

JB focuses on SME growth thru' women entrepreneurship

Managing director tells *The Daily Star*

STAR BUSINESS REPORT

In a bid to promote small and medium entrepreneurs, women entrepreneurs in particular, Janata Bank is attaching high priority to financing their ventures at low interest rate, bank's Managing Director Murshid Kuli Khan said.

"We have launched a special financing programme for women entrepreneurship development," he said in an interview with *The Daily Star*. "Under the scheme, Tk 4 crore has already been disbursed to 200 entrepreneurs."

The maximum ceiling of this loan without collateral is Tk 5 lakh and the interest rate is 10 percent, the Janata Bank CEO said.

Women entrepreneurs can avail themselves of this credit for their small income generating projects such as embroidery, boutique, screen printing, doll making, artificial flower making, gift items, printing-based small industries, jute and cane products, plastic goods, fast food and food processing.

The bank has achieved the Asian Banking Award 2004 for its women entrepreneurship devel-



Murshid Kuli Khan

opment programme which was presented at the competition jointly arranged by Asian Bankers Association (ABA) and Bank Marketing Association of the Philippines (BMAP) recently.

"The programme was highly appreciated during the competition," Khan said. Forty-nine banks from 15 Asian countries took part in the competition with a total of 107 entries.

The Janata Bank managing director said the loan programme is being implemented through 34

designated branches of Dhaka city, divisional cities, and old and new district headquarters.

The recovery rate of this scheme is 99 percent.

"Sixty percent of the beneficiaries of our microcredit programmes is women," said the CEO.

He said Janata Bank is already involved in financing small and medium enterprises (SMEs), small business development and agro-based industries considering the fact that growth in these sectors is vital for a stable economy.

The bank is extending loans to a range of sectors like food processing, textile, paper board, printing and packaging, leather and leather products, chemicals, glass, pharmaceuticals, ceramic, malamine, engineering, cement and infrastructure.

"Another priority area we have chosen is information technology (IT)," the managing director said. "We are providing loans to entrepreneurs in software industry."

For the development of IT sector, he said, the bank is now planning to provide loan to set up satellite earth stations in private

sector.

Khan said the bank has already set up two divisions -- Small & Medium Enterprise (SME) Division and Micro Enterprise & Special Programme Division -- for supporting the SMEs and agro-based industries.

Agro-based industries such as dairy, poultry, fishery, hatchery, animal feed industry, seed production, balanced fertiliser production, flower cultivation and nursery are getting credit facilities from the bank.

About other loan programmes, the managing director said the bank is also providing financial support to infrastructure projects. "We have already financed some small power plants and some others are now in the pipeline."

Recently the bank introduced a small development business financing scheme under which small entrepreneurs are getting loans up to Tk 3 lakh without collateral for expansion and modernisation of their shops.

During the last six months, the bank has increased its capital to Tk 465 crore from Tk 149 crore, the Janata Bank CEO said.

Renata plans to set up two pharmaceuticals plants by '05

Renata Limited, a local pharmaceuticals company, plans to set up at least two new medicine plants by the end of 2005.

Chairman of Renata Limited S H Kabir made the announcement at the 31st annual general meeting of the company held in Dhaka on Wednesday, says a press release.

Renata Limited declared 50 percent cash and 20 percent stock dividends (bonus share 1:5) for its shareholders for the year 2003 at the meeting.

The meeting was informed that during 2003, combined turnover of the company grew by 21.8 percent and net profit grew by 45.5 percent. Earning per share (EPS) stood at Tk 227.07 compared to Tk 156.09 in the year 2002.

Renata introduced nine new pharmaceutical products in 2003.

Among others, directors of the company Sarwar Ali, Md Ziaul Hoque Khondker, AH Khan, Sajida Humayun Kabir, Managing Director Syed S Kaiser Kabir, Company Secretary Md Shafiq Alam and senior executives were present at the meeting.

Green Delta Ins declares 35pc dividend

Green Delta Insurance Company Ltd has declared a 35 percent dividend for its shareholders for the year 2003.

The declaration was made at the company's 18th annual general meeting held in Dhaka on Thursday, says a press release.

AQM Nurul Absar, chairman of the company, presided over the meeting. Among others, Nasir A Choudhury, managing director, was also present.

During the year 2003 the company earned gross premium of Tk 430.30 million. Its assets increased to Tk 752.18 million and reserve rose to Tk 299.24 million. The company's investment income also increased to Tk 49.17 million.

Aramit Group achieves ISO 9001: 2000

Aramit Thai Aluminium Limited has been awarded with ISO 9001: 2000 certificate as an international recognition from Orion Registrar, Inc, USA.

Saifuzzaman Chowdhury, managing director of Aramit Group, received the ISO certificate from Ari Abrams, representative of Orion Registrar, at a function held in Dhaka recently, says a press release.

The certificate was given for international standard quality, manufacturing system and proper marketing and selling policy of the company.

Sri Lanka's Q1 growth seen slowest in 2 yrs

Sri Lanka's economic growth probably slowed to 5.2 per cent in the year through the first quarter, its weakest in two years, weighed down by political worries and a lacklustre banking sector, analysts said Thursday.

The central bank is due on Tuesday to report GDP figures for the quarter ending in March. The economy expanded 6.9 per cent in the year through the fourth quarter.

Banking sector growth was more modest than had been expected in the first quarter owing to narrowing interest rate margins which hit income, but other key sectors were in line with expectations, said Hasitha Premaratne, an analyst at HNB Stockbrokers.

The analysts' forecast was lower than a central bank forecast of 5.8 per cent growth for the year through the first quarter.

The central bank cut its forecast for 2004 GDP growth by half a percentage point to 5.5 per cent in April and then again last week to five per cent, analysts forecast 2004 growth of just over five per cent, supported by continued growth in the services sector and tourism.

But analysts said uncertainties over the policies of the minority government, elected in early April, could threaten growth and investor confidence this year.

The rise in global oil prices and the rupee's depreciation are also dragging on economic growth, said Lanka Orix Securities research manager Vajira Premawardhana.

INDO-BANGLA BUYER-SELLER MEET FROM TODAY IN DHAKA

Businesses to identify potential joint venture

STAR BUSINESS REPORT

Small and cottage industries entrepreneurs from Bangladesh and India will identify potential sectors for setting up joint venture industries as they take part in a two-day buyer-seller meet that begins in Dhaka today.

National Association of Small and Cottage Industries of Bangladesh (NASCIB) is hosting the meet to be participated by a 21-member delegation from Federation of Associations of Cottage and Small Industries (FACSI), West Bengal.

Advisor to the Ministry of Commerce Barkat Ullah Bulu will formally inaugurate the meet at the

Scout Bhaban. Indian High Commissioner to Bangladesh Veena Sikri will also attend the inaugural function.

FACSI President Debabrata Ghosh said they have come here to find out ways to increase trade between the two countries and 'not to sell only their products.'

"There are many items in Bangladesh that could attract Indian importers. Hosiery and garments, melamine and ceramic products are some of these products," he said speaking at a press conference held at a local hotel yesterday.

The FACSI president said they will organise a three-day small entrepreneurs' meet in Kolkata

from December 1 this year to promote business in the region. It will be participated by entrepreneurs from all the South Asian nations.

During the two-day buyer-seller meet, Indian entrepreneurs will promote their electronic items, jute goods, machinery, plastic goods, textile and chemical items. After the meet, the delegation will go to Chittagong to meet local businesspeople.

NASCIB President Mirza Nurul Ghani Shovon said there is a huge prospect of Bangladeshi products in the Northeastern Indian market.

Vice-president of the association Masuda M Rashid Chowdhury also spoke at the press conference.

TAX OFFICIALS' AUTHORITY TO ARREST VAT DODGERS

Shop owners demand repeal of NBR order

STAR BUSINESS REPORT

A section of shop owners demanded scrapping of the Statutory Regulatory Order (SRO) of the National Board of Revenue (NBR) that empowers tax officials to take VAT defaulting businessmen into the custody with the help of police.

The demand was made at a protest rally organised by Dhaka Metropolitan Shop Owner's Association (DMSOA) at Motijheel in Dhaka on Thursday. The protestors also formed a human chain to press home their demands.

The DMSOA gave an ultimatum to enforce a nationwide dawn-to-dusk strike on July 5, if their demands are not met by June 30.

The shop owners termed the NBR order a tool to harass busi-

nessmen and tarnish their image in the name of collecting value-added tax (VAT).

"If we (businessmen) refuse to pay bribe to the dishonest tax officials, police will arrest us by dint of this order," said Helal uddin Helal, president of DMSOA, at the protest rally referring to the NBR order issued on June 10.

Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) President Abdul Awal Minto expressed solidarity with the shop owners' demand and assured them of discussing the issue with NBR officials.

Abul Kashem Haider, vice-president of FBCCI, and Amir Hossain Khan, president of the Bangladesh Shop owner's Association, also addressed the rally.

Oil prices fall on hopes of end to Norway strike

AFP, London

Oil prices retreated Friday as the Norwegian government stepped in to resolve a strike that has hit output from the world's third-largest exporter.

The price of benchmark Brent North Sea crude oil for delivery in August fell by 20 cents to 35.10 dollars in early trading.

New York's reference light sweet crude for August delivery dropped by 37 cents to 37.56 dollars in pre-opening electronic deals.

The Norwegian government intervened to halt a week-long escalating strike in the country's oil sector by enforced mediation between unions and employers.

"The dispute on the Norwegian shelves is over," the Labour and Social Affairs ministry said in a statement.

"In parallel, it has been decided that continued strike action and the lock-out are prohibited," it said.

The trade union Olljearbeidernes Fellesammenslutning (OFS) on Wednesday vowed to step up its action from midnight on Sunday (2200 GMT).

The move would have forced the daily Norwegian output down to just 75 percent of the usual capacity of around three million barrels per day. Employers meanwhile announced Thursday a lock-out of striking workers.

Even before news of the Norwegian government's intervention traders had been optimistic about the chances of a swift resolution.

"There is a building feeling that the strike in Norway will be short-lived and that the government will intervene and therefore the interruption of supplies will be very limited," Commerzbank analyst David Thomas said.

US economy grows 3.9pc in first quarter

AFP, Washington

The US economy grew at a 3.9 percent annual pace in the first quarter of 2004, dramatically slower than earlier estimates, new government figures showed Friday.

Estimates of inflation were ratcheted higher.

The US economy braked from an expansion of 4.1 percent in the last quarter of 2003, revised Commerce Department figures showed. Previously, the data showed an acceleration to 4.4-percent growth.

"It was a little weaker than expected but nothing too serious," said BMO Financial Group senior economist Sal Guatieri.

"There still appears to be a lot of underlying strength in domestic demand."

The news was released shortly before Federal Reserve chairman Alan Greenspan and fellow policymakers meet to raise key short term rates for the first time in four years.

The Federal Open Market Committee is near certain to raise the federal funds target rate by a quarter of a percentage point to 1.25 percent when their next two-day meeting ends Wednesday.

The revised economic report "would probably weigh against a more aggressive move," Guatieri said.

Inflationary pressures were ratcheted up. A measure of prices paid by consumers -- the so-called personal consumption expenditure index -- rose at 3.2 percent in the quarter.

WTO chief eyes trade framework deal next month

AFP, New Delhi

World Trade Organization chief Supachai Panitchpakdi said Friday he sees a new flexibility among member countries, giving hope that a framework agreement can be reached next month on reviving global free-trade negotiations.

Supachai was speaking after talks with the new left-leaning government of India, a leader of a developing nation bloc pushing rich countries to slash agriculture subsidies.

"The signs we have been receiving is that all the countries could not yet agree on convergence. They have been giving different options. They are trying to be flexible and that gives me good hope," Supachai told reporters when asked if the July deadline would be met.

Liberalisation talks broke down in September at a ministerial-level meeting in Cancun, Mexico, mainly over the issue of farm subsidies. WTO members then gave themselves by the end of July to reach a framework on resuming the talks.

"I would say at the moment negotiations are still going on with the hope that we still have a good opportunity to narrow down the differences," the WTO chief said.

"I have tried to emphasise to the ministers that we need to map out a work programme until July 2004 carefully because we need to have this package by the end of July," he added.

S'pore economic outlook bright, IMF chief says

AFP, Singapore

Singapore's outlook is bright due to a strong global economy, IMF managing director Rodrigo Rato said Friday after meeting with the city-state's senior financial officials.

"Given the strong external environment, the outlook for economic growth in 2004 and beyond is bright," the new International Monetary Fund (IMF) chief said in a statement.

He was in Singapore on a one-day visit, the third leg of an Asian swing that also took him to Japan and China. He will visit Vietnam on Saturday.

The trip is Rato's first visit to the region as managing director since taking office on June 7.

Rato's statement confirms buoyant projections for the Singapore economy which the government says could grow between 5.5 and 7.5 percent this year. Some private sector economists say the growth could reach 8.0 percent.

Rato said he looked forward to Singapore's hosting of the World Bank/IMF Annual Meetings in 2006, which will gather the world's top finance and central bank officials.

Rato, a former Spanish finance and economy minister, said he discussed possible risks to the global economy during a meeting with influential Senior Minister Lee Kuan Yew and Deputy Prime Minister and Finance Minister Lee Hsien Loong.

GOLDEN HANDSHAKE SCHEME

First batch of Mongla Port dock workers paid off

STAFF CORRESPONDENT, Khulna

The government has paid off all the due salaries and benefits of the first batch of Mongla Port dock workers brought under a voluntary retirement scheme.

A total of 53 dock workers were given cheques of different amounts under the golden handshake programme at a function at Mongla Port Sramik Sangha office on Thursday.

Shipping Secretary Ismail Jabihullah handed over the cheques. The function was attended, among others, by Mongla Port Authority (MPA)

Chairman Commodore (ret'd) M Khurshid Alam, Chairman of the Labour Managing Board Khalilur Rahman and high officials of district administration.

The government has sanctioned Tk 12 crore as loan to the Labour Managing Board of the port for paying off a total of 1,122 dock workers under the scheme.

Meanwhile, a 12-member 'Port Security Committee' has been formed at the port under the International Shipping and Port Facility Security (ISPS) code implementation programme.

Mongla Port and five other industries will come under ISPS

programme. They are Meghna Cement Mills and LPG Ltd, Mongla Cement Factory, Holcim Bangladesh Ltd, Summit Surma Petroleum Company Ltd and Dubai Bangladesh Cement Mills Ltd.

The objective of ISPS code is to ensure security of foreign vessels, the shipping secretary said while introducing the system on Thursday afternoon.

From now on, none will be allowed to enter the port jetty without showing identity card and security pass. "This will help carry out export-import activities under tight security," a port official said.



PHOTO: RENATA LTD

Chairman of Renata Limited S H Kabir presides over the 31st annual general meeting of the company held in Dhaka on Wednesday. The company has declared 50 percent cash and 20 percent stock dividends (bonus share 1:5) for its shareholders for the year 2003. Among others, directors of the company Sarwar Ali, Md Ziaul Hoque Khondker, A Hasant Khan, Sajida Humayun Kabir, Managing Director Syed S Kaiser Kabir, and Company Secretary Md Shafiq Alam were present.

Southeast Asian growth safe for 2004, but risks in '05

AFP, Singapore

A Chinese economic slowdown, a rise in US interest rates and surging oil prices will not be enough to scuttle robust Southeast Asian growth this year, investment bank Morgan Stanley said Friday.

The Chinese slowdown could, however, have its full impact on the region in 2005 and is the most serious risk to growth during that year, it said in a report.

"China's slowdown, an imminent (US) Federal Reserve rate hike and a continued surge in oil prices are three wild cards confronting Southeast Asia's cyclical growth prospects," the report said.

"In our opinion, none of these wildcards seem potent enough to debilitate Southeast Asian growth in 2004. Still, a sustained oil price

surge coupled with a China slowdown could prove to be a bitter pill to swallow."

Oil prices could possibly ease and regional central banks are expected to follow the US lead to raise interest rate hikes only later in the year, leaving the Chinese threat as the most serious challenge to the region's export-oriented economies, it said.

"With the thrust of that impact (of China's slowdown) lying squarely in 2005, we think it is safe to say that our 2004 estimates are robust but we are keeping our fingers crossed for 2005," Morgan Stanley said.

Singapore's economy grew 7.5 percent on year in the first quarter, with Malaysia turning in 7.6 percent, Thailand 6.5 percent, Indonesia 4.5 percent and the

Philippines a surprising 6.4 percent.

"This makes our 2004 forecasts for Southeast Asian countries look extremely robust and we believe there may be room for further upgrades in the case of Singapore, Malaysia and the Philippines," it said.

Morgan Stanley is forecasting 6.4 percent growth in Singapore for 2004, 5.7 percent for Malaysia and 4.5 percent for the Philippines. For Indonesia, it expects growth of 4.5 percent and Thailand 7.0 percent.

For 2005, the growth rate forecasts are lower, with Thailand seen expanding at 6.0 percent, Singapore 3.5 percent, the Philippines 4.0 percent, Malaysia 4.8 percent and Indonesia at 4.5 percent.