Reshadur Rahman, Mr. Altaf Hossain Sarker, Sponsor Director & Former Chairman Mr. A.T.M. Hayatuzzaman Khan were present on the occasion. The cheque was formally handed over to the Chairperson of KURDCH, Rtn. PP Ferdousi Ali. Managing Director of Dhaka Bank Mr. Niaz Habib, Deputy Managing Directors along with the Senior Management of the Bank, high officials of Bangladesh Bank, representative of KURDCH and senior Rotary Club members were also present in this historic moment.

AWARD & ACCOLADE

Bank receives 1st prize from Dhaka City Corporation for branding and decorating the city

Dhaka Bank Limited received the 1st Prize from Dhaka South City Corporation on Wednesday, May 28, 2014 at Nagar Bhaban. The prize along with a Certificate was formally presented to the Bank by Mr. Md. Alamgir, Administrator, Dhaka South City Corporation and Mr. Md. Ansar Ali Khan, Chief Executive Officer, Dhaka South City Corporation for taking the leadership role in branding and decorating Dhaka City in connection with ICC World Twenty20 Bangladesh 2014. Mr. Emranul Huq, Deputy Managing Director and Mr. Khandaker Anwar Ehtesham, Head of Communications & Branding along with his Team received the Prize and the Certificate on behalf of Dhaka Bank Limited.

Branch Opening

Bank inaugurates its 74th Branch at Chandaikona, Sirajganj

Dhaka Bank formally inaugurated its 74th Branch at Chandaikona, Sirajganj on May 11, 2014 in a befitting manner. Founder and Director of the Bank Mr. Mirza Abbas Uddin Ahmed inaugurated the Branch as Chief Guest. Mr. Abdul Hai Sarker, Chairman of the Board of Directors along with other Directors of the Bank namely Mrs. Afroza Abbas, Mrs. Rokshana Zaman, Mr. Reshadur Rahman, Mr. Altaf Hossain Sarker, Mr. Abdullah Al Ahsan and Sponsor Director and Former Chairman of the Bank Mr. A.T.M. Hayatuzzaman Khan were also present in the event. Managing Director Mr. Niaz Habib and Deputy Managing Director Mr. Emranul Huq of Dhaka Bank along with other officials were also present in the occasion.

Bank opens 75th Branch at Gulshan Circle-2, Gulshan Avenue, Dhaka

Dhaka Bank Limited formally inaugurated Gulshan Circle-2 Branch at Gulshan Avenue, Dhaka on June 16, 2014 in a befitting manner. It is the 75th Branch of the Bank. Founder and Director of the Bank Mr. Mirza Abbas Uddin Ahmed inaugurated the Branch as Chief Guest. Mr. Abdul Hai Sarker, Chairman of Dhaka Bank Limited joined the program as Special Guest. Directors of the Bank namely Mr. Reshadur Rahman, Mr. Altaf Hossain Sarker, Mr. Abdullah Al Ahsan and Sponsor Director & Former Chairman of the Bank Mr. A.T.M. Hayatuzzaman Khan were also present in the event. Managing Director Mr. Niaz Habib and Deputy Managing Director Mr. Emranul Huq of Dhaka Bank along with other officials were also present in the occasion.

Syndication finance

Syndication finance to KDS Logistics

Dhaka Bank as Lead Arranger, arranged a syndicated term loan of Tk 198 crore for KDS Logistics Limited in collaboration with a number of banks and financial institutions. In this connection, a signing ceremony was held at The Westin Dhaka where Dr. Atiur Rahman, Honourable Governor of Bangladesh Bank graced the occasion as Chief Guest. Among others, honourable guest Mr. Md. Abdul Jalil Chowdhury, AMD of Mercantile Bank Ltd, Mr. Md. Mohashin Miah, MD (CC) of Meghna Bank Ltd, Mr. K.S. Tabrez, MD of DBBL, Mr. Salim Rahman, MD of KDS Logistics Ltd, Mr. A.K.M. Abdullah, Financial Sector Specialist of The World Bank, Mr. Md. Abul Quasem, Honorable Deputy Governor & Project Director of IPFF Project Cell of Bangladesh Bank, Mr. Khalilur Rahman, Chairman of KDS Logistics Ltd, Mr. Niaz Habib, MD of Dhaka Bank Ltd, Mr. Selim R.F. Hussain, CEO & MD of IDLC Finance Ltd, Mr. S.M. Shamsul Arefin, MD of Uttara Finance & Investments Ltd, Mr. Syed Ehsan Quadir, MD of United Leasing Company Ltd, Mr. Abu Zafar Hedaytul Islam, DMD of Trust Bank Ltd were present in the program.

Alliance

Bank handed over a Memento to the Managing Director of Square Toiletries Limited

Managing Director of Dhaka Bank Limited Mr. Niaz Habib recently handed over a Memento of appreciation to the Managing Director of Square Toiletries Limited Mr. Anjan Chowdhury on behalf of the Board of Directors as well as the Management of Dhaka Bank Limited. Deputy Managing Director Mr. Emranul Huq and Head of Communications & Branding Division Mr. Khandaker Anwar Ehtesham of Dhaka Bank were also present in that auspicious moment.

Meeting

The 33rd Meeting of the Dhaka Bank Limited Shariah Supervisory Committee held

The 33rd Meeting of the Dhaka Bank Limited Shariah Supervisory Committee was held on June 29, 2014, Sunday in the Board Room of the Head Office of the Bank. The meeting discussed various key issues such as awareness building of executives & officials of the bank about gathering knowledge of Islamic Banking & Shariah and others on Islamic Banking & other shariah related matters of the Bank. The meeting was presided over by Mr. M. Azizul Huq, Chairman of the Shariah Supervisory Committee. Among others Moulana Mohammad Salahuddin, Member of the Committee & Khatib of National Mosque Baitul Mukarram, Hafez Mawlana Abdul Gaffer, Member, Barrister Khan Mohammad Shameem Aziz, prominent Lawyer & Member, Mr. Niaz Habib, Managing Director & Member ex-officio, Mr. Neaz Mohammad Khan, Deputy Managing Director (Risk Management), Mr. Md. Sirajul Hoque, EVP & Member Secretary to Shariah Supervisory Committee, Syed Abdul Quader, SVP & Manager of IBB Motijheel, Dhaka, Mr. Md. Shahidunnabi, SAVP & Manager of IBB Muradpur, Chittagong & Mr. Md. Kamaruzzaman, FVP & Muraquib also attended the meeting.

Training & learning

Bank organizes Foundation Training-43rd Batch

Recently five weeks long “Foundation Training”- 43rd Batch was organized by Dhaka Bank Training Institute. A total of 27 Management Trainee Officers took part in the training programme. Mr. Niaz Habib, Managing Director of Dhaka Bank addressed the inauguration as a Chief Guest. Mr. Md. Abdul Motaleb Miah, First Vice President & In-charge, DBTI also spoke on the inaugural session.

Valedictory session of Foundation Training 44th Batch

Recently four-week long Foundation Training-44th Batch for Trainee Officers came to an end at Dhaka Bank Training Institute. A total of 33 Trainee Officers took part in the programme. Mr. Niaz Habib, Managing Director of Dhaka Bank addressed the valediction as a Chief Guest and distributed certificates and prizes among the participants. Mr. Neaz Mohammad Khan, Deputy Managing Director and Mr. Md. Abdul Motaleb Miah, FVP & In-Charge, DBTI also spoke on the occasion.

Training & learning

Honourable Chairman addresses the 45th Batch Foundation Training

The Honourable Chairman of the Board Mr. Abdul Hai Sarker visited Dhaka Bank Training Institute recently. With an aim to infuse dynamism and service excellence among the young bankers of the Bank, he addressed the ongoing 45th Batch Foundation Training Course. In his deliberation, he shared his vast business experience, expertise and banking outlook with the participants and advised them to acquire diverse banking knowledge through learning habits which he feels, will add immensely to the bank's bottom line in today's competitive business scenario. Ms. Tahniyat Ahmed Karim, Head of HR, Mr. M. Sohel Shahriar Akhand, VP & In-charge of R&D Unit and Mr. Md. Abdul Motaleb Miah, FVP & In-charge of DBTI were also present on the occasion

Training achievement

The best three participants - 43rd Batch

1st Position: Mr. Md. Imdadul Haq Fahad, MTO, Satkhira Branch
2nd Position: Mr. Md. Mokter Hossain, MTO, Patiya Branch, Chittagong
3rd Position: Mr. Mohammad Emel Bhuiyan, MTO, Comilla Branch
Awards presented by: Mr. Niaz Habib, Managing Director

The best three participants - 44th Batch

1st Position: Mr. Biplob Kumer Deb, Trainee Officer, Laldighirpar Branch
2nd Position: Ms. Nusrat Jhahan Shupti, Trainee Officer, F & AD, HO
3rd Position: Mr. Shah Alam, Trainee Officer, CPC-Trade Operations, HO
Awards presented by: Mr. Niaz Habib, Managing Director & Mr. Neaz Mohammad Khan, DMD (RM)

Workshop on goAML Software

Recently Training Workshop on "goAML Software" has been conducted by Dhaka Bank Training Institute. A total of 35 Officials took part in the Workshop. Mr. Khan Shahadat Hossain, Deputy Managing Director & CAMLCO, Dhaka Bank Limited inaugurates the program. Sessions were conducted by IT Division, Business Operations Division and Software Vendor Company MicroMac Techno Valley Limited. Mr. Md. Fakhrul Islam, SVP & Deputy CAMLCO, Central Compliance Unit and Mr. Md. Abdul Motaleb Miah, FVP & In-Charge, Dhaka Bank Training Institute also spoke on the occasion.

Inspiring games and sports

Biggest TV screen at Shahbag for watching FIFA World Cup 2014

Dhaka Bank placed the biggest projector screen in the country at the most gathering centre of Dhaka, widely known as Shahbag Square. It was installed to show live telecast of FIFA World Cup 2014. The initiative was acknowledged by different walks of life. Leading TV Channels and Newspapers also gave coverage voluntarily to this initiative.

Blue economy: a beacon of hidden treasures beneath the sea

Md. Shaheenul Islam
AVP, R & D Unit

The long dispute for maritime freedom with the neighbours has haunted the nation since independence. The country was sea-locked having no access to continental shelf blocked by two claimant countries. The June 2014 settlement of maritime disputes has opened up a new horizon unlocking the sea barriers. Bangladesh now listens to the call of a blue economy. A beacon of hidden treasures into the Bay of Bengal is buzzing around. How we should respond to the call may possibly determine how better we are committed to growth potentials of Bangladesh.

The Blue Economy concept

To achieve sustainable economic growth, our Earth, its people and its bloodstream, the oceans, should be managed in a sustainable way for the generations to come. An integrated, upstream and downstream development initiatives covering fisheries, aquaculture, marine tourism, salt industry, mineral deposits, pearl industry, ecosystem services with eco-friendly sustainable energy and other infrastructure are framed as blue economy. Basically, the ocean economy, the Bay of Bengal, in our perspective, mirrors the true self of a blue economy.

Global perspective

Global ocean economic activity is estimated to be between $3 trillion and $5 trillion, contributing to the world economy in many important ways. Notably, 90 percent of global trade moves by marine transportation. Fisheries and aquaculture provide 4.3 billion people with more than 15 percent of annual consumption of animal protein. Over 30 percent of global oil and gas produced is extracted from offshore sites. Expanding knowledge on marine biodiversity has provided breakthrough advances in sectors such as pharmaceuticals, food production and aquaculture. Over 3.1 billion of the world's population lives within 100 kilometers of the ocean or sea in about 150 coastal and island nations. "Blue-green economy" increases overall wealth of a nation while energizing a higher gross domestic product (GDP) growth rate.

Business model for blue growth of Bangladesh

- Address economic problems with innovative solutions, environmentally beneficial, financially profitable and socially responsible.
- Design long-term strategy for blue growth leveraging the marine and maritime resources and sectors.
- Explore hidden potentials beneath the sea in terms of value addition to total economy.
- Apply technology and knowledge, the twin forces to take control of the ocean world.
- Divide and identify blue sectors as diverse as aquaculture, coastal tourism, marine biotechnology, ocean energy, seabed mining and so forth.
- Ensure policy shift and policy continuity on geo-strategic advantage with aligned strategic thinking.

The hidden treasure

According to some experts, about 475 species of fish live in the sea habitat of the Bay of Bengal. Annually 6.6 million tonnes of fish is caught, where our fishermen's share is very small. FAO estimates (2012) say, protein demand of about 1.0 billion people of the world has been met by sea. Also, a considerable segment of population from developing countries is engaged in fishing and the sea employment involves 14 million people while sea contribution to global economy is around $400bn. The contribution of fish and fisheries sector to our GDP is about 4.37 percent (2012-13) with opportunities still-to-be-optimized by adding sea resources.

In the seabed, salt is one of the important resources that meet our daily needs. However, Bangladesh's salt production has remained stagnant since 2003. A total of 300 salt refining units have been set up in the coastal areas. Production of industrial salt can be done using advanced technologies and eventually it can turn into an export product. Other mineral resources, prospective to Bangladesh are gas, copper, magnesium, nickel and precious metals including cobalt. Like many developed countries, Bangladesh can also utilize the sea for producing renewable electricity. Besides, some industrial sectors such as ship-building, ship-breaking and pharmaceuticals industries can benefit from marine resources. Considering the increasing number of in-bound and outbound tourists in Cox's Bazar and St. Martin's beaches, sea-water recreational facilities can be increased to attract more tourists.

Coastal shipping can touch a newer height of development. Backward and forward linkages like shipping agencies, agents, stevedoring, freight forwarder, banking and insurance business can be expanded. Export diversification is possible if we can fully exploit our maritime resources. Utilizing marine minerals, pharmaceuticals industry can multiply product-line and business growth.

Marine knowledge & capacity

The institutional capabilities of the blue economy in Bangladesh include three national marine academies and 22 other public-private academies. As many as 600 skilled sailors and marine officers are being trained a year by these academies. Public and private universities can open separate units or departments to train and develop skilled manpower in this sector. Special training is needed for fishing technique as upgraded technique is essential to exploit sea resources. Sea fishing though manned with about 1.71 million people, still lack human forces, infrastructure and institutions to take care of long line fishing.

Hidden prospects inside the water world are no fairy tale

The victory of gaining a vast maritime territory more than 80 percent of the country's original size has opened new windows of opportunities. The gain is about 118,813 sq km, 200 nautical miles (nm) of exclusive economic zone (EEZ) and all kinds of animal and non-animal resources under the continental shelf up to 354 nm from the Chittagong coast. It's amazing to see that our water territory has increased from 6.4 percent to 44.46 percent. Building strong strategic partnership with India and Myanmar, Bangladesh can reap significant economic benefit. To promote blue economy, research and survey of resources in the Bay of Bengal merits attention. Exploitation of the full potential of maritime resources will spur our economic growth, along with the land and around the water world.

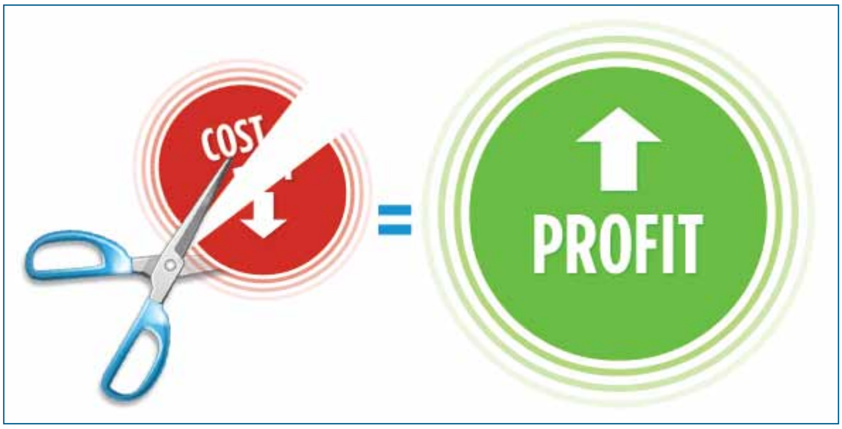
Cost cutting – make it a science or an art

Abdulla Al-Mamun
SAVP & In-charge, Joypara Branch

Have you ever wondered why the world is full of Japanese products? Because people of the Land of the Rising Sun are awfully skilled might sound convincing. But it's not all about their success. Other advanced economies are equally efficient. The mystery behind the success of Japanese firms is cost leadership – keeping a careful eye on every single cent that flows in and out of business. The Japanese have turned this process into a science which has been ardently exported around the world. This is no magical touch but to spark a thought in your employee to improve continuously on production process and cost-cut. You can well manage the art of cost cutting through motivation of workforce, application of technology and managing expenses. Let us uncover the steps one after another.

Motivation of workforce

To control cost, the manager at first has to ensure that the productivity of the employees is optimized. How do you get an employee to work hard when no one is watching them? Meritocracy is the first step to maximize output. Making sure that the person with the most ability is put into the right position. With the right person in the right position, well matched with their ability and character, managers are blessed with few problems and low labour cost. In efficient companies, employees are provided with clear targets and a sense of purpose then they are allowed to achieve their objectives at their will without intervention of the high-ups.



Application of technology

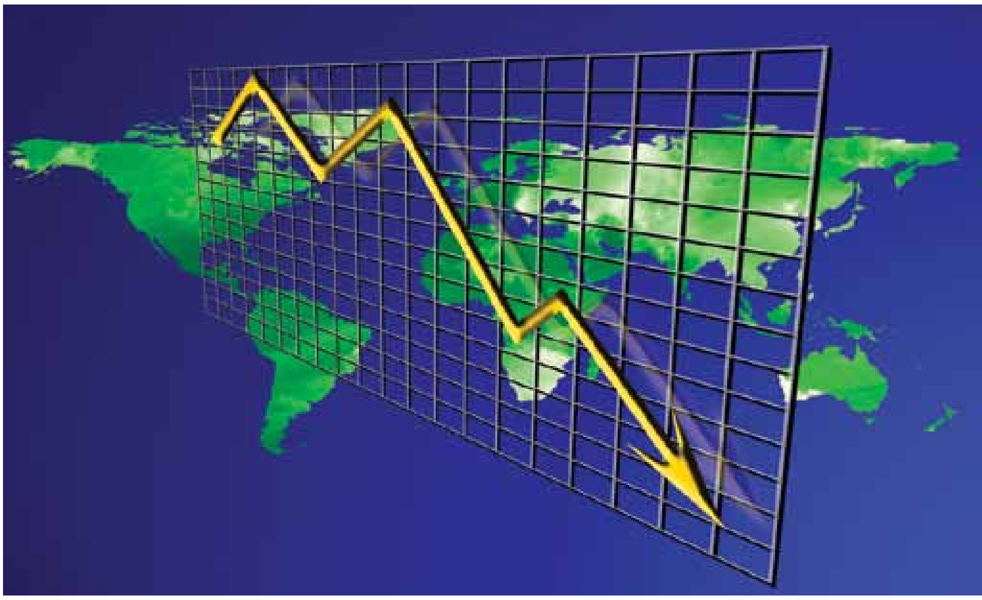
Productivity has jumped up in a geometrical progression due to this single greatest innovation in the past century or two. Human brains should be used for creativity, original design and infinite capacity to apply intelligence. Humans doing boring, repetitive tasks need to be replaced with machines. Machines don't have bad days. They don't phone in sick, show up late or suffer from boredom or have no emotional hindrance. Seemingly simple, the task is hard to get through. Sourcing the right machinery, selecting the right software and most importantly, sensing the need for a robust technological shift is too difficult for management to undertake. Everywhere from China to Europe, the issue is faced, successfully managed and executed to enormous benefit.

Managing expense

While reducing overhead cost in various means and ways by repeated awareness to employees, there might be slippage in capital expense in various forms. Bad management of expenditures might a sting in the tail of business. A real price of trade may differ from the reported price. The problem of course often lies in cash transaction. An efficient company moves on to a verifiable system of electronic payments which substantially reduces the money lost to human interference. A competitive company must always be prepared to bind new relationship with new suppliers along with the established ones to obtain 'the most for the least'. However, on the top, a real sense of ownership among the decision makers is simply beyond value.

The country 'little affected' by global trouble also tells a different story

Md. Abdul Motaleb Miah
FVP & In-charge, DBTI



One side of the story had it that Bangladesh economy was little affected by global downturn and instead it showed resilience in the most turbulent period swooping down over the world in 2007. The major export basket, readymade garments (RMG) is said to have avoided the prickle of recession during and after the crisis. We heard and believed the apparent storyline. In rhyme, we have shaped our mindset like an argumentative economist and would bet the bottom dollar on its certainty. Has anyone dared to listen to the both sides of the story or tried to envisage the dark side of the moon? Some analysts have unearthed that the perceived shocks of initial and ensuing phase of global historic downturns can aptly picture a different story of Bangladesh.

Economy statistics substantiate, growth dynamics of world economy markedly influenced the growth of export-based economy of Bangladesh. Bangladesh export dimension proved correlative of the movement of growth of its export destination countries such as the USA, the UK and the UAE. As per Citi N.A. Economy Watch, global GDP growth vis-à-vis GDP growth of the USA, the UK and the Middle East (ME) went down in 2013. Recession continued in Europe with signs of improvement in 2014 and 2015. The USA and the UK economies are projected to grow at a modest rate around 2014 to pick up a better momentum in 2015.

A low import demand in 2013 around the region of Bangladeshi export resulted in consequential fall in export growth of Bangladesh. In contrast to this, an uptrend in import demand in those countries in the next two years will reverse the level of expectation to a sanguine view. An expected rise in the US import growth from a lower 1.8 per cent in 2013 to 5.7 per cent and 6.3 per cent in the following two years is a very good signal for export growth of Bangladesh during 2014 – 2015. However, the outlook might be lost in face of restive political environment in Bangladesh.

The Bangladesh economy, though not devastated by the ongoing economic ills worldwide, stemming from the credit crunch of 2007, was hurt by the first level of moderate shock during fiscal year 2008-09. During the fiscal 2010-11 the country was recovering from the wounds of global turmoil to the tune of developed economies. But in the fiscal 2012-13, a second stroke of shock hit the economy of Bangladesh. On the back of economic optimism energized by expected recovery in the EU, the USA and Britain soon to take place in FY14 and FY15, Bangladesh can well expect a moderate recovery in export provided the country can zero in on bagging the advantage. Spillover effect of the recession has one more evidential basis. In contrast to rising tide of export and import in FY11, Bangladesh witnessed a sharp decline in foreign trade and remittance earnings failing to ward off the impact of recession. Consequently, the inward remittance demonstrated a 2.2 per cent negative growth, import a moderate 6.1 per cent growth and export an actual 7.1 per cent growth in the calendar year 2013.

The reasoning can be based on a different premise. The strength of resilience of Bangladesh economy is mostly based on our innate attitude of complacency. We have extolled the positive growth in exchange earning sectors that beat the downbeat global scenario. Almost a mountain high possibility, we have lavished on mere adoration for growth. Even the target versus performance is less stressed and the economy's hidden value is misjudged. Promisingly, we were about to begin a dawn with bright economic sunshine. We were very close to the status of middle income country. Crossing the stability line of economic growth for years, we could have achieved a more speedy growth line and thus, could draw more foreign concentration and access to overseas market. We could not. We flunked a high scoring chase but remain satisfied with a moderate one. All because global consumption sagged badly and the scintillating global consumerism halted to walking pace.

COMMERCIAL PAPERS

Concept
Commercial paper (CP), in the global financial market, is an unsecured, short-term debt instrument issued primarily by a corporation. Since it is not backed by collateral, only firms with excellent credit ratings from a recognized credit rating agency will be able to sell their commercial paper at a reasonable price.

History
Commercial papers, in the form of promissory notes issued by corporations, have existed since at least the 19th century. For instance, Marcus Goldman, founder of Goldman Sachs, got his start trading commercial paper in New York in 1869.

Purpose
Proceeds from commercial paper issues can be used to finance "current transactions," which include the funding of operating expenses (payroll) and the funding of current assets such as receivables and inventories. Proceeds cannot be used to finance fixed assets, such as plant and equipment, on a permanent basis.

Maturity
CP can be issued for maturities up to 270 days from the date of issue.

Aggregate amount & denomination
The aggregate amount of CP from an issuer shall be within the limit as approved by its Board of Directors or the quantum indicated by the Credit Rating Agency for the specified rating, whichever is lower. Commercial notes are usually offered in large amounts, typically around $100,000 in the US.

Rate of interest (discount)
Commercial paper is typically a discount security (like Treasury bills): the investor purchases notes at less than face value and receives the face value at maturity. The difference between the purchase price and the face value, called the discount, is the interest received on the investment.

How to purchase?
As goes the global practice, one can consider buying commercial paper through a broker. Investment houses typically allow investors to buy outstanding commercial papers in the secondary market. Alternatively, you can buy directly from a corporation issuing papers, not all companies allow direct buys.

How to receive the return?
On the day of maturity, the investor presents the notes and receives payment. Commercial banks, in their role as issuing, paying, and clearing agents, facilitate the settling of commercial paper by carrying out the exchanges between issuer, investor, and dealer required to transfer commercial paper for funds.

Who should invest?
Investors tend to be high net worth individuals, since denominations are high (usually around $100,000). Most investors hold the paper until maturity because cashing out earlier may result in financial losses.

Advantage
For many corporations, borrowing short-term money from banks is often a laborious and annoying task. The desire to avoid banks as much as possible has led to the widespread popularity of commercial paper. Many companies use CP to raise cash needed for current transactions, and many find it to be a lower-cost alternative to bank loans.

Commercial Paper in Bangladesh
Eastern Bank Limited (EBL) arranged Commercial Paper deal of ACI Ltd, first of its kind in Bangladesh. EBL acted as the Arranger and Agent for the recent issuance of Commercial Paper, a low-cost alternative to bank loans to the tune of BDT 500 million by ACI Limited where different corporate entities, financial institutions and asset management companies participated. This is a 180 days interest bearing commercial paper, cent per cent backed by Bank Guarantee issued by EBL.

Prospects ahead
After the ACI, a large number of companies are now knocking for getting the new service. The move initiated a new chapter in the history of the financial market of Bangladesh. This has helped broaden the investment opportunities in the market by providing an additional financial instrument for the investors. Corporate houses will be able to raise financing from the market without depending only on borrowings from financial institutions to meet part of short term fund requirement.

SOLAR IRRIGATION

Background	A total of 1,549,149 shallow tube wells operating throughout the country mostly (85%) run on diesel accounting for a mammoth government yearly subsidy of Taka 30 billion to irrigation. Remaining 15 percent of pumps are powered by electricity which consume about 1300 mw causing terrible load shedding during peak irrigation period – thus hampering food production in off-grid areas.
Development	Back in 2002, the first solar irrigation system was installed by private sponsors. In collaboration with different donors, development partners, government agencies, FIs and private initiatives so far, a total of 320 solar irrigation projects have been installed. Rahimafrooz, the pioneer solar energy company, installed more than 200 solar pumps in the country.
Eco-warrior	Negligible operating cost and maintenance-free smooth operation. An edge to trim down highly subsidized diesel import. Grass-root farmers likely to share the benefit of improved technology with the phase-out of inefficient and pollutant diesel pumps.
Economic benefit	A 5-year implementation program is in place to replace old and energy inefficient 18,000 diesel pumps. Once implemented, Taka 530 billion can be saved from importing of 803,283 tons of diesel and also a subsidy of Taka 64 billion over 25-year project lifetime. The eco-friendly technology will cause reduction of 381,598 tonnes of CO_2 emission per year. Solar pumps has high water discharge rate and require too little maintenance.
Investment & infrastructure	5-year long diesel replacement program undertaken by various partnerships will cost Taka 50 billion, Initial investment, though high, benefits are higher in the long term. Government budgetary support required to roll out the program. To scale up the rate of current installation, private sector's role is instrumental. To develop commercial solar irrigation, government investment need to be extended to at least 20,000 solar pump.
Prospects & market	The most cost effective irrigation tool possesses enough scopes to break free the monopoly of diesel market. Its commercial prospects eye little failure ahead. Big brands have taken steps for commercial advantage. The low-cost tool will enable farmers low-cost farm production and in turn, more food production, food export and healthy BoP.

NEW ROLE

Mr. Niaz Habib
Managing Director,
Dhaka Bank Limited
Effective Date
June 02 , 2014

NEW JOINING & ASSIGNMENT

Ms. Tahniyat Ahmed Karim
EVP & Head, Human Resources
Division, Head Office
Effective Date
June 1, 2014

Mr. Muhammad Mynul Mamun
SAVP, Local Office, Dhaka
Effective Date
April 1, 2014

Mr. Amran Ahmmed
SAVP, EPZ Branch, Dhaka
Effective Date
April 10, 2014

TRANSFER & ASSIGNMENT

Mr. Md. Asadul Azim
EVP & Head Syndications &
Structured Finance Unit, HO
Effective Date
June 22, 2014

Mr. Md. Ziaur Rahman
SVP & Head,Credit Risk
Management Division,HO
Effective Date
June 22, 2014

Mr. Mustafa Husain
VP & Manager ,Gulshan Circle 2
Branch, Dhaka
Effective Date
June 9, 2014

Mr. Md. Abdul Motaleb Miah
FVP & In-charge, Dhaka Bank
Training Institute
Effective Date
December 08, 2013

Mr. Md. Shahidun Nabi Khan
SAVP & Manager, IBB-
Muradpur, Chittagong
Effective Date
June 22, 2014

Mr. Md. Maksumul Ahmed
SAVP & Manager,
Moghbazar Branch, Dhaka
Effective Date
May 4, 2014

Mr. Shahed Mahmud
AVP & Manager, Konabari
Branch, Gazipur
Effective Date
April 27, 2014

NEW BORN

Gazi Mohammad Faiyaj Ajmain
Parents: Mr. Gazi Sabbir Kamal, Officer, Amin Bazar Branch, Dhaka & Mrs. Aynun Nahar
Date of Birth: May 03, 2014

FIRST DAY AT SCHOOL

Ahnaf Mahmud Faiyad
Class: Play Group (PG)
School: International Turkish Hope School
Parents:
Mr. Mahamudunnabi, ACA, SAVP, Internal Control & Compliance Division, Head Office & Mrs. Anzumanara
First Day at School: August 24, 2014

ACADEMIC ACHIEVEMENT

Syed Ahnaf Adib Ahmed
Exam: SSC 2014
School: Cantonment Public School & College, Chittagong
Result: GPA-5 (Golden)
Parents: Mr. Syed Mafiz Uddin Ahmed, FVP & Manager, Cox's Bazar Branch, Cox's Bazar & Mrs. Kazi Fakhrunnesa Juli

Rowshan Jahan Oishy
Exam: JSC 2013
School: Viqarunnisa Noon School & College, Dhaka
Result: GPA-5 (Golden)
Parents: Mr. A.K.M. Ahsan Kabir, Vice President & Head, Internal Control & Compliance Division, HO & Mrs. Shefali Kabir

Tazreen Zaman Chowdhury
Exam : HSC 2014
Institution: Dhaka City College
Result: GPA 5 (Golden)
Parents: Mr. Chowdhury Sher Zaman, FVP Premises Maintenance and Security, GSD & Mrs. Jesmin Sinha

Ummul Khaer Mostofa Dia
Exam: PSC 2013
School: Chittagong Grammer School
Result: GPA-5 (Golden)
Parents: Mrs. Shamim AKhter AVP, CCU, BACH, Andarkilla, Chittagong & Prof ZM Golam Mostafa.

Faria Islam Chowdhury
Exam: SSC 2014
School: Faizur Rahman Ideal Institute
Result: GPA-5 (Golden)
Parents:
Mr. Md. Mafizul Islam Chowdhury SPO, Narayanganj Branch & Mrs. Zohora Begum

Sadia Shahreen
Exam: SSC 2014
School: Motijheel Model High School
Result: GPA-5 (Golden)
Parents: Mr. Md. Suhrawardy Hossain, AVP Banashree Branch & Mrs. Ruma Khatun

Raihana Tul Zannat
Exam: PSC 2013
School: Viqarunnisa Noon School & College
Result: GPA-5
Parents: Mr. Md. Mobarak Hossain, AVP & In-charge SME Service Center, Goran & Mrs. Shamima Akhter

Saadman Zaman
Exam: SSC 2014
School: Motijheel Ideal School & College, Dhaka
Result: GPA-5 (Golden)
Parents: Mr. Mohammad Shamsuddin, SPO, General Services Unit, HO & Mrs. Jasmin Akhter

MATRIMONY

Bridegroom
Mr. Ahmad Ibn Yousuf (Ryhan)
Officer, IBB, Muradpur, Chittagong
Bride: Mrs. Syeda Shahnaj Aman (Shumi)
Date of Wedding: April 20, 2014

Bridegroom
Mr. Md. Imam Hossain, Officer
Halishahar Branch, Chittagong
Bride: Ms Farzana Akhtar
Date of wedding: May 01, 2014

Bride: Mrs. Makshuda Akhter
Officer (Cash), Bangshal Branch
Bridegroom: Mr. Md. Arif Hossain Touhid
Date of wedding: December 28, 2013

স্বচ্ছ - দূর্নীতিমুক্ত ব্যাংকিং সেক্টর গড়ে তোলার প্রত্যয়ে সরকার কর্তৃক প্রণীত জাতীয় শুদ্ধাচার কৌশল বাস্তবায়ন

জাতীয় শুদ্ধাচার কৌশল প্রণয়নের পটভূমি

- জন্মলগ্ন থেকে বাংলাদেশ জনগণের কল্যাণ এবং রাষ্ট্রীয় কর্মকান্ডে উচ্চাদর্শ প্রতিষ্ঠায় নিবেদিত;
- আমাদের স্বাধীনতার ঘোষণাপত্রে "জনগণের জন্য সাম্য, মানবিক মর্যাদা ও সামাজিক সুবিচার নিশ্চিতকরণের" প্রত্যয় ব্যক্ত করা হয়েছে;
- সরকার কর্তৃক প্রণীত 'রূপকল্প ২০২১'-এ আগামী এক দশকে বাংলাদেশকে ক্ষুধা, বেকারত্ব ও দারিদ্র্যমুক্ত করার লক্ষ্য নির্ধারণ করা হয়েছে;
- জাতীয় শুদ্ধাচার কৌশল হচ্ছে - দূর্নীতি নিরসনের একটি সমন্বিত উদ্যোগ;
- উপরোল্লিখিত লক্ষ্য ও উদ্দেশ্য অর্জনে সুশাসন প্রতিষ্ঠা তথা দুর্নীতি দমন ও শুদ্ধাচার প্রতিপালন অপরিহার্য;

সরকারি দলিলে বিবৃত শুদ্ধাচারের ধারণা

- শুদ্ধাচার হচ্ছে নৈতিকতা ও সততা দ্বারা প্রভাবিত আচরণগত উৎকর্ষতা;
- সমাজের কালোত্তীর্ণ মানদন্ড, প্রথা ও নীতির প্রতি আনুগত্য;
- ব্যক্তি পর্যায়ে এর অর্থ হলো কর্তব্যনিষ্ঠা ও সততা;
- ব্যক্তির সমষ্টিতেই প্রতিষ্ঠান সৃষ্টি; সুতরাং প্রাতিষ্ঠানিক শুদ্ধাচার প্রতিষ্ঠায় ব্যক্তি পর্যায়ে শুদ্ধাচার অনুশীলন গুরুত্বপূর্ণ; এবং
- সমন্বিত আকারে প্রাতিষ্ঠানিক শুদ্ধাচার অনুশীলন।

বাংলাদেশ ব্যাংকে শুদ্ধাচার কৌশল বাস্তবায়ন

কেন্দ্রীয় ব্যাংক হিসেবে বাংলাদেশ ব্যাংক প্রতিষ্ঠালগ্ন থেকে ব্যাংকিং সেক্টর তথা আর্থিক খাতের উন্নয়ন, শৃঙ্খলা প্রতিষ্ঠা ও স্থিতিশীলতা বজায় রাখার জন্য সচেষ্ট;

- বাংলাদেশ ব্যাংকের রূপকল্প ২০২১-এ দেশের সামষ্টিক অর্থনীতির টেকসই উন্নয়নের জন্য মুদ্রা ও আর্থিক ব্যবস্থাপনায় স্থিতিশীলতা বজায় রাখার লক্ষ্যে একটি আধুনিক, গতিশীল, কার্যকর ও দূরদর্শী কেন্দ্রীয় ব্যাংক হিসেবে বাংলাদেশ ব্যাংককে প্রতিষ্ঠিত করার প্রত্যয় ব্যক্ত করা হয়েছে;
- এর পাশাপাশি বাংলাদেশ ব্যাংকের সকল স্টেকহোল্ডার, বিশেষ করে ব্যাংক ও আর্থিক প্রতিষ্ঠানসমূহকেও শুদ্ধাচার অবলম্বী হতে হবে।

জাতীয় শুদ্ধাচার কৌশল বাস্তবায়নে ঢাকা ব্যাংকের ঃ রূপকল্প ও অভিলক্ষ্য

রূপকল্প (Vision)

সদাচারী ব্যাংকার, স্বচ্ছ ও জবাবদিহিমূলক সুখী-সমৃদ্ধ ব্যাংকিং ব্যবস্থা করা

অভিলক্ষ্য (Mission)

ঢাকা ব্যাংকে সুশাসন প্রতিষ্ঠা এবং এ সংক্রান্ত প্রণীত আইন-কানুন ও প্রাতিষ্ঠানিক ব্যবস্থার মধ্যে সামঞ্জস্য বিধান ও সমন্বিত উদ্যোগ গ্রহণ।

শুদ্ধাচার কৌশল বাস্তবায়নের লক্ষ্যে বাংলাদেশ ব্যাংকের নির্দেশে ঢাকা ব্যাংকের কার্যক্রমঃ

বাংলাদেশ ব্যাংকের নির্দেশনা অনুযায়ী নিম্নোক্ত কর্মকর্তাদের সমন্বয়ে ০৪ সদস্যবিশিষ্ট নৈতিকতা কমিটি গঠন করা হয়েছেঃ

জনাব নিয়াজ মোহাম্মদ খান	- সভাপতি
জনাব সাকির আমিন চৌধুরী	- সদস্য
জনাব ত্যাহ্নিয়াত আহমেদ করিম	- সদস্য সচিব ও ফোকাল পয়েন্ট সদস্য
জনাব এ, কে , এম, আহসান কবীর	- সদস্য

ফোকাল পয়েন্ট-এর নিম্নরূপ দায়িত্ব ও কর্তব্য নির্দ্ধারণ করা হয়েছেঃ-

- বাংলাদেশ ব্যাংকসহ সংশিষ্ট কর্তৃপক্ষের সাথে প্রয়োজনীয় যোগাযোগ রক্ষাকরণ,
- নৈতিকতা কমিটিসহ ঢাকা ব্যাংকের এ সংক্রান্ত কমিটি এর সভা আহবান এবং সিদ্ধান্ত বাস্তবায়ন,
- সময়াবদ্ধ কর্মপরিকল্পনা অনুযায়ী কার্যক্রম প্রণয়ন ও বাস্তবায়ন পরিবীক্ষণ,
- জাতীয় শুদ্ধাচার কৌশল বাস্তবায়নের লক্ষ্যে ঢাকা ব্যাংকের কর্মপরিকল্পনা প্রণয়ন করা হয়েছে এবং উলিখিত বিষয়াদিসহ তা' বাংলাদেশ ব্যাংককে অবহিত করা হয়েছে।
- ঢাকা ব্যাংকের নৈতিকতা কমিটির সভা নিয়মিত অনুষ্ঠিত হচ্ছে এবং ঢাকা ব্যাংক কর্তৃক জাতীয় শুদ্ধাচার কৌশল বাস্তবায়ন অগ্রগতি বিষয়ক প্রতিবেদন ত্রৈমাসিক ভিত্তিতে বাংলাদেশ ব্যাংকে প্রেরণ করা হচ্ছে।

জাতীয় শুদ্ধাচার কৌশল বাস্তবায়নে ঢাকা ব্যাংকের চ্যালেঞ্জসমূহ ঃ

- উন্নততর কর্পোরেট ব্যবস্থাপনা নিশ্চিতকরণ;
- আধুনিক কর্মী ব্যবস্থাপনার যথাযথ বাস্তবায়ন;
- বিদ্যমান আইটি প্যাকেজসমূহের যথাযথ বাস্তবায়ন/ব্যবহারের মাধ্যমে স্বচ্ছতা ও জবাবদিহিতা নিশ্চিতকরণ এবং প্রয়োজনানুযায়ী নতুন নতুন আইটি সিষ্টেম ডেভেলপকরণ;
- ব্যাংকের কর্মকর্তা/কর্মচারীর, কার্যক্রম পরিচালনা সম্পর্কিত সকল আইন-কানুনের বিভাগ-ওয়ারী পর্যালোচনা এবং প্রয়োজনীয় সংশোধন/পরিবর্তন;
- ব্যাংক কোম্পানী আইন, আর্থিক প্রতিষ্ঠান আইন, এন্টি-মানি লন্ডারিং এ্যাক্ট, খেলাপি ঋণ ও দেউলিয়া আইনসহ অন্যান্য বিধি-বিধান পর্যালোচনাপূর্বক প্রয়োজনীয় সংশোধন/পরিবর্তন;
- ঢাকা ব্যাংকে সংশিষ্ট সকল আইন-কানুন, নিয়ম-নীতির সুষ্ঠ প্রয়োগ নিশ্চিতকরণ;

সৌজন্যে ঃ মানব সম্পদ বিভাগ, ঢাকা ব্যাংক লিমিটেড, প্রধান কার্যালয়।

Bangladesh Branding

Bangladesh holds the beauty of longest natural beach in the world, archaeological sites, historical mosques and monuments, picturesque landscape, busy cities, forest walks, rolling tea gardens, rich flora & fauna, enchanting colorful tribal life, river journeys, innocent rural life, distinctly different topography, flavors of food, colour and festivity. Bangladesh has become a destination country of various products and services for the globe. Dhaka Bank welcomes the the global citizens to visit Bangladesh.

Dhaka Bank takes initiative to brand Bangladesh in the Shahjalal International Airport.

Helpline | 01922 101 050 | 01922 101 051
01755 607 335 | 01755 607 336

DHAKA BANK LIMITED
EXCELLENCE IN BANKING

helpdesk@dhakabank.com.bd

www.dhakabankltd.com