

Star BUSINESS

E-mail: business@thedailystar.net

BKB, RAKUB asked to speed up farm credit disbursement

UNB, Dhaka

Bangladesh Bank yesterday asked Bangladesh Krishi Bank (BKB) and Rajshahi Krishi Unnayan Bank (RAKUB) to expedite disbursement of agriculture loans to help recover crop losses due to flood.

The two banks could not yet disburse loans as per their targets, a review meeting at Bangladesh Bank was told.

Bangladesh Bank Governor Dr Salehuddin Ahmed chaired the meeting with chief executive officers of the two banks.

Bangladesh Bank has decided to provide BKB with a funding facility of Tk 300 crore and RAKUB with Tk 150 crore to help achieve their credit disbursement targets, a senior Bangladesh Bank official told the news agency.

Bangladesh Bank has warned the CEOs of the two banks that they would have to take the responsibility of any irregularity relating to agricultural loan disbursement.

It advised them to recover default loans from well-off farmers as well as to keep operating cost as low as possible.

Bangladesh Bank has undertaken a massive agri-credit programme during the current fiscal in view of the crop losses during the current flood.

Taiwan leads China in best SMEs list: Forbes

AFP, Singapore

Technology firms dominated as Taiwan led China in a list of the best 200 Asian companies with annual revenues of under one billion US dollars, Forbes Asia business magazine said Thursday.

Taiwan had 41 small and mid-sized companies named as winners against China's 23, the publication said in a statement unveiling this year's "Best Under A Billion" ranking.

Taiwan and China split in 1949 at the end of a civil war. Beijing maintains Taiwan is part of its territory and has repeatedly threatened to invade the island should it declare formal independence.

Hong Kong, a special administrative region under China, tied with economic powerhouse Japan with 22 companies each in the Forbes Asia list.

South Korea had 21 companies on the list, trailed by Singapore with 20, India 17, Australia 12, Malaysia nine, Thailand five, New Zealand four and Pakistan two. The Philippines and Sri Lanka had one each.

Euro breaches 1.40 dollars for first time

AFP, London

The euro on Thursday surged to a new record peak of 1.4065 dollars as a hefty cut to US interest rates took a toll on the US currency, analysts said.

Markets were also nervously awaiting statements on the American economy by US officials later in the day.

The euro has hit new highs regularly since a half-point cut in the benchmark US interest rate on Tuesday. It rose to 1.3988 dollars during Wednesday's trading in Europe before falling back to 1.3957 dollars.

At about 0900 GMT, the euro stood at 1.4040 dollars in London trading.

Congressional testimonies were due later Thursday by Federal Reserve chairman Ben Bernanke and Treasury Secretary Henry Paulson.

New DMD of Prime Bank



RQM Forkan has joined Prime Bank Limited as deputy managing director (DMD) recently.

Prior to his joining the bank, he was the senior executive vice-president and chief operating officer of Arab Bangladesh Bank Limited, says a press release.

He started his banking career with Grindlays Bank in 1973.

GP gets Tk 200cr syndicated loan

Reaches 1.5cr subscribers

STAR BUSINESS REPORT

Grameenphone Ltd (GP), which recently reached 1.5 crore mobile phone subscribers, yesterday signed a Tk 200 crore loan agreement with a consortium of local financial institutions.

GP signed the syndicated loan agreement with 16 local financial institutions for the loan. Standard Chartered Bank is the lead arranger of this syndicated loan. Senior officials from the participating financial institutions and GP were present at the loan signing ceremony in Dhaka, according to a press statement.

"We are honoured to be serving 1.5 crore customers. This is a great milestone for the company," said

Erik Aas, chief executive officer of GP.

Grameenphone is committed to providing quality service at an affordable cost to customers and making mobile telephony available to a much larger number of people in the country, Aas added.

GP has so far invested more than Tk 9000 crore up to June 2007. "Such timely and large investments have enabled us to aggressively increase the network capacity and prepare for continued growth," observed the GP CEO.

Since its inception in March 1997, the leading cellphone operator has built the largest cellular network in the country with base stations in more than 5000 locations. Presently, nearly 98 percent

of the country's population is within the coverage area of the GP network.

The entire GP network is also EDGE/GPRS enabled, allowing access to high-speed internet and data services from anywhere within the coverage area. There are currently nearly 30 lakh EDGE/GPRS users in the GP network.

The Tk 200 crore syndicated loan is being financed by Agra Bank, Bank Asia, Citibank NA, IDCOL, IFIC Bank, Jamuna Bank, National Bank, Pubali Bank, SABINCO, Sonali Bank, Standard Bank, Standard Chartered Bank, Trust Bank, The City Bank, United Commercial Bank and Uttara Bank.



Senior officials from participating financial institutions and Grameenphone Ltd are seen at the Tk 200 crore syndicated loan agreement signing ceremony in Dhaka yesterday.

Broad knowledge about trade issues key to success at int'l talks

Book launching ceremony told

STAR BUSINESS REPORT

A comprehensive knowledge base on trade issues is needed to protect the country's trade interests in upcoming international and regional trade negotiations, a book launching ceremony in Dhaka was told yesterday.

The speakers at the function said Bangladesh did not make any breakthrough in international trade talks in the past as it failed to build up that expertise.

"It is quite difficult to forecast whether a regional or international trade agreement would be beneficial for a country or harmful. But if researchers can use modern tools in analysing the economy it can be useful," Professor Wahiduddin Mahmud, a veteran economist, told the launching of two books at the Cirdap auditorium.

He also said democracy will not sustain without a strong economic base in a country.

The books are 'Multilateral and Regional Trade Negotiations: Quantitative Assessments of Potential Implications on Bangladesh' and 'Trade and Industrial Policy Environment in Bangladesh with Special Reference to Some Non-traditional Export Sector'.

Wahiduddin said had the government been able to analyse the issue of LDCs' duty- and quota-free access to developed nation markets quantitatively, it would have got support from some of the Saarc member-countries about such a facility. Pakistan and Sri Lanka in 2005 opposed any duty- and quota-free market access for the least developed countries (LDCs) to the markets of developed nations.

Dr Atiur Rahman, chairman of Unnayan Shamanny, presided over the launching ceremony where Mustafizur Rahman, research director, Centre for Policy Dialogue, also spoke.

The first book on WTO addressed the issues relating to important trade negotiations under WTO and the regional trading agreements under Safta (South Asian Free Trade Agreement).

The research book found that despite significant gains in global welfare due to full liberalisation of agriculture products Bangladesh stands to lose from it as it is a net importer of the same.

The second book on trade policy environment provides a comprehensive review of trade and industrial policy environment in Bangladesh.

UNDP Regional Centre in Colombo in association with Unnayan Shamanny published the research-based books edited by Selim Raihan and Abdur Razzaque, who teach economics at the Dhaka University.

New US position at WTO talks raises hopes

AFP, Geneva

The United States on Wednesday showed a new willingness to negotiate in global trade talks, a high-ranking WTO official said, raising hopes of progress in the stalled Doha round of negotiations.

The World Trade Organisation's chief agriculture negotiator, New Zealand ambassador Crawford Falconer, said the United States had accepted a proposal by the WTO for cutting state subsidies in the agricultural sector.

Farm support has been a key stumbling block for the 151 WTO members as they attempt to come to a deal to lower global trade barriers and increase the flow of goods and services internationally.

"They (the US) said they were prepared to negotiate within the range of numbers put forward in the agriculture paper, provided everybody else would work within the same parameters," Falconer told AFP.

In July, Falconer published a series of proposals for WTO members that called on the US to reduce its agricultural subsidies to between 12.8-16.2 billion dollars (9.2-11.6 billion euros).

Washington had previously refused to cut its farm support to below 23 billion dollars.

"I had never heard them say that before. It's not a small thing," said Falconer, adding that US farm trade negotiator Joseph Glauber had informed the WTO of the US position during talks at the organisation's headquarters here.

"It's certainly a positive sign," he said.

The Doha round of trade talks was launched in 2001 and was meant to have been concluded by 2004 with a new global deal to increase trade to the benefit of poor countries.

The negotiations have been held back by squabbles between rich and poor countries and disagreements between the United States and the European Union.

Agriculture has been a key sticking point, with poor and emerging countries accusing rich countries of distorting the global market for farm products with their state subsidies.

Rich countries have said they are prepared to lower their subsidies providing poor and emerging countries open their domestic markets to industrial products and services from rich countries.

China company to set up plant in Karnaphuli EPZ

UNB, Dhaka

A Chinese company will set up a die-casting manufacturing plant in Karnaphuli Export Processing Zone (EPZ).

The company, M/s Bangladesh Vilia Casting Pvt Ltd, will invest US\$ 4.16 million and will produce casting, which include lamppost, grill, steel ball, roadblock and other items. It will also create employment opportunity for 210 Bangladeshis and 10 foreign nationals.

An agreement to this effect was signed between Bangladesh Export Processing Zones Authority (Bepza) and Bangladesh Vilia Casting in Dhaka yesterday, said a Bepza press release.

Japan's Sharp, Pioneer announce capital tie-up

AFP, Tokyo

Japan's Sharp Corp. announced Thursday that it had agreed to become the top shareholder in its financially troubled rival Pioneer Corp. as part of a broad business and capital tie-up.

Sharp said it would take a stake of about 14 percent in Pioneer as part of a cross-shareholding deal.

The two companies will collaborate in areas such as next generation DVD, car electronics and display screens.

Pioneer is trying to reverse a profit slump after being saddled with overcapacity in plasma display panel even as prices keep declining.

Sharp is a pioneer of LCD screens, having launched one of the world's first LCD pocket calculators in 1973.

MCCI urges govt to reduce borrowing from banks

Hails decision not to follow tight monetary policy

STAR BUSINESS REPORT

The Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) hailed the central bank's decision of not following contractionary monetary policy.

In a press statement yesterday, the MCCI said the Bangladesh Bank's decision not to pursue its action plan under its Mid-year Monetary Policy Statement (MPS), which was announced in July this year, is timely as its move to decrease money stock would have aggravated the price situation and the problems facing rehabilitation of the flood damaged rural economy.

The metropolitan chamber also called for adoption of an immediate action programme to reduce the government's borrowings from the banking sector.

"A large part of such borrowings is used to finance non-productive expenditures, which have been increasing in the recent years. Government's borrowings are having significant adverse impact on the over-all inflationary pressure," the release remarked.

It also emphasised a parley with stakeholders that should be pursued by the central bank with a view

to evolving a strategy for controlling inflation and expediting the output growth in the immediate and mid terms.

"We feel that such consultations can have beneficial impact on different sectors of the economy particularly limiting inflationary impact on the rural poor and rehabilitation of the rural economy, which is of vital importance to the domestic market oriented business activities," the MCCI said.

In a separate press release, the Dhaka Chamber of Commerce and Industry (DCCI) appreciated the Bangladesh Bank's decision not to follow tight monetary policy.

The DCCI suggested restoration of the supply chain and distribution channels including evicted markets and collection centres in rural areas.

It also asked for removal of other supply constraints, providing adequate inputs like fertiliser and diesels for farmers at subsidised prices and securing border to stop smuggling of these items.

The DCCI urged the central bank to facilitate import of food grains by lowering the rate of exchange in terms of dollars as an interim and special measure.



PHOTO: STAR

(From left) Dr Mahbub Hosain, executive director of BRAC, Dr Wahiduddin Mahmud, chairperson of the Advisory Council for Citigroup Microentrepreneurship Awards, Akbar Ali Khan, former adviser to the caretaker government, M Nurul Islam, regional senior vice president (Middle East, Africa, South-East Asia) of American Life Insurance Company, and Mamun Rashid, Citigroup country officer, are seen at a press conference organised in Dhaka yesterday to announce the schedule of the Citigroup awards.

3rd version of Citi Microentrepreneurship Awards launched

STAR BUSINESS REPORT

The Citi Foundation, the philanthropic arm of Citigroup, yesterday launched the third version of Citi Microentrepreneurship Awards (CMA) in Bangladesh.

The award titled 'Citi Microentrepreneurship Awards-2007' will be given in four categories to microentrepreneurs and microfinance institutions for their outstanding performances.

Following its first advisory council meeting, the Foundation members told a press conference that the competition would formally start from September 25.

The four categories of the 2007 awards are Best Innovative Business of the Year, Best Woman Microentrepreneur of the Year, Best

Microentrepreneur of the Year, and Best Microfinance Institution (MFI) of the Year.

The winner of the each category will receive Tk3 lakh as prize money.

Dr Wahiduddin Mahmud, chairperson of the Advisory Council for the Citi Microentrepreneurship Awards, announced the schedule at the press conference at National Press Club in the capital.

The Daily Star, the Prothom Alo, Channel i and Dhaka Sheraton Hotel have joined the programme as partner organisations.

The objective of the award, which was first launched in 2005, is to recognise and honour the leadership, entrepreneurial skills and best practices of individual microentrepreneurs in Bangladesh, Wahiduddin Mahmud said.

The organisers will publicise the competition and seek information from the microfinance institutions across the country until November and the hosting of the award ceremonies is expected to complete by

December or January.

Prospective winners will be short-listed by a selection committee and then a jury board comprising microfinance experts, media personalities and economists will finally nominate the awardees.

Wahiduddin Mahmud said the award on microentrepreneurship already bears a symbolic value, which recognises the contribution of microcredit from personal life to social life.

About the probable response for awards he said, "Bangladesh is the motherland of microfinance. Therefore, we are not thinking about a huge response, rather we would focus on how we select only four winners from hundreds of successful microcredit stories."

A jury board will be formed within a short time, said Citigroup Country Officer Mamun Rashid at the press conference.

Citibank NA and Shakti Foundation for Disadvantaged Women, a local NGO, will jointly manage and implement the award programme in Bangladesh.

The grant from the Citi Foundation will be used toward implementation of the award programme. Akbar Ali Khan, former adviser to the caretaker government, Prof Abu Ahmed of Department of Economics at Dhaka University, M Nurul Islam, regional senior vice president, Middle East, Africa, South-East Asia of American Life Insurance Company (Alico), Sarwar Ahmed, managing director of Syngenta Bangladesh Ltd, and Dr Mahbub Hosain, executive director of BRAC, were present among other advisory council members.

US backs Strauss-Kahn for top IMF post

AFP, Washington

The United States on Wednesday backed European Union candidate Dominique Strauss-Kahn to head the International Monetary Fund, virtually assuring the Frenchman's victory as the selection process neared a conclusion.

Strauss-Kahn, a former finance minister and Socialist leader proposed by France, had already been widely seen as the favorite against Russia's candidate, Josef Tosovsky, a former Czech prime minister and central bank chief.

"I urge the (IMF) Board to positively consider the candidacy of Dominique Strauss-Kahn" to succeed outgoing managing director Rodrigo Rato, Treasury Secretary Henry Paulson said in a statement on the eve of Strauss-Kahn's interview with the IMF executive board.

"The US is supporting Mr. Strauss-Kahn because we believe he will work to make the bold reforms necessary to lead a strong and relevant Fund into the future."

Rato, a Spanish former finance minister, is leaving the 185-nation financial institution in late October, nearly two years before his mandate ends.

The 24-member executive board interviewed Tosovsky on Tuesday and is set to interview Strauss-Kahn on Thursday. The board plans to announce the results of a vote on the two candidates on September 28.

EU needs more energy competition

Says OECD

AFP, Paris

The EU needs greater competition in its energy markets to deliver lower prices to consumers and make energy supplies more secure, the OECD said Thursday in an economic survey of the European Union.

The call echoed proposals made this week by the European Commission for major gas and electricity suppliers to give up their power grids and gas pipelines in the hope of infusing more competition into the sector.

The OECD said that "the network needs to be effectively separated from the generation and supply activities and national markets should be linked together better to create regional or pan-European energy markets."

"The EU's recent Energy Policy for Europe is an important step in the right direction," the Paris-based economic research body said in the report, which also called for more competition in telecoms, transport, ports and postal services in the 27-nation bloc.

But it noted that the energy sector is an area where there has been a tendency to try to protect national companies.

This highlights "a clash in view between those who believe that national energy champions are the best way to guarantee a secure supply of energy and to retain some buying power over foreign suppliers, and those who argue that a liberalised, integrated European market is not only more efficient but is also more secure."

The OECD report did not specifically mention France's tie-up earlier this month of Suez and state-owned Gaz de France to create a world energy champion in a sector that Paris was eager to protect from foreigners.