

Move to ensure transparency in diesel subsidy

Lists of subsidy recipients to be hung

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The government has asked local government representatives at union parishes to hang lists of names of farmers who have received diesel subsidy.

The move came to ensure transparency in the disbursement of diesel subsidy of Tk 250 crore to some 66 lakh farmers, a top government functionary said yesterday.

"We will hang the lists of the farmers, who have received the subsidy, to ensure transparency and accountability of the subsidy disbursement

process. We hope that most of the farmers will get the benefit," said agriculture Adviser CS Karim.

Karim said the names of the farmers, whose names have not appeared in the initial list, would also be included.

The agriculture adviser made the disclosure after a workshop on Diesel Subsidy to Poor Farmers at Bangladesh Institute of Development Studies in Dhaka.

Farmers, having 2.5 acres of land, will be eligible to get the cash subsidy. Farmers with over 2.5 acres of land will not get the subsidy.

The government will pay Tk 545 as subsidy against each acre of land, according to Md Shamsul Alam, Director General of Department of Agricultural Extension that has issued letter to field offices recently.

The subsidy disbursement process is expected to end by May 15.

The agricultural adviser said block supervisors (field level agricultural officials), teachers and designated personalities at the local level would be involved in subsidy disbursement process to ensure transparency.

"We hope the initiative will be a success," he said.

The analysts, however, warned of leakage in disbursement. "It is difficult to say where this Tk 0.45 will go. So it is better to stop allocation the way it is being done," said M Asaduzzaman, research director of BIDS and the project director of Diesel Subsidy Study.

Asaduzzaman said many farmers did not know anything about the list as he cited the preliminary results of the Diesel Subsidy Study.

"Most of the farmers do not know if their names have been

enlisted. Listing was done by extension workers, pump owners and local government representatives," he said.

Zafarul Islam, acting country director of World Bank, said, "One of the problems with universal subsidies is that they are expensive and might be received by the better off segment of the population, without reaching the poor farmers."

"Thereby, targeting poor farmers is important to reap the benefit of subsidy, and we hope that the government will factor this into account," he added.

Vietnamese opt for gold over stocks

ANN/VIET NAM NEWS

Investors are creating a mini-gold rush, perceiving gold as a stronger investment than either stocks or savings at a time when the stock market is stagnant and commercial banks have colluded to place a voluntary cap on deposit interest rates.

Ha Noi's Bao Tin Minh Chau Jewellery Co reported a large volume of buyers, outnumbering sellers by about four-to-one over the past week.

Domestic gold prices on Monday (April 21) were off from last week's high of 18.3 million dong (US\$1,143) per tael (37.4 grams) by about 250,000 dong (\$15.51), but prices were expected to remain high in the coming weeks as investors pull deposits out of banks and turn to gold.

Sai Gon Jewellery Co on Monday listed buy/sell prices at 18.05-18.13 million dong (\$1,128-\$1,133) per tael in Ha Noi and HCM City, while Ha Noi-based Bao Tin Minh Chau listed

prices at 18.05-18.18 million dong.

The prices represent increases of nearly 36 per cent over the same time last year and of 14 per cent since the beginning of this year.

On global markets, gold prices have gained 31 per cent since the end of 2007.

Unlike many western nations which view gold as personal property, Viet Nam sees it as a fungible commodity, widely used as a medium of payment for large purchases such as real estate, and banks here will pay interest on deposits of gold, based on the value of the gold at the time it is withdrawn.

VietA Bank last week increased interest on gold savings to 4 per cent for 12 month terms and 4.5 per cent for 18 months.

"That's even better than interest on the US dollar. Dollar interest is 6 per cent per year but the exchange rate isn't increasing like gold prices," commented Nguyen Thi Thu Hoai, a VietA Bank customer.

Last year, when banks only offered 1-2 per cent for gold savings, depositors gained little but the security of letting the bank hold onto their gold, she said. However, with the current interest on gold savings and rising prices of the precious yellow metal, saving gold in banks has become an attractive choice.

Investing in gold at this time of high inflation, frozen real estate prices and a sluggish stock market is a wise choice, said Dinh Nho Bang, general secretary of Viet Nam Gold Trading Association.

But Huynh Trung Khanh, senior consultant of the International Gold Council, cautioned, "Traders should invest in gold for at least one to three years, minimising the risks of short-term investing or speculating."

Khanh also warned that investors who borrowed from banks to trade in gold should be cautious due to rapid fluctuations in gold prices day-to-day.

Some banks are offering gold futures contracts but the option has not yet proven attractive to many investors.

Bayu said.

Jakarta raises purchasing price for rice

ANN/THE JAKARTA POST

After tightening rice export regulation earlier this month, the government of Indonesia raised the purchasing price of rice starting Tuesday in the hope that farmers will benefit from the surge in global rice prices and to discourage smuggling.

Through the State Logistics Agency (Perum Bulog), the government now procures unhusked paddy for 2,200 rupiah (23 US cents) a kilogram, up from 2,000 rupiah (21 cents), unhusked paddy delivered to the agency's storage for 2,840 rupiah (30 cents) a kilogram from 2,600 rupiah (28 cents) and rice in storage for 4,300 rupiah (46 cents) from 4,000 rupiah (43 cents).

"The purchasing price increase is designed to protect prices for farmers, who need a lot of support to develop their businesses," said Bayu Krishnamurthi, deputy for agriculture and maritime sector of the Coordinating Minister for the Economy.

Bayu said with the new prices, traders planning to practice hoarding would not be able to compete with what the agency had to offer.

"Last year the price of rice in the market was never lower than the purchasing price set by the government, so we are certain that farmers will benefit most from these new prices."

However, critics believe the government's purchasing price increase has arrived too late for farmers, many of whom have already sold most of their rice to traders.

Critics said the government's purchasing price increase would benefit traders more than the farmers themselves.

As the plan to increase the purchasing price was first announced by the President last week, Bulog had difficulty procuring rice, as traders kept their goods from the market, waiting for a better price to be offered by the government.

Bulog chief Mustafa Abubakar acknowledged that before the President's announcement, his agency was absorbing as much as 27,000 tonnes of rice, but the figure decreased significantly to 6,000 tonnes of rice per day after the announcement was made.

"This 6,000 figure was not caused by smuggling, but by the wait-and-see attitude of the traders," Mustafa told journalists in a gathering later in the afternoon.

So far, Bulog has absorbed a total of 1.4 million tonnes of rice, and is aiming for 2.43 million tonnes by the end of the year as the country's total rice production is projected to grow by 5 per cent from 33 million tonnes last year.

Duty-free access to US market to further expand RMG sector

Seminar told



Eminent jurist Dr Kamal Hossain (C) speaks at a seminar on 'Livelihood Implication of RMG Industry' in Dhaka yesterday. Trade policy analyst Edward Gresser (L) and First Vice President of BGMEA MA Salam are also seen.

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"Another 1,80,000 employees could be generated, provided the US grants Bangladeshi RMG products a duty free access in the US market," he added.

Dr Kamal Hossain, eminent lawyer of the country, said, "The RMG sector is the future for all of us. The sector will see a boom if we all work together with a problem solving approach."

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and trade union leaders and experts told a seminar on 'Livelihood Implication of RMG Industry' in Dhaka yesterday.

"The country's RMG sector is contributing to poverty alleviation with around 2.2 million people working in the sector and another 10-12 million involved in related industries," Dr Mostafa Abid Khan, joint chief of Bangladesh Tariff Commission, said, as he presented a paper at the seminar.

their RMG sector would not be harmed as a result of Bangladesh getting duty free access," said Gresser, a former staff of the Clinton administration.

First Vice President of BGMEA MA Salam said, "We all should work together for the development of the RMG sector as the sector remains as the main source of the country's foreign exchange earnings."

Taufiq, a trade union leader, said, "Working condition in RMG sector is improving, although there is some problems in the sector regarding wages and other facilities for the workers which could be improved through dialogues and meetings, adding that the developed countries should help the least developed countries (LDCs) like Bangladesh to generate employment opportunities in the sector by increasing imports of RMG products."



Ashraf Abdullah Yusuf, executive chairman of Bangladesh Export Processing Zones Authority (Bepza), launches the second offshore banking unit of Prime Bank Ltd at CEPZ in Chittagong on Sunday. Hasina Khan, vice chairperson of board of directors, M Shahjahan Bhuiyan, managing director, and other senior officials of the bank are also seen.



Summit Alliance Port Limited has received 'A-' rating by Credit Rating Information and Services Ltd (CRISL) of Bangladesh. Muzaffar Ahmed, president and chief executive officer of CRISL, is seen handing over the credit rating document to Ayesha Aziz Khan, director of Summit Alliance Port in Dhaka yesterday.

Dispute over MD at WorldTel continues

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With the backdrop of an ongoing legal battle over the position of the Managing Director (MD) of WorldTel Bangladesh Limited (WTBL), several officials of the company at a press conference yesterday claimed Nayeem Mehtab Chowdhury to be its legal adviser.

Advocate Aminul Islam, the legal adviser of WTBL, claimed his client Choudhury to be the legal managing director of WTBL, a PSTN operator, as the allegation against Choudhury proved false.

Amjad Khan, the other claimant for the position of the managing director of WTBL, had challenged the validity of a letter, issued to him by the

Direktorate of Joint Stock Companies on April 17 of 2006, preventing him from taking control over the company as its majority shareholder. An interim order of the High Court Division, based on a writ petition that had been filed by Amjad Khan, followed in May 2006 in favour of Amjad Khan.

But before the writ could proceed further, Nayeem was successful in his effort to obtain a stay order against the interim order. Subsequently, Khan filed a petition against the stay order in the same year. The appellate division of the Supreme Court on January 6 gave its verdict that the stay order would continue until the disposal of the original writ petition.

Earlier, Rab brought specific charges against Nayeem for obtaining Tk 15 crore from Sonali Bank and Tk 35 crore from National Bank of Pakistan through forgery.

The press conference was also told that WTBL would embark on its operation soon after it gets green signal from Bangladesh Telecommunication Regulatory Commission (BTRC).

"We have invested Tk 85 crore in WTBL, of which Tk 25 crore is foreign investment," said Saif Ahmed, project director of WTBL.

WTBL was formed in 2001 and obtained a license, allowing it to operate in Dhaka Metropolitan area for 15 years.

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