

Stocks

DGEN 0.05%
2,866.21

CSCX 0.23%
6,308.14
(Week-on-week)

Asian Markets

MUMBAI 0.97%
15,378.96

TOKYO 1.55%
9,944.55

SINGAPORE 1.95%
2,533.43

SHANGHAI 1.33%
3,372.60
(Friday closings)

Commodities

Gold \$951.50
(per ounce)

Oil \$67.00
(per barrel)
SOURCE: AFP
(As of Friday)

More News

Breathing life into ICT task force



The AL-led government in its first national budget has made it clear that it means business when it comes to 'Digital Bangladesh' the slogan from its election manifesto that defines the vision it has laid out for the nation going forward to the year 2021.

B-4

State banks to hike salaries

REJAUL KARIM BYRON

Three state-owned banks (SOBs) are likely to declare a separate pay scale, which will make the salaries of the banks' officials and employees more than double the government's new pay structure.

The bank's new pay scale will come after the government puts in place a new salary structure for its staffers. The cabinet may approve the new pay scale tomorrow for the government staff.

A high official of an SOB said the authorities would implement the government pay scale first and then design a separate pay scale for Sonali, Janata and Agrani banks. They have already prepared a draft of the separate pay scale.

Chief executive officers of these banks appointed on contracts draw a monthly salary of Tk 6 lakh to Tk 8 lakh in line with early agreements.

In the separate pay structure, the salary of a deputy managing director (DMD) may be around Tk 2.50 lakh of which the basic salary would be Tk 60,000. A general manager (GM) will get around Tk 2 lakh with Tk 50,000 in basic salary. For a deputy general manager (DGM), the salary will be Tk 1 lakh with a basic salary of Tk 30,000.

In the government pay structure, the basic

salary of a DMD and GM will be around Tk 33,000, and it would be Tk 4,100 for a lowest-paid employee.

In the separate pay scale another Tk 5,000 to Tk 6,000 would be given to the low-level employees of the banks.

Under the reform of the SOBs, the banks were made corporate. An important condition of the corporatisation was giving a separate pay scale for these banks.

A high official of an SOB said they are now failing to keep good manpower as the private banks offer higher salaries.

The SOBs recruit manpower every year through competitive examinations, but the private banks lure them with attractive packages, and the high-profile SOB officials with long experience join the private banks for higher salaries, the official said.

A separate pay scale is being contemplated to make the services of the SOBs more attractive.

A finance ministry official said the SOBs can introduce a separate pay scale but they will have to reduce excess manpower they have now.

The World Bank has recently reviewed the reforms of the SOBs and sent a report to the government. Finance ministry officials said the report praised the reforms achieved over the last several

years and mentioned that they brought about improvement. The report also recommended introduction of separate pay scale for the SOBs.

However the WB suggested introduction of voluntary retirement scheme to reduce excess manpower.

The recommendations of secretaries' committee on government pay scale are likely to be submitted tomorrow at the cabinet meeting with Prime Minister Sheikh Hasina in the chair.

The committee has already finalised its recommendations in line with the Pay Commission report.

The secretaries' committee may suggest fixing the highest salary at Tk 40,000 instead of Pay Commission's recommendation of Tk 45,000.

In the lower grade the committee may suggest Tk 4,100. The Pay Commission recommended Tk 4,000 at this level.

Officials said the secretaries' committee is likely to recommend more pay hike than the Pay Commission suggestion in the lower 10 grades among the 20 grades, while it may suggest less increase in the higher levels.

The committee may recommend implementation of the basic salary this fiscal year, while the allowance and other benefits from the next fiscal year.



An official of Department of Agricultural Extension shows the nurturing process of orange plants at Bhaluka in Mymensingh.

Orange promises boon for Mymensingh

AMINUL ISLAM, Mymensingh

Orange cultivation, first of its kind in Mymensingh district, can create a new avenue of hope among the growers, as the fruit is becoming a better earning source than other traditional cash crops, said agriculture officials.

Although the region was not known as a suitable place for orange cultivation, the officials of Department of Agricultural Extension (DAE) are hopeful as orange plants are growing well in Bhaluka and Haluaghat upazilas here.

Oranges worth Tk 2 crore are consumed in Mymensingh district a year but when the matured orange plants will start bearing fruits by 2011, oranges worth around Tk 3 crore will be produced here, said the officials.

And the production will be more in the coming years, they hoped.

Soil and climate of some areas of the district are suitable to grow orange like other fruits and this new fruit will bring fortune for many farmers, the officials expected.

A task force report in 2003 said that Sylhet, Habiganj, Sunamganj, Moulvibazar, Panchagarh, Thakurgaon, Mymensingh, Tangail, Gazipur, Chittagong and Chittagong Hill Tracts are suitable for orange cultivation.

Orange can be cultivated in these areas on commercial basis to meet the local demand and for export, the report added.

A total of 43,674 orange saplings have so far been distributed among 2,405 farmers of Bhaluka and Haluaghat upazilas of the district since July 2007. A total of 1,388 gardens including homestead ones have been made in Bhaluka and Haluaghat. And the farmers have been trained in orange cultivation.

If 60 percent orange plants give fruits by 2011, oranges worth Tk 5 crore will be produced and the production will increase manifold by 2013 when all the plants will bear fruits, said Sadeque Ibn Shams, a horticulture official.

Some areas of Trishal, Bhaluka, Phulbaria and Muktagacha upazilas of the district have good potential for growing quality orange, said the official.

Syed Tanvir Ahmed, another horticulture official, said: "We can go for more orange cultivation across the country as the fruit has a good global demand."

The officials said marginal and small farmers will be able to earn a handsome amount from a piece of land around their homestead by cultivating orange.

According to official sources, 12,000 tonnes of orange worth around Tk 27 crore were imported in 1998.

NBFIs show lending strength

SAJJADUR RAHMAN

Private sector credit from non-bank financial institutions (NBFIs) surged nearly 40 percent to Tk 10,860 crore at the end of December 2008, with an increased share for term financing.

The amount of such loans was Tk 7,830 crore in December 2007.

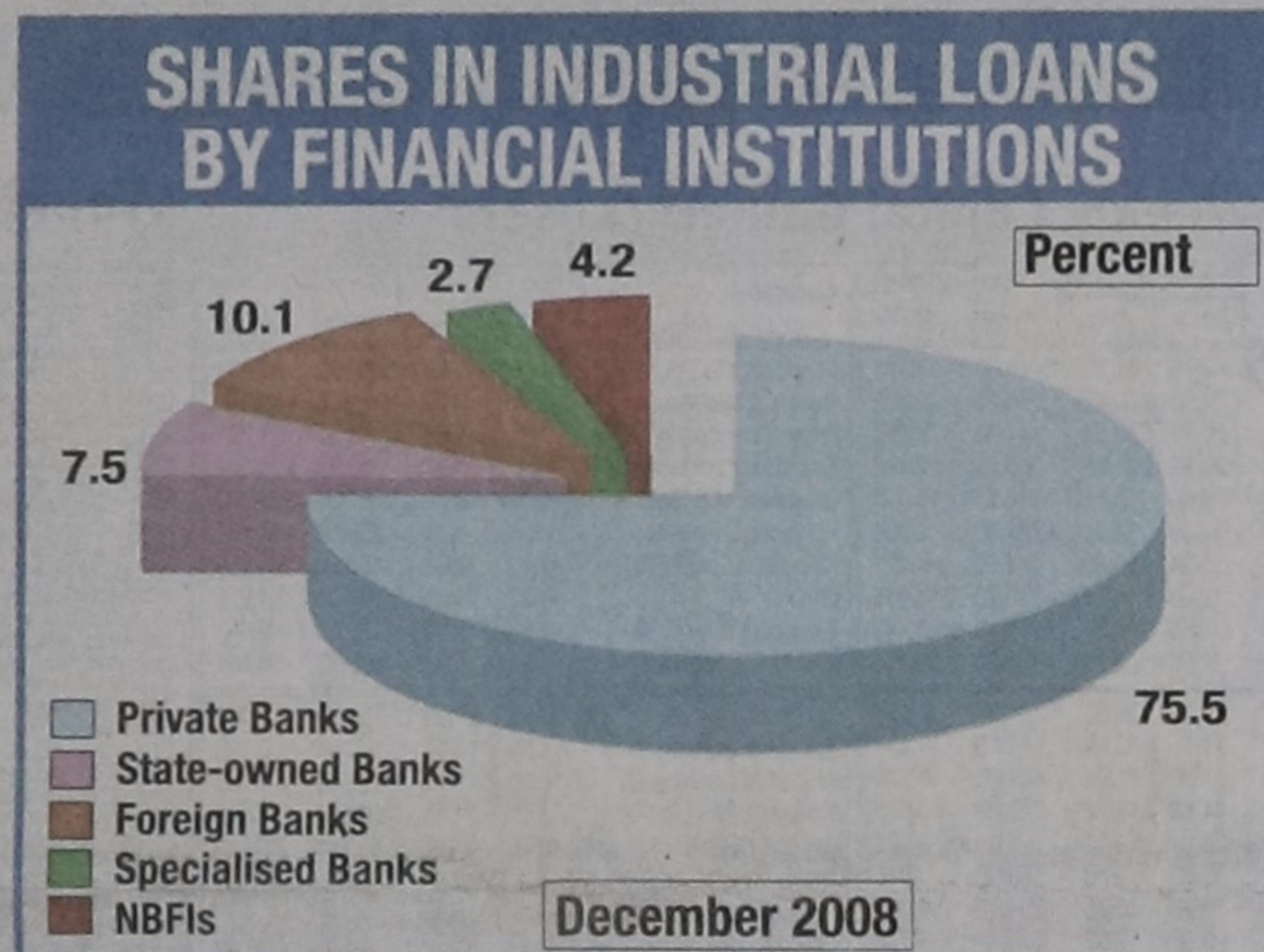
The trend also continues to show a positive mood during the first half of 2009. During this period of the year such credit disbursement stood at Tk 5,080 crore, according to the provisional data of Bangladesh Leasing and Finance Companies Association.

The industrial lending by NBFIs also increased by 10.4 percent to Tk 6,140 crore in 2008, compared to Tk 5,560 crore in 2007.

"NBFIs are convenient, easily accessible and less time-consuming source of financing that has led to such an impressive growth of the sector," said Mafizuddin Sarker, president of the sectoral trade body.

Sarker, also the chief executive officer of Lanka Bangla Finance, laid bare the association's plan to explore the untapped areas of business.

These financial institutions take up a rapidly growing segment of the country's financial system. They contribute to both the quality and



quantity of financial services to cater to the investment needs.

Currently, 29 NBFIs are in operation -- one is government-owned, 15 are private local companies and the remaining 13 joint ventures with foreign partnership.

Although term financing by NBFIs has increased to nearly 40 percent at the end of June 2009 from 27.3 percent in December 2008, the contribution of leased assets and working capital are declining.

Leased assets had constituted 36.5 percent of the total assets of the NBFIs in June 2008, while it came down to nearly 30 percent in June 2009.

"Financing for working capital by NBFIs is declining because commercial banks increasingly grip this area," Sarker told The Daily Star.

Total assets of NBFIs also showed a 20 percent growth. The amount of such assets reached Tk 12,753 crore in December 2008.

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Janata launches quick remittance transfer system

REJAUL KARIM BYRON

Janata Bank has introduced a speedy remittance transfer system, which promises to ensure instant delivery of cash to recipients.

"We have introduced the system to 205 branches for now. The service will be expanded to our 845 branches in phases across the country," SM Aminur Rahman, managing director of the leading state-owned bank, told The Daily Star.

The system allows a remitter to deposit cash in a bank abroad, which will be simultaneously recorded in the Janata Bank headquarters and its relevant branch from where the recipient will be able to take the money.

An official with the Janata headquarters will send an sms to the mobile number of the recipient, provided by the remitter, to receive the money.

Remitters can send the money home from the Rome and Milan branches of Janata Bank and Janata Exchange Company SRL and AL Mollah International Exchange Company WLL in Kuwait, Kuwait Bahrain International Exchange Company in Kuwait, UAE Exchange Centre in UAE, Bank Al Bilad in Saudi Arabia, Wall Street Exchange Centre LLC in UAE and Oman and UAE Exchange Centre in Oman.

"We are taking different steps to increase the remittance inflow through the banking channel. We have also signed an agreement with a Saudi financial institution," Rahman said.

Ericsson buys Nortel units for \$1.13b

AP, Stockholm

Swedish wireless equipment maker LM Ericsson said yesterday it had penned a deal to buy a majority of Nortel Networks' North American wireless business for \$1.13 billion.

The Stockholm-based group said the purchase is on a cash and debt-free basis and covers the older CDMA and newer LTE wireless businesses of Nortel's Carrier Networks unit.

Nortel on Friday placed its wireless business up for auction behind closed doors in New York City, and international tech industry titans submitted their best offers for the prized division.

Nortel, a former telecommunications equipment powerhouse, sought bankruptcy protection in January and the auction was planned after the company said it planned to liquidate its business.

The deal is subject to approval by relevant authorities. Ericsson CEO Carl-Henric Svanberg said in a statement that the acquisition would add 2,500 employees to his company, of which about 400 are focused on LTE research and development.

"Acquiring Nortel's North American CDMA business allows us to serve this important region better as we build relationships for the future migration to LTE," he said.

Under the deal, Ericsson will get CDMA contracts with North American operators such as Verizon, Sprint, US Cellular, Bell Canada and Leap, as well as LTE assets, and certain patents and patent licenses relating to CDMA and LTE.

According to Ericsson, Nortel's North American CDMA operations generated \$2 billion last year.

"Going forward, research and development costs are expected to be relatively low in CDMA compared with other technologies," Ericsson said.

CDMA, or code division multiple access, is a rival standard to the dominant cellular standard GSM, or global system for mobile, while LTE, or long-term evolution, is a next-generation wireless network technology that promises to be much faster.

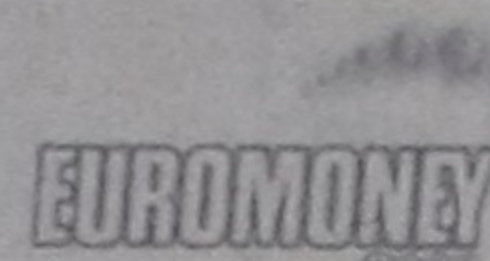
In 2008, Ericsson's North American business generated around \$2.7 billion of sales.

The group said that including its recent services agreement with Sprint, Saturday's deal will make North America its largest region, with around 14,000 staff.

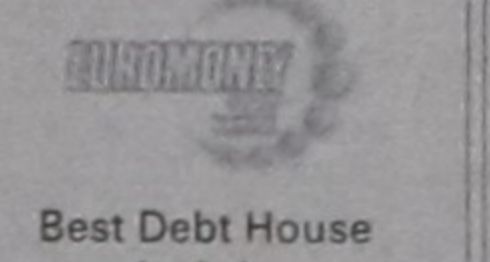
Ericsson expects the acquisition to have a positive effect on its earnings within a year after closing, it said.

Magnus Mandersson, currently head of Ericsson Northern Europe, has been named President of Ericsson CDMA operations, and Richard Lowe of Nortel the chief operating officer.

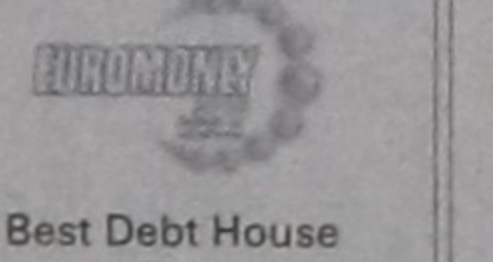
In a separate statement, Nortel said it would "work diligently" with Ericsson to close the sale later this year. It also said it would stay focused on finding the right buyers for its other businesses.



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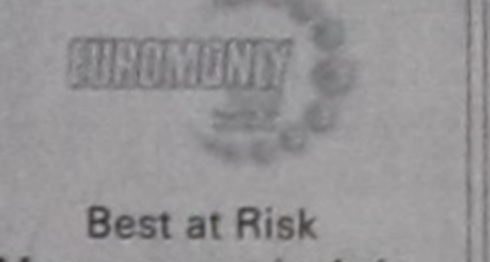
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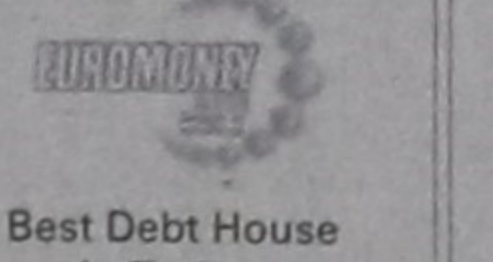
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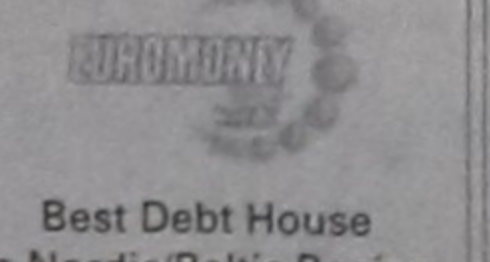
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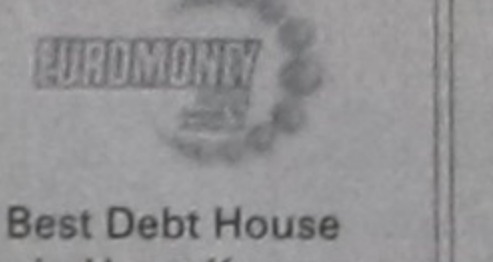
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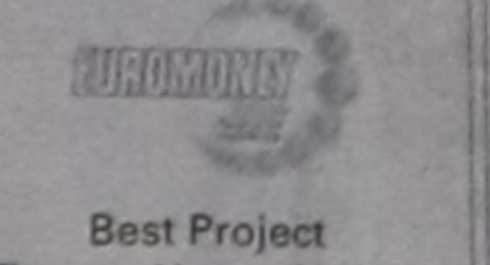
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Euromoney, July 2009

HSBC The world's local bank

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