

Stocks

DGEN	▲ 1.33%	3,187.70
CSCX	▲ 1.51%	6,899.25

Asian Markets

MUMBAI	▼ 1.56%	16,866.41
TOKYO	▼ 0.59%	9,674.49
SINGAPORE	▼ 0.80%	2,583.73

SHANGHAI Closed

Currencies

	Buy Tk	Sell Tk
USD	68.42	69.42
EUR	98.26	103.54
GBP	107.50	112.92
JPY	0.75	0.84

SOURCE: STANDARD CHARTERED BANK

Commodities

Gold	▲	\$1,005.50	(per ounce)
Oil	▼	\$69.66	(per barrel)

SOURCE: AFP

(Midday Trade)

Money transfer by mobile

The electronic transaction project will take off in six months

MD HASAN

Money transfer is about to go digital in six months, as Bangladesh Bank has approved the launch of an electronic prepaid card system that will have a mobile payment option.

The central bank permitted Trust Bank Ltd to act as a settlement bank for digital money transfer.

"The Electronic Prepaid Card System will be a multiple bank, multiple channel platform, where Trust Bank will act as the settlement bank," BB said in a recent notice.

With the card, a customer will be able to deposit and withdraw cash directly from ATMs and all other channels. A card will have a secret PIN to access the service. Also, the system allows an authorised user to transact by mobile.

In case of foreign remittance, any amount could be withdrawn by prepaid card, but the amount is limited to a maximum of Tk 10,000 for now, Bangladesh Bank officials said.

In line with the central bank directive, any bank having Q-cash or a similar platform can issue prepaid cards for customers to transact money. Presently, 23 banks are linked with the Q-cash network.

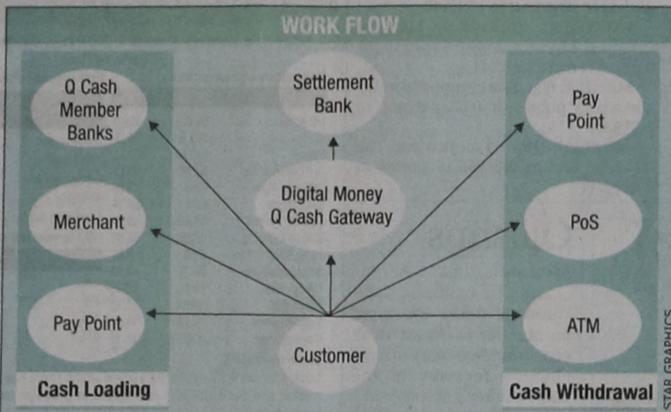
Besides the prepaid card system, Eastern Bank received approval to handle international and domestic remittance transfers. Dhaka Bank is allowed to disburse foreign remittance through mobile operator Banglalink's outlets.

Neither of the new systems allows cross-border money transfer.

Industry insiders said people will be able to easily transfer money to their loved ones at a fifth of the cost under the present system.

According to BB statistics, remittance inflows soared by 30 percent from \$721.92 million in August 2008 to \$937.91 million in August 2009 -- a contribution of 60 lakh Bangladeshis living in parts of the world.

In a letter on September 1, the central bank approved Trust Bank to introduce the



Digital Money Prepaid Card System with mobile payment facilities within the next six months, in association with Digital Technologies Ltd and Information Technology Consultant Ltd.

Under the digital money transfer system, intra- and inter-bank account-to-account transfers, transactions at ATMs through Q-cash and other similar platforms will be settled.

A digital wallet is an electronic prepaid card with mobile banking (M-banking) that utilises the ATM (automated teller machine) and all kinds of electronic communication technologies, including mobile phone.

To obtain the digital prepaid card, customers will have to fill out an application form at banks or agents. The bank will verify the customer under its 'know your customer' (KYC) process to issue a digital money prepaid card.

The customer's information must match the information with the bank and the information he or she provided to telecom companies, through host-to-host connectivity.

The Q-cash host will tag the card-

holder's cellphone upon getting confirmation from the telecom host, and then the customer will be notified immediately upon successful digital money tagging.

Since the customer owns the card, he or she can transfer money and carry out transactions at a point of service (POS) at bank-approved merchant stores and service points, like gas stations, hospitals and cinema halls.

In the case of person to business payments, like utility bills, insurance premiums, loan instalments, E-top-up for mobile phones, and e-ticketing, the prepaid card will be used.

In the case of government to person payments, like agriculture subsidies, widow allowances, freedom fighters allowances, payment will be transferred through the card.

Trust Bank will have to submit contract agreements between its partners before launching the project. The paypoints must be accredited by Trust Bank under an approved accreditation policy and the bank shall undertake all responsibilities of paypoints.

Trust Bank will be responsible for mitigating of all kind of risks, including credit

risks, liquidity risks, operational risks, fraud risks and technical risks associated with the digital money system.

Kazi Saifuddin Munir, managing director of Information Technology (IT) Consultants Ltd, said, "We are ready to initiate the prepaid card system for money transferring by December on a pilot basis."

IT Consultants Ltd, the lone payment service operator in Bangladesh providing the Q-Cash inter-bank switching platform and connectivity, thinks that if all the banks come under a single network, remittance or any other transaction would be easier.

Munir said through a designated short mobile code number, a customer can transact money. However all transactions would be settled through the banking channel.

"The mobile application will be used to just enter the system," he said. Banking and mobile application systems will be merged in a sense to settle the transaction.

As per the central bank notification, Eastern Bank Ltd (EBL) will conduct both international and domestic remittance by introducing three products -- EBL Smart Remit Card, Smart Cash Point and Smart m-wallet.

The EBL Smart Remit Card will be a card based payment system, where senders can send money to receivers prepaid VISA card and the cash can be withdrawn using any VISA, ATM or point of service, at any appointed merchant.

EBL has not been approved transferring money from one m-wallet to another m-wallet holder.

Dhaka Bank Ltd has been approved to use Banglalink outlets for disbursement of foreign remittance. Under the approval, the bank can disburse foreign remittance through designated Banglalink outlets, which must be approved by the bank's board.

In the remittance disbursement process, EBL and Dhaka Bank accredited cash points will be used only for delivery in local currency for inward remittance credited in Nostro accounts of the banks and not for any other inland or cross border transfer. hasan@thedailystar.net

Petrobangla starts talks with ConocoPhillips

BSS, Dhaka

Petrobangla, the state-run oil and gas company, yesterday started negotiations with ConocoPhillips, a US oil and gas company, aiming to explore hydrocarbon potential in the Bay of Bengal.

The government evaluation committee had earlier selected ConocoPhillips and Irish company Tullow as right bidders to explore gas within Bangladesh maritime boundary to add energy resources to its reserve. Petrobangla will sit with Tullow next week.

Talks with ConocoPhillips will continue for the next two or three days. We will discuss everything in detail and listen to them," Muqtadir Ali, chairman of Petrobangla, told the news agency.

Conoco offered to spend \$2.496 million to conduct a two-dimensional seismic survey of 1,200 line kilometres' in the initial mandatory work programme of five years for exploration, \$58.1665 million for conducting a three-dimensional seismic survey of 500 square kilometres and for drilling one exploration well in the first extension period of two years, and \$50 million for drilling another exploration well in the second extension of two years.

The company made almost similar offers for the six other blocks.

"We need to spend some time to settle the issue as it requires more negotiations," said a top Petrobangla official.



Debapriya appointed to Unctad

STAR BUSINESS REPORT

Economist Dr Debapriya Bhattacharya has been appointed as a special adviser to the secretary general of United Nations Conference on Trade and Development (Unctad).

Bhattacharya will fly to Geneva, the headquarters of Unctad, tonight. Unctad is the principal organ of the United Nations General Assembly dealing with trade, investment and development.

Prior to his new assignment, Bhattacharya, a leading public policy analyst, was the distinguished fellow of the Centre for Policy Dialogue (CPD), a private think-tank.

Bhattacharya will advise Dr Supachai Panitchpakdi, secretary general of Unctad, on the issues of least development countries, says a press release.

His appointment comes as the UN is scheduled to organise an LDC summit in 2011.

Bhattacharya had also worked as the ambassador and permanent representative of Bangladesh to the World Trade Organisation.

He was the president of the Trade and Development Board (TDB), the governing body of Unctad and coordinator of the LDCs in the UN System in Geneva.



Workers give a finishing touch to products at an RMG factory in Dhaka. Bangladesh has already started lobbying the US government through its mission there to reduce the tariff rate for exporting apparel items.

Bangladesh to seek lower RMG tariff for US market

REFAYET ULLAH MIRDHA

Bangladesh will push the US government to offer it lower tariff or similar duty benefits like Sri Lanka and Pakistan under World Trade Organisation (WTO) rules, said Mujibur Rahman, chairman of Bangladesh Tariff Commission (BTC).

Although Bangladesh is a least developed country (LDC), it will seek the benefits, as it fears to lose competitiveness to developing Sri Lanka and Pakistan as they are already getting privileges from the US for their embattled political situation, he said.

Discussions are running to bring down the tariff rates at five percent for five selected garment items of Sri Lanka and Pakistan within five years. At present, Bangladesh, Sri Lanka and Pakistan are paying 15 percent duty on export of garment products to US market.

Talking to The Daily Star over phone, Rahman said the LDCs are not supposed to pay higher duty for exporting products to the developed countries.

He said Bangladesh has already started lobbying the US government through its mission there to reduce the tariff rate.

Rahman said a high-powered committee on WTO negotiation is taking preparation to table the issue

both in the LDCs' mini-ministerial meeting in Tanzania to be held on October 14-16 and WTO Summit in Geneva from November 30-December 2.

Tanzania is the coordinator of LDCs for WTO negotiation. "Bangladesh will also continue bilateral and multilateral negotiations for gaining duty- and quota-free market access to the US," the BTC chairman said.

BGMEA President Abdus Salam Mursheedy said Pakistan is now performing well in exporting some garment products to the US market. The US has also taken some initiatives to give more facilities to Pakistan.

"In end of June 2009 the US House of Representatives passed a symbolic legislation providing duty-free access to apparel made in tribal area in Pakistan. It is to encourage Islamabad military offensive against Taliban and Al-Qaeda," he said, quoting from the PEACE Act 2009 of US.

"So I think Bangladesh will suffer from such benefits offered to Pakistan," the BGMEA boss said.

A senior official of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) said the country paid a total of \$576 million as duty against its export of nearly \$3 billion to US in 2008. Bangladesh mainly exported woven

and knitwear to the market during the year, the BGMEA official said.

He said France, being an advanced economy, also paid the same amount of duty although it (France) exported 15 times higher than that of Bangladesh to the US during the period.

Meanwhile, the Tariff Relief Assistance for Developing Economies (TRADE) Act 2009 was tabled recently before the Committee on Finance of the US government to help some of the poorest countries sustain export and economic growth.

This legislation will provide duty- and quota-free benefits for garments and other products similar to those afforded to beneficiary countries under the Africa Growth and Opportunity Act.

The countries covered by this legislation are the 14 LDCs as defined by the UN and the US State Department, which are not covered by any current US trade preference programme.

The countries are Afghanistan, Bangladesh, Bhutan, Cambodia, Kiribati, Laos, the Maldives, Nepal, Samoa, Solomon Islands, East Timor, Tuvalu, Vanuatu and Yemen. The bill also includes Sri Lanka as an eligible country.

Ashuganj Fertiliser counts Tk 6 lakh in daily loss

SHEIKH MD SHAHIDUL ISLAM, Brahmanbaria

Ashuganj Zia Fertiliser Company Limited is facing a Tk 6 lakh loss daily as inadequate storage facility has forced the company management to go below its full production capacity.

Around 47,000 tonnes of urea remained in the open on the factory premises until yesterday. Besides, at least 500 tonnes of the surplus urea is being added daily to this huge stock, making the situation go from bad to worse. The factory's present storage capacity is around 95,000 tonnes.

The urea factory now produces only 1,350 tonnes daily against its capacity of 1,410 tonnes. As daily distribution of the item among dealers is not over 850 tonnes, an amount of 500 tonnes remains surplus.

"The present situation will continue until the next four months," said an engineer of Ashuganj Fertiliser, who preferred anonymity.

Meanwhile, the company efforts to get government's buffer stock silos and BADC silos turned futile, as those are already filled in with around 3,00,00 tonnes of fertiliser, an amount imported to face the peak farming season or any possible crisis in the input.

When contacted, Brahmanbaria's Deputy Commissioner Md Haiul Quaium said he also put his efforts to solve Ashuganj Fertiliser's storage crisis after the company sought his intervention.

During a meeting with urea dealers following his visit to the factory, Quaium warned them of stern action against any lapses in timely withdrawal of the allotted amount of urea from the factory concerned.

Osman Ghani, the managing director of Ashuganj Zia Fertiliser Company, said the factory will restore its full capacity soon after the distribution of urea, now stockpiled.



Bangladesh StanChart gets new CEO

STAR BUSINESS DESK

Jim McCabe has been appointed the chief executive officer of Standard Chartered Bank in Bangladesh, according to a bank statement.

He joins the Bangladesh team from Singapore, where he has been the group head of operations for the global bank.

McCabe, with a master's in business administration from Thunderbird School of Global Management, Arizona, USA, is expected to take over as the bank's top official in Bangladesh at the end of this month, replacing Osman Morad.

Morad, CEO for the last five years in Bangladesh, will take on the role of CEO for Standard Chartered Bank in Malaysia.

Banks asked for progress report on farm loan

BSS, Dhaka

The central bank has directed the scheduled banks concerned to submit progress report on disbursement of farm loan every month with the first one on November 15.

Bangladesh Bank (BB) asked for this report to make it sure that farmers get adequate bank loans when they really need it, official sources said yesterday.

Earlier, the BB formed a three-tier monitoring cell to watch over the disbursement of agriculture loans. A BB official said the monitoring cell will review the monthly report and take necessary steps to keep the credit system on track.

Such loan disbursement began on October 1, prior to the Boro season, aimed at boosting the country's agriculture sector, revitalising the rural economy and achieving food security.

The government in the national budget for the current 2009-10 fiscal year allocated Tk 11,500 crore--the highest-ever loan to the sector.

The loan facility will cover all major sub-sectors of the agro industries, including crop production, fisheries, livestock and poultry farming.

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