

BKB earns Saifur's wrath

'Increase investment in SMEs or face closure'

STAR BUSINESS REPORT

Finance and Planning Minister M Saifur Rahman yesterday said the government will be compelled to shut down the state-run Bangladesh Krishi Bank (BKB) unless it increases investment in small and medium enterprises (SMEs).

Expressing his dissatisfaction over the BKB's loan disbursement programme, the minister said: "It has to increase its loan to SMEs otherwise it will be abolished."

Saifur also came down heavily on managing directors of the nationalised commercial banks (NCBs) for not extending adequate loans supports to SMEs in a bigger way. "Though micro entrepreneurs

are more regular than the big or so called 'jumbo-jet' entrepreneurs on loan repayment, managers of the NCBs still do not consider giving the micro entrepreneurs adequate loans," Saifur said.

The minister was speaking at a workshop on 'Micro Enterprise Development' jointly organised by Agrani Bank and International Fund for Agricultural Development (IFAD) held at the IDB bhaban auditorium in the city.

Saifur said the NCBs do not collect sufficient information on loan risk analysis prior to lending loans. "To create employment in rural areas, there is no other way but to increase the number of small industries," Saifur said.

He said the government has changed its policy and is giving more emphasis on micro enterprise-based agro-economy.

He said the loan recovery rate from micro and small entrepreneurs is 85 to 90 per cent while the rate is much lower in the case of big entrepreneurs.

He asked NCB managing directors to establish a new branch on micro and small industries in their banks.

"I am planing union-based loan distribution system. Under the system, union chairman, members, bank managers and public of a union will gather at a common place at a time. The meeting will decide who will get the loan," Saifur said.

Presided over by Finance Secretary Zakir Ahmed Khan, the workshop was also attended by Bangladesh Bank Governor Fakhruddin Ahmed and Agrani Bank Chairman M Ahsanul Haque, chairman of PKSF.

Agrani Bank Managing Director ASM Emdadul Haque presented a paper on 'Contribution of Agrani Bank in Micro-Enterprise Development and Poverty Alleviation.'

Speaking on the occasion, PKSF chairman said it is necessary to encourage unemployed graduates about micro industries. "Besides banks, different leasing companies should come forward with various loan systems for small entrepreneurs," he added.



PHOTO: BASIC BANK

Md Nurul Huda, managing director of BASIC Bank Ltd, and Kazi Shawkat Hossain, chairman of Sunny Feeds Ltd, exchange documents after signing an investment agreement at a ceremony held at the head office of BASIC Bank Ltd in the city on Wednesday.



PHOTO: CITY BANK

A H M Nazmul Quadir, acting managing director of The City Bank Limited, distributes certificates among the participants at the closing ceremony of a course on "Law of Limitation and Its Application in Banks and Loan Recovery" arranged by The City Bank Training Institute in the city on Thursday. Badruddin Ahmed, principal of the training institute, is also seen.

Asia, Pacific struggle with faltering global recovery

AFP, Los Cabos, Mexico

Asia-Pacific finance ministers grappled here with heightened economic risks as they felt the impact of sliding world stock markets and faltering growth in the United States, Japan and Europe.

Most economic indicators suggested the world economy was in recovery, said a joint statement released Friday after a two-day gathering of the 21-member Asia-Pacific Economic Cooperation (APEC) forum.

"The current recovery in APEC economies has been supported by robust consumer spending and intra-regional trade," it said.

"Nevertheless, uncertainties regarding the strength and pace of the expansion remain."

Just five days before the anniversary of the September 11 attacks, which temporarily stunned the global economy, most of the talks at this Mexican beach resort centered on how to halt money flows to terrorists.

But after a plunge on Wall Street and other world markets, battered by a series of US corporate accounting scandals, many Asia-Pacific economies were preoccupied by the economic outlook.

"Of course, our main concern is about global economic development because that will affect very much our economy," said Indonesia's delegation chief, senior economic advisor Jannes Hutagalung.

"Sustainable growth in the US and Japan and European economies is really our main concern," he told AFP.

APEC economies, rich and poor, were the driving force behind the global economic recovery in the first half of 2002, World Bank managing director Jeffrey Goldstein told APEC members.

"Recent steps falls in global equity markets have, however, reawakened concerns about underlying vulnerabilities in leading economies and hence about the strength of the global recovery going forward."

The US economy had slowed substantially after the first quarter of this year, he said.

"There is now more concern that large recent losses in equity wealth combined with high levels of corporate and household debt could lead to a more protracted period of slow growth."

BASIC Bank, Sunny Feeds ink investment deal

BASIC Bank Ltd and Sunny Feeds Ltd have signed an investment agreement under Equity and Entrepreneur Fund (EEF) programme of Bangladesh Bank.

Md. Nurul Huda, managing director of BASIC Bank Ltd, and Kazi Shawkat Hossain, chairman of Sunny Feeds Ltd, inked the accord on behalf of their respective sides in the city on Wednesday, says a press release.

Sunny Feeds Ltd, a fish and poultry feed manufacturing unit, was set up at Valuka in Mymensingh at a cost of Tk 852.24 lakh with financial assistance of Tk 300 lakh in the form of term loan from BASIC Bank Ltd and equity-support of Tk 160 lakh under EEF programme of Bangladesh Bank.

Other officials of the two organisations, including general managers of BASIC Bank Ltd, were also present on the occasion.

CURRENCY

Following is yesterday's forex trading statement by Standard Chartered Bank.

Selling	Currency		Buying		
	BC	USD	TT Clean	OD Sight Doc	OD Transfer
58.5500	58.5800	USD	57.8050	57.6364	57.5679
58.2881	58.3750	EUR	56.0375	55.8541	55.7775
92.0856	92.1276	GBP	89.3721	89.1056	89.0510
32.8954	32.9200	AUD	30.9360	30.8436	30.7635
0.4971	0.4972	JPY	0.4835	0.4833	0.4823
39.7302	39.7547	CHF	38.6241	38.5296	38.4451
6.3017	6.3069	SEK	6.1083	6.0907	6.0747
37.7403	37.7648	CAD	36.8516	36.7579	36.6748
7.5143	7.5156	HKD	7.4060	7.3883	7.3709
33.589	33.6107	SGD	32.8719	32.8281	32.7134
16.0710	16.0886	AED	15.6019	15.5800	15.5615
15.7369	15.7553	SAR	15.2973	15.2606	15.2424

Exchange rates of some currencies against US dollar

Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor kroner	NZ dollar	AUD
48.52	60.15	95.95	42.275	7.4896	0.4703	0.5477

Local Interbank FX Trading:

The local interbank foreign exchange market was subdued as international market was closed on Saturday. BDT remained steady against the dollar and was quoted almost unchanged at 58.30/32 against the US currency.

US job data. The US jobless rate fell to 5.7 per cent. In August versus expectations it would hold steady at 5.9 per cent producing a knee-jerk reaction to buy back dollar by investors caught holding short position. Adding fuel to the dollar's fire was a good day for US stocks. The euro shed one per cent against the dollar further helped by poor data on euro zone's economic growth. Against yen, the dollar's gain was far modest as the yen was performing well against euro. Sterling also rose against euro, but slipped 0.4 per cent against USD.

Local Money Market:

There was moderate demand in the market for overnight borrowing. Call money rate was almost unchanged from yesterday and was ranged between 5.75 and 6.25 per cent for the day.

International Market:

International market was closed on Saturday. The dollar rallied on Friday after a better than expected report on this memorandum is issued by Standard Chartered Bank and is based on or derived from information generally available to the public from sources believed to be reliable. While all reasonable care has been taken in its preparation no responsibility or liability is accepted for errors of fact or any opinion expressed herein.