

# 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.

Muneer 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-Fitre, 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 Siraji 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, said 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 Nepal. 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 retails 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.

There are three refinancing schemes on SME in the central bank to reduce poverty and create employment through expanding SME activities. The schemes are the Small Enterprise Fund-ADB with a fund of Tk 210 crore allocated, Bangladesh Bank Fund with an amount of Tk 300 crore, and EGBMP with a fund of Tk 116 crore.

The meeting was told that the 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.

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. Three financial institutions have already signed a deal with the BB to use the fund.

## Citi Global Markets gets licence

Citigroup Global Markets Bangladesh Private Limited, the first-ever Bangladesh 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. Ruksana Chowdhury, executive director, Registration & Licensing, was also present.

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

## Hong Kong's poor doubled in 20 years

AFP, Hong Kong

Despite its booming economy, more than 20 percent of people in Hong Kong are living in poverty, more than double what it was two decades ago, according to a study released Sunday.

Chua Hoi-wai, director of the Hong Kong Council for Social Services which commissioned the report, said he was worried about the widening wealth gap, notably among people aged 45 to 64.

"Most of the people in this age group are low-skilled workers. They either don't have a job or are on a very low salary," he said.

"The most worrying thing is that these people are usually the ones who support the whole family. If they were on low income and unemployed, the whole family would suffer.

"Although we have seen an economic recovery here, people at the grass-roots are not benefiting from it," he told AFP.

The report found 1.33 million of the nearly seven million who live in this southern Chinese territory earned as little as 3,000 Hong Kong dollars (384 US dollars) per month in 2006.

That was up 112 percent on the 1986 figure, a huge rise even after taking into account that Hong Kong's overall population has increased by a quarter since then.

Those aged 45-64 and living under the poverty line recorded the biggest growth in the past five years, up 34 percent, while pensioners in the same category grew 19.5 percent.

## Thai brand keen to penetrate EU sandal market

ANN/ THE NATION

After focusing on local distribution and marketing of its sandals for six years, Adda (Thailand) intends to penetrate the European market with its own Adda brand.

"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 owned 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 per cent of our business. That's quite different from today, when almost 90 per cent of our business comes from domestic sales and only 10 per cent 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.

# 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 since 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 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

would like to use it for this programme," she told AFP, adding that so far 58 deals worth a total of 12.4 billion dollars have been signed with companies.

She estimated that just in Kalimantan, the Indonesian portion of Borneo island, about 5.5 million hectares are available for use -- an area far larger than Denmark and a bit smaller than Sri Lanka. Nine million additional hectares are available elsewhere, Herawati said.

The issue of where the land will come from worries activists, who point out that much of Indonesia's peatland forests have already been destroyed, releasing huge amounts of carbon dioxide.

Rully Syumanda, of Indonesia's environmental watchdog Walhi, said proposing palm oil plantations has been used in recent years in Indonesia "as a pretext to clear land and take the more valuable logs".

He estimates that nearly 17 million hectares of Indonesia's forests have been cleared ostensibly for oil palm plantations since the 1960s, but only six million hectares have been cultivated.

Though he concedes that the government is now making efforts to reforest, catch offenders and audit the industry, Syumanda said these were "insignificant compared to the damage that is being inflicted on the environment".

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 from 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.



PHOTO: CITIGROUP

Faruq Ahmad Siddiqi, chairman of the Securities and Exchange Commission, formally hands over Citigroup Global Markets Bangladesh's full-fledged merchant banking licence to Mamun Rashid, Citigroup country officer for Bangladesh, at a function in Dhaka yesterday.

# Fed interest rate cut this week

AP, Washington

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 a recession.

A rate cut would affect millions of borrowers, with the intention of getting them to spend and invest more, which would revitalize 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 percentage point. Some analysts predict a bolder step, a half-point reduction.

If the Fed drops the rate, then the prime lending rate that commercial banks charge many individuals and businesses would fall by a corresponding amount. It now is at 8.25 percent.

Should the Fed go with a quarter-point cut, analysts expect policymakers will lower the rate again in October and in December, their final meeting of the year.

Fed action would mean that borrowers who can obtain credit would see rates drop on a variety of loans. It would become less expensive for people to finance certain credit card debt and for homeowners to take out popular home equity lines of credit, which often are used to pay for education, home improvements or medical bills.

Also, it should help some homeowners whose adjustable-rate mortgages reset in the fall.

# Indo-Britain trade may cross £10b this year

PTI, London

Trade between India and Britain is expected to cross 10 billion pounds by the end of this year, Lord Karam Bilimoria, Co-chairman of the India-UK Business Council, said Sunday.

"There has been a step-up in the India-UK trade which is expected to cross 10 billion pounds this year," Lord Bilimoria told PTI. Even 10 billion pounds is scratching the surface, he noted.

He said more and more Indian companies were now looking global and keen to invest in the UK.

Noting that interest in India is enormous, Lord Bilimoria said a large trade delegation will participate in the UK-India trade conference in Mumbai this month.



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.



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 Adamjee EPZ with an investment of US\$ 9.53 million. Brig Gen Ashraf Abdullah Yussuf, Bepza executive chairman, was present among others.