

Bangladesh to explore LNG import from Qatar

Seven-member team to visit Doha

UNB, Dhaka

A seven-member delegation of the energy ministry will leave Dhaka for the Qatari capital of Doha this week to gather information about the import potential of liquefied natural gas (LNG) from the gulf country.

Energy Secretary Mesbauddin Ahmed, the leader of the team, leaves the capital tomorrow for Doha, followed by other members.

This will be the first tour by a Bangladeshi delegation to explore the potential source of LNG that the government is planning to import to meet the country's energy deficit.

Against the backdrop of the gas and power crisis, the government has recently announced plans for LNG import. Qatar, Algeria and Angola export the bulk LNG to the rest of the world.

"Qatar is one of the largest LNG exporting countries and we'll try to gather information on how much gas it could export to Bangladesh and at what

price," said Muktadir Ali, a member of the delegation and also the former chairman of state-owned Petrobangla. Ali is the head of the newly formed LNG Cell under the energy ministry.

As per the government plan, about 182.5 billion cubic feet (BCF) of LNG will be required to import annually to meet the daily deficit of 500 million cubic feet (MMCF) of against the present production of 1,900 MMCFD.

To facilitate the import of bulk gas, Bangladesh also needs to build up huge infrastructure including an LNG terminal in the Bay of Bengal in Bangladesh territory that will accommodate a floating storage and re-gasification unit as well.

The government wants the infrastructure either to be developed in private sector or under the public private partnership (PPP). It was estimated that an investment of \$600 million-\$1 billion will be required to build a floating LNG terminal where a CNG-carrying vessel, having capacity of three billion cubic feet of gas, can

unload the fuel.

This vessel will meet six days' demand, with 500 million cubic feet of gas (MMCFD) supplied from the terminal per day.

To transport the gas from the terminal to onshore areas, the project will require setting up a 100km 30-inch gas pipeline at a cost of \$100 million. The state-owned Gas Transmission Company of Bangladesh (GTCL) has already moved to build the gas pipeline.

Under the plan, a private firm could set up the terminal on build-own-operate basis and the government would be charged a fee against the use of the terminal. After meeting all expenses, per unit (1,000 cubic feet) gas will cost between \$8-12 while the country present gas production cost is below \$3.

After the government move, a UK-based company Golar LNG Energy has placed a proposal to set up floating storage and re-gasification unit in Bangladesh.



Md Shahjahan, managing director of Jumairah Holdings Ltd, and Mahboob Hossain, head of sales and distribution of Citycell, exchange documents after signing an agreement in Dhaka recently. The realtor will use the mobile operator's Corporate Voice and Zoom Ultra packages for its communication need.

BB close to farm loan target: governor

BSS, Mymensingh

Bangladesh Bank Governor Atiur Rahman says the central bank has achieved 78 percent of its target for disbursing Tk 11,500 crore in agriculture loans in the 10 months to April.

He was speaking at a discussion with farmers and entrepreneurs in the fishing sector in Mymensingh district as the chief guest.

For the first time, the central bank has taken a re-financing scheme of Tk 500 crore for marginal farmers, fixing a target to hand over Tk 100 crore by June next. It has already disbursed Tk 48 crore among 45 marginal farmers by April.

"BB's highest ever loan disbursing target, which is 23 percent more than the previous year, is a reflection of the banks' priority to the potential agriculture sector," Rahman said.

National Bank's Mymensingh branch organised the discussion at a hotel yesterday.

"There was no alternative to further development of the agriculture sector to accelerate economic growth and ensure food security as the sector is still the main driver of the economy," added the BB chief.

In this context, he said steps are being taken to open bank accounts for farmers with a deposit of only Tk 10, so that they can easily receive government incentives.

"Around 87 lakh bank accounts were opened by farmers against 88 lakh farmer cards distributed across the country during boro season."

The share of loan the fishery sub-sector received in the first 10 months of the current fiscal year is Tk 500 crore (out of the total distributed agriculture loan of Tk 9,000 crore), making a Tk 110 crore jump from the same period last year.

Termining fishery an important sub-sector of agriculture, Rahman said the sub-sector has tremendous potential to make significant contribution to the economy through food security, meeting domestic demand of protein from livestock source and by earning foreign exchange.

On the "silver revolution" of the greater Mymensingh region over the past few years, he said the BB would provide all out support for further blooming of the sector.

The BB governor urged farmers and fishery entrepreneurs to take the initiative of setting up fish and fishmeal processing plants to expand the fish export market and assured them of necessary funding at reasonable interest rate.

The fishery entrepreneurs said the sector could contribute more to the economy by reducing poverty and creating employment, if the government provides maximum financial and policy support.

New MD for Islami Bank



STAR BUSINESS DESK

Islami Bank Bangladesh has appointed Mohammad Abdul Mannan as its managing director with effect from May 19, the bank said in a statement yesterday.

Prior to the new assignment, Mannan had led the bank's international banking and investment wings since 2005.

Mannan, who started his banking career as public relations officer with IBBL in 1983, held various positions, including the manager for Islampur, Jessore and Mouchak branches of the bank.

He was also the head of marketing at IBBL in Saudi Arabia, Kuwait, Qatar, Oman, Bahrain and the UAE.



Joost Den Hartog, regional general manager of Etihad Airways for Asia Pacific North, Central and Indian Subcontinent, and Mahbubul Anam, managing director of Wings Classic Tours and Travels Ltd, an aviation network company, exchange documents after signing a deal recently. The deal, to be effective from June 1, is aimed at providing services to passengers in Sylhet and Chittagong.

Biogas Week begins today

BSS, Dhaka

Infrastructure Development Company Ltd (IDCOL), a state-run non-bank financial institution, will observe the Biogas Week 2010 starting here today.

On the first day, Majpara union in Atgharia upazila, Pabna will be declared a 'biogas union'.

IDCOL also plans to set up 12,000 biogas plants in the country, IDCOL officials told the news agency.

Fisheries and Livestock Minister Abdul Latif Biswas will inaugurate the Biogas Week. Shamsur Rahman Sharif (Dilu) MP will be the special guest.

IDCOL Chief Executive Officer Islam Sharif will deliver the welcome speech, while its Chairman and Secretary of the Economic Relations Division Mosharrar Hossain Bhuiyan will preside over the function.

Only 3 percent of the population living in cities are now getting the natural gas through pipelines for household cooking.

People in remote areas use dry wood, cow dung and other wastes for cooking, endangering forest resources and the environment.

Under these circumstances, according to experts, there is no alternative to setting up large-scale biogas plants as a source of energy.

IDCOL has so far installed some 4.54 lakh solar home systems (SHSs) along with 31,909 small SHSs, and plans to install 6.5 lakh more by year-end.

IDCOL has already invested Tk 800 crore: Tk 600 crore in loans and Tk 200 crore in grants. It has Tk 1,000 crore ready for investment in coming days, IDCOL officials said.

SKorea to sign \$1b property deal with China

AFP, Seoul

South Korea will later Thursday sign a \$1 billion deal with a China investment group to fund a housing project for foreigners near Incheon international airport, a trade promotion agency said.

The state Korea Trade-Investment Promotion Agency (KOTRA) said it would sign the agreement in Shanghai with China's Tianyu Group, which will build the homes near South Korea's main aviation hub west of Seoul.

"South Korea only received \$160 million out of China's \$43.3 billion overseas investment in 2009, but the country has the capability to attract more funds," KOTRA President Cho Hwan-Eik was quoted by a spokesman for the agency as saying.

KOTRA said Tianyu would fund construction of the luxury "town house" project at a proposed leisure complex.

South Korea's Ministry of Knowledge Economy and Lippo Incheon Development signed a separate contract for the multi-billion dollar leisure complex.

Asian stocks extend gains

AFP, Hong Kong

Asian stocks climbed higher yesterday as bargain hunters moved in after recent losses, but fears lingered that the European debt crisis and weak euro could derail the global recovery.

Dealers were given a lift by data showing Japanese exports soared more than 40 percent in April, while eurozone fiscal concerns shifted from Greece to Spain.

Tokyo reversed earlier losses to end 1.23 percent higher, closing at 9,639.72, while Sydney ended 1.67 percent up at 4,379.2.

Hong Kong closed 1.22 percent stronger at 19,431.37 and Shanghai added 1.15 percent to 2,655.92.

Investors extended gains from Wednesday's small rally although the eurozone's struggle to control members' crippling debts continued to weigh heavily on sentiment, with many fearing a knock-on effect around the world.

However, the single unit made up some ground later in the day in Asia and continued strengthening in Europe.

In early London trade the euro edged up slightly to 1.2264 dollars after falling sharply to 1.2175 in New York late Wednesday on fears of contagion from the debt crisis. The single currency fetched 110.74 yen, up from 109.46.

Spain has become the focus of European concerns after its central bank at the weekend rescued a local lender, CajaSur bank, adding to strain on the country's finances.

The bailout of at least 523 million euros (657 million dollars) came as Madrid introduced new measures to cut its public deficit to a eurozone limit of three percent of gross domestic product from 11.2 percent last year.

The country's surplus also jumped 14-fold to 742.3 billion yen (8.25 billion dollars),

the finance ministry said.

In other markets:

Banking group DBS climbed 26 cents to 13.78 Singapore dollars, Singapore Telecom added five cents to 2.87 and Singapore Airlines was six cents higher at 14.20.

Taipei rose 1.06 percent, or 75.81 points, to 7,243.16 and Jakarta rose 0.64 percent, or 17.14 points, to 2,713.92.

Car distributor Astra International gained 3.6 percent to 41,500 rupiah.

Kuala Lumpur closed up 1.62 percent, or 20.22 points, at 1,269.16.

Carmaker Proton gained 5.2 percent to 4.67 ringgit, developer Berjaya Land added 6.1 percent to 4. Manila gained 1.00 percent, or 31.39 points, to 3,156.53.

Dealers were given a boost by data showing the economy grew 7.3 percent year-on-year in the first three months of 2010, the best performance since the June quarter of 2007.

The market picked up after falling to a 10-month low earlier.

Philippine Long Distance Telephone rose 0.65 percent to 2,335 pesos and Aboitiz Power added 3.28 percent to 15.75 pesos while Ayala Corp. edged up 0.8 percent to 322.50.

Wellington added 0.79 percent, or 23.65 points, to close at 3,034.83.

Fletcher Building ended up 2.9 percent at 7.93 New Zealand dollars and Contact Energy rose 1.0 percent to 5.92 while Telecom ended up 0.5 percent at 1.91.

Bangkok rose 1.14 percent, or 8.34 points, to close at 737.28.

Mumbai rose 1.70 percent, or 278.56 points, to 16,666.40.

Tata Motors rose 4.74 percent to 742.9 rupees, ahead of its full year consolidated earnings to be announced later in the day.

HDFC Bank rose 3.78 percent to 1,894.95.



Richard J Murphy, director of AJA Registrars, hands over the ISO 22000:2005 certificate to Morshed Alam, chairman of Romania Food & Beverage Ltd, for maintaining international food safety standard since its inception, at Dhaka Sheraton Hotel recently.

India farm loans to cover 9.4m more

REUTERS, Mumbai

More Indian farmers are likely to take farm loans, encouraged by higher agricultural commodity prices, hopes of a normal monsoon and a successful loan waiver scheme, a top official of state-run National Bank of Agriculture and Rural Development (NABARD) said.

"We should reach somewhere around 5.5 crore (55 million) farmers in 2010/11 in terms of coverage and loan target is 3,75,000 crore rupees (3.75 trillion rupees, \$79.3 bln)," a jump of 21 percent, Chairman Umesh Chandra Sarangi told Reuters in an interview late on Wednesday.

In 2009/10, financial institutions had covered 45.6 million farmers, he said. India's monsoon rainfall is likely to be 98 percent of the long-term average, the weather office said in late April.

The country's food price index rose to 16.49 percent in the year to May 8, government data on May 20 showed, a touch higher than the prior week's annual reading of 16.44 percent as fruit and vegetables prices climbed on the back of a heat wave.

"We have been telling banks that the basic objective of debt waiver was to bring back those 40 million farmers whose access to credit has been stopped because of them having become defaulters," he said.

The government, in the 2008/09 budget, announced a 710-billion-rupee debt waiver scheme and in the last budget extended the repayment period from Dec 31, 2009 to June 30, 2010.

In FY10, government targeted farm loans of 3.25 trillion rupees. "This target has been achieved," Sarangi said.

Tourism industry optimistic despite world recovery

AFP, Beijing

Global tourism faces a challenging year due to the downturn but the future is bright, with a growing middle class in emerging markets eager for travel, industry executives meeting in Beijing say.

"We'll see middle-income classes explode -- there will be two billion more with middle income... in the world by 2030," Goldman Sachs economist Anna Stupnytska said at this week's Global Travel and Tourism Summit.

"As people get rich, move to the middle class, they spend less money on necessities... and the tourism sector explodes."

Brazil, Russia, India and China, the world's top four emerging markets which represent 40 percent of the global population, are the focus of all travel professionals looking for new clientele with money to spend.

But the industry is still trying to recover from a disastrous year in 2009, when the wealth generated by global travel and tourism fell by 4.8 percent.

According to James Robinson, former chief executive of American Express and ex-president of the World Travel and Tourism Council (WTTC), the industry accounts for nine percent of global GDP and employs 235 million people.

The financial crisis and the H1N1 virus hit the sector hard in 2008-9, and 2010 has already brought its own negative surprises -- the European debt crisis and huge air traffic disruptions caused by an ash-spewing volcano in Iceland.

The eruption of the Eyjafjoell volcano in April -- and the subsequent shutdown of European air space -- caused a global loss of 4.7 billion dollars, including 2.5 billion in Europe, according to consultants Oxford Economics.

These losses rose to five billion dollars after the volcano again produced a crippling ash cloud this month, said Adrian Cooper, head of the consultancy.

The global tourism industry is expected to see very slight growth of 0.5 percent this year -- not quite a return to pre-crisis levels.

"It's true that growth will be a little flat this year," WTTC head Jean-Claude Baumgarten told AFP.

"But there are already positive movements and in the next few years we forecast a stable growth of 4.5 percent a year."

Hubert Joly, chief executive of hospitality and travel company Carlson, confirmed the forecasts for a upswing.

"We have clear and good recovery since the fourth quarter of 2009," particularly in the area of business travel, he said.

He said bookings for Carlson Wagonlit Travel were up 10 percent from last year and "that's essentially corporate travel."

"The dark clouds essentially are issues... linked to Europe's sovereign debt woes," Joly said. "So the financial markets in the last two or three weeks have been much more nervous."