Prime Minister Sheikh Hasina speaks at a meeting with the members of Pan Asian- American Chamber of Commerce in New York on Sunday.

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PM urges more foreign investment

BSS, *New York*

Putting bounteous business bonanza on stake, Prime Minister Sheikh Hasina invited foreign investors to make investment in Bangladesh in potential sectors like banking, energy, infrastructure, agriculture, agro-based industries and so.

She made the call at a business meet dubbed 'Investment Summit Bangladesh 2009' at Hotel Grand Hyatt in this US city on Sunday afternoon as part of the PM's busy schedules on the sidelines of the UN General Assembly session she addressed on September 26.

Businessmen from the Pan Asian-American Chamber of Commerce were present at the meeting where they exchanged views with the Prime Minister about the investment-friendly environment prevailing now in Bangladesh.

Prime Minister's son, Sajib Wajed Joy, was also present at the summit meet on investment where rewarding business offers from the head of government were aplenty.

"In today's globalised world, the farsighted and wise are taking immediate advantage of opportunities for expanding their businesses.

Surely, such opportunities exist today for investors in Bangladesh," she told the gathering.

Indeed, she said, immense opportunities do exist for new investments in capital market, banking, energy, infrastructure, agriculture, agro-based industries, textiles, outsourcing, manpower, pharmaceuticals, healthcare, biotechnology, light engineering, shipbuilding, tourism, information technology, education, among others.

Sheikh Hasina mentioned that her government wants to turn Bangladesh into a middle-income country by 2021 for which foreign investment is a significant component.

To attract the foreign investors, fortunately, several conditions already exist in Bangladesh's favour- a homogenous secular society, progressive democracy, market-oriented economy, low-cost labour, entrepreneurial ethos of the workforce, strategic geographic location accessible to international land and air routes and a large domestic consumer market of 160 million, the Prime Minister told her business audience.

"Complementing these favorable factors is our government's incentives of zero duty for export-oriented industry, liberal tax holidays, easy repatriation of profit, and even capital, in the event of closures."

The Prime Minister noted that such factors prompted Goldman Sachs to include Bangladesh in its Next 11--after Brazil, Russian Federation, India and China--as one holding huge potential.

The government has initiated efforts for making the Board of Investment effective and efficient.

Three state banks go public by year-end

UNB, *Dhaka*

State owned commercial banks are likely to go public as part of their efforts to mobilise capital in meeting the requirement of Basel-II accord.

The three state banks -- Sonali, Janata and Agrani will issue rights share at first, declare stock dividends and increase reserve from the profit, and then go for the public offer to meet the shortfall.

The BASEL-II accord is to strengthen the banks' financial health and mitigating risks to make them more shock absorbent.

"The banks will start the capital mobilisation process under an action plan by the end of this year," said Syed Abu Naser Bukhtear Ahmed, managing director and chief executive officer of Agrani Bank.

Earlier, the three banks have been corporatised with a view to making them financially sound and efficient, and then offload shares to the stock market.

Bangladesh Bank asked the country's commercial banks to comply with the Basel-II accord, including capital adequacy, by January 2010 as they are still far from adequate capital. It also warned bankers of stringent regulatory measures in case of default.

The three banks would have a total capital shortfall of Tk 1,200 crore from the capital required as per the Basel-II, an official said.

"The banks will have no capital shortfall by the year 2010," said SM Aminur Rahman, managing director and chief executive officer of Janata Bank.

Janata executives hinted that the bank would have to mobilise around Tk 100 crore through public offer.

According to a Bangladesh Bank estimate, all the state banks remained far behind the capital requirement, as they need a cumulative risk weighted asset of Tk 18,000 crore to comply with the Basel-II accord while private banks will require Tk 4,000 crore.

The banks from both the sectors will require an additional Tk 2,300 crore by January next year in this regard.

Of the total 48 commercial banks operating in the country, all but the Krishi Bank is unlikely to comply with the accord, while all the nine foreign banks are in better position.

Sonali Bank gets new DMD

STAR BUSINESS DESK

Mustaque Ahmed has been promoted to deputy managing director of Sonali Bank Ltd, says a press release.

Prior to this promotion, he was the general manager of the bank.

Ahmed, a postgraduate in economics from Dhaka University, started his banking career in 1979. He was the chief executive officer of Sonali Bank's India Operations. He also served the bank in various other capacities.

Ansar-VDP Bank starts operation in Rangamati

BSS, *Rangamati*

Ansar-VDP Development Bank has opened a branch at Bhedbhedi in Rangamati recently.

Habibur Rahman Husseiny, adjutant of Rangamati district Ansar and Village Defense Party, formally inaugurated the branch as the chief guest.

Officials of Ansar-VDP, stationed at different places of the Chittagong Hill Tracts and adjoining areas, were also present.

Budget monitoring meetings begin October 4

BSS, *Dhaka*

The Finance Ministry is set to begin a series of monitoring meetings to review the progress in implementing the national budget for 2009-10 financial year.

The first meeting will be with the energy division on October 4 as the government has prioritised the power and energy sector projects to meet the growing needs for electricity and gas.

The meetings will be continued till October 13 when the finance ministry will discuss and review the progress of the budget implementation with all ministries and divisions.

This is the first time that the ministry has taken such initiatives to oversee the implementation process in such a way.

The ministry will focus on development programmes at the meetings, as the experience in implementing such programmes was not satisfactory, an official said.

In the past a big portion of the allocated fund for development projects remained unused mainly because of the slow implementation process.

The current budget has allocated a big amount of Tk 30,500 crore for the development programmes.

Following the budget announcement in June, economists suggested the government to take special steps to ensure timely implementation of its development projects under the Annual Development Programme (ADP).

They also cautioned that the success of the fiscal targets could not be achieved without implementing the ADP.

Finance Minister AMA Muhith also admitted that the major challenge would be the implementation of the budget.

The minister in his budget speech, however, said that the government will initiate special measures to ensure timely implementation of the budget, especially the ADP.

The monitoring meetings are the major part of the initiatives. The finance ministry has prepared a priority list of over 200 programmes and advised the ministries concerned to submit quarterly reports on the progress of the programmes.

The ministry will also have a mid-term meeting in December when it will review the progress and suggest further measures to accelerate the process.

CLINTON GLOBAL INITIATIVE 2009

Former US president Bill Clinton greets Chief Executive Officer of Hathay Bunano Samantha Morshed at the Clinton Global Initiative 2009 (CGI) in New York on Wednesday. CGI recognised the company for its contribution to employment generation for underprivileged rural women in Bangladesh.

Betel leaf gives breath to lives in Jhenidah

AZIBOR RAHMAN, *Jhenidah*

Betel leaf farming in Jhenidah has helped farmers make their life much easier than before, as such leaves of the district are being exported to the Middle East and other countries.

"Jute was the only cash crop for Bangladesh but now betel leaf has replaced jute as the country exports around 3,113 tonnes of betel leaves annually to Pakistan, Saudi Arabia and many Middle East countries," said Md Altaf Hossain, deputy director of Department of Agriculture Extension.

In the district, the leaves were cultivated in six upazilas in 1,606 hectares of land this season.

In the current 2009-10 season, 110 hectares of land in Sadar upazila, 70 hectares in Kotchandpur upazila, 296 hectares in Shailakupa upazila and 800 hectares in Harinakundo upazila were used for betel leaf cultivation.

The lands were 108 hectares, 46 hectares, 280 hectares and 1,116 hectares respectively in the last season.

Kaliganj upazila and Maheshpur upazila cultivated around 315 and 15 hectares respectively in both the seasons.

There are around two lakh people in the business surrounding 15,000 growers in the district.

Around 20 truckloads of leaves are supplied to different parts of Bangladesh from Harinakundo upazila, while the other five upazilas provide 10 truckloads everyday.

Trader stacks betel leaves ready to be distributed to different parts of the country in Jhenidah recently.

AZIBOR RAHMAN

Jamal Uddin, a farmer in Harinakundo upazila, said spiralling prices of oil cakes, one of the items needed for betel leaf cultivation, are holding back their progress.

He also said they get less fertiliser compared to the traditional crop growers.

"Betel leaf cultivation requires a long time. The farmers have to spend around Tk 50,000 for a garden of one-bigha land and it lasts for 10-12 years once its fence is made," said Khokon Tagor, a farmer in Kaliganj upazila.

Some rot diseases of the plant in root, leaf and steam cause a huge loss to the farmers every year but any official from the DAE has not yet assisted them for a single day, Tagor said.

The root rot disease spread violently in Kaliganj upazila this year, he added.

Betel leaf trader Ashraful Alam said he bought betel worth around Tk 1.5 lakh, which will be supplied to Dhaka, Chittagong, Sylhet, Srimangal, Laksham, Feni and Miarbazar.

Saroj Biswas, joint secretary of Central Betel Leaf Cultivation Association, said the farmers hardly get any help from the regional agriculture office.

"There are four betel leaf markets in Harinakundo, three in Kaliganj, two in Shailakupa and two in Kotchandpur. The government gets at least Tk 15 lakh in revenue from these markets annually," he said.

"Government assistance for the business might help the farmers make more profits," said a leader of the association.

Alimuzzaman, Kaliganj upazila agriculture officer, said they visit the gardens when informed.

He said betel leaf cultivation is increasing day by day, as it is more profitable.

Gulf sovereign funds lost $350b in global crisis, says UN

AFP, *Kuwait City*

Sovereign wealth funds (SWFs) of four oil-exporting Gulf states lost around 350 billion dollars last year due to the global financial crisis, according to a UN report.

However, the funds -- those of Saudi Arabia, Kuwait, Qatar and Abu Dhabi -- almost maintained their total asset value at the end of 2008 after governments injected into them huge returns from oil income, the United Nations Conference on Trade and Development (UNCTAD) said in a report.

The World Investment Report 2009, released last week, said that assets held by the four Gulf funds dropped to 1.115 trillion dollars last year from 1.165 trillion dollars at the end of 2007 and that government injections of 300 billion dollars helped narrow their losses.

Abu Dhabi Investment Authority (ADIA) was the most affected, as it shed around 183 billion dollars from the 453 billion dollars it held in 2007. But the government pumped 57 billion dollars into the fund, helping it end last year at 329 billion dollars.

Kuwait Investment Authority (KIA), which owns stakes in Daimler and Citigroup, lost 94 billion dollars from 262 billion dollars it held at the end of 2007. The Kuwaiti government, however, injected 59 billion dollars, helping the fund to stand at 228 billion dollars at the end of last year.

Qatar Investment Authority (QIA) lost 27 billion dollars and ended at 66 billion dollars in 2008, while Saudi assets, run by the Saudi Arabian Monetary Agency (SAMA), valued at 501 billion dollars at end-2008, shed around 46 billion dollars, the report said.

Gulf SWFs have never disclosed the size of their assets nor losses.

The UNCTAD report said that in recent years Gulf SWFs have become more proactive investors, entering riskier investments and targeting strategic holdings in international companies.

"The recent collapse of real estate and equity markets has generated large losses for SWFs, but it also offers investment opportunities," UNCTAD said.

As a result, some Gulf SWFs have become more cautious in investing abroad and turned to investments in domestic economies.

The four Gulf states pump more than 13 million barrels of oil per day, just under half of total Opec production of around 29 million bpd.