

BB to get \$250m loan soon to build infrastructure

STAR BUSINESS REPORT

Bangladesh Bank will receive \$250 million in loan from the World Bank (WB) soon to build infrastructure through public-private partnership (PPP), said the central bank Governor Dr Atiur Rahman yesterday.

The governor was speaking at a seminar on 'Sovereign Credit Ratings' as the chief guest.

Dhaka Chamber of Commerce and Industry (DCCI) organised the seminar at the chamber's conference room.

Rahman said up to April 21, a total of 80 lakh farmers opened their bank accounts at Tk10 and 60,000 sharecroppers received the subsidy money from the government this year.

The central bank chief asked the commercial banks to cut extra charge for risk factors on opening of letters of credit for imports, so that the imported

goods cannot go high in the local market.

Referring to the credit ratings from the globally recognised firms S and P and Moody's, he said, "We should work collectively to continue such credit rating."

"I would also urge our business community to take full advantage of the opportunities and go for joint ventures with foreign entrepreneurs," Rahman added.

While presenting the keynote paper on 'Sovereign Credit Ratings: Global Recognition and Benefits for Bangladesh Economy,' Citi Country Officer Mamun Rashid said though ratings have termed the economy's 'outlook' as 'stable', the agencies, however, have not failed to point to fiscal constraints -- low income status and huge development needs that are still burdening the economy.

"So, according to its prognostica-

tions, the durability of such 'outlook' depends on how prudently macro-economic policy is framed and maintained and the micro-economic reforms are done to address the growth constraints," Rashid said.

While moderating the seminar, DCCI President Abul Kasem Khan said today Bangladesh is an 'investment-hungry country', especially, in infrastructure-related projects.

"Such positive ratings will help us attract much needed foreign investments. This rating surely demonstrates the increased competitiveness of Bangladesh. We need to take full advantage of the situation," he said.

M Fauzul Kabir Khan, former power secretary, Hossain Khaled, former DCCI president, Dr Salahuddin Ahmed Khan, a professor of finance at Dhaka University and former chief executive officer of Dhaka Stock Exchange, also spoke.



Hasan Mahmud, middle, state minister for environment and forests, speaks at a luncheon meeting of the Dutch-Bangla Chamber of Commerce and Industry (DBCCI) at Sonargaon Hotel in Dhaka yesterday. AJAJMG (Alphons) Hennekens, Dutch ambassador to Bangladesh, and Rakesh Mohan, president of DBCCI, were also present.

Govt to finance ETP for tanneries

Minister tells Dutch-Bangla chamber discussion

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State Minister for Environment and Forests Hasan Mahmud said yesterday the government would finance the construction of the central effluent treatment plant (ETP) for the newly established tannery village in Savar.

"If construction of the ETP for the tannery industry remains halted due to a lack of finance, it will take five more years to relocate the worst contributor to river pollution," said Mahmud at a luncheon meeting of the Dutch-Bangla Chamber of Commerce and Industry at Sonargaon Hotel in Dhaka.

The minister criticised the private commercial banks for their desire to take 4 percent as service charge to finance ETPs for other industries.

"The government allocated Tk 200 crore at 5 percent to install ETPs at private factories. But commercial banks are asking for 9 percent from entrepreneurs," Mahmud said.

The rate is too high for entrepreneurs and it will jeopardise the objec-

tive of the fund, he said. Private banks should keep two percent service charge for themselves and give the funds at seven percent to entrepreneurs, he suggested.

Netherlands Ambassador to Bangladesh AJAJMG (Alphons) Hennekens and Chamber President Rakesh Mohan spoke on the occasion. Former Director to the Department of Environment Mohammad Reazuddin presented a keynote speech at the discussion styled 'Need for a new paradigm in policies and approaches to break the industry-water pollution nexus'.

The minister said the government will introduce water buses this year on the riverways of Dhaka to ease traffic congestion. He said a commuter takes 2 hours to commute from Sadarghat to Amin Bazar by road, which will take only 45 minutes by waterways.

He said the Awami League government, in its previous tenure, introduced the Dhaka city waterways and currently, about 10,000 tonnes of

goods are transporting through the ways.

Mahmud told the meeting that the next parliament session may pass the 'Environment Court Law'. Once it is implemented, each district will get a dedicated magistrate to operate environment related cases.

He said the volume of environment related cases has increased manifold, which went beyond the capacity of the existing environment courts.

"In an example of the Chittagong division, the environment court received 82 cases in five years through 2001-2006, while the same division got about 52 environment cases in the last seven months," he added.

The ambassador said issues, like where and how the products are produced, the working environment and how labourers are treated, are getting more importance from consumers.

He suggested the government keep the environmental laws easy and flexible, so that those could be implemented easily.



Industries Minister Dilip Barua takes a tour of the Banking and Housing Fair 2010 after inaugurating the three-day show organised by Dhaka International Exhibition Company Ltd, at Samurai Convention Centre in Dhaka yesterday.

Facilitate loans for entrepreneurs: Barua

STAR BUSINESS REPORT

Banks should ease the terms and conditions for loans and reduce the interest rate to a single digit for local entrepreneurs, to boost industrialisation, said the industries minister yesterday.

"We still lack an industry-friendly monetary policy in our country, which has been creating barriers for the entrepreneurs to receive loans from banks on easy terms," said Dilip Barua.

"In addition, the country's bank and non-bank financial institutes should change their mindset towards local enterprises, and ease the terms and conditions for them. Ideal terms and conditions will include a single digit rate of interest," he added.

He was speaking at the inauguration of the three-day 'Banking and Housing Fair 2010', organised by Dhaka International Exhibition Company Ltd (DIEC) at the Samurai Convention Centre in Dhaka.

The minister said the bank and non-bank financial institutes should provide collateral free loans to small and medium enterprises (SME) and women entrepreneurs, to further accelerate Bangladesh's economic growth.

He also suggested them to ensure timely disbursement of remitted money among the family of the migrant workers.

"Bank and non-bank financial institutes can develop a syndicate to reach out to migrant families even at remote areas. This will help migrant workers from those areas to use formal channels to send their hard-earned money," added Barua.

Murshid Kuli Khan, deputy governor of Bangladesh Bank, appreciated the state owned and private sector banks and non-bank financial institutes for operating remittance services.

"At present, we have received more than \$10 billion from our migrant work-

ers across the world. I think one of the main reasons of this growth is the use of formal channels to remit money," he said.

He suggested banks introduce a 'Remittance Card', which will be like debit cards, to further ease the transaction system.

Helal Ahmed Chowdhury, chief executive and managing director of Pubali Bank Ltd, urged the government to instruct Bangladeshi embassies abroad to provide assistance to migrant workers to use formal channels to remit money.

Khondker Fazle Rashid, managing director of Dhaka Bank, and Enayet Karim, chief executive of DIEC, also spoke at the ceremony.

A total of 20 companies, including 13 banks and 7 real estate companies, are showcasing products and services at the fair.

The fair will remain open from 10am to 8pm.



Indrajit Lahiri, chief executive officer of Asian Paints Bangladesh, and Firoz Ahmed Khan, head of retail banking for BRAC Bank, exchange documents after signing a deal in Dhaka recently. Clients of Apon Ghar, the bank's home loan product, will receive free consultancy and discounts on paint purchases from Asian Paints.

Faruk seeks greater exports to US

UNB, Dhaka

Commerce Minister Faruk Khan has urged the US government to immediately pass the New Partnership for Trade Development Act (NPTDA) in the US Congress to boost exports of Bangladeshi products to the US market.

The minister urged this when US Deputy Secretary of State James B Steinberg called on him at his ministry yesterday. The NPTDA bill was raised by Congressman Jim McDermott.

During the meeting, the commerce

minister sought Steinberg's cooperation in getting duty- and quota-free access of Bangladeshi products to the US market as well as greater participation of US companies in the infrastructure, power and gas sectors in Bangladesh.

Faruk Khan mentioned that bilateral trade between the two countries is significant, around \$5 billion a year, which is also a third of the total export earnings of Bangladesh.

In response, the US Deputy Secretary of State assured the minister of maintaining his government's support for the development of

Bangladesh as well as in enhancing bilateral trade.

Deputy Chief of the US Mission Nicholas Dean, Special Assistant to US Deputy Secretary Gautam Rana and American Embassy Consul General Sandra Ingram were present.

In 2008-09 fiscal, goods worth \$4,052 million were exported to the US from Bangladesh, against imports worth \$457.1 million into Bangladesh from the US.

Of the exported items, 90 percent consisted of readymade garment products, which enter the US market with 16 percent duty.

Qatar Airways resumes European flights

STAR BUSINESS DESK

Qatar Airways resumed flights in and out of Europe yesterday after the continent's airspace was cut off by a spread of volcanic ash cloud over the past week.

The airline's flights to the UK, France, Germany, Scandinavia and Switzerland resumed in full swing, according to a statement.

"Qatar Airways has worked tirelessly

to try to get its flights back to normal. Over the past few days our customers, like those of many airlines around the world, have faced the inconvenience of this unprecedented disruption to their travel plans," said Akbar Al Baker, chief executive officer of Qatar Airways, in the statement.

Services resuming in and out of the airline's Doha hub cover London Heathrow, London Gatwick, Manchester,

Paris, Frankfurt, Berlin, Munich, Copenhagen, Stockholm, Geneva and Zurich.

The airline said it is clearing the backlog of customers in cities across its network, whose travel plans have been affected by the disruption.

Qatar Airways cancelled more than 135 flights to and from Europe over the past five days for safety reasons, resulting in the disruption to its network.



Anis A Khan, managing director of Mutual Trust Bank, inaugurates the MTB Inspire, the bank's new saving account that adds interest on a daily basis and payout on a monthly basis, at the bank's corporate office in Dhaka on Tuesday.

BSS, Chittagong

Employment Bank has sped up work to set up branches in all upazilas.

Authorities decided to set up branches in upazilas to implement the government's pledge to take credit facilities to the doorsteps of rural people, said Mushfiqur Rahman, assistant general manager of the bank.

A total of 28 branches have been launched until April 20, against a target for 50 in the current fiscal year.

At the same time, the authorised capital of the bank has been increased to Tk 500 crore from Tk 300 crore.

Rahman said currently Employment Bank has 10 regional offices and 134 offices at upazila and district levels.

With opening of the branches, entrepreneurs will be able to maintain contact with the bank easily and therefore, the number of borrowers will increase, said Dibakar Chowdhury, assistant general manager of the bank's Sylhet regional office.

He also referred to the success story of Nahid Ara Tripti of Adamdighi in Bogra, who took Tk 80,000 from Employment Bank in 2000 to set up a poultry farm. By 2009, she had about 80,000 chickens at her farm.

Consequently, Tripti received the best woman entrepreneur award from the prime minister.

Mohammad Shafiul Azam, the bank's district branch manager for Chittagong, said the rate of interest in the bank is only 8 percent for all projects, except commercial ones, which is more than double in the private banks.

Employment Bank lends up to Tk 50,000 without collateral. Its loan recovery rate is about 90 percent.

The bank provides credit for fish cultivation, poultry farm, cattle rising, small trading and other employment generating activities.