



## Stocks

DGEN 0.59%  
3,133.49

CSCX 0.25%  
5,710.54

## Asian Markets

MUMBAI 1.81%  
16,348.5

TOKYO 2.30%  
13,690.19

SINGAPORE 0.60%  
3,103.30

SHANGHAI 3.13%  
3,364.54

## Currencies

	Buy TK.	Sell TK.
USD	67.90	68.90
EUR	105.54	110.14
GBP	132.96	138.12
JPY	0.65	0.69

SOURCE: STANDARD CHARTERED

## Commodities

Oil \$132.75 (per barrel)

SOURCE: AFP

## More News

**Thais plan relocating industries to Bangladesh**  
Thais are planning to relocate their labour intensive industrial units to Bangladesh in view of cost effective and trainable labour force available in this country, according to a business delegation of the Bangladesh-Thai Chamber of Commerce and Industry (TCCI) that visited Thailand recently.

**Locally made motorbikes, auto-rickshaws soon**  
Commuters may soon see eco-friendly motorbikes and auto-rickshaws made in Bangladesh. With a view to saving energy and reduce environment pollution, Bangladesh Diesel Plant (BDP), SIGS International and Lotus Bird will jointly manufacture battery run motorbikes and auto-rickshaws.

## International

**S'pore luring S asia, Thai construction workers**



About 145,000 foreigners are employed in the Singapore's construction sector, where two multi-billion-dollar casino developments, subway lines, residential and other projects have generated high demand for labourers, says manpower ministry of the country. Many of the workers come from India, Bangladesh and Thailand.

## Contact Us

If you have views on Star Business or news about business in Bangladesh, please email us at [business@thedailystar.net](mailto:business@thedailystar.net)

# Bangladeshi NGO goes global for commercial lending

SAJJADUR RAHMAN

ASA International Holdings, a company managed and partially owned by ASA, one of Bangladesh's largest NGOs, has raised \$150 million (around Tk 1,000 crore) as equity from foreign private investors to fund commercial micro-credit lending outside Bangladesh.

"This will be fully commercial lending. Investors will get profits directly as in other business entities, but only after eight years," Shafiqul Haque Choudhury, president of ASA told The Daily Star.

"We have set a target to bring some 50-60 lakh poor people in some 12 countries under the commercial micro financing net," Choudhury said. "Our plan is to disburse Tk 8,000 crore to Tk 9,000 crore in 8 years."

ASA is not the only Bangladeshi micro lender working abroad. However in most cases they are not lending on a commercial basis.

Choudhury said there are an estimated 1 billion potential micro-finance clients around the world, of them only 120 million are being served now.

Catalyst Micro-finance Investment Company (CMIC), a limited liability company incorporated under the laws of Mauritius, has been appointed as the fund manager of the new venture. ASA, K-REP GROUP and Sequoia own CMIC.

ASA will act as the management partner of the ASA International Holdings and own a 15 percent stake. Equity partners ABP, a Dutch pension fund, and TIAA-CREF, a US financial services organisation, own the rest. Bill Gates Foundation also poured \$25 million into the venture.

Recently micro finance is experienc-



Shafiqul Haque Choudhury, president of ASA

ing an investment boom as more and more private investors get involved, according to a new report from Consultative Group to Assist the Poor (CGAP), a micro-finance industry body.

Between 2004 and 2007, foreign

investment in micro-finance institutions that provide loans and savings for the poor in developing countries more than quadrupled to reach \$5.7 billion. So far, the vast bulk of this private investment in micro-finance is socially

motivated, says the report on Foreign Capital Investment in Micro-finance: Balancing Social and Financial Returns.

There are now 93 investment funds specialising in micro-finance. Of these, fifty-three were established since 2005, according to the report.

ASA International Holdings has already started operations in some countries like Cambodia, Ghana, India, Nigeria, Pakistan, the Philippines and Sri Lanka. The organisation is expected to begin operations in China and Indonesia this year.

Maximum ceiling of loan has been fixed at \$250 in China and lowest \$100 in Afghanistan. Interest rates will vary. The rate is 12.5 percent in India, 20 percent in Pakistan and most of other countries, but the highest rate will be 25 percent in the Philippines and Nigeria.

"In next 5 years ASA International Holdings will be listed on the London Stock Exchange," Choudhury claimed.

Why the move is not taken in Bangladesh, the ASA president said: "Micro-finance for profit is not allowed in Bangladesh." He asked the government to replicate the commercial idea of micro-finance in Bangladesh.

He said foreign private investors are keen to invest their money for profit-oriented micro financing.

"JP Morgan, West Bank and Morgan & Stanley have also sought business plan from us," the ASA president said.

He hopes the poverty alleviation initiative may become sustainable with the commercial move of micro-credit.

"Local private sector investors will come up with their investment for the poor if the government allows it in the country," he said.

sajjad@thedailystar

# TeleTalk's delayed expansion faces further holdup

## Committee to re-examine costs

MD HASAN

TeleTalk, the struggling state owned mobile operator, is attempting to renegotiate the cost of its much-delayed expansion, amid growing internal concern that the project may be held up once again.

Plans to revitalise the mobile operator were first discussed more than two years ago and TeleTalk finally approved the Tk542 crore network expansion project in February this year. However soon after this, the membership of the company's board was changed and several members of the new board have expressed their concerns over the budget allocated to the expansion.

Earlier this month a special committee of board members was set up to reexamine project costs and the way in which contracts were awarded.

"There was a change in the structure of the TeleTalk board and the new board believes that there is scope to reduce the cost of the project," said a high official of the board talking to the Daily Star yesterday.

He said that it was now very difficult to predict the timeframe for the expansion.

In February 2008, the TeleTalk board decided to award the company's existing vendors -Huawei and Nokia- Seimens 40 percent or Tk216 crore worth of the initial network expansion works.

According to the board decision, the rest of the work will be awarded through an open

bidding process.

However the awards soon ran into controversy as telecom industry experts began to question the allegedly high cost estimates of the TeleTalk board.

Some rival vendors also alleged that the state run mobile operator bypassed the Purchase and Procurement Regulation (PPR) in awarding the mega project.

"If TeleTalk goes for open tendering instead of restricted tendering, the work could be completed for less than 30 percent of the present cost," said a high official of a multinational telecom equipment supplier in Bangladesh.

TeleTalk officials said there is no legal barrier in awarding contracts to existing vendors in the way followed by the TeleTalk board.

TeleTalk is the country's smallest operator in terms of subscribers with a 2 per cent market share. It started operations in 2005 with high hopes, but has failed to compete with the five other multinational operators in Bangladesh due to a lack of quality services and poor marketing.

Till April 2008, the company was able to add only 0.99 million customers in two years, whereas its nearest rival Warid Telecom International had 3 million customers, despite only entering the market in 2007.

Grameenphone is the country's largest operator with 18 million subscribers followed by Banglalink with 8.64 million.

hasan@thedailystar

# Banks to send names of two depositors instead of 25

STAR BUSINESS REPORT

Each of the private commercial banks (PCBs) will select two depositors as directors on its board, disregarding the way the Bangladesh Bank (BB) want them to do it.

Earlier, the central bank, in an announcement on March 12, asked each of the PCBs to send names of 25 depositors, of which two would be selected as directors on its board for the period of three years. According to the announcement, the BB would select the two directors for each bank after scrutinising the list of the respective bank.

However, banks opposed the BB decision saying the move may cause dissatisfaction among other depositors.

"Now, the banks have decided to send just two names instead of 25," Tofazzal Hossain, chairman of National Credit and Commerce Bank Limited, told The Daily Star.

The Bangladesh Association of Banks (BAB), a platform for the owners of private banks, has already finalised a proposal allowing the banks to select only two directors from the pool of their respective depositors.

Hossain, who is also an

office bearer of BAB, said they would submit a proposal with attachment of names of two depositors from each bank today or tomorrow.

He also said some banks might send more names for convenience, but the move is not mandatory from BAB's point of view.

"The banks are capable of selecting non-political, educated and respectable persons for appointments to the board of directors," Hossain said, adding that the PCBs would not like BB forcing things on them.

He said imposing anything unilaterally would harm the country's booming banking sector.

Meanwhile, a BB source said the central bank did not step back from its earlier position regarding how many names, which it has set to be 25, should be sent. The central bank official said the issue would be discussed after the bank gets the proposals from the PCBs.

The BAB sent a letter on April 6 to BB, raising objection against the move.

While turning down the private commercial banks' objection, the BB sought fresh proposals from the BAB to frame the modalities for selecting two directors.

# Bangladesh missions to get product export targets

UNB, Dhaka

Bangladesh Missions abroad will be given product specific export targets, a meeting decided yesterday.

Commerce Secretary Feroz Ahmad chaired the meeting, reviewing the mission-wise export performance during the July-March period of the current fiscal year.

Some 4-5 key export products will be given importance in setting the targets.

The meeting stressed the need for achieving the missions' respective export targets, increasing accountability and sincerity.

The meeting asked the Export Promotion Bureau (EPB) to identify the reasons behind the failure in achieving the targets by some missions, and submit a report in this regard.

It also decided to take immediate measures to shift commercial wings from a country where they were not performing well.

During the July-March period, seven commercial wings, Dubai, Moscow, Canberra, Paris, Tokyo, Kuala Lumpur and Berlin, out of 16 have achieved their respective targets.

Nine wings in Washington, New Delhi, Ottawa, London, Brussels, Madrid, Beijing, Yangon and Tehran fell short of their respective targets.

# Cambodia lifts ban on rice exports



Cambodian royal cows eat rice and corn during the annual royal plowing ceremony, celebrated in a hope for a better rice harvest, in Phnom Penh on May 23, 2008. Cambodia yesterday lifted a ban on rice exports to reduce global concerns over supplies of the grain.

AFP, Phnom Penh

Cambodian Prime Minister Hun Sen on Monday lifted a ban on rice exports to reduce global concerns over supplies of the grain, saying the country has enough rice for its own needs.

Hun Sen in late March banned rice exports in a bid to halt the staple food's spiraling prices, which have doubled

this year to record highs of nearly one dollar a kilogramme on the local market.

"The temporary ban on rice exported is lifted from today," Hun Sen said during a university student graduation ceremony in Phnom Penh.

"But the exports must go through the government system and will be limited to 1.6 million tonnes, so that we can maintain our reserves," he said.

Hun Sen said the lifting of the ban would help reduce "concerns of the world, especially the Philippines" over supplies of rice.

He also said exports would benefit farmers who harvested a surplus.

"We are not short on rice," Hun Sen said.

Cambodia produced some 6.7 million tonnes of rice last year with a surplus of 2.3 mil-

lion tonnes which can be exported, he said.

The Philippines, which does not grow enough rice to meet its needs, scrambled to secure rice deals as world prices soared to record highs this year.

Experts blame the trend on higher energy and fertiliser costs, greater global demand, droughts, the loss of rice farmland to biofuel plantations, and price speculation.