

Star BUSINESS

E-mail: business@thedailystar.net

Banks urged to offer loans to women entrepreneurs

STAFF CORRESPONDENT, BOGRA

President of Bangladesh Federation of Women Entrepreneurs (BFWE) Rokia Afzal Rahman yesterday urged the banks and financial institutions to provide loans for the women entrepreneurs, saying that even in case of failure to make profit, women always repay the loans in time.

She was speaking at a daylong workshop on 'Skill & Entrepreneurship Development of Women in Light Engineering Sector' at the head office of Thengamara Mahila Sabuj Sangha (TMSS), a non-government development organisation, in Bogra, says a press release.

TMSS Joint-Director Shahjadi Begum presided over the workshop where SEDF Coordinator Afifa Rahman, woman entrepreneurs Nazma Parveen and Afroza Begum, and managers of different public and private banks spoke.

Thirty-two women entrepreneurs took part in the workshop, which was organised with the support of TFC-International Finance Corporation.

Ensuring all-out support for the women entrepreneurs from the BFWE, Rokia Afzal Rahman suggested that women should be skilled enough to sustain in business.

Konka mobile phone sets hit market

Electro Mart Ltd, a marketer of electronic appliances, has recently introduced its new range of Konka brand mobile phone sets in the local market, says a press release.

The features of the new mobile phones include colour LCD display, CMOS camera, MP3/MP4 player, FM radio, GPRS, T-flash memory card expansion, bluetooth, TV-In/TV-Out and Java.

The seven new models -- C636FM, C676FM, D169, D266, D316, D365 and EC001FM -- are now available at any Electro Mart showroom and authorised dealers' sales centers across the country.

Pizza Hut Ctg celebrates 2nd anniversary

OUR CORRESPONDENT, Ctg

Pizza Hut Chittagong, the second outlet of country's pioneering pizza restaurant Pizza Hut, celebrated its second anniversary in the port city yesterday.

To mark the anniversary, the Pizza Hut authority organised a reception ceremony at its CDA Avenue outlet near GEC intersection.

Akku Chowdhury, executive director of Transcom Foods Ltd, inaugurated the ceremony while a brand new menu styled "Treat 95", was launched on the occasion.

"We are offering the menu especially considering the taste of the Chittagonians, who are enthusiasts of great foods," said Chowdhury.

Pizza lovers can enjoy a brand new line of hot and spicy pizzas with reasonable prices ranging from Tk 95 to Tk 150.

The menu offers different pizzas including Veggie Treat at Tk 95, Beef Treat at Tk 99, Chicken Treat at Tk 115 and chicken wings Tk 150. It also includes full meal for one and two starting from Tk 135.

Economy could grow 7pc in FY08 on back of reform

BB governor says

STAR BUSINESS REPORT

The country's economy could grow by at least 7 percent in the current fiscal year, said the central bank governor yesterday, although he warned that the recent floods posed a challenge to meeting this goal.

"The policy strategy recently initiated and the reform programmes undertaken by the government raised our hope that the economy could grow at least by 7 percent, though the recent flood which inundated a vast area of the country is one of the challenges facing us," said Dr Salehuddin Ahmed at a seminar in Dhaka.

According to him, another challenge to achieving such growth is inflationary pressure with the average inflation rate reaching 7.2 percent in June.

The Bangladeshi economy grew by 6.63 per cent in the fiscal year 2006-7.

The Bangladesh Bank (BB) governor was speaking as chief guest at the seminar on Hedging on Cotton Price Risk: Commodity Derivatives jointly organised by Bangladesh Textile Mills Association (BTMA) and Standard Chartered Bank.

Abdul Hai Sarker, president of BTMA, Osman Morad, chief executive officer of Standard Chartered Bank, and economist Abul Barakat also spoke. Girish Agnani, head of commodity derivatives, South Asia, Helen Henton, commodity



PHOTO: STAR

Dr Salehuddin Ahmed (C), governor of Bangladesh Bank, speaks at a seminar on 'Hedging on Cotton Price Risk: Commodity Derivatives' in Dhaka yesterday. Osman Morad (R), chief executive officer of Standard Chartered Bank Bangladesh, and Abdul Hai Sarker, president of Bangladesh Textile Mills Association, are also seen.

research expert from UK and Monwarul Hoque, commodity expert from Bangladesh, presented three keynote papers at the seminar.

The seminar outlined some major factors that drive commodity prices, especially the cotton price.

The BB governor said prices of cotton have historically been very volatile in the international market and concerns about the effects have led to efforts to stabilise commodity prices round the world.

Reasons for the volatility in the cotton price are many -- especially weather, the governor said, adding that reasons beyond the control of human beings may shake the market severely threatening survival and causing many businesses to leave the market.

To manage such risk, players of

commodity markets, especially commodity producers and users are increasingly relying on various commodity hedging instruments available in the international market, the governor said.

Hedge-fund traders for commodities should not only consider prices, production and supply chain of commodities in the producing countries and international market, but they must also consider other destabilising factors including the political situation in the domestic and global settings, the governor observed.

The BTMA president said inflation and political risks also influence prices of commodities. He said the role of speculators and fluctuation in exchange rates also influence the commodity price.

India on drive to attract more Malaysian tourists

XINHUA, Kuala Lumpur

India is expected to welcome an additional 50,000 Malaysian travelers to its shores this year, a 50 percent increase from 100,000 in 2006, as the second most populous nation promotes the country more aggressively, local media reported yesterday.

"A proactive tourism strategy has been taken since April 2007 by the Indian High Commission and India Tourism in Singapore," the acting High Commissioner of India

to Malaysia, Sanjay Panda, said after the launch of the Incredible India Travel Fair in Kuala Lumpur on Tuesday.

He expects a 25 percent year-on-year increase in arrivals from Malaysia from 2008. Malaysia is currently on the top 10 highest arrivals list. Special packages will be introduced to attract more tourists.

"There are areas in India where there is no rain during the monsoon and places with better hotel rates at this time," he said, adding that this

would be a favourable factor as tourists from Southeast Asia were especially price-sensitive.

Panda said this is in line with a change in policy to be more area specific-driven compared to previously when there was a general global policy for tourism.

"India is much more than South India (where Malaysians of Indian ethnicity tend to visit)," the New Straits Times quoted Panda as saying.



PHOTO: STAR

Rokia Afzal Rahman (2-R), president of Bangladesh Federation of Women Entrepreneurs, speaks at a workshop on 'Skill & Entrepreneurship Development of Women in Light Engineering Sector' in Bogra yesterday.

BB officials urged to monitor farm loan activities

STAR BUSINESS REPORT

Bangladesh Bank has asked its officials to monitor field level agriculture loan activities across the country.

The central bank wanted its officials to motivate commercial banks in rescheduling previous loans of farmers and issuing loans afresh.

In a circular issued yesterday the BB sought such a motivational work by the officials in the country's greater interest.

The BB will sit with executives of all private banks next week in this regard.

BB sources said all the public and private banks have set target of allocating around Tk 7,700 as agriculture loan, which is 21 percent higher than that in the previous year.

The foreign and local private banks have responded for the first time this year to the government call to disburse Tk1100 crore farm loans.

Mercantile Bank extends Tk100cr term loan to BRAC

Mercantile Bank Ltd has extended a Tk 100 crore term loan facility to BRAC, a leading non-government organisation, to finance the latter's various microcredit schemes.

The loan will be disbursed by the NGO among the landless and poor farmers with an aim to alleviate poverty.

An agreement to this effect was signed between the bank and BRAC on Tuesday in Dhaka, says a press release.

MA Shahjahan, deputy managing director of Mercantile Bank, and SN Kairy, director (Finance) of BRAC, signed the deal, while senior officials from both the sides were present.

ICDDR,B official wins int'l HR Leadership Award



Md Musharraf Hossain, president of Bangladesh Society for Human Resources Management and senior manager

(Human Resources) of International Centre for Diarrhoeal Disease Research, Bangladesh (ICDDR,B), has won 'HR Leadership Award' this year.

Musharraf has won the award, which will be given at Asia Pacific HRM Congress to be held in February next year, for his contribution to introducing HR practices in Bangladesh and in Asia, says a press release.

Arun Arora, president of the Indian Times and CEO of the Economic Times, is expected to hand over the award.

Reducing waste output protects environment, saves money: Experts

Wastewater treatment tech show ends today



PHOTO: STAR

A visitor enquires about a device at a stall at 'International Tradeshow of Water and Wastewater Treatment Technology' at Bangladesh-China Friendship Conference Centre in Dhaka on Tuesday. The fair ends today.

STAR BUSINESS REPORT

Reducing waste production and the more efficient use of energy not only helps the environment, but saves money, Bangladesh industrialists were told yesterday.

The claims were made at a seminar at the three-day 'International Tradeshow of Water and Wastewater Treatment Technology' which began at Bangladesh-China Friendship Conference Centre on Tuesday. Today is the last day of the fair.

To support the argument, the example of Hatil Complex Ltd, a prominent furniture manufacturer, was given. Hatil spent Tk 82 lakh implementing an Environmental Management System (EMS), an

investment that benefited the company by Tk1.2 crore within a year.

Besides saving money, EMS also helps protect the environment from pollution and creates a positive impression of the company to buyers, speakers said at the seminar, 'Cleaner Production Using Environmental Management System'. The seminar was organised by Waste Concern, a waste recycling and environmental improvement company.

EMS puts the stress on producing lower amounts of waste and the efficient use of energy rather than just finding ways to treat existing quantities of waste, said Maqsood Sinha, executive director of Waste Concern.

The seminar was told that a total

of 20 factories in Bangladesh have implemented EMS and eight others are preparing to adopt the measure.

"We need to improve our level of environmental awareness to offer a better world for the next generation", said chief guest Abdul Mazid, member of the Planning Commission.

"In line with the requirements of buyers we should have environmental compliance to continue our exports," Mahfuzul Haq, additional secretary to the Ministry of Commerce, said.

Jaasim Uddin, president of Bangladesh Plastic Goods Manufacturers and Exporters Association, also spoke in the function, among others.



PHOTO: MERCANTILE BANK

Mercantile Bank Ltd and BRAC, a leading non-government organisation, have entered into an agreement under which the bank has extended a Tk 100 crore term loan facility to the NGO to finance the latter's various microcredit schemes. MA Shahjahan, deputy managing director of the bank, and SN Kairy, director (Finance) of BRAC, signed the deal at a function on Tuesday, while senior officials from both the sides were present.



PHOTO: DBBL

Senior officials of Dutch-Bangla Bank Ltd (DBBL), Pubali Bank Ltd, Standard Bank Ltd and RAK Pharmaceuticals Pvt Ltd pose for photographs at a syndicated term loan agreement signing ceremony on Tuesday in Dhaka. Under the deal, DBBL with the help of the two banks has arranged a Tk 27.33 crore loan for RAK Pharmaceuticals.

DBBL arranges Tk27.33cr term loan for RAK Pharmaceuticals

Dutch-Bangla Bank Ltd (DBBL) with the help of two other banks has arranged a Tk 27.33 crore syndicated term loan for RAK Pharmaceuticals Pvt Ltd.

The DBBL is the lead arranger in the syndication, while other participating banks are Pubali Bank Ltd and Standard Bank Ltd, says a press release.

A syndicated term loan agreement to this effect was signed between the banks and the pharmaceutical company at a function in Dhaka on Tuesday.

Managing Director of DBBL Md Yeasin Ali, Managing Director of Standard Bank Mosharraf Hossain, General Manager of Pubali Bank M Mustafizur Rahman and Managing Director of RAK Pharmaceuticals SAK Ekramuzzaman signed the deal on behalf of their sides, while other senior officials were present.

The project of the pharmaceutical company will be set up at an estimated cost of Tk 54.66 crore with a debt-equity ratio of 50:50.

Building business confidence for accelerated investment-I

MAHBUBUR RAHMAN

Bangladesh, like many other economies, had in the past experienced ups and downs in its performance depending on a number of factors, both natural and man-made as well as internal and external. However, the economy has done relatively well during the last two decades compared to the situation that prevailed immediately after independence of the country.

The country has achieved reasonable successes in areas of human development, population control, food security, poverty reduction and disaster management. It has weathered several external financial shocks, debt crises, kept the rate of inflation at a reasonable level and achieved an average economic growth rate of over 5 per cent in recent past and over 6.7 per cent in the last fiscal.

However, against the backdrop of all these achievements, reduction in poverty level is still not satis-

factory over 40 per cent of the population being below the poverty line. Poor governance, inadequate infrastructure, systemic corruption and deteriorating law and order continued to be major deterrents to a private sector-led higher economic growth.

Bangladesh economy is now passing through a difficult time with enormous challenges ahead. The spiraling price hike of essentials and increasing inflation are currently the biggest pressure on the economy. The unabated price rise has put under threat the impressive achievements made after January 11, 2007. The government should look into the matter immediately and continue to maintain a liberal import policy as a short term measure, particularly for food grain import to keep prices under control.

In particular, the prices of essentials during Ramadan, effect of flood and forthcoming Aman harvest will be very crucial for the national economy during the com-

ing months. Any price hike of fertiliser, power and fuel including gas will be disastrous for the next crop and the economy. The government, therefore, will have to design its economic management more carefully.

No doubt, the present government took office with a strong popular support to hold a credible national election, improve law and order, fight corruption and strengthen governance. Almost 100 percent public acceptance of this government with full respect at the beginning is now perceived to be on the decline in the public mind mostly due to spiralling prices of food and essential commodities even though the government has limited option to intervene in a free market economy, except fiscal intervention and law and order situation, which of course it is doing.

In addition, there is also a public perception that in a limited time-frame, coupled with resource constraints and administrative

capacity, the government should not have undertaken too many agenda even at micro-level, losing focus on the priority issues.

The current reform measures are unlikely to yield immediate results. The benefits will come in mid- and long-term. But the steps now being taken would definitely contribute to forming a strong base for the future economy. The major actions so far taken by the government for separation of judiciary, reconstitution of the Election Commission, Public Service Commission and Anti-Corruption Commission as well as in curbing corruption will have a positive impact in the long run.

The challenge for the government is, therefore, to win the confidence of the business community in particular and the public in general. Businessmen should be allowed to manage their affairs with ease and make their own investment decisions. On the basis of faced realities or perceived ones, it is not that

businesses want anti-corruption drive to stop, but they expect this to be done with due care and of course without creating a 'panic' situation and thereby impacting the entire business activities of the country.

Overall weak revenue collection, despite increased income tax collection, and the higher levels of revenue expenditure have exposed fragility of the macro-economic framework in existence. Low ADP implementation, poor disbursement of foreign aid and higher levels of government borrowings were viewed as some of the major weaknesses in the economy.

We always hear that the donor agencies keep their pressure on for further trade liberalisation. In comparison with other developing countries, Bangladesh -- being an LDC -- has substantially liberalised its economy at the cost of hardship of entrepreneurs and common people, even though under WTO umbrella Bangladesh could avail

and follow more domestic support measures. During the past decade or so, a number of Asian countries, through appropriate economic policy measures within the framework of WTO, have achieved remarkable progress, transforming themselves from largely agrarian, underdeveloped economies into a dynamic export powerhouse. The experience of these high-performing economies provide many useful lessons for countries like Bangladesh in identifying the right policies and strategies to adopt, while reversing or shunning what have proved to be wrong strategies.

Following IMF prescription meticulously, Bangladesh today has been experiencing double-digit inflation, but the GDP growth did not follow suit. Time has come to review seriously whether IMF/World Bank guidelines and conditionalities have been doing some good in the growth and development of Bangladesh economy in

the past. In this connection, we would urge upon the government not to sign the Policy Support Instrument (PSI) of IMF; which in a way would be compromising the country's sovereignty and allowing them just to act as a credit rating agency for Bangladesh.

Low disbursement of foreign aid has been a major concern for the economy in recent years. As a ready reference, in fiscal 2007 one-third of the donors' committed assistance of US\$2.28 billion have not been made available or disbursed putting our planned projection into uncertainty. On the other hand, an amount of US\$710 million has been paid as interest out of the disbursed amount of US\$1.57 billion leaving a net inflow of credit of US\$860 million during FY 2007. Therefore, Bangladesh should calculate very carefully the merit of such assistance.

Any WB/IMF suggested upward adjustment of fuel and electricity prices will be a boomerang for the

economy as it will lead to a further pressure on inflation. Their suggestion to increase interest rate on agricultural credit is going to harm food production and will make Bangladesh a net food importing country in the long-run, whereas, in the meantime, Bangladesh has already doubled its production; and reaching near self-sufficiency. They have made Bangladesh's 'Golden Natural Fibre' to go into oblivion instead of revitalising this industry, whereas India is adding new looms every year to take over Bangladesh's left out global market.

(TO BE CONTINUED)

The writer is the president of International Chamber of Commerce-Bangladesh (ICC-B).