

Stocks

DGEN	1.58%
3,071.11	
CSCX	0.33%
5,585.65	

Asian Markets

MUMBAI	1.46%
16,481.2	
TOKYO	1.92%
13,398.30	
SINGAPORE	1.26%
3,126.30	
SHANGHAI	2.09%
3,222.74	

Currencies

	Buy TK.	Sell TK.
USD	68.15	69.15
EUR	107.12	111.77
GBP	132.73	137.88
JPY	0.66	0.70

SOURCE: STANDARD CHARTERED

Commodities

Gold	\$950.35
(per ounce)	
Oil	\$115.54
(per barrel)	

SOURCE: AFP

More News



The rickshaw economy

An estimated 400,000 rickshaws ply the streets of the capital, Dhaka, but are they an environmental bonus or a symbol of the city's poverty?

B-4

Body to be formed to find rod price hike

The government is set to form a high-powered committee to find out the reasons for recent price hike of mild steel (MS) rod.

The committee is scheduled to submit its report April 25, said Commerce Adviser Dr Hossain Zillur Rahman in Dhaka yesterday.

B-3

International

India targets hoarders in bid to wrestle down inflation

India, battling to wrestle down soaring inflation, vowed stiff action on Wednesday against food hoarders and accused industry of forming cartels that have driven up prices.

EU says China top source of risky goods

China is the main source of risky products in Europe and toys are the product most commonly found to pose a risk to consumers, the European Commission said Thursday.

B-4

Contact Us

If you have views on Star Business or news about business in Bangladesh, please email us at business@thedailystar.net

BRAC Bank's huge rural expansion plan slowed

140 new branches in single year 'not rational': BB official

SAJJADUR RAHMAN

The central bank has halted BRAC Bank's ambitious rural expansion plan in 2008, saying opening 140 new branches in a single year is 'not rational'.

BRAC Bank has sought permission to open one hundred plus new branches this year as part of its massive expansion scheme.

But the Bangladesh Bank has allowed BRAC Bank to open only 20 branches -- less than 15 percent of the bank's demand. Of these 20 branches, 15 are allowed for rural areas.

"We cannot allow a bank that has only 36 branches to open 140 new branches in a single year," a senior BB official said.

Seeking anonymity, the official said: "We have found that the BRAC Bank's plan is not feasible."

However, the central bank official said no bank has been given permission to open more

TOTAL BANKS AND BRANCHES IN BANGLADESH					
Banks	No	Branches		Percentage	
		Urban	Rural	Urban	Rural
NCBs	04	1,238	2,146	36.58	63.42
SBs	05	155	1,203	11.41	88.59
PCBs	30	1,295	490	72.55	27.45
FCBs	09	49	—	100	—

SOURCE: Bangladesh Bank

branches than BRAC Bank.

Dutch-Bangla Bank has been allowed to open 15 branches, National Bank and Prime Bank 10 each, according to BB sources.

Dutch-Bangla Bank, National Bank and Prime Bank have applied for opening 25 branches each this year. The National Bank planned to open 15 branches, out of its 25, in rural areas.

According to BRAC Bank officials, the bank had a plan to set up 100 branches in rural areas out of the proposed 140

new branches in 2008.

"Now we will set up 15 branches out of the permitted 20 in rural areas," said Abedur Rahman Sikder, head of corporate affairs and marketing department of BRAC Bank.

Asked whether the BB's 'no' to 140 branches in a single year would hamper the bank's expansion plan, Sikder said, "Branch expansion depends on the BB's decision."

He, however, said the bank would continue to penetrate in rural areas with the help of its 400 units, dedicated to

serve small and medium enterprises.

According to the official, the bank has already had over one lakh SME clients across the country. The bank has disbursed about Tk 4,000 crore in the SME sector in last three years.

Most of the banks in Bangladesh are urban-based. Many economists identified the lack of access to credit in rural areas as one of the key factors that hold back rural development.

According to Economic

Review 2007, a government document, a total of 48 commercial banks are operating in Bangladesh. These banks have 6,562 branches, of which 3,839 are in rural areas. Private banks operate only 490 branches in rural areas.

A BB official in the Banking Regulations and Policy Department said the BB has taken a fresh move to define the urban and rural areas in terms of rural bank branches.

"Now upazila level municipalities will be considered by BB as rural areas," the official said.

Private commercial banks are increasingly trying to penetrate rural areas to tap business potential, according to sources in the banking sector. Business prospects in the rural areas for these banks hinges on remittances, agriculture, and small credits, which creates possibilities for attracting more deposits.

sajjad@thedailystar.net

Chefs cook up new culinary association

SAYEDA AKTER

The first ever Bangladesh Chef Association will be founded tomorrow at the Hotel Regency, Dhaka, reflecting the upsurge in culinary skills among the country's chefs.

The association will aim to promote the interests of chefs and develop culinary knowledge in the country.

"There is an urgent need to form an association for the betterment of the hospitality business and our community," said Tony Khan, executive chef of the Radisson Water Garden Hotel.

"Although the hotel industry is growing rapidly, there has been a dearth of institutional facilities in the local culinary industry," he said.

Last week The Daily Star highlighted the progress of local chefs, several of whom hold top positions at the country's five star hotels, formally a preserve of foreigners. The increasing number of hotels and restaurants has created a strong market for chefs.

A 14-member committee has already been formed with Tony Khan as president of the association and



Tony Khan

Ahmed Hussain, executive chef of Dhaka Regency and Mr. Gerard, executive chef of The Westin Dhaka vice presidents.

Tony Khan said the association would apply to the ministry of social welfare for registration and the membership would be open for all chefs working in the country.

"Globally there are many types of associations which deal widely with chefs rights and develop skills," he added.

Currently around 1000 chefs, including several hundred in five star hotels, are working in Dhaka, he said.

sayeda@thedailystar.net

Asian Tiger to raise \$100-200m for Bangladesh fund



British High Commissioner in Dhaka, Anwar Choudhury (left) and Iffy Islam, Managing Partner of Asian Tiger Capital Partners in Dhaka, yesterday.

STAR BUSINESS REPORT

Asian Tiger Capital Partners will launch a \$100 - \$200 million private equity fund to invest in Bangladesh this September, with the UK company claiming that foreign direct investment in the country could increase tenfold to around \$7 billion by 2015.

The announcement was made as Asian Tiger unveiled its first research report on the Bangladeshi economy, focusing on 14 investment sectors ranging from agriculture to power and pharmaceuticals.

The fund, which will be aimed at general investment, will be followed by a separate stock market equity fund and an infrastructure fund.

The group hopes to raise money primarily from global investment institutions and non-resident Bangladeshis (NRBs).

Iffy Islam, Managing Partner of Asian Tiger, said

Bangladesh offered real opportunities at a time when, due to the American subprime crisis, global investors, especially in the Middle East with excess petro-currency surpluses, are looking for alternatives to the US and Europe to invest in.

"Bangladesh doesn't need to have a begging bowl to get investors to come here," said Iffy, a former Managing Director at Citigroup in New York, who has also held senior positions at Deutsche Bank and Merrill Lynch.

If Vietnam could increase FDI from \$2 billion in 2000 to \$20 billion in 2007, then why should Bangladesh not be able to follow suit, he said.

He said the 140-page report titled 'Bangladesh: Growth, Investment, Opportunity' will be distributed to several thousand global investors. "We want to give people better information, to try and get global financial institutions to

focus on Bangladesh."

"We want the top global investors and multinationals to see Bangladesh as Asia's next great untapped investment opportunity," he said.

Iffy also said in the next phase Asian Tiger will publish separate reports on each of the 14 investment sectors with much more details and analysis.

Speaking at the launch of the report, British High Commissioner in Dhaka, Anwar Choudhury, said the report will help build the country's image.

"Bangladesh is often talked about as becoming an Asian Tiger, but the missing link is how this will be achieved," he said. The report and the experience of NRBs such as Iffy Islam would help set Bangladesh on the 'Tiger path,' he added.

"I hope the government will distribute the report to all its embassies across the world," he said.

ACI plans to set up warehouses offering crop storage facilities

SOHEL PARVEZ

ACI, one of the leaders in private sector agriculture, plans to set up 12 crop exchange centres or warehouses across the country to offer storage facilities to farmers.

The facilities will allow the growers to store 'non-perishable' grains and potatoes, sell the products or exchange their produces for other crops available in the warehouses.

The move comes at a time when growers, especially potato farmers, are in trouble to preserve their produces due

to shortages of cold storage facilities.

"We hope the farmers will be benefited from the initiative. We will set up more warehouses in phases," said a high official of ACI Agribusiness, which is going to form a subsidiary business unit named CROPEX to offer the services.

The CROPEX or Crop Exchange eyes an annual turnover of Tk 30 crore in 2008 with 3 percent net profits.

The CROPEX will exchange various types of non-perishable grains such as maize, wheat and pulses with

the farmers.

"We will fix buying and selling prices of produces at the warehouses. Based on the price, growers will be able to exchange their produces," the official added.

ACI Agribusiness, which constitutes about 35 percent of ACI's total annual turnover of around Tk 400 crore, operates retail business in hybrid seed, fertiliser, agro-engineering tools, animal health, pest control, poultry, and fish feeds.

The CROPEX will initially operate in the northern part of the country, the biggest sup-

plier of agri-commodities in Bangladesh.

The ACI Agribusiness official also said it is planning to start assembling power tillers and tractors to ensure greater shares of about Tk 1200 crore agro-engineering market.

The company is now marketing Sonalika brand tractors and Bull Power brand power tillers. According to the ACI agribusiness executive, the Tafe and Sifang lead the tractors and power tiller market in Bangladesh.

Sohel@thedailystar.net

Philippines bans non-agricultural use of country's farmland

AFP, Manila

The Philippines announced a ban Thursday on converting farmland to other uses in the latest government move to cut imports of rice, which has more than doubled in price since the beginning of the year.

With a global food crisis deepening, the Philippines - the world's top importer of rice - said the ban was aimed at property developers who have been cashing in on a booming property market by snapping up choice farmland.

Agrarian reform secretary Nasser Pangandaman said the indefinite ban had taken effect immediately and was intended to tackle "the unabated conversion of prime agricultural lands for real estate development."

His department said President Gloria Arroyo had ordered a review of the guidelines governing farmland conversion.

The Philippines, made up



An AFP file photo shows a rice farmer of Philippines inspecting half grown rice in his farmland at Imus, just south of Manila.

of more than 7,000 mountainous islands, has struggled to grow enough rice for its rapidly growing population, now estimated at 90 million.

Many Filipino rice farmers work small parcels of land and cannot grow enough rice to feed their family year-round,

and the government has said it will import 2.7 million tonnes of rice this year.

It said Wednesday it would invest one billion dollars in an effort to become self-sufficient in rice production by 2010.

Arroyo has declared war on

rice hoarders and is using the military to move supplies of state-subsidised rice to poor neighbourhoods in the capital Manila, in the hope of avoiding the food riots that have hit other countries.

One in three Filipinos live on one dollar a day or less.