

Hilsa export ban piles up losses

RAFIQUL ISLAM, Barisal

A long-running curb on hilsa exports to India costs businessmen Tk 1.5 crore in lost earnings a day, exporters said yesterday.

Bangladeshi exporters and West Bengal importers have failed to reach a consensus on the importers' demand to reduce prices.

Bangladesh is losing market out to Myanmar and Thailand because of the suspension that has been in force since February 19, the exporters said.

On average, 40 tonnes of hilsa had been exported to India a day through the Benapole land port, said Yusuf Sikder, secretary of Barisal Hilsa Exporters Association.

By one estimate, 20 importing firms in West Bengal purchased hilsa worth Tk 250 crore last year. "But now the sector is losing Tk 1.5 crore a day on average," Sikder said.

An official with the Barisal branch of National Bank, one of the two banks associated with hilsa exports, said hilsas worth Tk 17 crore were exported by two firms -- Nirala Fishing and Sikder and Co Pvt Ltd -- through the bank last year.

On April 12, 2008, the commerce ministry fixed



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the prices of hilsa between \$6 and \$12 a kilogram.

Following the announcement, Atul Das, chairman of Hilsa Importers' Association of West Bengal, sent a letter to the commerce ministry in Bangladesh, demanding price cuts.

In the letter, Indian importers said the prices of hilsa had been fixed by nego-

tiations between the exporters and importers for the last 15 years. Since April 12, 2008, the Indian importers were forced to buy hilsa from Bangladesh at higher prices fixed by the commerce ministry in Bangladesh.

Price fixing is against open market policies and the importers are incurring losses, as they are in compe-

tion with the traders who import hilsa from Orissa, Gujarat and Maharashtra in India, the Indian importers claimed.

Ajit Das, president of the Bangladesh Fish Exporters Association of Barisal, said Bangladesh is losing business to Myanmar and Thailand, as those countries export the same fish at

cheaper rates.

He alleged that Indian importers are passing off the 'Thai and Myanmarese hilsa' as Padma hilsa from Bangladesh.

According to official statistics, 3,433 tonnes of hilsa worth Tk 65 crore was exported in fiscal 2006-07 and 2,647 tonnes worth Tk 75.45 crore in fiscal 2007-08.

City Bank rolls out SME loans for women

STAR BUSINESS DESK

City Bank Ltd yesterday launched "City Nokshi," the bank's SME loan product tailor-made for women entrepreneurs.

K Mahmood Sattar, managing director and chief executive officer of the bank, launched the product at a ceremony in Dhaka, where Rehana Rahman, president of the Women Entrepreneurs Association of Bangladesh, was present as chief guest.

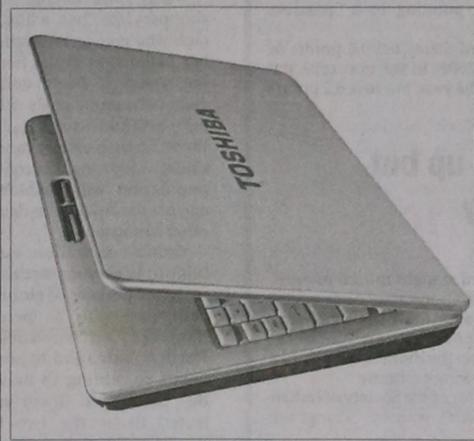
The bank has set a 10 percent interest rate a year

on the gender-specific loan in line with the guidelines of Bangladesh Bank.

It will be available at SME outlets of the bank, where a client can apply for loans of up to Tk 25 lakh.

At the ceremony, Kabita Begum, proprietor of KB International, received the first offer letter from the CEO of the bank.

"The new loan product is aimed to promote the prospective women entrepreneurs to explore their potentials in the business industry," the bank said in the statement.



International Office Machines (IOM) launches PORTEGE M8000-E3319W, the latest notebook from Toshiba in Bangladesh recently. The pearl white colour laptop comes with a built-in FM tuner and a one-year warranty for its parts and battery.

Remittance fair to kick off in Sylhet

STAR BUSINESS DESK

A three-day remittance fair will kick off in Dhapa Dighirpar in Sylhet on May 21, says a press release.

The fair is designed to create awareness among remitters and remittance beneficiaries about the bad impact of hundi on the economy.

Dhaka International Exhibition Company Ltd, which is organising the fair, hopes the event would gear up the remittance inflow through the banking channel, despite the global economic meltdown.

Road-shows, seminars and anti-hundi awareness programmes will be organised for both remitters and beneficiaries. The event will also display remittance facilities offered by banks.

Organisers plan to award top 10 bankers for their outstanding contribution in channelling remittances through the banking system.

Wall Street pulls back after hefty gains

AFP, New York

US stocks traded mainly lower Monday as investors locked in gains from a hefty multiweek rally and braced for new economic data.

The Dow Jones Industrial Average dropped 106.97 points (1.25 percent) to 8,467.68 at 1455 GMT after the market chalked up gains in eight of the past nine weeks.

The Nasdaq composite erased early losses and rose 0.83 points (0.05 percent) to 1,739.83 while the broad-market Standard & Poor's 500 index shed 11.89 points (1.28 percent) to 917.34.

"Profit taking is the name of the game on Wall Street this morning, as traders seek to capitalize on last week's 5.9 percent surge in the S&P 500 index," said Joseph Hargett at Schaeffer's Investment Research.

"There is also a little stress making its way around the trading pits, as the Wall Street Journal reported that US banks received concessions from the Fed regarding government demands for fresh capital."

The daily reported that the Federal Reserve scaled back the size of the capital hole facing some of the nation's biggest banks shortly before concluding its "stress tests," following two weeks of intense bargaining.

The rally extended last week in large part due to news that the stress tests on the banking system revealed relatively modest capital needs for big lenders.

Markets also awaited key economic news including Wednesday's report on US retail sales in April that will provide clues on whether consumer activity -- a key driver of the economy -- is growing in the second quarter despite the deep recession.

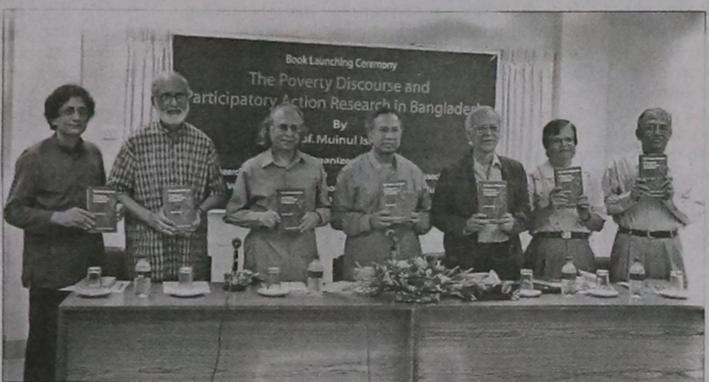
Other data this week include reports on inflation and the US trade balance.

Al Goldman at Wachovia Securities said the stock market "is very stretched out short term" with the S&P index up 37 percent since early March but argued that the long-term outlook remains positive.

"Momentum remains bullish and we thus will not get in its way or try to call even a short-term top until the market's personality changes," he said.

Holistic approach can help remove poverty

Book launch programme told



Professor Muinul Islam, author of 'The Poverty Discourse and Participatory Action Research in Bangladesh', poses with Bangladesh Economic Association President Qazi Kholiqzaman Ahmad, former Governor of Bangladesh Bank Dr Mohammed Farashuddin, and Research Initiatives Bangladesh President Shamsul Bari, at a book launching ceremony at the BEA auditorium yesterday.

STAR BUSINESS REPORT

Speakers at a book launching ceremony in Dhaka yesterday stressed the need to know the roots and its reemergence for poverty eradication.

Professor Muinul Islam, the writer of the book 'The Poverty Discourse and Participatory Action Research in Bangladesh', suggested a holistic approach to the curse of poverty.

"If we really want to remove poverty from the country, a holistic approach to the issue and recognition to it as a discourse will help us," Islam, who teaches Economics at Chittagong University, told the function, jointly organised by Bangladesh Economic Association and Research

Initiatives Bangladesh at the BEA auditorium.

Pointing to the attitudes of lenders like World Bank and International Monetary Fund to poverty, Professor Islam said, "These organisations deem poverty a subject of aid and microcredit, but foreign aid or microcredit is no answer to the problem."

He also put emphasis on a change in government mindset to get rid of poverty, suggesting a participatory action research incorporating the 'missing poor' like sweeper, cobbler and different indigenous communities, who are even beyond the reach of microcredit.

The government should take initiatives for agricultural and land reforms and ensuring quality education, health for the poor, the

writer said.

He also advocated developing a networking system of disadvantaged groups to elicit opinions on their problems and find out solutions.

The book is a result of the research conducted on as many as 18 minority communities.

BEA President Qazi Kholiqzaman Ahmad said the government needs to consider the issue of poverty elimination with a broader perspective that would accumulate voices from academics, researchers, local policy makers and poor community representatives, who would work together to fight poverty.

Dr Mohammed Farashuddin, a former governor of Bangladesh Bank, and Shamsul Bari, president of RIB, were also present.

White House raises budget gap estimate by \$90b

AFP, Washington

US President Barack Obama's administration has finalized a nearly 3.6 trillion dollar budget for 2010 that raises the budget gap by 90 billion dollars, according to an updated plan released Monday.

This came even after Obama last week slashed 11 programs from the 2010 budget plan costing 17 billion dollars, half of which were defense-related.

Based on the "updates summary tables" of the federal government budget for fiscal year 2010 beginning October, spending will increase to 3.591 trillion dollars with revenue estimated at 2.333 trillion dollars, resulting in a deficit of 1.258 trillion dollars.

The updated data also showed a 3.998 trillion dollar budget for 2009 with a deficit of 1.841 trillion dollars, also about 90 billion dollars than previously estimated.

White House budget chief Peter Orszag said the Office of Management and Budget "projects that the deficit will be about 90 billion dollars higher in FY 2009 and also in 2010 than it did in February."

China's new loans fell sharply in April

AFP, Shanghai

Chinese banks significantly cut their new loans in April after lending record amounts in the first quarter in response to government calls to support the economy, the central bank said Monday.

Banks extended 591.8 billion yuan (86.7 billion dollars) last month, the People's Bank of China said in a statement, less than a third of March's monthly record of 1.890 trillion yuan.

However, the loan growth was still "more than enough to support economic recovery," HSBC economist Qu Hongbin told Dow Jones Newswires.

He called it "a slowdown, but it's a welcome slowdown," given the gigantic amounts extended in the first quarter, adding new loans would likely stay in the 300 billion to 500 billion yuan range until year end.

New loans stood 1.070 trillion yuan in February and 1.620 trillion in January, according to bank figures.

Chinese banks lent a total of 4.580 trillion yuan in the first quarter, close to the target of five trillion yuan set by Beijing as the minimum for the whole year.



StanChart HR head in town

STAR BUSINESS DESK

Tracy Clarke, global head of human resources of Standard Chartered Bank (SCB), is scheduled to arrive in Dhaka today on a two-day official visit, says a press release.

On her first visit to Bangladesh, she will be reviewing the bank's business and people strategies for the country. She would also interact with the employees and visit the community development initiatives of SCB.

Working with SCB for almost 24 years, she became the global head of human resources in March 2006, working to ensure the bank's growth through its people strategies for resourcing talent, learning, developing and retention.

She is a member of the Institute of Financial Studies and has spent most of career in banking roles in the UK and Hong Kong.

Dollar claws back ground versus euro

AFP, London

The dollar recovered ground against the euro on Monday, but pulled lower against the yen, as investors digested recent signs that the US recession may be easing, dealers said.

In morning trading in London, the European single currency slid to 1.3593 dollars from 1.3640 dollars late on Friday in New York.

Against the Japanese currency, the dollar eased to 97.86 yen from 98.43 yen late Friday.

The US currency had fallen Friday against main rivals after a report showed the American economy shed fewer jobs in April than markets had feared, reducing demand for "safe haven" currencies such as the greenback and yen.

Job losses in the United States eased to 539,000 in April, down from 699,000 in March.

"Fewer jobs were lost than expected, which means that an end of the downturn is in sight. As a result risk perception on the foreign exchange markets will continue to fall," said Dresdner Kleinwort analyst Ulrich Leuchtmann.



AEA Muhaimen, managing director of BRAC Bank Ltd, and AKM Sajedul Rahman, managing director of BASIC Bank Ltd, exchange documents after signing a deal in Dhaka recently. With this agreement, BRAC Bank will use BASIC Bank as a sub-representative to offer Western Union Money Transfer services.

Seminar stresses improving public service delivery

STAR BUSINESS DESK

Speakers at a discussion in Dhaka yesterday put emphasis on improving public service delivery.

The International Business Forum of Bangladesh (IBFB) organised it to present its recent study findings on Public Service Delivery and the Business Environment at Dhaka Westin.

According to the study, power sector and law enforcement agencies are the two problematic sectors in Bangladesh.

The discussants said accountability in public agencies should be ensured in the interest of overcoming corruption, a problem that continues to affect

Bangladesh.

Chaired by IBFB President Mahmudul Islam Chowdhury, the function was attended among others by Major General (rtd) Abdus Salam MP, chairman of the parliamentary standing committee on home affairs, Major General (rtd) Subid Ali Bhuiyan MP, chairman of the parliamentary body on power, energy and mineral resources, Professor Muzaffer Ahmad, chairman, Transparency International Bangladesh (TIB), and ASM Shahjahan, former adviser to the caretaker government.

Abdus Salam MP said law enforcement has an impact on the private sector, the driving force of Bangladesh economy.



Mudassir Murtaza, managing director of Rahimafrooz CNG, inaugurates the second Quikfill CNG refuelling chain station at Tangail recently.

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Arrangements between ACI and Panasonic

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This is to clarify for general information that ACI has started distribution of Panasonic brand audio visual products in Bangladesh under certain terms and conditions and has not signed any sole distributorship agreement with Panasonic.

ACI ensures delightment of the customers through using original Panasonic Audio Visual products.