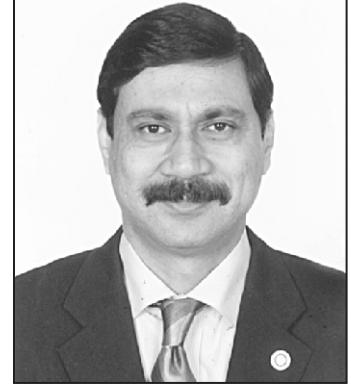


# Star BUSINESS

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AmCham's  
new president,  
vice president



## Access to rural finance project to help farmers proposed

WB for re-capitalisation of BKB, RAKUB

REJAU KARIM BYRON

The World Bank (WB) has proposed a new project to increase access to finance for the small farmers and rural micro and small enterprises (MSEs) through reform in two government-run specialised banks for agriculture and creating funds for natural disasters.

A consultant will carry out a re-capitalisation plan of the state-run specialised banks for agriculture, Bangladesh Krishি Bank (BKB) and Rajshahi Krishি Unnayan Bank (RAKUB), with a proposal for a new weather insurance product.

The project will also sponsor the creation of an appropriate financing mechanism and technical assistance to the commercial banks so that the selected banks can reach out profitably to the micro and small enterprises (MSEs).

Referring to the fact that for every Taka of deposit collected in rural Bangladesh, only half a Taka

is on-lent in rural areas, the WB aid proposal said private banks are virtually non-existent in the rural financial market, while micro finance institutions (MFIs) account for roughly 30 percent.

The WB said the nationalised commercial and two specialised agriculture banks disburse about 60 percent of the rural lending (in volumes).

The lending volume to agriculture and small business from banks has been decreasing, while micro finance lending has marked a rise in the rural areas, the WB study found.

It said limited products have been developed for small and medium farmers and micro and small enterprises.

In fact, neither micro and small enterprises, nor small and medium farmers are the traditional clients of micro finance institutions, the study revealed.



### New chairman of sugar, food industries corp

Kabir M Ashraf Alam, additional secretary to the government, took over as the chairman of Bangladesh Sugar and Food Industries Corporation under industries ministry on May 17, 2007.

Prior to this assignment, he was the divisional commissioner of Khulna, says a press release.

A Master in public administration from Dhaka University, Ashraf Alam was also the chairman of Trading Corporation of Bangladesh.

### Bangladesh Lamps declares 30pc cash dividend

Bangladesh Lamps Ltd, the official licensee of Philips Electronics NV Holland for lighting products and manufacturer of Philips brand electric bulbs, has declared a 30 percent cash dividend.

The announcement came at the 46th annual general meeting (AGM) held on Sunday in Dhaka, says a press release.

Chairman and Managing Director of Bangladesh Lamps Ltd Latifur Rahman (4-L) presides over the 46th annual general meeting (AGM) of the company on Sunday in Dhaka. Directors Saifur Rahman, Shamsur Rahman, Shahnaz Rahman, Obaidur Rahman Khan, Atiqur Rahman and Ahmed Shafi Choudhury are also seen.

Another WB mission is due in Dhaka in July to discuss with the government for pre-appraisal of the Access to Rural Finance project.

According to the World Bank, through linkage with Palli Karma Sahayak Foundation (PKSF), the project will assist the microfinance sector to develop a robust computerised system that can accommodate the upscaling of its operations

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## Long-term plan for jute sector development underway

Says industries adviser

### STAR BUSINESS REPORT

The government has conducted a study to find out problems of the jute mills in the public sector aiming to revive the mills, said Industries Adviser Geeteara Shafiq Choudhury.

"The jute sector is in a horrible stage. There are huge ghost workers in the public jute mills. All of them will be identified by the study. And then we will decide how the jute sector will go further," she said, adding that a long-term plan for the development of the jute sector is being worked out.

The adviser was speaking at a seminar titled 'National Budget for 2007-08: What's in the basket for SMEs,' organised by the Economic Reporters Forum (ERF) in partnership with Catalyst.

"We are trying to communicate with them so that they come to

Bangladesh again as jute products

now marked an improvement," she said.

The adviser stressed the need for

developing the small and medium

enterprises in the interest of the country's economic development.

She said the people, especially the women, who have not enough money for bigger enterprises, are the main engine behind the growing SME sector.

A long-term plan for the SME sector is needed so that it runs smoothly and contributes to the country's economy significantly, she suggested.

In his paper Gupta recommended rationalisation of duties for industrial raw materials, intermediate and finished products.

He also laid emphasis on the central bank's refinancing for the SME sector.

Budgetary allocation for technical support, skill training and quality control for the SME development is also needed, he said.

## Mutual Trust Bank approves 20pc cash, 5pc stock dividends

Mutual Trust Bank Ltd has approved a 20 percent cash dividend and a 5 percent stock dividend for the year 2006.

The approval came at the eighth annual general meeting (AGM) of the bank held on Thursday in Dhaka, says a press release.

Chairman of the bank Syed Manzur Elahi presided over the AGM, which was also attended by directors Arif Dowla, MA Rouf, MA Malek, Rashed Ahmed Chowdhury, Yasmine Haque, Anjan Chowdhury, Kh Rashiduzzaman and Nasir Ullah, Sponsor Shareholder Samson H Chowdhury, Managing Director Kazi Md Shafiqur Rahman and senior officials among others.

## Opec urged to pump more oil to avoid record prices

AFP, London

The Organization of Petroleum Exporting Countries (Opec) must increase supplies to avoid oil prices spiking to record levels, the Centre for Global Energy Studies said in a report published Monday.

"The world needs more oil than Opec seems willing to supply, making it difficult to avoid another surge in oil prices over the coming summer," the influential energy research group said in a monthly report.

"Far from being 'in balance' as Opec suggests, the oil market is experiencing a period of high price volatility that will persist as long as producers continue to seek prices above \$60 dollars per barrel."

Last Friday crude futures reached an eight-month high

above 70 dollars per barrel in London, as traders saw no end to concerns over tight supplies caused by unrest in key crude producer Nigeria and tight US supplies of gasoline or petrol, traders said.

In July and August last year, amid an already tight supply situation, prices had surged to all-time highs above 78 dollars per barrel on concerns about geopolitical instability in key producing regions -- particularly Iran.

The International Energy Agency (IEA) energy watchdog, meanwhile, had revealed last week that it plans to ask oil exporters' cartel Opec to increase output by the middle of the year to avoid a cut in stocks.



The eighth annual general meeting (AGM) of Mutual Trust Bank Ltd was held on Thursday in Dhaka. Chairman of the bank Syed Manzur Elahi presided over the AGM, which was also attended by directors, managing director and senior officials among others.

Syed Ershad Ahmed has been elected the new president of American Chamber of Commerce (AmCham) in Bangladesh with effect from May 15, 2007.

Besides, Trevor MacDonald has been elected vice president of the chamber, says a press release.

Ershad Ahmed, who was vice president of the chamber prior to taking over as the new president, is the managing director of Expeditors (Bangladesh) Ltd, a subsidiary of Expeditors Int'l of Washington Inc, a global logistics solution provider.

Trevor MacDonald is general manager of Dhaka Sheraton Hotel and was a member of the executive committee of AmCham before being its vice president.

**Square to export medicine to UK**

BSS, Dhaka

Square Pharmaceuticals Ltd has got permission to export medicine to the United Kingdom (UK).

Executive Director (Operation) of Square Pharma, one of the leading pharmaceutical companies of the country, Parvez Hashim said this at a press conference in Dhaka on Sunday, while Director (Marketing) Saiful Islam and Deputy General Manager Mizanur Rahman, among others, were present.

"The Medicine and Healthcare Product Regulatory Agency of the UK after conducting various tests for one and a half years has certified Square to export its pharmaceutical products," Parvez Hashim said.

It has also created an opportunity for Square to export its pharmaceutical products to other European countries, he added.

The company has already completed all the necessary preparations for exporting medicine to the UK, the Square executive said, adding that there is a US\$170-billion market for pharmaceutical products in Europe.

## Indices slide on profit taking

STAR BUSINESS REPORT

After eight days of steady gains, price indices on the Dhaka Stock Exchange (DSE) slipped back yesterday as investors rushed to take profits.

The DSE General Index went down by 32.91 points, or 1.7 percent, ending the day at 1,894.13 points, while the DSE All Share Price Index declined by 25.05 points, or 1.55 percent, finishing the day at 1,591.03 points.

The turnover also fell down slightly on the premier bourse. The total turnover came down to Tk 156.36 crore yesterday from Tk 160.70 crore of the previous day.

Losers dominated the gainers on the bourse. Of the issues traded, 69 advanced, 128 declined and 16 remained unchanged. A total of 1,012,507 shares changed hands on the DSE.

"It is a good sign that the market is not just witnessing upward trend, but experiencing 'downtrend' as well," said DSE Chief Executive Officer Dr Salahuddin Ahmed Khan.

## Good corporate governance to boost investors' confidence

DCCI seminar told

STAR BUSINESS REPORT

Speakers at a seminar yesterday stressed the need for promoting effective corporate governance in the country to boost investors' confidence.

They said the capital market in Bangladesh is still at an emerging stage with market capitalisation amounting to only 6.5 percent of GDP, while neighbouring countries like India, Pakistan and Sri Lanka enjoy much higher rates of market capitalisation.

Lack of investor confidence caused by inadequate practice of corporate governance is primarily responsible for such situation, the speakers observed, according to a press release.

They were speaking at a seminar on 'Corporate Governance in Bangladesh: How Best to Institutionalise it' organised by Dhaka Chamber of Commerce & Industry (DCCI) in cooperation with Center for Private Enterprises (CPIE), an affiliate of US Chamber of Commerce, in the capital.

DCCI President Hossain Khaled chaired the seminar while Shahab Enam Khan of Jahangirnagar University presented the keynote paper.

Shahab Khan in his keynote paper said due to the small size of market capitalisation in Bangladesh, most of the companies here depend on the banks as

their major source of financing.

In order to overcome this situation, he suggested that the provision for companies' disclosure of information be made a pre-requisite.

DCCI Senior Vice President M Shahjahan Khan, former president M A Momen and the directors were present among others, the release adds.

**UAE minister visits Warid Telecom office**

Visiting Labour Minister of the United Arab Emirates Dr Ali Bin Abdullah Al-Kaabi yesterday paid a visit to the office of Warid Telecom, the recently launched fifth private mobile phone operator of the country, at Shyamoli ASA Centre in Dhaka.

During the visit, he expressed satisfaction over the business centre and customer support centre of Warid Telecom, a concern of UAE-based business consortium Abu Dhabi Group, according to a press release.

As per a memorandum of understanding signed with Bangladesh government in 2005, Abu Dhabi Group has pledged to invest US\$ 750 million in the country's telecoms sector and another \$250 million in pharmaceuticals, hospitals and energy sectors.



Mahbubul Alam Tara, chairman of National Credit and Commerce (NCC) Bank Ltd, inaugurates the relocated Jessore branch of the bank on MK Road recently. Md Nurul Amin, managing director, and senior officials of the bank were present among others.