

Star BUSINESS

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Warid Telecom reaches 51 districts

Warid Telecom has expanded its network to eight more districts raising number of districts under Warid coverage to 51, says a press release.

The sixth mobile company has emerged as the fastest growing mobile company in the country by reaching 51 districts within 110 days of operations.

Chapainawabganj, Chuadanga, Gopalganj, Gaibandha, Kishoreganj, Lalmonirhat, Panchagarh and Thakurgaon towns are now under Warid network.

Munir Farooqui, CEO of Warid Telecom, said, "We are establishing the most modern network and expanding it to all across the country in the fastest possible time. We now cover 51 out of 64 districts in the country. We are on the way to cover the entire Bangladesh very shortly."

Eid fair begins at Suvastu Nazar Valley Shopping Mall

A month long fair styled 'Eid Fest 2007' has begun at Suvastu Nazar Valley Shopping Mall in Dhaka on the occasion of Eid-ul-Fitr, says a press release.

Outlets display products such as sharee, men's wear, cosmetics, jewelry, bag, gift item, mobile phone sets, and electronics goods are on display.

Chairman of Suvastu Development Limited Rezaul Haque Siraj formally inaugurated the fair.

At the Suvastu Nazar Valley Shopping Mall there are 850 outlets.

Nepal to sign deal for Israeli jobs

ANN / THE KATHMANDU POST

Nepal is soon signing a cooperation agreement with the International Organization of Migration (IOM), especially to fill a condition set by Israel for accepting Nepali laborers, State Minister for Labor Ramesh Lekhak.

"Under the agreement, IOM will deal with issues relating to Nepali workers who are in crisis in Israel," Lekhak said talking to the Kathmandu Post adding that the agreement is aimed at paving the way for Nepal to send workers to Israel, which has sought the role of IOM while settling problems on migrations.

Lekhak said that the labor ministry was preparing a draft of the agreement which is expected to be inked within two weeks.

"Once this agreement is signed, Nepali workers in Israel will feel more secure," Lekhak added.

According to Lekhak, once the agreement is signed, the IOM would assist Israel to monitor the status of Nepali workers and help them when they are in crisis there.

Already a member of the IOM, Nepal reached an agreement with the global migration body to exchange co-operation in migration issues.

Israel has sought a special agreement between Nepal and IOM that would deal with Nepali workers in Israel, along a Nepali mission in Israel as conditions for providing work permit visas for Nepalis. Nepal set up a diplomatic mission and deputed officials in Israel two months ago.

AB Bank signs electronic fund transfer deal

AB Bank Limited has signed an electronic fund transfer (EFT) agreement with Ria Financial Services, a US-based worldwide money transfer company, says a press release.

Ria Financial Services has a network of more than 11000 agents and 100 retail worldwide. It mainly operates in 48 US states, Canada, Europe, Asia, Australia and the Dominican Republic. This new service will give expatriate Bangladeshis around the world a hassle-free remittance facilities.

Kaiser A. Chowdhury, president and managing director of AB Bank Limited, and Juan Bianchi, president and CEO of Ria Financial Services, signed the agreement on behalf of their sides in Dhaka.

Banks asked to raise lending to productive sector

STAR BUSINESS REPORT

The central bank yesterday asked the commercial banks to increase lending to agriculture, housing, and the small and medium enterprise (SME) sectors in order to accelerate economic growth.

Bangladesh Bank (BB) made the plea at a meeting, presided over by Governor Dr Salehuddin Ahmed, with chief executives of the commercial banks.

The meeting was told that commercial banks had only lent 10 percent of the targeted amount to the agricultural sector in the first two months of this fiscal year, with Tk 804.14 crore in loans sanctioned against the targeted amount of Tk 8064.55 crore.

It is not possible to overcome the losses in agriculture caused by recent floods if the disbursement of agriculture loans is not increased, the meeting was told.

The central bank has already issued a circular for loan rescheduling through the easing of down

payment conditions. The BB has also directed that a monitoring cell be formed so that the farmers would not face any harassment in receiving agricultural loans.

The governor suggested commercial banks use their excess liquidity in the productive sector so that the economy can grow faster.

The central bank also expressed disappointment at the commercial banks' failure to sanction any loan to women entrepreneurs in the SME sector.

Under refinancing schemes, the interest rate is fixed at highest 10 percent for women entrepreneurs to increase their contribution in the SME sector. A woman entrepreneur can also get Tk 15 lakh SME loan without collateral.

Referring to the housing sector, the meeting was told that under the housing scheme there is a fund of Tk 300 crore with a top interest rate of 10 percent.

The banks and NBFIs, whose classified, or bad loans, are not more than 15 percent, will be able to use funds of the housing refinancing scheme of the central bank.

The meeting was told that the commercial banks and non-banking financial institutions (NBFIs) so far disbursed Tk 512.69 crore to small and medium enterprises (SMEs),

but any woman entrepreneur is yet to get an SME loan from the commercial banks.

It was also alleged that the banks and NBFIs did not cooperate with women entrepreneurs in the SME sector when they sought loans.

Such attitudes from the banks are not expected, the meeting was told.

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BB decries use of disqualified MDs as bank consultants

STAR BUSINESS REPORT

The central bank yesterday expressed its disappointment that commercial banks were using disqualified managing directors as consultants, often paying them huge salaries and benefits.

The central bank said in a market-based economy private banks can recruit required manpower. But when a managing director had been disqualified in line with the Bank Company Act and was then appointed by a bank as a consultant it must hinder the good governance of the bank.

On occasions the disqualified individual has taken almost Tk 4 lakh

salary per month as a consultant as well as a generous benefit package including telephone costs, gratuities, medical, and transportation.

The central bank said although the Bank Company Act disqualified some managing directors, they were reappointed in roles such as chief consultant, consultant or executive consultant with the same banks.

The banks that appointed disqualified managing director as their consultants are Shahjalal Islami Bank, One Bank Limited, Standard Bank Ltd, and Mutual Trust Bank Ltd.

Questioning the use of consultants in general the central bank

said it was acceptable to recruit consultants for technical services. However they should not be appointed for general banking roles.

The central bank made the observation in a meeting between it and chief executives of all commercial banks.

The private commercial banks should appoint consultants following the bank's rules and regulation, said Dr Salehuddin Ahmed, governor of Bangladesh Bank, after the meeting.

According to Bangladesh Bank, a total of 14 out of 29 private banks have appointed consultants.

ONE YEAR AFTER COUP

Thai economy mired in uncertainty

AFP, Bangkok

One year after Thailand's coup, the kingdom's economic growth ranks among the lowest in Southeast Asia as domestic demand and investment have slumped due to political uncertainty, analysts said.

The economy is expected to rise over four percent this year, far below average growth of 5.6 percent in the region led by Indonesia, Singapore and booming Vietnam, according to the Asian Development Bank.

Political turmoil has gripped Thailand since early 2006, when protests erupted demanding the

resignation of prime minister Thaksin Shinawatra, who was accused of abuse of power and corruption.

But last September's bloodless coup, which toppled Thaksin's government, failed to end the political deadlock and instead pushed the nation into deeper uncertainty, slowing already wobbly economic activities, analysts said.

"The Thai economy was already heading for a slowdown before the coup, but things got worse after the coup," said Kittiwat Natisuwan, a senior economist at Macquarie Research Equities in Bangkok.

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PHOTO: AB BANK

Kaiser A. Chowdhury, president and managing director of AB Bank Limited, and Juan Bianchi, president and CEO of Ria Financial Services, shake hands after signing an electronic fund transfer agreement recently in Dhaka. This new service will give expatriate Bangladeshis a hassle-free remittance facilities.

Citi Global Markets gets licence

Citigroup Global Markets Bangladesh Private Limited, the first-ever Bangladeshi incorporated entity of Citi, the world's largest financial institution, was formally awarded its full-fledged merchant banking licence yesterday, says a press release.

Faruq Ahmad Siddiqi, chairman of the Securities and Exchange Commission, handed over the licence to Mamun Rashid, Citigroup country officer for Bangladesh, at the SEC boardroom.

The SEC chairman welcomed Citigroup to Bangladesh's capital markets and hoped that Citi would be able to help the market get rid of supply side constraints in the local bourses, by attracting good companies to offload their shares and migrate best practices from more matured markets.

Mamun Rashid thanked SEC officials for granting the licence.

Present at the function were three SEC members -- Saleh Ahmed Chowdhury, Mohammad Ali Khan and Mansur Alam. Rukhsana Chowdhury, executive director, Registration & Licensing, was also present.

Besides, Abrar Anwar, director and head of Global Commercial Bank, Citibank, NA Bangladesh, and Silmat Chisti, newly appointed head of Citigroup Global Markets Bangladesh Private Limited, were present.

Evita Herawati, an assistant to Indonesia's minister of energy, said 5.5 million hectares (13.5 million acres) will be set aside for biofuel plantations by 2010, 1.5 million hectares of which are for oil palm.

The main objective is "to create jobs and alleviate poverty," with some 3.5 million new jobs being eyed by 2010.

"A lot of forest has been cut down but they didn't use it at all. We

Southeast Asia gears up for palm oil boom

AFP, Jakarta

Southeast Asian nations are gearing up for a palm oil boom as interest in biofuels soars, but activists warn the crop may not satisfy a global thirst for energy that is both clean and green.

They caution that oil palm plantations require massive swathes of land -- either what's left of the region's disappearing forests, denuded plots that would be better off reforested, or land critical to supporting local people.

Governments and companies have been scrambling to cash in from palm oil prices jumped last year due to spiking demand from China, India and Europe, where biofuels should comprise 10 percent of motor fuels by 2020.

Indonesia has launched a particularly ambitious biofuels expansion programme, which aims to see Southeast Asia's largest economy source 17 percent of its energy needs from renewable sources by 2025.

Evita Herawati, an assistant to Indonesia's minister of energy, said 5.5 million hectares (13.5 million acres) will be set aside for oil palm plantations by 2010, 1.5 million hectares of which are for oil palm.

The main objective is "to create jobs and alleviate poverty," with some 3.5 million new jobs being eyed by 2010.

Rudi Lumuru, from Sawit Watch, an industry monitor, meanwhile said much of this "empty" land is

actually used by local people. He reckons more than 500 communities have been embroiled in conflicts with more than 100 palm oil companies, typically in Malaysia.

"This land has been used since a long time ago by the people. They live on the land, they grow on the land," he said. "The government says people can make money, but it's about transition of culture. The culture of the farmers, it's rice, coffee, cocoa -- it's not palm oil."

While compensation payments may be meted out, they end up being meagre thanks to endemic corruption, he added.

The Indonesian industry says it is cleaning up its act.

"The industry now is trying to avoid destroying land," said Derom Bangun, executive chairman of the Indonesian Palm Oil Association. "Companies no longer clear land by burning or in ways that harm the environment or wildlife."

Indonesian companies have joined the Roundtable on Sustainable Palm Oil (RSPO), a WWF-led initiative to engage palm oil companies, and is trying to abide by their principles, he said.

Technology minister Agusman Effendi said that economic factors as well as "sustainability of the environment and the way the government can give extra support to the poor" needed to be considered.

Handing Over Ceremony of Merchant Banking License

Stocks and Exchange Commission, Bangladesh Global Markets Bangladesh Private Limited, Dhaka, 2007

PHOTO: CITIGROUP

For the first time in more than four years, the Federal Reserve appears ready to lower interest rates to prevent a housing meltdown and a painful credit crunch from driving the economy into recession.

A rate cut would affect millions of borrowers, with the intention of getting them to spend and invest more, which would revitalise the economy.

In one of their most important and anxiously awaited decisions, Fed Chairman Ben Bernanke and his central bank colleagues meet Tuesday to determine their next move on interest rates. Those policymakers are widely expected to cut an important rate, now at 5.25 percent, by at least one-quarter of a percentage point. Some analysts predict a bolder step, a half-point reduction.

"Before creating our own Adda brand, the company had manufactured and supplied sandals to many leading international footwear brands in Europe for 15 years, including Puma and Diadora. And we are now ready to re-enter the European market with our own Adda identity," said Kavi Prucksapornpong, vice president for sales and marketing.

Kavi said the company started creating the Adda brand to focus on the domestic market six years ago and has totally turned from the original-equipment manufacturing (OEM) business to the development of its own brand identity.

"At that time, the domestic contribution was only 1-2 percent of our business. That's quite different from today, when almost 90 percent of our business comes from domestic sales and only 10 percent from exports," he said.

Kavi said that Adda (Thailand) currently exports its sandals to major markets in Asia, including Vietnam, India and South Korea, through the appointment of local agents.



PHOTO: BEPZA

AZM Azizur Rahman, general manager (Investment Promotion) of Bangladesh Export Processing Zones Authority (BEPZA), and Ngai Chi Leung Max, chairman of M/s Yester Accessories Company (BD) Ltd, exchange documents after signing an agreement on Wednesday in Dhaka. Under the deal, Yester Accessories Company will set up a garment accessories manufacturing plant in