

SPECIAL SUPPLEMENT ON THE OCCASION OF THE FIRST ANNIVERSARY OF THE TRUST BANK LTD.





Design & Concept: INSPIRATIONS





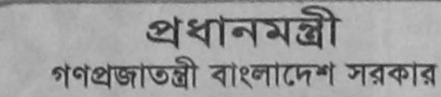
এক বছর পূর্তি উপলক্ষে দি ট্রাষ্ট ব্যাংক লিঃ ক্রোড়পত্র প্রকাশ করছে জেনে আমি আনন্দিত। আর্মি ওয়েলফেয়ার ট্রাষ্ট্র ফান্ডের উদ্যোগ ও অর্থায়নে প্রতিষ্ঠিত এ ব্যাংকটি বিভিন্ন প্রকল্প, বাণিজ্য ও ক্ষুদ্র ঋণ প্রদানের মাধ্যমে বাংলাদেশের অর্থনৈতিক কর্মকান্ডে ইতিবাচক ভূমিকা পালন করে চলেছে। আমি এই নৃতন ব্যাংকটির নিকট আশা করবো যে, তারা কু-ঝণের প্রভাবমুক্ত থাকবে।

আমি দৃঢ়ভাবে বিশ্বাস করি দেশের আর্থসামাজিক অবকাঠামোকে সুদৃঢ় করতে ট্রাষ্ট ব্যাংক যথায়থ ভূমিকা পালনে সক্ষম হবে।

আমি ট্রাস্ট ব্যাংকের উত্তরোত্তর সাফল্য কামনা করি।

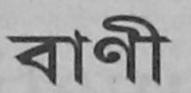
জয় বাংলা, জয় বঙ্গবন্ধু বাংলাদেশ চিরজীবী হোক (শাহ এ এম এস কিবরিয়া) অর্থ মন্ত্রণালয়

গণপ্রজাতন্ত্রী বাংলাদেশ সরকার









'দি ট্রাস্ট ব্যাংক লিঃ'-এর প্রথম বর্ষপূর্তি উপলক্ষে আমি ব্যাংকের সাথে সংশ্রিষ্ট সকলকে অভিনন্দন জানাই। উদ্বোধনের সময় দেশের দরিদ্র জনগোষ্ঠীর উন্নয়নের দিকে দৃষ্টি দেয়ার জন্য আমি ব্যাংকের উদ্যোক্তাদের প্রতি আহ্বান জানিয়েছিলাম। এ আহ্বানে সাড়া দিয়ে ইতোমধ্যে প্রায় দশ হাজার নিম্ন আয়ের জনগোষ্ঠীর মাঝে উল্লেখযোগ্য অংকের ক্ষুদ্র ঋণ বিতরণ করা হয়েছে জেনে আমি আনন্দিত। আশা করি ট্রাস্ট ব্যাংক ভবিষ্যতে দেশের শিল্প বাণিজ্য বিকাশ ও আয় বর্ধক কর্মসূচিতে বাস্তব অবদান রাখতে সমর্থ হবে।

আমি 'দি ট্রাস্ট ব্যাংক লিঃ'-র সার্বিক সাফল্য ও সমৃদ্ধি কামনা করি।

জয় বাংলা, জয় বঙ্গবন্ধ বাংলাদেশ চিরজীবী হোক fan zwan শেখ হাসিনা

(京)

মহান আল্লাহ আমাদের সহায় হোন। আমিন।।

আজ ট্রাষ্ট ব্যাংকের প্রথম বর্ষপূর্তির দিন-আমাদের সবার জন্যে অত্যন্ত গর্বের দিন। মাননীয় প্রধানমন্ত্রী শেখ হাসিনার একাগ্রতা ও একান্ত আন্তরিকতার ফলে ট্রাস্ট ব্যাংক প্রতিষ্ঠা

সম্ভব হয়েছিল ২৯ নভেম্বর ১৯৯৯ সালে। ব্যাংকের প্রথম প্রতিষ্ঠা বার্ষিকীতে আমি তাকে আমার কৃতজ্ঞতা ও বিনীত ট্রাস্ট ব্যাংক তথুমাত্র আর্থিক মুনাফার জন্যই প্রতিষ্ঠিত হয়নি। টাকার অংকে অর্জিত মুনাফার পাশাপাশি সামাজিক উনুয়ণ এর অন্যতম লক্ষ্য। যুগপৎভাবে অর্জিত মুনাফা সমাজ উনুয়নে পুনর্বিনিয়োগ করে সামাজিক মুনাফা দৃশ্যমান করা

الماللة والحراد

এবং অর্থনৈতিক প্রবৃদ্ধিতে অবদান রাখাও এই ব্যাংকের বিশেষ এবং অন্যতম অভীষ্ট কার্যক্রম। এই উদ্দেশ্য সমূহ গণ্য করে ট্রাষ্ট ব্যাংক ইতোমধ্যেই প্রায় দশ হাজার স্বল্প আয়ের ব্যক্তিবর্গের মাঝে ক্ষুদ্র ঋণ বিতরণ করেছে, ফলে সরাসরি প্রায় পঞ্চাশ হাজার জনগণের জীবন যাপনের মান উনুয়নের সম্ভাবনা বৃদ্ধি পেয়েছে।

পৃথিবীর বিভিন্ন দেশে অশান্ত পরিবেশে শান্তি প্রতিষ্ঠায় নিয়োজিত বাংলাদেশের সৈনিকবৃদ্দের কট্টার্জিত অর্থ নির্বিঘ্নে পরিবার পরিজনের নিকট প্রেরণের জন্য অদূর ভবিষ্যতে ট্রাষ্ট ব্যাংক বিদেশী ব্যাংকের সঙ্গে প্রতিনিধিত্বমূলক প্রাতিষ্ঠানিক সম্পর্ক স্থাপন করার প্রয়াস গ্রহণ করেছে। এই প্রচেষ্টা সফল হলে দুর্গম এবং বিপদসন্ত্রল দৈশে নিয়োজিত হতে আমাদের সৈনিকদের মধ্যে আগ্রহ সৃষ্টি হবে এবং সহজতর পদ্ধতিতে উপার্জিত অর্থ স্বজনদের কাছে পাঠাতে পারবে। সৈনিকদের অর্জিত আয়ে দেশের বৈদেশিক মুদ্রা আয় বৃদ্ধি পাবে।

ট্রাষ্ট ব্যাংকের সকল কার্যক্রম সার্বিক উনুয়নে নিয়োজিত হোক, প্রথম প্রতিষ্ঠা বার্ষিকীতে এই কামনা করি।

म्राचन मुखाकिकृत त्रश्मान, तीत तीक्य लक्छेगाने जनातन

SUSTAINABLE ECONOMIC DEVELOPMENT -A REFLECTION

Maj Gen Ahsan N Amin,ndc,psc Vice Chalrman, The Trust Bank

We, in Bangladesh, are striving hard to come out of the vicious circle of poverty, hunger, unemployment, illiteracy and disease. The answer to all these problems is economic growth i.e. sustainable growth. What we need is clear strategy, optimum utilization of resources, exploitation of unexploited potential resources according to a plan in keeping with national interest and their proper sector-wise

Since independence to date if proper study is made on the economic scenario, it will be revealed that those who are rated as people below poverty line utterly fail to ameliorate their condition because policies and programmes were lacking to support them for preservance of whatever progress they achieved in earnings, employment and asset acquisition in good time. Because of the fact that sustainable progress creates a state of condition which ensures elevation of economic health in adversity. The hard-core poor are seen making some progress towards betterment of their standard of living and whatever ray of hope they visualize are dashed or demolished by the adverse happenings like flood, cyclone, tidal surge, bad harvest etc. It may be stated comfortably that half of the present population of 130 million people suffer from pangs of poverty or abject poverty.

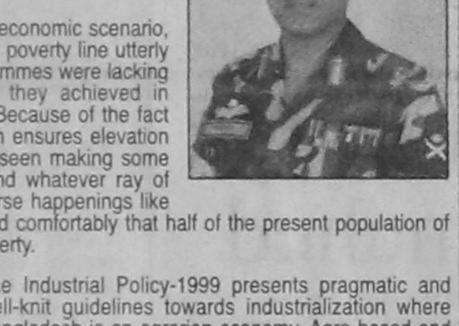
marginally while absolute poverty level continues to rise. It is an admitted fact that real economic development of the country is gradually becoming more difficult to attain with more and more people

sliding into poverty line. The term sustainable progress or growth is not a new concept or idea. It is rather widely advocated but made no sufficient dent in poverty scenario. There is a broad agreement that people are the centre of development and we need to achieve significant reduction in poverty. It is required to raise GDP growth to above 6% with stress on action that upgrades the productivity and maximizes the welfare of the poor. Over the years the objective of economic growth and development has shifted from an almost exclusive reliance on the public sector to the private sector which has ultimately been recognized as an engine for growth. It is a shared opinion that country's long term economic prospect is substantially dependent on increasing domestic and foreign investment in industrial and service sectors. Private sector's development will be promoted by reforming the legal framework, continued trade liberalization and strengthening of financial intermediation. The role of financial sector for economic emancipation cannot be overemphasized.

So, financial reform should be carried out to attain the objective of an efficient banking sector which can eventually accentuate the expansion of investment and mobilize domestic savings by assuring depositors safe and good return on their hard earned income. Acceleration of privatization should begin by speeding up the implementation of the privatization programme by way of disinvestment. Regrettably, when in the early 90's the economy was opened to competition it was found that some 1500 industrial units turned out sick. If we look back to 70s then the World Bank bilateral donors, nurtured the belief that for the poor and developing countries public sector acts as the catalyst for growth and alleviation of poverty. So, initially financial assistance to expedite industrialization process was channeled through DFI called the BSB and directly to the state owned enterprises in the Textile, Jute and Fertilizer sector and to the Small and Cottage industries through nationalized commercial banks. Since the funds were deployed without proper appraisal but nearly in a targeted manner and so the money released could not even be collected back.

Poverty alleviation through micro-credit to the poor are a quick and effective way of reaching assistance to the poor by way of involving them in income generating activities. To this effect Grameen Bank, BRAC have created very successful instances, relief to the targeted people by way of creating income generating activities but to make its aftermath effect sustainable it is required to reduce the dependence on donations and aids as well as needs remoulding of programmes for ensuring betterment of the condition of the targeted people so that they become self-

It is also true that spill-over effect of general economic growth and development take much longer time and in between the times level of poverty gets accentuated. For sustainable economic development we need private-sector-led economic growth with robust investment in the thrust sectors. A vibrant pro-active private sector will be the prime mover of the economy since it will come up with venture capital in the unexplored areas thus will ensure better utilization of the potentials in the non-traditional sectors. For the private sector-led-growth the role of the government will be that of the facilitator and in this capacity it will create a conducive pro-investment climate. The term indeed an effective mechanism for technology



A study report on the poverty scenario of Bangladesh The Industrial Policy-1999 presents pragmatic and reveals that the incident of poverty has declined well-knit guidelines towards industrialization where Bangladesh is an agrarian economy. Agro based and Agro supportive industries had been given priority treatment in the Industrial Policy-1999. Agriculture sector has received due attention from the present government as a thrust sector and it has been mentioned that infrastructural, financial as well as technical facilities will be provided for the growth of agro-based and agro-supportive industries. One of the major objectives of normal policy is export-led economic growth and so export oriented industries will be accorded priority. It is believed that policy itself may have many guidelines and directives for growth but at the same time failure to implement policy in right perspective will not augur well. For all that we require to ensure an enabling environment such as congenial law and order situation, adequate credit support, simplification of bureaucratic procedures, removal of corruption and above all, proper infrastructural facilities for rejuvenation of the

> The term 'foreign direct investment' has got wide currency and popularity, and now-a-days FDI is treated as a major prop towards transfer of technology and its long term effect on the economy cannot be overemphasized. In the incentive package it has been underscored that there will be no limitation pertaining to equity participation i.e. 100% foreign equity will be

Economic development has got no saturation point and it is a continuous process because expectation of development gets higher with every step of elevation. In the Human Development Report Bangladesh is ranked 146th among 174 countries. In this case we must say that we lag much behind to promote the cause of human development. The human development means enhancement of one's capacity through flourishment of one's potentiality by ensuring proper use. Balanced development will take place when human development index will rise commensurate with growth in GDP. Despite the satisfactory macro-economic performance half of the population still remain below poverty line and one fourth of all families have a calorie intake below 20% being the minimum requirement. This is the age of information technology and percentage of access to computer is also considered as yardstick to measure extent of development achieved by a particular country. Here it is worth mentioning that our country's access to and use of this technology is lower at .05% as against 28% in the Western World and this represents a very disappointing situation.

The era of globalization, which presents us both prospects and challenges and we are in the face of likewise other NGOs are successfully working on stark realities. This is a critical phase that needs to be micro-credit. Micro-credit although provides instant addressed in right perspective and so it is imperative to formulate a long-term plan with short-term action for implementation, otherwise there remains the risk of being marginalised.

> The much awaited new millenium has now embraced us and its challenges are formidable. In this century the country's Ready Made Garments sector, the leading foreign exchange earner, will loose special treatment in the form of quota as envisaged under MFN. Although this sector has penetrated in the world market with value addition of 30% to 35%, however, now the question arises about it's competitive existence. For its sustainable growth no significant backward linkage industries have grown up in the

The 21st Century heralding the new millennium has dawned on us with so many ifs and buts, in other words with both prospects as well as challenges, and as a nation we have to face challenges unitedly by creating conducive and proactive environment paving foreign direct investment is a catch concept and it is the way for flourishment of individual's potentials, entrepreneurial energy and thus infuse dynamism in

the economy.

THE TRUST BANK LIMITED—ITS GENESIS.

Brig Gen Ismat Ahmed Chowdhury, BIR PROTIK

The Trust Bank Ltd has emerged as a new star in the galaxy of the country's banking system. This bank is realisation of a long cherished dream which was conceived way back in 1987 and materialised on November 29, 1999 and declared its presence in the midst of 48 Banks with more than 6000 branches. The sector consists of several kinds of banks from the points of view of function, ownership and origin. Beginning with about twelve hundred branches all in the nationalised sector at the dawn of our long cherished Independence in 1972. The banking sector in Bangladesh has in the past three decades of her eventful existence undergone impressive growth, both quantitatively and qualitatively. Today almost all the commercial, trading and industrial locations of the country including upazillas and villages are covered by banking network.

The story of the birth of Trust Bank is exciting, thrilling and dramatic. It took about a decade and a quarter yearsi relentless perseverance and dedication to lit the light of this star - The Trust Bank. The primary purpose was to augment the welfare of disabled and distressed families of the martyrs of our Great War of Independence to accelerate

rehabilitation projects of the defence personnel and to support retired personnel who still have the ability to work, for undertaking commercial ventures and also to commence usual commercial business. In the beginning the idea for the bank was based on It was not until April 1999, the government and the allocating majority of the shares to the Army. The Bangladesh Bank finally approved the new status of

conception of the original bank gradually developed and went beyond different dimensions from time to time, until a time when the whole perception was clear and took a shape. The share capital distribution But the road to the eventual launching of the bank

was neither easy nor straight. The journey through ups and downs with the commitment, tenacity, hard work and at times persistent pursuance by the organisers actually made it possible to cross the road to reach the threshold of success. Since 1987 it took almost three years before the bank received permission in November, 1990 from the Bangladesh Bank through the issuance of the letter of intent but under a different title at that time, as National Trust Bank Ltd. The Capital Structure featuring an authorised capital of Tk. 20.00 crore and paid up capital of Tk.10.00 crore.

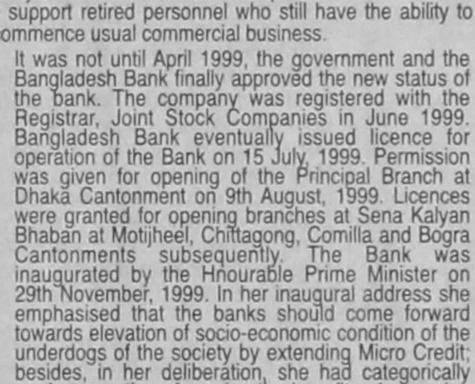
But as time went by and at the face of changing socio-economic circumstances in the country, the letter of intent for bank was cancelled on a different consideration by Bangladesh Bank in October, 1991 The cancellation of the hard-earned permission had demoralised the persuation and brought a long period of silence until December 1994, when some of the activities resumed. The stern efforts and pursuance of the organisers of the bank now led the Bangladesh Bank to be convinced again of the necessity of the proposed bank and took up the matter all over again. Bangladesh Bank at the time decided to issue a fresh letter of intent under the changed name The Trust Bank Limited having Authorised Capital of Tk. 40.00 crore and Paid Capital of Tk. 20.00 crore, adding a condition of 24 percent foreign equity.

At this point efforts were made through our Embassies and High Commissions to attract foreign partners. Arab Malaysia Merchant Bank (AMMB) Berhad responded to the invitation late in 1996 and expressed their interest to participate in the proposed bank. But after detailed deliberation from both sides and exchanges of delegations, the AMMB came up with a new proposal, asking for a 51 percent share by-passing the original 24 percent as offered and also suggesting a new name, Bangladesh Malaysia Trust Bank Limited. The bank went through another structural change at this stage.

The whole matter was now taken up with the Ministry of Finance and Bangladesh Bank. Permission was subsequently granted for establishment of a joint venture bank called Bangladesh Malaysia Trust Bank Limited, in April 1998.

The Capital Structure this time was different having Authorised Capital at Tk. 80.00 crore and Paid up Capital at Tk. 20.00 crore with a share of AMMB 51 percent and Army Welfare Trust (AWT) 49 percent. A Memorandum of Understanding (MOU) was signed by the AWT from Bangladesh for the joint venture in June, 1998 and awaiting signature of the MOU by the AMMB. Contrarily at this point of time Asia Pacific countries went under severe economic recession. Malaysia remained no exception. The result was another set back for the ensuing bank. Meanwhile the time frame for establishing the Bank that was due by the December 30, 1998 was also running out.

The whole situation turned very heavy making the establishment of the bank even more uncertain. Right at this critical juncture Lt Gen Muhammad Mustafizur Rahman, Bir Bikram, ndc, psc, C, the Chief of Army Staff, who is also the Chairman of the Bank, came to the rescue and with a firm vow decided to set up the proposed bank with AWT fund alone. He had broken the impasse by announcing, "if no one comes we will go alone at our own." This clarion announcement of Gen Mustafiz shall remain engraved in golden letters in the annals of the Trust Bank. The proposed capital structure elaborates Authorised Capital at Tk. 100.00 crore and Paid up Capital at Tk.50.00 crore out of which 25.00 crore to be paid by the sponsors i.e. AWT Fund and the balance amount of Tk. 25.00 crore to be raised through Public Issue of shares. Under this situation a new banking company was formed overcoming all obstacles and renaming the bank as, THE TRUST BANK LIMITED. A milestone in the history of banking in Bangladesh was thus laid by the valiant Freedom Fighter, Lt Gen Muhammad Mustafizur Rahman, BIR BIKRAM.



made a mention of reaping the benefits of emerging

advancement of Information Technology.

The bank though set up with the fund of AWT has not confined its services to the members of the Armed Forces only, but it has been rendering all types of commercial banking services to the govt and the public like any other scheduled bank. The bank enjoys a unique position to work with the capital of AWT Fund, their businesses and of the general public. Any profit earned by the bank will be shared both by AWT and the public. This will not be an exaggeration to underscore that we have passed one year of our existence and whatever achievement we have made during this period the credit largely goes to the Chairman of the Board of Directors Lt Gen Muhammad Mustafizur Rahman, Bir Bikram, who from the very inception gives us directives and guidelines for the prosperity of this organisation and thus he has proved himself to be the real guardian of this bank. We are largely benefited by the wisdom of this noble man and the products so far launched have been designed in line with his mission and vision. It is gratifying to note that all the products have proved successful and specially mentionable one is the micro credit for lower income group and under this scheme we have covered quite a significant number of loanees and so far the recovery is very much appreciable at 100%. We believe this product will largely contribute in improving the quality

of living of the recipients and their wards. The motto of the bank is to serve the people than to earn profit; reversely, earning of social profit is the main aim than to earn profit in pecuniary terms. Slogan of the Bank has, therefore, been rightly

chosen 'SERVES WITH TRUST

This bank has started its operation when qualitative changes have pervaded the banking sector due to reformative measures initiated in early 90's by the central Bank of the country under Financial Sector Reforms Programme (FSRP). Under Reforms programme the Bank Companies Act and the companies Act were drastically revised. The Insolvency Act has been introduced and 'Artha Reen Adalot' was established for accelerating recovery of classified loans.

In the post cold war world the economic and trading scenario is fast changing effecting changes in new power and trading blocks. Incidentally, Bangladesh is also partner of quite a few trading and economic blocks including the decade and a half year old SAARC. All these changes and developments offer us new possibilities as well as challenges. One of the important tools to face the new challenges is banking and financial sector. We are glad that the Trust Bank is going to be one of the partners in the whole process with well defined objectives to serve the people of Bangladesh. We are aware that improved technology, demand-based product, proper management and competent manpower are the pillars of success in a competitive environment.

We have started our voyage having learnt from the mistakes of the first generation Nationalised Commercial Banks (NCBs) and second generation banks in the private sector opened in the early eighties. Experience of the third generation banks in the private sector which started operations in the early nineties is already a guideline before us. Challenge and possibilities that are being offered by the millennium will act as a new hope for the "Trust Bank"- a fourth generation bank in the private sector. We are also aware that we are passing through a transition period while in the midst of the end of one century and beginning of the another.

Our biggest strength will be the disciplinary environment in which defence services work and the dedication that we stand for. Coupled with professional banking expertise and competence, we, therefore, look forward to working as an active and visible partner in the banking sector in the third

AGRICULTURE AND AGRO BUSINESS IN BANGLADESH

MD.HELAL UDDIN, MANAGING DIRECTOR, THE TRUST BANK LTD.

Food and fibre are the basic human needs; and both the needs are agriculture based. Generally agriculture implies as farming and ranching. We conjure thoughts of some one ploughing a field, planting seeds, harvesting a crop, milking cows or feeding live stock as agricultural activities. But today agriculture translates into even a vast and complex system that reaches far beyond the farming to include all those that are involved in bringing food and fibre to consumers. So many intermediaries are involved in bringing food and fibre to consumers from the producers. The whole range of the system beginning from production to final marketing have come to be known as agribusiness

Agribusiness on the other hand includes not only those that farm the land but also the people and firms that provide the inputs (like seed, chemicals, credit) process the outputs (like milk, grain, meat), manufacture the food products (like bread, break fast items, ice cream) and transport and sell the food products to consumers

(shops, markets, restaurants etc). It is a revealing fact that agriculture plays a vital role even in an industrial economy like USA. Agriculture and agribusiness form the largest part of US economy. Besides providing food and fibre essentials to wellbeing, agribusiness generates

18 percent of total work force. If we look at Bangladesh economy, we find agriculture stands at the top of the list to contribute to the GDP of the country and also in terms of providing employment. It will be seen that agriculture contributed Tk. 44,356.00 crores against a total GNP the time of harvesting period and release of stock of Tk. 1,62,351.60 crores (at current prices in 97-98). That means about 28 per cent of GNP are abnormally attributable to agriculture. Note to mention that more than 80 per cent of the employment of the country is in agriculture. There is hardly any scope to overemphasise the role played by agriculture in Bangladesh economy. It is interestingly true that if in a particular year crop production falls, the rate of

Product and provides employment for approximately

So, a time has come to realise the importance of agriculture and take all possible measures to boost up this sector which is providing us food and fibre including golden fibre, the Jute, which gives us hard currency in the form of exports and also adds to the national exchequer in other words GNP is enhanced.

growth in GDP falls and vice versa

Since we are pursuing a policy of market economy, every sector of the economy should be let to develop through market process. But in a developing country like ours the role of government assistance respective fields can not be ruled out altogether. Even developed country like France is protecting the production of sunflower seeds and there is also embargo on import of British beef by European

GROWING FOOD PRODUCTION

Despite the economic handicap and other drawbacks, the food production in Bangladesh has increased in a unprecedented manner. The quantum of food production was less than 1.00 Crore Metric Tons in 1971-72 and the production stood at 249 Lac Metric Tons in 1999-2000. The production has increased by about 250% as compared to 1972. Introduction of mechanised cultivation, irrigation, application of HYV (High Yield Variety) seeds and use of chemicals and fertilizers have been responsible for this phenomenal growth. This has Neither the old private banks nor the emerging new been termed as green revolution of Bangladesh.

vagaries of nature; either flood used to wash away the entire crop or draught destroying it. Availability of great volume of credit to farmers has to a large extent changed the situation. The role of nationalized commercial banks, Bangladesh Krishi Bank, Rajshahi Krishi Unnayan Bank, Samabay Bank and Grameen Bank for providing credit to the farmers can hardly be over estimated.

Although food production has increased, simultaneously the requirement for food has also commercial bank should ear-mark and deploy increased at a faster rate due to increase in some percentage of their investible fund for population. The population of the country stood at agriculture and they should place this fund with 12.65 crores in 97-98 as against of 7.5 crores in 71- Bangladesh Krishi Bank or Rajshahi Krishi 72 i.e. at the time of liberation of the country. Every Unnayan Bank on mutually agreed interest rates year there was a gap of 15 to 30 Lac Metric Tons of and schedule of repayment. As a result of such food grains in the country and we made up the participation, the credit requirement of agricultural shortfall by importing food grains. This entailed sector could be satisfied to a great extent and heavily on the foreign exchange of the country.

This in no mean achievement that the country could achieve food autarky by overcoming the persistent deficiency within the last few years. But in order to maintain the position and match the growth of population the following things must be ensured:-

STABILITY OF PRICE: The farmers must get a price that can yield some marginal benefit to them. In some years it has been experienced that if price of crop falls below the cost of production the farmers loose interest in farming and cultivation. Beside the farmers divert their land for production approximately 17 per cent of the US Gross Domestic of jute for next season if the price of jute in a particular year rises leaving less land for production of food grains. From time immemorial the farmers have been subjected to this type of decision making and falling victims of Cob Web theorem as called by economists. Stable price for food grains is to some extent influenced by Govt. measures of procurement at an attractive price at in O.M.S, when price of food grains rises

> STORAGE FACILITY: At private levels, warehouse facilities need to be developed in an institutional manner. If warehouse receipts are treated as instruments for raising credit, the farmers can get fair price for their products by withholding sale of their crop during harvesting

> TRANSPORT: Transport plays a vital role in agnmarketing and in ensuring fair price to the growers. The opening of Bangha Bandhu Multipurpose Bridge over the river Jamuna in June, 1998 has opened a new vista of communication for the people of the northern districts to ensure fair price

> CREDIT: Credit plays the important role in an agrarian economy where the farmers are poor and have no surplus fund for irrigation, mechanical cultivation, fertilizer, chemicals and labour etc.

In the past a very small amount of 'Takkavi' loan was given by the Govt., which did not create any impact on the growth of agriculture or changing the fortune of the farmers. The institutional loans were available to the farmers in mass scales only after the liberation of the country through the nationalized commercial banks, Bangladesh Krishi Bank, Rajshahi Krishi Unnayan Bank, Grammen Bank and Bangladesh Samobay Bank Ltd. Even with the development in institutional credits the gap between requirement and actual disbursement still persists. During 97-98 only Tk.=1,672.43 crop loans were disbursed. The total agri-loan requirement has been estimated at Tk. 3,331.00 crores for the year 99-2000.

It is not possible for these Banks only to meet the growing need for credit unless other private banks

private banks have their branch network at Upazilla or Union levels. They are also not interested in Previously the farmers were dependent on the involving their fund in this sector. They have their branch network in towns and cities and they employ credit mostly for trading, export and import purposes.

> It is imperative that the private banks including the foreign banks operating in Bangladesh should participate in financing the agricultural sector of the country to build a strong base for the economy. Since they have no branches in the rural areas, they can open credit windows for financing agriculture. Through these windows every scourge of non-institutional and Mahajoni Loans could be averted.

It is felt that all commercial banks should come forward to extend credit to farmers, Agri-business and agro-based enterprises which can only make the economy stronger and place it on solid foundation for a consequent transition to an industrial economy.