

## Stocks

DGEN 0.46%  
3,087.43

CSCX 0.96%  
5,589.99

## Asian Markets

MUMBAI 0.62%  
17,490.9

TOKYO Closed

SINGAPORE 0.37%  
3,248.04

SHANGHAI 1.84%  
3,761.01

## Currencies

	Buy TK.	Sell TK.
USD	68.25	69.25
EUR	104.05	108.63
GBP	133.18	138.35
JPY	0.64	0.68

SOURCE: STANDARD CHARTERED

## Commodities

Oil \$116.47 (per barrel)

SOURCE: AFP

## More News

BKMEA sells rice for workers under rationing

Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) yesterday started selling rice among garment workers under a first-come first-served rationing system in the country.

Ctg customs house moves to recover Tk 240cr evaded duty

Chittagong Customs House authorities at a meeting yesterday took an initiative to trace the importers who evaded a total of Tk 240 crore duty through imports reportedly made in violation of Indemnity Bond regulations.

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## International

Surging food prices bite across Asia



From the rice paddies of Asia to the wheat fields of Australia, the soaring price of food is breaking the budgets of the poor and raising the spectres of hunger and unrest, experts warn.

13 Asian nations agree to set up \$80b crisis fund

Finance ministers of 13 Asian nations agreed here on Sunday to set up a foreign exchange pool of at least 80 billion dollars (52 billion euros) to be used in the event of another regional financial crisis.

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# Oriental Bank to seek joint forces' aid to recover bad loans

## Focuses on rebuilding image

SAJJADUR RAHMAN

The new management of Oriental Bank Limited will seek joint forces' assistance to recover the bank's Tk 1,150 crore bad loans, a top official said yesterday.

The current total loan portfolio of the once scandal ridden bank stands at Tk 1,530 crore, of which 75-77 percent is bad.

"We'll take help from the joint forces to recover bad loans as soon as possible," said Abdul Latif Yahaya, managing director of the bank.

"We'll make efforts to recover the bad debts in the first year of our operations," Yahaya added.

The caretaker government has been conducting a drive against corruption and malpractice with the help of the joint forces comprising armed forces, police and other relevant agencies since it took over on January 11, 2007.

Yahaya said recovery of bad debts is very important, as the bank needs capi-



Oriental Bank MD Abdul Latif Yahaya

tal to run business.

Meanwhile, after about two-year restrictions, Oriental account holders were allowed to withdraw their deposits from yesterday following withdrawal of the Bangladesh Bank's moratorium.

The bank has been reconstructed under a BB scheme. And ICB Financial Group Holdings AG bought 51 percent stakes in the bank at Tk 350 crore in February this year.

With the withdrawal of the moratorium, account holders now are allowed

**Oriental Bank's current status**

Total depositors:	80,000
Total deposit:	Tk 1,700 cr
Total loans:	Tk 1,530 cr

to deposit or withdraw their money, but in a limited manner.

Yahaya, who is a Malaysian national, dwelt on various issues, including the bank's business plans and challenges it may face. He also focused on the banking business potential in Bangladesh.

"Our main challenge will be to rebuild the bank's lost image. We will re-brand the bank," said Yahaya, who has huge experiences in financial services.

As part of rebuilding of the bank, he said a new branch will be opened on May 18 at Banani. "That branch will be our model branch and it will reflect the management's views," he said, adding that all other 30 branches would also be renovated.

To improve and provide faster services, all branches will be automated by November at a cost of \$4 million-\$5 million. The new MD of the bank also said staffs will be trained and re-

employed.

There were about 180,000 depositors in the bank. Of them, about 100,000 withdrew their money before January 2007 when the central bank imposed restriction.

Currently, the bank has about 80,000 depositors. Of them, 90 percent has less than Tk 10 lakh each. Now the bank's total deposit stands at Tk 1,700 crore from Tk 2,000 crore before January 2007.

As per the central bank scheme, account holders with over Tk 10 lakh in deposit will be compelled to spend 10 to 25 percent of their deposits on buying bank's general shares.

It will be optional for those who have Tk 10 lakh or less to spend 10 percent of their deposits on buying shares.

"We have identified 1,700 depositors who must buy shares," Yahaya said.

The managing director said the bank will be operated fully on the basis of the Islamic Shariah laws.

Already the board of the bank has approved the new name of the bank as ICB Islamic Bank, which awaits the approval of the Registrar of Joint Stock Companies, he said.

He said Bangladesh has great potential in banking business as it has 150 million people.

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# Bangladesh fetches \$18.6m from exports under Safta

JASIM UDDIN KHAN

Clear float glass, lay flat tube, particleboard, soft drinks and potato chips got a boost in export from Bangladesh in 2007, the first year of new trade regime Safta.

These items enjoyed zero to 5 percent duty facility, resulting in a rise in the export volume, especially to the Indian market, under the deal on a free trade area in South Asia.

Benefiting from the Safta facilities, the country's total volume of exports to the Saarc (South Asian Association for Regional Cooperation) countries reached US\$ 18.6 million during the calendar year.

During the period, traders received a total of 1001 certificates from the Export Promotion Bureau (EPB) for the trade.

"The products got tremendous response from the Indian market as these are more competitive in prices and quality with the products of the neighbouring country," said Mustafizur Rahman, executive director, Centre for Policy Dialogue.

In the first six months of the trade regime the exports were worth of \$6.2 million, which jumped to \$12.3 million in the second six months of the year.

When asked, Commerce Secretary Feroz Ahmed said trade under Safta will boost in the years to come as Bangladesh is negotiating with other Saarc-member states to downsize the existing negative list of products.

He said India already verbally offered to reduce its negative list to 500 products from the existing 744 after Dhaka proposed to Delhi to consider another 101 products, mainly textile, to bring under Safta trade regime.

EPB Vice Chairman Shahab Ullah said non tariff barriers (NTBs) still stand in the way of trade expansion among the countries under Safta, especially to India. These NTBs include mandatory testing and leveling requirement, rules of origin, port restriction and inadequate banking facility.

Country's trade gap among the Saarc nations shot up to over US\$2.0 in the 2006-07 fiscal, but a trade balance with Bhutan only.

The agreement on the South Asian free trade area was signed at the 12th Saarc Summit in Islamabad, the capital city of Pakistan, on 6 January 2004.

The trade under Safta was scheduled to start from January 2006, but Pakistan and India did not ratify it, which deferred the start of the trade up to January 2007.



Spanish King Juan Carlos (R) shakes hand with ADB President Haruiko Kuroda (L) during the opening session of 'The Asian Development Bank's New Long-Term Strategic Framework' at the ADB's 41 annual board of governors meeting in Madrid yesterday.

# ADB warns Asians at risk from soaring food prices

AFP, Madrid

The head of the Asian Development Bank called on Monday for an "immediate response" to soaring food prices which he said threatened a billion Asians with a risk of malnutrition.

The head of the bank, Haruiko Kuroda, also warned that the food problem could cut into decades of economic gains in the Asia-Pacific region.

"These are troubling times for the world economy. On the heels of turmoil in the financial markets and economic slowdown in the US and elsewhere, soaring food prices are hitting the poor very hard," he said in an inaugural speech to the ADB's board of governors meeting in Madrid.

This price surge has a stark human dimension and has

greatly affected over a billion people in Asia and the Pacific alone. Their purchasing power has been eroded placing them at a greater risk of hunger and malnutrition.

He said the stocks of food grains were at the lowest levels for decades.

Reduced supplies and increased demand along with the sharp depreciation of the US dollar and trade restrictions by some countries have combined to cause the price surge in recent months, the ADB president said.

"The focus must now be on the soaring prices, and our immediate response," he said.

He called for "prudent macroeconomic management" along with targeted income support to protect food entitlements and livelihoods of the most vulnerable.

# Senegal president says UN food agency should be scrapped

AFP, Dakar

Senegalese President Abdoulaye Wade has called for the main UN food agency to be scrapped saying it is a "waste of money."

The Food and Agriculture Organisation made no comment on Monday to the comments by the outspoken Senegalese leader that the agency was also to blame for the global food price rise crisis.

The FAO is headed by a Senegalese, Jacques Diouf, but Wade said it was a "waste of money largely spent on doing very little for effective operations on the ground."

Speaking of food price rises which have sparked unrest in several countries, Wade said: "The current situation is largely its failure and the cries of alarm will not help at all."

Nick Parsons, a spokesman for the Food and Agriculture Organisation in Rome, told AFP Monday: "As an organisation we have no comment at all."

Parsons was unable to say whether the FAO director general would comment later.

Wade said he had long campaigned for the Rome-based body to be relocated in the world's poorest continent Africa, wracked by food shortages and hunger.

"This time, I'm going further, we must scrap it," he said, saying the agency's work was being "duplicated by others, apparently more efficiently."

The Senegalese leader said several initiatives had been launched after the world suddenly woke up to the food crisis but even these showed the "progressive marginalisation" of the FAO.

FAO chief Diouf had recently called for a revamp of the UN system and bemoaned the competing politics of different international organisations for spiking the implementation of FAO policies.

# Mobile, land phone firms asked to roll out networks in hill

MD HASAN

The telecoms regulator yesterday asked mobile and land phone operators to start rolling out their networks in municipal areas of three hill districts as early as possible, a decision industry insiders say will benefit around 6 lakh people out of 14 lakh in the region.

"You are now free to offer their services in limited areas of Rangamati, Khagrachhari and Bandarban districts," Bangladesh Telecommunication and Regulatory Commission (BTRC) Chairman Manzurul Alam told operators at a meeting in Dhaka.

The BTRC chief also asked six mobile and some land phone operators to follow the guideline on providing services in the areas, once troubled by tribal insurgency that ended following the December 2, 1997 peace accord between the government and Parbatya Chattagram Jana Sanghati Samity.

The chief adviser last month made the announcement to allow mobile and private land phone operations in municipal areas of the three hill districts.

Under the BTRC-fixed guideline the mobile operators have been asked to share common infrastructure to offer services instead of setting separate infrastructure.

The government restricted the use of mobile and private land phones in the hill dis-

tricts, fearing that network connection in the region might be a serious threat to the law and order situation there.

Telecoms industry insiders hope the government's decision to allow wireless telephone in the three districts will boost the economic activities in the region of about 13,184 sq km area, which is approximately one-tenth of the total area of Bangladesh.

Welcoming the government decision, the country's leading mobile phone operator Grameenphone's Chief Executive Officer Anders Jensen said, "The regulator has issued a guideline and now we will be getting ready to provide coverage in the region as soon as possible."

"We are also looking forward to sharing infrastructure with other mobile operators in the region," he said.

Echoing Jensen, Muneer Farooqui, chief executive officer of Warid Telecom, said, "Warid is ready to launch its services at the earliest possible time in compliance with the guidelines."

The cellular phone companies now have their network coverage in 61 districts out of 64. The mobile phone services were introduced in the country more than one and a half decades ago.

According to the latest figures released by the BTRC, up to March 2008, the number of total mobile phone subscribers reached 38.93 million, up by 68 percent compared to the same period a year earlier. The total mobile phone subscriber

# Three hill districts that come under mobile, private land phone network



- Around 6 lakh people out of 14 lakh in the three hill districts to get mobile and private land phone access.
- Companies need to follow guideline on providing services
- Companies will share common infrastructure

was 23.38 million by the end of March 2007.

A stiff competition is set to loom large in the three districts since both the land phone and mobile phone operators offer wireless telephony services.

"The hill districts could be a battle field for mobile and land phone operators to get new

customers," said a high official of a mobile phone operator.

"We are happy that the people of the areas are getting phone connections," said Masrur Nawaz Waiz, head of operation and coordination for Rankstel.

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