

Large credit needed to spur rural economy

Speakers observe at BIDS workshop

STAR BUSINESS REPORT

Discussants at a workshop yesterday underscored the need for providing large credit, instead of micro-credit, to rural entrepreneurs to help spur the growth of rural economy.

"Micro-credit has so far contained the level of extreme poverty, but for attaining prosperity in rural economy we have to make larger credit available for rural informal sectors," Professor Wahiduddin Mahmud said.

He was speaking at the workshop titled "Micro impacts of macroeconomic and adjustment policies in Bangladesh (MIMAP-Bangladesh)", held at the LGED Bhaban in Dhaka. The Bangladesh Institute of Development Studies (BIDS) organised the event.

Professor Wahiduddin Mahmud, former adviser to the caretaker government, opened the workshop while project leader of MIMAP-Bangladesh Mustafa K Mujeri and BIDS Director General Dr Quazi Shahabuddin, among others, spoke at the inaugural session.

The discussants, however, suggested policy makers to diversify agri-products and advocated for providing more subsidies in the agriculture sector to achieve a sustainable growth in macroeconomic front.

Dr Mustafa K Mujeri in his

paper presented at the workshop said an open trade regime, on its own, will not necessarily set the economy on a sustained growth path.

"What is important for Bangladesh is the quality, timing and scope of liberalisation and success in promoting an accompanying process of facilitating factors such as strengthening of local enterprises, human resource and technological development, and building up of export capacity and market access," Mujeri said.

He underscored the need for improving access to the credit market for developing small and medium enterprises and agri-based industries.

Professor Wahiduddin Mahmud said the wages of the unskilled labourers, engaged in the informal sector, have not increased in spite of the economic growth which has taken place over the years.

The noted economist suggested the government to increase the subsidy in the agri-sector and diversify agri-crops to bring about changes in the rural economy.

"We have to think of alternative measures for the rural economy as the rural branches of state-owned banks are being shut down," he said stressing the need for funds for the economic activities in villages.



Professor Wahiduddin Mahmud speaks at a workshop organised by Bangladesh Institute of Development Studies (BIDS) in Dhaka yesterday.

Tea prices up in Ctg auction

UNB, Chittagong

The tea sale here yesterday witnessed improvement in prices for most types with more widespread interest from all sections of the market.

The Afghan buyers were again active with more support from Pakistan, according to a market report.

Major packeteers were more active this week with good support from the loose tea trade. CIS was also fairly active.

Dusts sold well at firm to dearer rates.

CTC Leaf: 1,414 c/s, 23,522 g/s, 1,955 ppw/s, and (6 g/s of old season) on offer met with an improved demand.

Brokens: All black, well made Brokens and Fannings were again well competed for at around last levels selling between Tk 76 and Tk 79.

Below best types sold well at firm to dearer levels. Others were about steady. Large Brokens sold well at slightly easier rates. Plain fibrous types were mostly easier with some withdrawals.

Fannings: Black, well made Fannings were mostly a stronger market selling between Tk 76 and Tk 81. Others were also a good market selling at firm to slightly dearer levels.

Plain fibrous types were generally an easier market with some withdrawals.

CTC Dust: 181 c/s, 2,684 g/s, 160 ppw/s, and (30 g/s of old season) on offer met with a good demand.

Well-made good liquoring types were mostly firm to occasionally dearer following competition. All others sold around last levels in line with quality.

Hallmark Pharma gets ISO certificate

Hallmark Pharmaceuticals Limited, an enterprise of Uttara Group of Companies, has received the ISO 9001:2000 certification from Moody International Certification Ltd UK in recognition of its continual improvement of quality management system.

Sarder Asif Mahmood, general manager of Moody International Bangladesh Ltd, handed over the certificate to Matiuir Rahman, chairman and managing director of Hallmark Pharmaceuticals Ltd, at a certificate giving ceremony in Dhaka on Sunday, says a press release.

The programme was attended by senior officials of Hallmark Pharmaceuticals Ltd, Uttara Group of Companies, QIA, Moody International and distinguished guests.

Railway-CCCI land deal for World Trade Centre

STAFF CORRESPONDENT, Ctg

An agreement was signed yesterday between Bangladesh Railway and Chittagong Chamber of Commerce and Industry (CCCI) to acquire railway land for the construction of the World Trade Centre (WTC) in the port city.

The proposed 22-storey WTC building will be constructed on 3.76 bighas of land in Agrabad commercial area. Under the agreement, Railway will provide 1.83 bighas of land while the rest 1.93 bighas have been donated by

Public Works Department.

CCCI President Amir Humayun Mahmud Chowdhury and Chief Estate Officer of Bangladesh Railway (East) Ibrahim Khalil Ullah signed the land agreement on behalf of their respective sides.

Communications Minister Nazmul Huda, who was present at the agreement signing ceremony at a city hotel, said the proposed WTC would open up a new horizon in international trade and commerce of the country.

CCCI got the land from the Public Works Department in 1995

but the construction work of the Tk 150-crore project could not be started because of non-availability of the adjacent railway land, Chamber sources said.

State Minister for Communications Salah Uddin Ahmad, Director General of Bangladesh Railway AKM Rezau Karim, former CCCI president Sarwar Jamal Nizam MP, CCCI Senior Vice-president Ershad Ullah and Vice-president Monzoor-Ul-Amin Chowdhury also spoke at the ceremony.

Tk 133cr anomalies in housing ministry depts

UNB, Dhaka

An official audit into different departments under the Ministry of Housing and Public Works dug out irregularities involving Tk 133.11 crore.

The report cited a total of 48 cases, but highlighted 34 "serious irregularities" one of which was committed from 1997 to 2001 and 47 during fiscal year 2000-01.

The audit report was placed in parliament during its last session.

The irregularities, losses and anomalies in financial management of those government departments were just the tip of an iceberg, not the whole picture, the audit report observed.

The departments audited include Rajdhani Unnayan Karipakkhya (RAJUK), Public Works Department, Department of Housing, Housing Estate and Building Research Institute.

Of the departments, RAJUK was on top of the list of the departments that caused a huge loss of Tk 133.04 crore alone in 31 cases.

The remaining irregularities

worth Tk 7.81 lakh were detected in the executive engineer's offices in Chittagong, Joypurhat and Bandarban under the Public Works Department.

The RAJUK did not realise fees for converting residential plots into non-residential ones in Gulshan, Banani and Uttara areas from the plot-owners, causing a huge loss of Tk 51.10 crore. The plot-owners did not even pay the fees.

RAJUK issued an advertisement in August 1999 fixing a 90-day time schedule for some 292 plot-owners to pay the fees for turning their residential plots into commercial land on Gulshan Avenue, North Avenue and South Avenue.

During their inspection, the auditors found that the plots were used for commercial purposes and when the matter was raised to the concerned officials they refrained from answering any question.

Letters were repeatedly sent to the Secretary of the Ministry in June and July of 2002, but the auditors did not get any answer, according to the audit report.

The Comptroller and Auditor

General suggested for realising the amount from the plot-owners and if necessary from the responsible officers.

In Tongi Industrial area, the plot-receivers did not pay installment money amounting Tk 11.40 crore including interest to the RAJUK.

Violating the government rules, RAJUK authorities did not realise Tk 11.90 lakh as land hand-over fee from the allottees. Besides, unauthorised payment of Tk 2.4 lakh as mobile phone bill caused a loss to the public exchequer.

RAJUK gave a Pajero jeep to former Member of Parliament and Chairman of the Parliamentary Standing Committee on Housing and Public Works Ministry Akeruzzaman and thus caused a loss of Tk 1.16 lakh. The amount was spent on fuel while an MP is not allowed to use a government car for 24-hour use, according to the audit report.

Some officials of RAJUK, according to the audit, took a total amount of Tk 35.33 lakh as advance, but did not pay back the money with interest.

India eyes huge sugar exports

REUTERS, Bombay

India, one of the world's largest sugar producers, is looking to export up to eight million tonnes of raw sugar in the year starting in October 2003 in an effort to reduce its massive surplus, a top industry official said Monday.

India, which has a huge stockpile of 10 million tonnes against annual output of about 20 million, produces and exports only white plantation sugar, a low-grade sugar produced directly at the mill and which makes up about 19 per cent

of global trade.

It now plans to produce raw sugar against confirmed export orders, but the industry will need financial incentives from the government to make exports viable, said Prakash Naikavare, managing director of Maharashtra State Cooperative Sugar Factories Federation.

"India may export seven to eight million tonnes of raw sugar every year, out of which Maharashtra may account for about 25 per cent," Naikavare said. Maharashtra state produces

about a third of India's sugar.

"We plan to trade in raw sugar futures at the New York exchange from August, with physical deliveries starting from November onwards," Naikavare said, but did not say what quantity could be offered.

"We will begin the process of getting the necessary approvals from the New York exchange next week," he told Reuters in an interview.

Bank Asia earns Tk 191m profit in six months

Bank Asia Limited has earned a profit of Tk 191 million during the first six months of this year.

This was disclosed at the Half Yearly Conference-2003 of the managers and executives of the bank held in Dhaka on Thursday, says a press release.

As of June 30, 2003, the deposit of the bank was Tk 8,997 million and advance was Tk 6,830 million.

The performance of the bank for the period was reviewed.

Detailed discussions were held on the strategies aiming at accelerating the activities of the bank in multi-dimensional directions.

Syed Anisul Huq, president and managing director of the bank, was the main speaker at the conference.

Branch managers, sub-managers and executives of the corporate office participated in the deliberations.

Pragati Life's AGM held

The 3rd annual general meeting of Pragati Life Insurance Ltd was held at the company's head office in Dhaka on Saturday.

Syed M Altaf Hussain, chairman of the company, presided over the meeting, says a press release.

Abdul Awal Mintoo, advisor, was also present at the meeting.

M Shefaque Ahmed, managing director and actuary of the company, presented the annual report and audited report for the year 2002.

Directors and patrons Abdul Monem, Khalilur Rahman, Mohammed Awwal, AKM Rafiqul Islam, Prof Jahangir Chowdhury, Sarwar Kamal, Tabith Awal and Mohammed A Hamid were present at the meeting.

JOBS training ends

Job Opportunity and Business Support (JOBS), the project of USAID Bangladesh, has completed six-month long "Cluster Development Training" for 50 workers in association with Micro Electronics Ltd, an electronic goods manufacturer recently.

The training focused on assembling single-phase transformers and manufacturing coils and cores which is a necessity in every electrical and electronic appliance with a growing demand, says a press release.

First three months of basic level training took place at Savar and the advanced level training for another three months took place at Mirpur.

After successful completion of the training Micro Electronics selected 26 out of 50 trainees to be employed with a salary ranging from Tk 1,500 to Tk 2,200 based on the performance and experience.

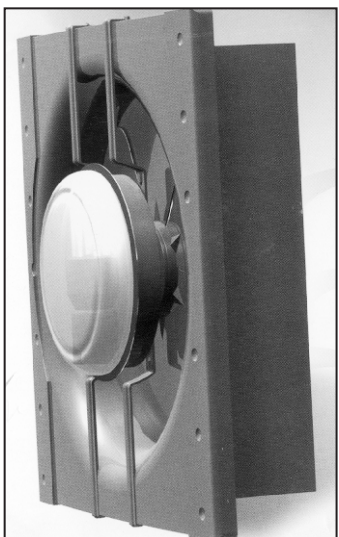
Call money rate steady

BSS, Dhaka

The money market remained packed with surplus liquidity yesterday due to thin credit flow and low investment, fund managers of leading commercial banks said.

The overnight money rate ranged between 4.50 per cent and 7 per cent - slightly higher than Monday's rate, they said.

New Product Dongwoo exhaust fan



Asmat Group has started marketing a new exhaust fan from South Korea.

The fan can drive out mosquitoes and other insects from room, says a press release.

The fan has a lamp, which lures insects to gather around the blue light. The fan then drives the insects out by wind.

The retail price of the mosquito and insect exhaust fan of Dongwoo Industry is Tk 2,500 a piece.

Workshop for shift in anti-poverty policy

STAR BUSINESS REPORT

Speakers at a workshop yesterday opined people's creative development, along with socio-economic advancement, is required to be incorporated in poverty reduction policy.

They said extensive research works on the qualitative aspects of development efforts should be carried out to achieve the ultimate goal of poverty reduction.

The suggestion came at the daylong workshop on Micro Impacts of Macroeconomic and Adjustment Policies in Bangladesh (MIMAP- Bangladesh) organised by the Bangladesh Institute of Development Studies (BIDS) at the LGED Bhaban in Dhaka.

Taking part in discussion Anisur Rahman of Research Initiatives for Bangladesh (RIB) said use of quantitative indicators like people's calorie intake, mortality rate, wages, food security, infrastructure, land and health is not enough to address poverty issues.

"A few qualitative indicators should also be brought into account like the art of creativity and opportunity to express oneself,

in the poverty reduction policy," he said.

Rahman said economic condition of a family cannot be measured by its income level only. "If there is a family with more female members it might have to count a large amount of money for dowry in future," he added.

About the research works on poverty and rural economy Rahman said most of these could not be successful, as these were prepared on household-basis interviews. He said interviews at individual level could improve the quality of research.

BIDS Research Director M Asaduzzaman said a research should be done to find out each district's position towards achieving the millennium development goal, which aims at bringing the world's poverty level to half by the year 2015.

Tahera Zabin, a social development worker, said micro-credit activities of different non-government organisations have so far failed to reach the poorest section of people.

At the second technical session of the workshop, Nurul Islam

Siddiquee of Centre for Hi-Tech Info Processing (CHIP) presented a paper on Bangladesh: Regional Poverty Profile and Development Indicators- A GIS-based Analysis.

Md Habibullah, Ranjan Kumar Guha, Abdul Quader, Abdullah Al Mamun and Anwar Pasha of Bangladesh Academy for Rural Development presented a paper titled "An Analysis of Poverty and Development at the Local Level: Results From Four Villages."

The research has been done in collaboration with BIDS in four villages of Chowddagram upazila of Comilla. The villages are Bogair, Taltoli, Paruara and Deokher.

Under the research, an information book for each village has been prepared with direct participation of all sections of people including the union parishad (UP) chairmen and members.

"Detailed information of people of those four villages are available in the books. This will guide the policymakers and UP chairmen to identify the people who really need help," said Ranjan Kumar Guha, one of the researchers.

10 more CNG stations by Aug

STAR BUSINESS REPORT

Existing crisis of compressed natural gas will ease when eight to ten more CNG refuelling stations start operation in Dhaka by the end of August, said State Minister for Energy and Mineral Resources AKM Mosharraf Hossain yesterday.

He was speaking at a seminar on Techno Economic Aspect of CNG Refuelling Station at a city hotel.

"We hope all the vehicles in Bangladesh will be converted to CNG by the next two to three years," he told the seminar organised jointly by Navana Limited and Safe srl, a leading Italian CNG compressor manufacturing company.

The state minister mentioned that at present there are 20 CNG refuelling stations in Dhaka and one in Chittagong to feed more than 16,000 CNG-run vehicles.

He attributed the slow progress in setting up of CNG refuelling stations to unavailability of land. "This is a major problem we are facing," he added.

In view of the land problem, Navana has brought a new concept of 'rooftop CNG station' manufactured by Safe srl, as a

solution to the problem. Italian company official Hemant Didwania made a presentation on this technology at the seminar.

The state minister said the government is currently implementing three major projects involving Tk 660 crore to promote CNG sector in Bangladesh, he added.

The projects have been undertaken to ensure gas supply to CNG-run vehicles, setting up more CNG refuelling stations and bring into service more four-stroke three wheelers.

Use of environment-friendly natural gas in running vehicles is not only reducing air pollution but also saving a huge amount of foreign exchange needed for import of petroleum products, the energy minister said.

He said Bangladesh currently imports 35 lakh metric tons of petroleum products at a cost of Tk 3,500 crore every year.

Mosharraf, however, appreciated the commercial banks and financial institutions for making investment in setting up of CNG stations.

About the new technology of CNG station, Navana Ltd Chairman Shafiqul Islam said such a

technology could be useful for Bangladesh where land is a major problem.

"So we thought how a refuelling station could be established by using minimum possible land," he said.

Navana Ltd, which set up the first CNG refuelling station in Dhaka, has a plan to establish a few more stations, the company chairman said.

Safe srl official Didwania in his presentation focused on the technical aspects of the rooftop CNG station and its usefulness in a country like Bangladesh.

Didwania claimed that the oil consumption of compressor, the key component of a refuelling station, must be minimum. The oil consumption of compressor manufactured by Safe srl is not more than two litre per 100 hours, he added.

Charge d' Affaires of the Embassy of Italy Giovanni Colella appreciated Bangladesh government to take the policy for a pollution free environment in Bangladesh.

Franco Zanarini, managing director of Safe srl was also present at the seminar.

5 power projects gather dust in Planning Commission

Non-approval delays \$300m ADB loan

BSS, Dhaka

An ADB loan of around 300 million US dollars earmarked for five development projects in power sector is hanging in the balance due to non-approval of project proposals (PPs) by the planning commission in time, official sources said yesterday.

The sources said Asian Development Bank (ADB) last year promised the 'project loan' to start implementation of the five projects in the beginning of current fiscal, but the bank could not release the fund as the PPs are not cleared yet.

To avail the loan immediately, ADB resident representative Toru

Shibuichi called on State Minister for Power Iqbal Hassan Mahmood at his office yesterday and urged him to take necessary steps for clearing the project proposals.

The projects are: Seven Town Power Distribution Project, Northern Zone Power Distribution Project, 250-MW Peaking Power Plant Project, National Load Dispatch Centre Project and Siddhirganj Zone Lease Out Project.

"We are ready with the loan. But we cannot disburse it unless the PPs are cleared," Shibuichi was quoted as saying in the meeting, where the state minister assured ADB of solving the issue as early as

possible. Shibuichi, however, assured Iqbal Mahmood of providing further assistance in this vital sector for sustainable development. Last year ADB also promised another 400 million US dollars as 'programme loan' to the power sector for the current fiscal.

Ministry sources said a high-level meeting comprising members from planning commission, economic relations division, power division, finance division and ADB would be held soon to approve the PPs.

However, comments from the planning commission was not available immediately.

Taka under pressure as dollar firm against major currencies

BSS, Dhaka

The US dollar was firm against the Bangladesh taka in inter-bank trade yesterday due to higher demand from importers, dealers said.

Against major currencies, the dollar remained firm in the international markets with holiday in Tokyo as investors were looking for new leads to move the market, dealers on online trading said.

The dollar traded at 58.3850-4000 to the taka higher than its previous closing at 58.3750-58.4000 on Monday, dealers of leading commercial banks said.

The demand for the US unit was

strong as the importers were under pressure to pay their import bills. "But the inflow of dollar remained steady thanks to remittance earnings," dealers said.

"But the dollar was firm against the local currency due to higher buying by investors after green-back's higher move against the major currencies," dealers said.

They said the dollar remained firm against major currencies in line with dollar-buying sentiment last week but the market has lost its direction.

They said some dealers bought dollar even selling euro and yen, they added.

The dollar was at 119.20-23 yen,

up from 118.47 yen in New York Monday afternoon. The euro bought 1.1327 dollars and 135.04 yen, compared with 1.1354 dollars and 134.45-55 yen on Monday afternoon in New York, dealers said.

The dollar gained one yen to 118.95-98 yen last Friday in Tokyo as investors bought back the US currency following a series of encouraging economic indicators.

"The market is directionless and dealers are looking for a new theme to move the market," dealer of a leading commercial bank said.