

Star BUSINESS

E-mail: business@thedailystar.net

Seminar on MICR tech for bank cheque clearing held

A seminar on MICR technology for bank cheque clearing was held in Dhaka on Sunday where representatives from 49 commercial banks were present, says a press release.

The central bank is going to introduce the MICR (magnetic ink character recognition) technology for bank cheque clearing and processing in March next year. The technology will help authorities carry out clearing and processing activities more quickly.

All scheduled banks will include MICR code in their cheques under the Bangladesh Bank rules.

National Cash Register (NCR) Pakistan, Bangladesh and Afghanistan region Managing Director Wahab Haider was present as chief guest at the seminar. NCR Vice President GB Shankar was also present.

The seminar was told that Technomedia Ltd has been working for two years as NCR Bangladesh representative.

Speakers at the seminar also welcomed Bangladesh Bank initiative for introducing the MICR technology for modernising banking activities.

India Inc makes foray into Pak market

ANN/ THE STATION

India Inc is steadily making inroads into Pakistan with as many as 424 Indian companies, manufacturing consumer goods, registering their products with Trademark Registry of the Intellectual Property Organisation in this country.

There had been substantial increase in registration of trademarks by the Indian firms with the opening of formal trade between the two countries in 2003, a newspaper quoted officials as saying.

Forty-five Indian products were registered with the Trademark in 2003, 92 in 2006 and about 43 in the first six months of 2007. The registration of Indian products began in Pakistan in 2001 and 42 companies obtained trademark registry.

As many as 45 Indian products were registered in the class of products falling under pharmaceuticals, veterinary preparations, sanitary preparations for medical purposes, food for babies, material for stopping teeth, dental wax, disinfectants, fungicides and herbicides.

Trademark Registry director, Mohammad Mohsin said that the department provided full protection to products made in India or elsewhere without any discrimination against imitations sold in the local market.

9 NBFIs to come under lens

BB concerned at high bad debt

STAR BUSINESS REPORT

The Bangladesh Bank (BB) has decided to monitor the activities of 9 non-banking financial institutions (NBFIs) as classified loans and provision shortfall of those went alarmingly high.

In a meeting with the leasing companies in Dhaka yesterday, BB Governor Dr Salehuddin Ahmed expressed his concern over such rise and asked the NBFIs for forming a special recovery cell to realise the bad debt.

The central bank chief also wanted the NBFIs to strengthen their activities at this transition period of Bangladesh economy. Presently, the total number of NBFIs is 28.

During the meeting, the governor made a suggestion that the leasing companies can come forward with more easy term loans for housing facilities, small and medium enterprises (SMEs) and women entrepreneurship.

"If necessary, Bangladesh Bank will increase its refinancing facility to the NBFIs," Dr Salehuddin said.

According to the BB report put up at yesterday's meeting, as on March 31, 2007, of the total outstanding

loans of First Lease International Limited, 31.89 percent is marked as classified loans, while of the total outstanding loans of International Leasing and Financial Services Limited, 11.79 percent went classified.

Besides, classified loans of Prime Finance and Investment Limited stood at 11.17 percent of its total outstanding loans.

Out of total outstanding loans of Saudi-Bangladesh Industrial and Agricultural Investment Company Limited, 31.46 percent has been marked classified, while the provision shortfall of the company is Tk 11.45 crore.

The amount of classified loans of the Industrial Promotion and Development Company of Bangladesh Limited reached 22.86 percent of its total outstanding loans, while its provision shortfall is Tk 6.37 crore.

Classified loans of Oman Bangladesh Leasing and Finance Limited stood at 16.76 percent out of its total outstanding loans, while the company's provision shortfall is Tk 3.96 crore.

Of the total outstanding loans of Islamic Finance and Investment Limited, 12.05 percent is classified

and Tk 1.69 crore provision shortfall.

Tk 2.94 crore is the provision shortfall of Uttara Finance Investment Limited, while Fareast Finance and Investment Limited's is Tk 2.05 crore.

The central bank also asked six leasing companies to float shares in the capital market through initial public offering (IPO).

These companies are Industrial and Infrastructure Development Finance Company Limited, Fareast Finance and Investment Limited, GSP Finance Company (Bangladesh) Limited, Bay Leasing and Investment Limited, National Housing Finance and Investments Limited, and Delta Brac Housing Finance Corporation Limited.

The NBFIs told the governor that floating shares of the companies is under process. However, the BB governor felt it necessary to faster the process.

Referring to some commercial banks' lease financing activities, the NBFIs pointed out that cost of funding of the leasing companies is much higher than that of the banks.

The NBFIs also appealed to the central bank for lifting to withdraw up-front tax on interest income from investment on bonds.

FDI in China up 17.8pc in July

AFP, Beijing

Foreign direct investment into China in July reached 5.04 billion dollars, a rise of 17.8 percent from the same month a year earlier, the government said Monday.

In the first seven months of 2007, foreign direct investment rose 12.9 percent from the same period in 2006 to 36.93 billion dollars, the commerce ministry said on its website.

Last year actual foreign investment in China was 69.5 billion dollars, down 4.1 percent from 2005.

Foreign direct investment, along with booming exports, are among the top factors resulting in China's massive build-up in foreign exchange reserves.

The Chinese foreign exchange reserves, the largest in the world for more than a year, hit 1.33 trillion dollars by the end of June.

Wal-Mart to help Indian retailers

ANN/ THE STATESMAN

Retail giant Wal-Mart, which has joined hands with Bharti Group for back-end business, is in talks with 'big' organised retailers in India for providing technical expertise in front-end operations and is expected to announce a deal by next year.

"Few players have approached us for technical expertise. We are in talks with some big players in Indian retail space for it," Wal-Mart country president India Raj Jain said.

Asked to specify, he refused to name the other parties which are in talks with it but said, "These are existing retailers with a few crore (rupees) of turnover and 50 to 100 stores." Jain said a deal on providing technical expertise for front-end operations with one of them could be announced next year, when the first wholesale store of Bharti-Wal-Mart opens.

On the possibility of extending its expertise to the Future Group or Reliance Retail, he said, "I don't know what kind of expertise they would require." As per Wal-Mart's agreement with Bharti Group, besides the joint venture operations, it will also extend technical expertise for various process and systems to Bharti Retail.

Jain said providing technical expertise to Bharti Retail was not exclusive and the joint venture can provide its services to other retailers.

"There is a market for consultancy. We are open to providing it to other retailer, even to local kiranas," he said, adding many companies entering the retail segment were facing problems in the supply chain.

BB chief links proper post-flood rehabilitation to 7pc GDP growth

STAR BUSINESS REPORT

The central bank governor, Salehuddin Ahmed, yesterday said it is possible to achieve the estimated GDP growth if post-flood rehabilitation programmes are implemented properly.

The Bangladesh Bank (BB) governor, however, said it will be difficult to contain the rising inflation rate unless the country increases agricultural production.

Salehuddin was talking to reporters after a meeting with non-banking financial institutions (NBFIs) at the central bank office.

A recent report of the World Bank apprehended that GDP growth of Bangladesh for the current fiscal year may come down to 6.8 percent due to the flood when the estimated growth is 7 percent.

The BB governor said an investment-friendly environment is prevailing in the country and credit flow of the banks has increased in recent days.

"Liquidity has been reduced by around Tk 1,000 crore, which is now about Tk 9,000 crore," he said.

He said the biggest challenge is to stimulate production so that the huge amount of farm loan, if disbursed as per target, does not have adverse impact on the money supply.

Salehuddin said the central bank is encouraging the commercial and

specialised banks to achieve farm loan disbursement target to stimulate crop output.

The banks have so far made a target to disburse agriculture credit of Tk 7,700 crore, of which Tk 1,100 crore will be distributed by the private banks.

Salehuddin said the central bank will request the nationalised, specialised and private commercial banks to open their own monitoring cells to ensure bank-wise supervision and proper disbursement of the agriculture credit.

At the same time, the central bank is encouraging imports of food item, which he expects will have a positive impact on the money supply. He also stressed the need for encouraging investment to mitigate the pressure on the money supply.

Replying to a question, the central bank governor said the BB has nothing to do with the decision by Bangladesh Krishi Bank (BKB) and Rajshahi Krishi Unnayan Bank (RAKUB) to raise interest rates on agriculture loans from around 8 percent to 12 percent.

He however said the central bank will request the banks the interest rate on agriculture credit should not be more than that of the industrial loan.

PepsiCo to buy top Russian juice maker

AFP, Moscow

US snack and beverage giant PepsiCo plans to buy 76 percent of Russia's largest juice maker, Lebedyansky, and is ready to pay up to two billion dollars, business daily Kommersant reported Monday.

PepsiCo is in final negotiations over the purchase, which will be the largest ever in the global juice industry, Kommersant cited industry and investment bank sources as saying. "They have virtually agreed. The deal should be announced in September or October," the paper quoted a source close to the talks as saying.

Lebedyansky is majority owned by Russian parliamentarian Nikolai Bortsov and his son Yuri, and has a market capitalisation of nearly two billion dollars (1.46 billion euros).

Lebedyansky spokesman Alexander Kostikov told AFP: "We cannot comment on market rumours," while PepsiCo could not immediately be reached for comment.

Motorola wins \$394m China Mobile deal

ANN/ CHINA DAILY

Motorola Inc signed contracts worth \$394 million in the first half of the year to supply telecoms gear to China Mobile, the larger of China's two wireless carriers, the firms said on Monday.

Motorola, which in July posted its second straight quarterly loss, said it would book about three-fifths of the revenue from the contracts in the first half.

The US firm, long one of the largest foreign multinational investors in China, had been working with the Chinese operator for more than two decades, it said in a statement.

The contracts were for equipment operating under the GSM standard prevalent in Europe and Asia.

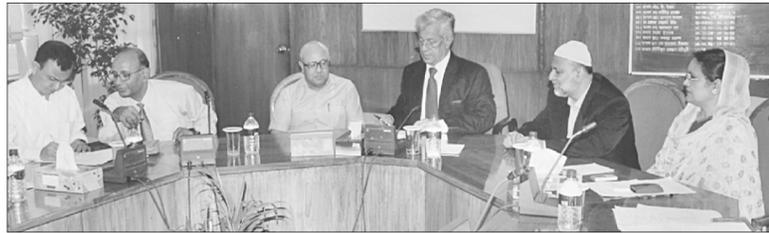


PHOTO: AGRANI BANK

Agrani Bank signed a loan recovery agreement with Financial Support Services Ltd on Sunday in Dhaka. Under the deal, which will remain effective for three years, Financial Support Services will recover bad loans of the bank on commission basis. Syed Abu Naser Bukhtear Ahmed, managing director and CEO of the bank, and Khandkar Ibrahim Khaled, chairman of Financial Support Services, among others, were present at the signing ceremony.

Asia's labour force to grow 200m by 2015: ILO

AFP, Geneva

Asia's economies face the challenge of finding jobs for an extra 200 million workers between now and 2015, according to a new International Labour Organisation (ILO) report out Monday.

It said the region will have its work cut out to improve the quality of

jobs on offer and ensure the benefits of Asia's future economic growth are distributed more evenly as the labour force, currently 1.8 billion, increases.

"One thing is clear: doing business as usual is not sustainable over the long term," said ILO Director-General Juan Somavia. "Asia is experiencing unprece-

dent growth and development.

"At the same time, vulnerabilities arising from environmental pressures, economic insecurity, shortcomings in governance and unequal income distribution pose a threat to the region's future development."

"Visions for Asia's Decent Work Decade: Sustainable Growth and Jobs to 2015", has been presented to an ILO Asian Employment Forum in Beijing running from Monday to Wednesday.

Government representatives, trade unionists and employers from some 20 countries in Asia and the Pacific will attend.

The report said the service economy would be the main source of new jobs and by 2015 would have become the biggest single sector employer, representing about 40.7 percent of the region's jobs.

It also predicted the share of industrial jobs would rise from 23.1 percent of the total jobs market in 2006 to 29.4 percent in 2015.

By contrast, agricultural jobs would by 2015 have declined to 29.4 percent of the market from 42.6 percent, said the report.

And that trend from rural to urban jobs would create greater wage inequalities between the classes of workers, part of a broader wage gulf between the extremely poor and other workers.

In fact the report identified the problem of the working poor - those living on less than two US dollars (1.5 euros) a day - as one of the major challenges facing the region.

More than one billion - 61.9 percent of the workforce - still worked in the informal "black" economy with little or no social protection.

While this was down from 67.2 of the workforce a decade earlier, it was still a cause for concern, said the report, especially since it was not expected to fall much further by 2015.

The report identified a number of other challenges facing the region including an ageing labour force, which in some countries meant that as many as one in four people would be over 65 by 2015; - increasing migration that would see millions of workers quitting Asia in search of jobs; the inability of wage growth to keep pace with labour productivity in some countries; long working hours becoming the norm in many parts of Asia.

"Meeting the challenges facing the region will require far-sighted thinking and careful planning," said Somavia.

Citibank sets up China's 1st drive-through ATM

ANN/ CHINA DAILY

Citibank has launched China's first drive-through automatic teller machines (ATM) in east Beijing - but only holders of bank cards issued abroad can use them for now.

Drivers could withdraw cash and make other transactions without getting out of their cars, said Anand Selva, the vice president with Citibank China.

"This is just an experiment," said a source with Citibank China, adding that the company would set up more such ATMs in Shanghai and other cities if it worked well.

Citibank ATMs provide services, including withdrawals, transfers and payments, only to holders of bank cards issued abroad as foreign banks are not yet allowed to issue their own cards in China.

"If approved by the China Banking Regulatory Commission, domestic bank card holders will be able to use the ATM network as well," the vice president said, without revealing when or whether the banking regulator would give the go-ahead.

Citibank has set up eight drive-through ATMs in Asia.

In 2005, Citibank and China Unionpay made an agreement, under which Unionpay cards are accepted by Citibank's ATMs in 35 countries and regions globally and Citibank's international cards are also recognized by more than 10,000 foreign card ATMs of China Unionpay.



PHOTO: A POSITIVE

Dhaka Bank Ltd shifted its Dhanmondi branch in the capital from Road No 4 to Road No 7 on Sunday. Chairman of the bank Khondokar Monir Uddin inaugurated the relocated branch, while directors, managing director and senior officials were present among others.