

Credit to SMEs, farm to be prioritised

BB moves on officials' capacity to analyse economic issues

STAR BUSINESS REPORT

Bangladesh Bank (BB) will prioritise credit flows for productive sectors like small and medium enterprises and agriculture, said its governor yesterday.

"Be innovative to give a boost to the economy," Dr Atiur Rahman urged the banks and entrepreneurs while speaking at a dialogue in Dhaka.

The Bangladesh chapter of International Chamber of Commerce (ICC-B) organised the dialogue on Rethinking Trade Finance 2009: An ICC Global Survey.

According to the survey findings, increased risk perception and tight credit condition have been identified as major threats to the access to trade finance.

When the central bank's chief's attention was drawn by some discussants at the dialogue to Bangladesh's policymakers' failure to reach any decision in the face of global recession because of the lack of data and poor analytical capability, Dr Atiur made an assurance that officials' capability in this regard would be enhanced.

Admitting that BB officials could not utilise full potential of its immense statistical database, he said, "The officials do not have the capacity. I'll take steps to increase their capacity, including strengthening the existing policy analysis unit of the BB."

He said his role, as a regulator, would be to boost business confidence based on



Bangladesh Bank Governor Dr Atiur Rahman (middle) speaks at a dialogue on Rethinking Trade Finance 2009: An ICC Global Survey organised by International Chamber of Commerce-Bangladesh in Dhaka yesterday.

well-informed data. "We'll invest more on knowledge and analysis," he added.

When asked, BRAC Bank Chairman Muhammad A (Rume) Ali, also a former deputy governor of the central bank, told The Daily Star after the function, "During my tenure in the BB I got everything (data) whatever needed."

"But we have to know how to utilise those data for analysing the economy", Ali added.

The BB governor, who dwelt on various issues like remittance, bank credit, exports, domestic demand and trade, called upon the commercial banks to open more exchange houses abroad to net more remittances.

Dr Atiur said, "The remittance may rise to \$9.5 billion in 2009 providing stronger

cushion to the current account balance and exchange rate stability."

The governor believed Bangladesh has to boost domestic demand to sustain the global financial crisis fallout.

"If internal demand goes up, we'll stand on our own feet," he said. "But it doesn't mean that export will be given less priority," he noted.

He credited the BB for a healthy financial sector despite prevailing a negative situation in the world's banking sector.

The survey, conducted by the ICC Banking Commission, covered 130 banks in over 60 countries across the globe to analyse the trade finance issue. Vincent O'Brien, member of ICC Banking Commission, Paris presented a keynote paper on the survey.

The survey found that 47 percent of the banks reported a decline in export LC, while 43 percent banks reported a fall in LC value of aggregate transactions.

Mahbubur Rahman, the ICC-B president who chaired the dialogue, hoped that the survey would provide bankers and other stakeholders with some basic data and useful information for their strategic planning in conducting foreign trade.

Professor Mustafizur Rahman of the Centre for Policy Dialogue, Professor MA Taslim of Bangladesh Foreign Trade Institute, Dr Toufiq Ali, a former ambassador to UN in Geneva and WTO, Zaidi Sattar of Policy Research Institute and Mamun Rashid of Citibank NA took part in the discussion.



National Bank chairman re-elected

STAR BUSINESS DESK

National Bank Ltd has recently re-elected Moazzam Hossain as chairman at the bank's 303rd board meeting, says a press release.

Moazzam, a post graduate from Japan, is a sponsor director of National Bank Ltd.

He is also the chairman of Hosaf Group of Companies, vice-chairman of Presidency University and president of Bangladesh Energy Association.

Apollo inks deal with Starwell

STAR BUSINESS DESK

Apollo Hospitals Dhaka has recently signed an agreement with Starwell Health Management FZ LLC to offer third-party administration services to health insurance companies in the Middle East, says a press release.

Under the deal, Apollo will provide medical services and special corporate benefits to the insured members of the companies under Starwell coverage.

Shahjahan Majumder, acting chief executive officer of Apollo Hospitals Dhaka, and R Sarath Babu, project manager of Starwell, have signed the agreement in Dhaka recently.

Starwell, located in Dubai Health Care City, has coverage from UAE, Qatar, Oman and many other Gulf countries.

Infrastructure deficit impeding South Asia's growth

Says Saarc chamber chief

BSS, Dhaka

Tariq Sayeed, president Saarc Chamber of Commerce and Industry (SCCI), said infrastructure deficit is impeding South Asia's growth where private initiatives could do a lot of good for the development of the region.

In an exclusive interview with the news agency, the Saarc chamber chief said there are hurdles to be crossed, trust-bridges are to be built but my observation is if the private players come forward to mitigate the problem of South Asia then it would work faster than the political initiative.

Citing success stories of EU, Nafta and Asean, he said these could inspired other regional groupings to lay-down necessary infrastructure for regional integration.

The Saarc chamber was formed in 1988 at the second meeting of chambers of commerce & industry of the developing countries (G-77) in New Delhi with a desire to establish the chamber of commerce and industry of the Saarc countries for the promotion of trade and industry in this region.

The regional chamber also emphasised creation of a common stock market in South Asia with a common feeling that it will help foster integration process in the region and develop required linkages between institutions to strengthen the financial sector.

According to Sayeed, power is the most critical bottleneck followed by transportation in the region.

"I heard Bangladesh's firms experience power shortages of 250 days a year; in Nepal, there is a power shortage almost every day to the tune of 12 to 16 hours a day, Pakistan is having 6-10 hours daily load-shedding. But we all know that Bhutan and Nepal has huge hydro electricity potential

and we failed to tap it", he said.

Only India is enjoying some facilities from the hydro potential of the region, which is still a nominal amount against the potential, he added. "Businesses in Pakistan and India estimate they lose 5-8 percent in annual sales due to power related problems," Tariq Sayeed said.

He said it has been notably observed that infrastructure deficit is impeding South Asia's growth. In the 2008 Investment Climate Assessment survey, it was found that about 40 percent of Indian firms, 45 percent of Pakistani and 70 percent of Bangladeshi firms regarded infrastructure as a major obstacle to business expansion.

"Saarc was formed in the 80s with an aim to eradicate hunger and poverty, but still it is crawling to reach its target as the politicians never addressed the economic issues of this region as the tool of the development, rather they issued those to create division among the nation in the region, but now we need to change our attitude," he said.

He said the land locked Bhutan, Nepal have proximity with India and Afghanistan with Pakistan. The development of ports and formation of Saarc Shipping Company can ensure connectivity with Bangladesh, Sri Lanka, and the Maldives.

Afghanistan, Pakistan and India share land border more than 1000 miles and has the greater potential to form trade corridor linking South Asia with Central Asian states which can be extended to Asia Mass Transit Plan in future, forming greater Asia.

The Saarc chamber chief emphasised that Saarc countries should enhance cooperation in services sector like education, health, tourism and finance, including banking, insurance and capital market, which had a quantified potential of \$20 billion per annum in South Asia.

CSR an ethical way to boost earnings

Seminar told

STAR BUSINESS REPORT

Corporate social responsibility (CSR) practices by companies will help exporters increase their earnings, analysts said yesterday.

At the function, organised by Dhaka Chamber of Commerce and Industry (DCCI), they also urged the businesses to adopt CSR in businesses to build reputation and reduce risks.

"If we can start CSR in our organisations, our products will get more acceptability on the international market, which means export earnings will increase," said Aftabul Islam, former DCCI president.

CSR plays a vital role in exporting products to the rest of the world, Islam said in his speech at a seminar at the DCCI auditorium as

chief guest.

DCCI and German Technical Co-operation (GTZ) co-organised the seminar on how CSR can be a profitable, yet ethical way of doing business.

If small businesses strive to grow, they must reach out to a wider global market, the discussants said. In today's world CSR has become a global necessity for taking a leap forward and attaining a larger share of the market, they said.

Speaking on the issue, they viewed that every business organisation has some social responsibility.

DCCI President Zafar Osman said a CSR strategy should be developed in the country, which he said would help alleviate business risks and minimise social disputes.

Osman urged all to

attach importance to establishing a socially-compliant business environment. "A socially responsible company should arrange training for the staffs and adopt several cost-saving methods," he said. DCCI plans to establish a CSR centre on its premises.

Consultant Mohiuddin Babar and Director of Centre for Management Development AMM Khairul Bashar made presentations on CSR at the seminar.

CSR encourages businessmen to make profit ethically, said Dietrich Stotz, programme coordinator of GTZ-progress.

"CSR is important to business nowadays as it advises the businessmen to profit abiding by the ethics of business."



MERCEDES GOES BLUE: Mercedes-Benz launches "Blue-EFFICIENCY" luxury passenger sedans, a combination of a fuel efficient engine, better handling, more controlled steering and even more aerodynamic designs. The new models, according to Mercedes, have lower fuel consumption and CO2 emissions by some 10 percent compared to its predecessors.

US economy shrank 5.7pc in Q1

AFP, Washington

The US economy contracted 5.7 percent in the first quarter, less than initially estimated, official data showed Friday, due in part to improved readings on imports and durable goods orders.

The Commerce Department revised its initial estimate of a 6.1 percent annualized decline for the January-March period, following a brutal 6.3 per-

cent contraction in the fourth quarter.

The department said the first quarter downturn in gross domestic product (GDP) -- the nation's goods and services output -- reflected declines in exports, equipment and software, and investments that were partly offset by gains in consumer spending.

But the better reading was due to bigger decline in imports, an increase in consumer spending on

durable goods -- big-ticket items such as computers and televisions expected to last several years -- and a smaller decrease in consumer spending on nondurable goods.

Those improvements in economic momentum were partly offset by larger decreases in private inventory investment and in non-residential structures and a downturn in federal government spending, the department added.

Specialised textile millers demand Tk900cr allocation

STAR BUSINESS REPORT

Bangladesh Specialised Textile Mills and Powerloom Industries Association have demanded that the government give a Tk 900 crore budgetary allocation for fresh investment in weaving sub-sector.

"We need only Tk900 crore to make a fresh investment to produce 200 crore metres of fabrics," said Sharif M Afzal Hossain, the association's president at a press conference in Dhaka yesterday.

Hossain also urged the

government for re-introducing the five-year plan so that the country could achieve the status of a middle-income country within 2015 after the implementation of the 6th five-year plan.

"We are waiting for the government's approval for re-launching of 108 industrial units. We have already submitted the proposal in this regard," he said.

According to the jute and textiles ministry, the annual domestic requirement of textile is 300 crore metres.

Retail giant Wal-Mart opens in India

AFP, Amritsar, India

The world's number one retailer Wal-Mart opened its first sales venture in India on Saturday as part of an ambitious plan to establish a foothold in the country's vast consumer market.

The US discount chain has teamed up with Bharti Enterprises, parent of India's biggest mobile firm Bharti Airtel, in a wholesale joint venture to be called Best Price Modern Wholesale.

"We have put in a lot of planning and preparation over the past 12 months and are delighted all the hard work will now bear fruit as we open the doors of our first cash-and-carry store in India," said Wal-Mart India head Raj Jain.

The opening of Wal-Mart's first "big box" outlet in Amritsar city in the wheat-bowl northern state of Punjab, is a high-stakes one for the US retailer, which has been expanding internationally to grow its revenues.

"India is first of all a country with close to 1.2 billion people and a strongly growing economy which is driven by personal consumption," said Jain.

"There's a need to start out on a learning curve with the Indian consumer and this is the first significant step in that direction," he said.

The Best Price Modern Wholesale will offer 6,000 food and non-food items at "competitive wholesale prices," a Wal-Mart state-



Bharti Enterprises Vice Chairman and Managing Director Rajan Bharti Mittal along with Bharti Wal-Mart Managing Director and CEO Raj Jain (STAGE/R) address media representatives following an inauguration ceremony for India's first ever Bharti Wal-Mart "Best Price" Modern Wholesale cash and carry store in the village of Manawala, some 11km from Amritsar on yesterday. US company Wal-Mart, which has weathered the global downturn better than rivals, aims to open 10 to 15 wholesale outlets in India over the next two to three years and employ around 5,000 people.

ment said.

Best Price will not be open to retail shoppers but will serve small stores, fruit and vegetable sellers, restaurants, hotels and other business outlets.

Under India's tight foreign investment rules, no overseas chains are permitted in the retail sector -- except for single-brand outlets such as Nokia or Reebok -- to protect local retail players.

Foreign groups such as Wal-Mart can only be wholesalers and must partner with domestic companies to enter the retail market, valued at 400 billion dollars and forecast to grow rapidly in the coming years.

বিদেশে অবস্থানকালীন চিকিৎসা বীমা (Overseas Medclaim Insurance)

- যে সকল বাংলাদেশী নাগরিক ব্যবসায়িক কাজে, অবকাশ যাপন, চাকুরী এবং শিক্ষার জন্যে বিদেশে যাচ্ছেন, তাঁরাই এই বীমা-পলিসি গ্রহণ করতে পারেন
- বৈদেশিক মুদ্রায় চিকিৎসকের ফিসহ চিকিৎসা ব্যয়, হাসপাতাল ব্যয়, জরুরী চিকিৎসার জন্য স্থানান্তর ব্যয়, বিমানযোগে মৃতব্যক্তির লাশ আনয়ন ব্যয় ইত্যাদি পরিশোধযোগ্য

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