

Stocks

DGEN ▼ 0.19%
2,828.07

CSCX ▼ 0.35%
6,219.95

Asian Markets

MUMBAI ▼ 0.85%
15,062.49

TOKYO ▲ 2.73%
9,652.02

SINGAPORE ▼ 0.07%
2,454.33

SHANGHAI ▼ 1.64%
3,213.21

Currencies

Buy Tk Sell Tk

USD 68.45 69.45

EUR 95.33 100.55

GBP 111.07 116.54

JPY 0.71 0.80

SOURCE: STANDARD CHARTERED BANK

Commodities

Gold ▲
\$948.36
(per ounce)

Oil ▼
\$63.91
(per barrel)

SOURCE: AFP

(Midday Trade)

More News

Gyms muscle in



The courtyard of a gym at Sonargaon Road buzzes round the clock. Inside, Morshed Alam works on bodybuilding instruments and multi-gym equipment. "A workout gives me the stamina to face the day and relieves tension as well. If I do not exercise, I feel lethargic," says Alam, 30, emerging from the gym to catch his breath.

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International

Nortel strikes deal to sell business unit to Avaya

Canadian telecom equipment maker Nortel said Monday it reached a deal to sell its enterprise solutions business to US-based Avaya for 475 million dollars pending approval of a bankruptcy court.

Deutsche Bank managers leave amid spy probe

Two managers at the biggest German bank, Deutsche Bank, have left amid a probe into alleged spying, a financial source told AFP on Tuesday. The head of security for the bank and its head of investor relations "have left the company," the source said. Deutsche Bank declined to comment when contacted by AFP, saying that it was waiting for the results of an internal probe launched in May by an independent company.

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If you have views on Star Business or news about business in Bangladesh, please email us at business@thedailystar.net

BB plans Tk 500cr for sharecroppers

STAR BUSINESS REPORT

The central bank plans to set up a Tk 500 crore fund to disburse loans to tens of thousands of sharecroppers in rural Bangladesh, officials said yesterday.

"We are designing a special package for bargadars (sharecroppers) and taking initiatives under the agricultural credit policy to help them get farm loans," Bangladesh Bank (BB) Governor Dr Atiur Rahman told a luncheon meeting.

The American Chamber of Commerce in Bangladesh (AmCham) organised the meeting to discuss the "Present Economic Outlook and Challenges Facing Bangladesh Economy", at Dhaka Sheraton Hotel.

The governor said the central bank has set a target to ensure disbursement of Tk 11,500 crore in loans under the agricultural credit policy to revamp the rural economy and ensure pro-poor growth.

The target is 23 percent higher than the actual disbursement of Tk 9,300 crore last fiscal year, according to BB officials.

"We are also planning for disbursement of an additional Tk 500 crore to allow sharecroppers to get access to funds," the governor said without elaborating whether the money will be disbursed through bank funds or a refinancing scheme under BB.

Insiders however said BB might form a refinancing fund or develop other mechanisms to extend loans to the farmers.

Rahman observes the economy performed quite well despite the current global downturn, thanks to the country's low exposure to toxic assets in world financial markets.

"Currently the foreign exchange reserve is \$7.4 billion and remittance registered growth to touch \$9.67 billion last fiscal year. We have also recorded double-digit growth in exports. These are

positive outcomes," Rahman said.

Given the current global and domestic scenario, the central bank chief expected the economy to grow between 5.5-6.0 percent in fiscal 2009-10, which is close to the level achieved in fiscal 2008-09. The previous fiscal year recorded growth of 5.9 percent, the slowest rate since 2002-03.

"If the dark clouds over the world economy clear and domestic economy remains benign, we will achieve projected growth," he said.

"Poor infrastructure, which hurts potential growth of the economy, is Achilles' heel," he said, calling upon entrepreneurs to participate in infrastructure development initiatives under public-private partnership (PPP) programmes to remove the bottleneck.

Rahman said economic growth should be inclusive and evaluated on the basis of quality instead of quantity.

"Growth should be inclusive, sustainable and environmentally responsible," he said.

The monetary policy for the first half of fiscal 2009-10, announced earlier this week, was designed to attain pro-poor growth and maintain price stability.

In the monetary policy, BB set a target to allow credit to the private sector at 17 percent for the current fiscal year to boost investment.

"Money will not be a problem for entrepreneurs. We want to assure them that we always be on their side," Rahman said.

Rahman also said the government plans to borrow funds from the banking system and it would not hurt credit flow to the private sector.

"We are not encouraging the government to borrow from the banking system. Individual entrepreneurs should not worry whether public sector borrowing would hurt credit. There is enough liquidity in the system."



Trucks stay idle at Chittagong Port as winch men stopped cargo handling operation for some eight hours yesterday to press home their demands for better wage, bonus and provident fund.

Winch men put strain on Ctg port

STAFF CORRESPONDENT, Ctg

Cargo handling operation at Chittagong Port was disrupted partially for some eight hours as winch men (crane operators) called a strike yesterday for better pay among other demands.

However during the time from 8am, Chittagong Port Authority (CPA) engaged its own cranes, while berth operators provided manpower to carry on the cargo handling operation.

The winch men resumed works from the evening after the CPA held

separate meetings with the winch men and the berth operators, and assured them of solving their problems.

The crane operators have been agitating for the last several months under the banner of Winch Men Welfare Association to realise their six-point demands including wage hike, bonus and provident fund.

They called the strike after a meeting with berth operators ended without any result in Monday evening.

"We have joined works as CPA has assured us of holding a tri-partite meeting to solve our problems," said winch men's association President Abdul

Matin yesterday.

Meanwhile, Bangladesh Masters Stevedoring Association (BMSA) termed the agitation 'illogical' and 'unfair'.

BMSA acting president Md Sarwar Hossain said: "We have already increased daily wage of a winch man to Tk 950 from Tk 500. The matter of bonus and provident fund needs to be thoroughly discussed."

He claimed that almost 80 percent of cargo handling could be done with alternative measures taken by the CPA and berth operators.



Prime Minister Sheikh Hasina receives a crest from Indian business delegation leader Harsh C Mariwala at her office in Dhaka yesterday. (Story on page 1)

Move to improve banks' scorecards

STAR BUSINESS REPORT

The central bank for the first time is formulating a five-year strategic plan to improve performance of the country's banking industry.

"The objective of the plan is to assist banks to develop regulatory and supervisory framework in response to market developments over the next five years," Bangladesh Bank Governor Dr Atiur Rahman told reporters after a meeting with different banks' managing directors at his office yesterday.

The governor met the banks' chief executive officers to discuss introduction of automated cheque processing system. But all banks are not ready to go for automation at the moment, he said.

"We have reset the deadline to November this year," Rahman said.

Earlier, the BB set the deadline for August for the automation of cheque processing that will reduce both time and physical efforts from the existing manual system.

"We will go for test trial of the system in October," said the governor.

On the strategic planning, Rahman said although Bangladesh's banking sector is relatively in a better position compared to the global situation, it needs comprehensive planning to cope with the rapidly changing global behaviour of the financial sector.

The strategy that is likely to be introduced by January next year will also help the BB achieve its goals, he said.

The planning is expected to increase competition and efficiency of the banking sector, the governor added.

"Also it will help banks go for a more 'risk-based' approach."

Bangladesh's banking sector is comprised of 48 banks -- 30 private commercial banks, nine foreign commercial banks and nine state-owned commercial and specialised banks.

The banking sector is going through adoption of Basel II framework, a more comprehensive measure and standard for capital adequacy and risk management. Under the framework, the banks will have to raise their capital to Tk 400 crore from present Tk 200 crore.



ADB president due tomorrow

UNB, Dhaka

Asian Development Bank (ADB) President Haruhiko Kuroda will arrive here on a two-day visit tomorrow.

His visit is expected to reaffirm ADB's strong support for the government's economic and social development programmes, which came under pressure from the global economic crisis.

Apart from holding meetings with top government leaders and representatives of civil society, Kuroda is also expected to make a field trip to an ADB-funded project to meet some of the project beneficiaries, said a release.

ADB has a long and active presence in Bangladesh, partnering with the government on a range of poverty-alleviation and development projects. Opened in 1982, ADB's resident mission in Bangladesh is the first overseas country field office established by ADB.

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