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Asian Markets	
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SINGAPORE	1.99% 2,932.04
SHANGHAI	0.26% 2,900.33

Currencies		
	Buy Tk	Sell Tk
USD	68.62	69.62
EUR	89.27	93.38
GBP	103.50	107.81
JPY	0.72	0.77

Commodities	
Gold	\$1,165.50 (per ounce)
Oil	\$81.96 (per barrel)

Increasing trade to deepen Asean-China ties

SAJJADUR RAHMAN, from Beijing

China's trade with the Association of Southeast Asian Nations (Asean) is increasing rapidly and Chinese policymakers believe it will grow further on enforcement of free trade agreement (FTA) this year.

"In the first two months of this year, Asean member states have become China's third largest trading partners, exceeding Japan," Zhang Zhijun, vice foreign minister of China, told reporters of developing Asian countries at a meeting at his Beijing office yesterday.

In 2009, China's trade with Asean member states was \$212 billion and ranked China's fourth largest trading partners after the US, European Union and Japan.

"Asean countries' exports to China have grown phenomenally -- by 76 percent in the first quarter of 2010," said the vice minister for foreign affairs.

Zhijun believes trade and economic cooperation with the southeast Asian nations will grow further after implementation of the FTA this year.

The minister was exchanging views with journalists on the eve of the World Expo 2010, due in Shanghai on May 1.

China rates the expo as one of the biggest events in its history. Some 192 countries, including Bangladesh, and 30 international organisations will take part at the gala event styled "Better City, Better Life".

Chinese policymakers believe the event that will last for 184 days will help China know what other countries are doing in the field of economy, science, IT and education. The occasion will also help other nations know China better.

The vice foreign minister said although China is doing better with the Asean member states, it is not so integrated with other Asian countries.

He also regrets a lack of cooperation among the Asian nations.

Farm loan on upward curve

REJAUL KARIM BYRON

Disbursement of farm loan increased and the amount of default loan in the sector witnessed a fall in the first nine months of the current fiscal year, thanks to a strong monitoring system.

The agri-loan disbursement went up by 18.13 percent to Tk 8,159 crore in the July-March period of the current fiscal year, while the amount rose by 9.38 percent to Tk 6,907 crore in the same period last year.

The target of total loan disbursement is Tk 11,512 crore this year -- 71 percent has already been disbursed in the first nine months.

The default loan in the sector was 23 percent or Tk 4,841 crore of outstanding loans at the end of March, down from 26 percent of the outstanding loans in March last year.

According to Bangladesh Bank statistics, loan disbursement by public sector banks increased by 16.82 percent in the July-March period and they distributed Tk 6,158 crore, which was Tk 5,271 crore in the same period last year.

The private and foreign banks' loan disbursement rose by 22.37 percent to Tk 2,002 crore in the period, while the amount was Tk 1,636 crore in the same period last fiscal year.

The banks realised Tk 7,424 crore in the first nine months of the current fiscal year, up from Tk 6,551 crore in the same period last year.

Disbursement and realisation of farm loans were on an upward curve in the last three years.

From FY2002 to FY2007, loan disbursement ranged from Tk 2,000 crore to Tk 5,000 crore per year, and it made a big jump in 2007-08 to hit Tk 8,500 crore.

Of the loan disbursed, Krishi Bank distributed the highest amount -- Tk 3,284 crore.

Krishi Bank Chairman Khondkar Ibrahim Khaled said monitoring was strengthened in disbursing.

Khaled said Bangladesh Bank officials frequently visit villages and the central bank distributed and realised the loans by setting up camps there. The cellphone numbers of the farmers who were given loans have been kept in a register. The transparent way of loan disbursement has curbed unfair means, he said.

The farmers are coming forward to repay, as they got the loans without any hassles, he added.

They are also yielding good crops and getting reasonable price of their produce. Also, their profit is higher as the government is giving them a huge subsidy, he said.

The Krishi Bank chairman said the government has distributed Agriculture Input Assistance Cards among 1.80 crore farmers.



Prime Minister Sheikh Hasina arrives at the 16th South Asian Association for Regional Cooperation (Saarc) summit in Thimphu yesterday. Bhutan hosts the annual Saarc summit for the first time.

Sri Lanka mulls import of ceramics, pharmaceuticals

BSS, Thimphu, Bhutan

Sri Lanka considers import of good quality ceramics, pharmaceuticals, plastic-ware, CI (corrugated iron) sheets and construction materials from Bangladesh.

This was stated by Sri Lankan President Mahinda Rajapaksa when Prime Minister Sheikh Hasina called on him at Sri Lanka House in the Saarc Village in Thimphu yesterday.

During the meeting, they discussed a wide range of bilateral issues, including increasing Sri Lankan investment in Bangladesh and expansion of trade and business between the two Saarc (South Asian Association for Regional Cooperation) countries.

After the meeting, Prime Minister's Press Secretary Abul Kalam Azad briefed the newsmen.

The Bangladesh premier said there is a huge demand for Bangladeshi pharmaceuticals, ceramic, leather and leather goods and plastic wares in different countries across the world.

She said Sri Lanka can import these products for the benefit of the two nations.

The Sri Lankan government and private sector entrepreneurs can also invest more in Bangladesh's readymade garment, textile and banking sectors, considering their prospects and taking the advantage of the government's investment-friendly policy, she said.

The Sri Lankan president greeted Sheikh Hasina for her assumption as the prime minister of Bangladesh after her party's landslide victory in the last general election.

Rajapaksa lauded Bangladesh's efforts to prepare a huge voter lists with photographs before the last general election and said this helped to prepare flawless voters cards.

He said Sri Lanka will follow the Bangladesh example in preparing a flawless voter list with photographs before the next general election in Sri Lanka.

Foreign Minister Dipu Moni, State Minister for Environment and Forest Dr Hasan Mahmud, Ambassador At Large M Ziauddin, Principal Secretary MA Karim and Press Secretary Abul Kalam Azad were present on the occasion.

Nervy wait for 3G spectrums

MD HASAN

Mobile operators are anxious over how the regulator moves to award the third-generation (3G) spectrums that facilitate high-speed telephony.

A guideline on 3G spectrum allocations has been finalised, telecom ministry officials said. Two options -- auction and base pricing -- are now under consideration.

"Either of the two options will soon be announced," said a high official of the telecom ministry, who sought anonymity.

Under the auction method, prospective operators will be free to call any price in a competitive environment. In line with the base-pricing model, the regulator will set a base price per MHz (mega hertz) of spectrum. The telecom regulator had earlier sold each MHz of spectrum to operators at Tk 80 crore.

The telecom regulator has already reserved 40 MHz of spectrums to allocate to four prospective operators.

Among the six operators, five GSM (global system of mobile communication) operators are technically eligible for the 3G spectrums.

Except for CDMA (code division multiple access) technology-based Citycell, Grameenphone, Banglalink, Robi and Warid will contest for 3G.

Awarding such 3G spectrum remains a debate in the telecom market since 2008, as the government had a deadline to award the spectrum by March 2008. Operators are also divided on the issue of spectrum release.

In February, the telecom minister announced a plan to award 3G spectrums through a 'beauty contest'. However, operators expressed mixed reactions.

"We welcome the telecom minister's comment on arranging a beauty contest to award the 3G licence, rather than monetary bidding," said Ahmed Abou Doma, Banglalink's chief executive officer (CEO).

He said this is exactly what happened in many advanced countries that have launched 3G.

In a beauty contest, pricing is based not on fundamental value, but rather on average value assessed by everyone else.

"The beauty contest approach is better because it ensures the fastest and widest 3G coverage along with the highest levels of service and quality for customers," Doma said.

However, the market's top player, Grameenphone (GP), doubts the transparency



A mobile phone network tower looms across the Dhaka sky. Third-generation technology promises high-speed internet.

of the 'beauty contest'.

GP CEO Oddvar Hesjedal said: "I do not have details on the exact model or form of the beauty contest that the telecom ministry and the regulator have talked about. Therefore, it is difficult to accept or reject the idea. It may be noted that a beauty contest is inherently a non-transparent process."

Hesjedal, however, said it might be considered if the 'beauty criteria' are wide enough to include all mobile players in Bangladesh and all the terms and conditions of spectrum allocation are affordable.

He suggested the regulator proceed with public knowledge and go for open consultation before launching the model.

"In any process, we must not forget the ultimate objective of providing affordable mobile broadband and modern services," said Hesjedal. Bangladesh's internet penetration rate may reach 32 percent at household levels and 66 percent at business levels by 2020, according to a study conducted by Boston Consulting Group, USA.

At present, the average internet penetration rate is only 4 percent, which is mainly driven by mobile operators' EDGE (enhanced data rates for global evolution) and GPRS (general packet radio service) solutions.

All the mobile operators are ready to upgrade their networks to 3G from the existing

2.5G or 2.75G as 3G is considered one of the most competitive tools to provide high-speed internet.

"Nothing has been decided yet," said Zia Ahmed, chairman of Bangladesh Telecommunication Regulatory Commission.

In early April, India organised the country's first-ever auction of the radio frequency spectrum for 3G telephony.

The Indian method is an option that is under consideration in Bangladesh, as the telecom regulator hinted earlier.

However, operators said India should not be an example to award the bandwidth for 3G mobile telephony services and wireless broadband, as it is a different market in terms of policy and subscriber base.

The Indian government expects revenue from the auction to cross 500 billion rupees (\$11.2 billion), media reports quoted Telecom Minister Andimuthu Raja as saying.

"The Indian auction for 3G goes beyond expected price levels. But for Bangladesh, we have to follow a way that will help the market provide affordable services," said Ashraf H Chowdhury, secretary general of Association of Mobile Telecom Operators in Bangladesh.

"India should not be the best example for Bangladesh in awarding the 3G spectrum."

hasan@thedailystar.net

Singer posts profit rise

STAR BUSINESS REPORT

Singer Bangladesh Ltd has posted net profit of Tk 39.67 crore in 2009, up from Tk 18 crore a year ago, helped by an uptick in operating profits and gains on sales of bonus shares in an associate company.

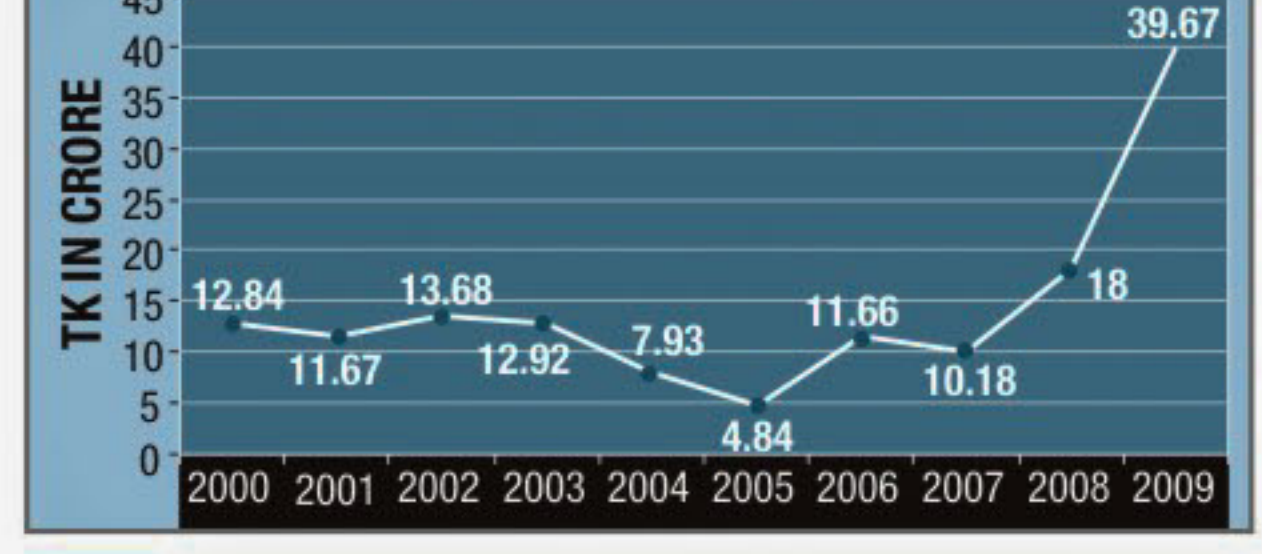
The electronics retailer disclosed financial details at its 30th annual general meeting yesterday at Trust Milonayaton in Dhaka, presided over by Singer Chairman Mahub Jamil.

Singer declared 30 percent final dividend and 60 percent interim dividend for 2009 that is 200 percent higher than last year.

Singer shares closed marginally up at Tk 3,600 on Dhaka Stock Exchange yesterday.

Singer Managing Director and Chief Executive Officer AM Hamim Rahmatullah said the company did reasonably well in 2009 despite global recession.

He focused on Singer's cost control strategy and business



consolidation that "paid off".

The company posted an operating profit of Tk 41.42 crore in 2009, a 15.89 percent rise from 2008.

It holds 35.57 percent of paid-up share capital of International Leasing and Financial Services Ltd (ILFSL), making ILFSL an associate of the company.

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