

Govt to frame policy on crop insurance

Says parliamentary body chief

STAR BUSINESS REPORT
The government will frame a policy on crop insurance to hedge growers against the risk of losses from crop failure in the wake of natural disasters, said the chief of a parliamentary body yesterday.

"The idea of crop insurance is new in Bangladesh. It is very risky. That's why a policy will be formulated based on the experiences of the neighbouring countries," said Shahkat Momen Shahjahan, chairman of the parliamentary standing committee on agriculture industry.

The lawmaker unveiled the government plan after Finance Minister AMA Muhith said steps have been taken to introduce agriculture insurance to provide small and medium farmers with price support for the crop losses caused by natural disasters.

Shahjahan was speaking at a discussion on 'the budget for the next fiscal year from the perspective of agriculture and rural livelihoods'.

Campaign for Sustainable Rural Livelihoods (CSRL), an alliance of 200 local and international nongovernmental organisations (NGOs), organised the event at Cirdap auditorium in Dhaka.

Representatives from farmers rights groups and NGOs, agriculture workers and researchers spoke.

The discussants said the proposed allocation for agriculture is inadequate for attaining the 6.7 percent projected growth for the next fiscal year. They said the proposed development expenditure for the farm sector is 2.02 percent of agricultural GDP in the current fiscal year.

The government should invest 3.5-4 percent of agriculture GDP (gross domestic product) to meet the growth target, they said.

The participants said the proposed outlay is insufficient to provide the farmers with agricultural inputs such as fertiliser at low prices, as the fertiliser prices are rising on the global market.

They urged the government to ensure fair prices for agricultural produce by forming farmers' cooperative, government purchasing centres in remote areas and setting up adequate warehouses.

The government should increase investment for agricultural research to ensure food security amid climate change, they said.

They also demanded inclusion of

poultry sector in the agriculture insurance scheme, tariff protection for dairy industry and subsidy for poultry feed.

The discussants called for government measures to reduce the use of arable land for non-farm purposes.

The parliamentary committee chairman said a tripartite committee involving officials from agriculture and environment ministries has been formed to draft a law on land use.

Shahjahan also said the allocation for subsidy will be increased, if necessary.

The government should open public procurement centres at the farmers' doorsteps so they get fair prices, said Morshed Ali, president of Bangladesh Krishak Samity, a farmers' rights organisation.

"The farmers are not receiving fair prices," he said.

Manzur Ahmed, adviser to the Federation of Bangladesh Chambers of Commerce and Industry, suggested the government set up branches of Trading Corporation of Bangladesh across the country to buy directly from the farmers.

Ziaul Haq Muqta, secretary of CSRL, said investment in the farm sector should increase to accelerate growth.



Abul Kasem Khan, second from right, president of Dhaka Chamber of Commerce and Industry, speaks with a delegation of Bengal National Chamber of Commerce and Industry (BNCCI) in Dhaka yesterday. SK Roy, extreme right, BNCCI president, is also seen.

Muhith leaves for Azerbaijan

UNB, Dhaka

STAR BUSINESS DESK
Finance Minister AMA Muhith yesterday left Dhaka to attend the 35th annual meeting of Islamic Development Bank in Baku, the capital of Azerbaijan.

Musharraf Hossain Bhuayan, Economic Relations Division secretary, is accompanying the minister, said a press release.

Muhith is expected to return home on June 24.

Banks, BSRM Steel donate Tk 11.5m to PM's fund

STAR BUSINESS DESK

Four private banks and BSRM Steel recently donated Tk 11.5 million to the Prime Minister's Relief and Welfare Fund for the victims of Nimali and Begunbari tragedies in the city.

IFIC Bank handed over a cheque for Tk 3 million to Prime Minister Sheikh Hasina recently while NCC Bank, Islami Bank and City Bank donated Tk 2.5 million each.

BSRM Steel gave Tk 1 million to the fund.

Banglalion, Citycell team up

STAR BUSINESS REPORT

Banglalion Communications Ltd and Pacific Bangladesh Telecom Ltd (Citycell) yesterday signed a deal to share Banglalion Wimax modems.

Khaled Shams, CEO of Banglalion, and Mehboob Chowdhury, CEO of Citycell, signed the agreement at Banglalion's head office at Gulshan in Dhaka.

"Working together would enable both companies to share infrastructure, which will reduce costs and help compete as the market will get bigger now," Chowdhury said.

Shams also said Banglalion plans to expand to Sylhet and Rajshahi. "We covered Dhaka and Chittagong and now we are making our network in Sylhet."

With Citycell's support, Shams said, Banglalion aims to cover all the major cities of Bangladesh by the year-end.

Correction

Peter Huntsman, CEO of Huntsman Corporation, visited Beximco Industrial Park and an agreement was signed by Huntsman and Syed Naved Husain, group director and chief executive officer of Bextex Ltd. A photograph published in Star Business (B3) on June 15 showed Huntsman shaking hands with Husain. But the caption had erroneously said Paul Hulme, president of Huntsman Textiles Effects Division, shook hands with Husain. We regret the mistake.

Chamber leaders meet on Dhaka-Delhi trade

STAR BUSINESS DESK

A delegation of Bengal National Chamber of Commerce and Industry (BNCCI) met the high officials of Dhaka Chamber of Commerce and Industry (DCCI) in Dhaka yesterday, said a statement of DCCI.

BNCCI President SK Roy led the Indian 11-member delegation to the meeting with DCCI President Abul Kasem Khan and other officials at the DCCI office.

The Bangladeshi trade body chief thanked the Indian body for visiting Bangladesh. Khan said the two countries

possess huge potential for bilateral trade that should be utilised for mutual benefit.

"We have to minimise the trade imbalance and solve the visa related problems between India and Bangladesh."

SK Roy urged the business communities of both sides to come forward with a constructive mindset during open discussions with representatives of different business organisations.

He also stressed the need for infrastructure development in Bangladesh for attracting FDI.

Bangladesh, India to set up 10 border haats

PTI, Agartala

Bangladesh and India yesterday decided to set up 10 border 'haats' along its international border in the north-east to facilitate sales of locally produced items among people living in remote and inaccessible areas on both sides, officials said.

Eight haats will be set up in Tripura, while the other two in Meghalaya, said senior officials and business leaders at a stakeholders consultation on bilateral trade.

Tripura, Meghalaya, Mizoram and Assam share a 1,880km border with Bangladesh.

The first border haat is likely to kick off at Baliamari-Kalaichar off the Kurigram-West Garo Hills border, in Meghalaya, said Abdul Matlub Ahmad, president of India-Bangladesh Chamber of Commerce and Industry.

Spots for setting up haats in Tripura have already been selected, but dates for the inauguration are yet to be finalised, added the officials.

The haats will give locals a platform to sell locally produced items such as fruits, spices and minor forest produces.

However, timber, fresh or dry fish, dairy, poultry products, produces of cotton industries, wooden furniture, cane products, utensils and iron equipment, such as long knives, ploughs, axes, spades and chisels, are barred from trading in these spots.

Such haats prevailed in Meghalaya during the Mughal era, where historic trade links re found between the people of Sylhet of the then East Bengal and the Khasi people of Meghalaya.

Closed since the liberation war of Bangladesh in 1971, some haats were later revived but ceased soon because of smuggling.

"These are weekly bazaars where an individual would not be allowed to trade above Rs 2,500 and people from 5km areas of both sides of the border would be allowed for selling or marketing," said officials.

"Government officials and border guards of the two countries will manage the markets."

Trading at the border markets will not be taxed or levied and will not fall under any of the two nations foreign trade policies or laws, they added.



Muhammad Aziz Khan, chairman of Summit Power Ltd, presides over the company's 12th extraordinary general meeting at Bangabandhu International Conference Centre in Dhaka yesterday.

Summit Power okays change in share face value

STAR BUSINESS DESK

Summit Power Ltd approved change in the denomination of the ordinary shares from Tk 100 to Tk 10 each, the company said in a statement yesterday.

The company also approved change in the market lot of the ordinary shares in the country's two bourses from 50 shares to 100 shares each and amendment of its relevant clause/article of the Memorandum and Articles of Association.

The approval came at the organisation's 12th extraordinary general meeting (EGM) at Bangabandhu International Conference Centre in Dhaka yesterday.

The meeting amended the amount of preference share to Tk 3 crore, subject to SEC's consent on this issue, from Tk 2 crore, an amount that was approved in its last EGM.

The preference shares will be of Tk 100 each and fully convertible with 2.5 percent dividend, the statement added.

The amount of preference share will be used for new and existing projects and bank loan repayment and working capital.

Vocational training stressed for skills development

STAR BUSINESS REPORT

The government should emphasise technical and vocational training to develop skills of the country's huge population, said a leading entrepreneur yesterday.

Syed Manzur Elahi also termed such training as a means for fighting poverty.

"Our people often fall short of the eligibility set by big local and multinational companies due to a lack of technical knowledge and vocational training," said Elahi who leads a number of business houses in Bangladesh.

If the government takes necessary steps to develop skills of the huge population, it can easily be turned into a resource, he said. Such training will help generate substantial employment and eliminate poverty, he added.

Elahi was speaking at a seminar on Industry Linkages: Opportunities and Challenges at Hotel Purbani International in Dhaka.

The Technical and Vocational Education and Training (TVET) Reform Project of International Labour Organisation (ILO) and the European Commission (EC) co-organised the seminar.

Elahi suggested the government take lessons from the experiences of Japan and South Korea, who have made progress by developing skills through technical educa-

tion and vocational training.

He stressed better coordination among different ministries to address human resource development and make a single department to create skilled manpower.

At present, a total of 19 ministries run separate skill development programmes that lack coordination, said Elahi, chairman of Apex Adelchi Footwear Ltd.

Mohammad Saiful Islam, president of Leather Goods and Footwear Manufacturers and Exporters Association of Bangladesh, urged government steps to help eliminate political and social unrest that hinder economic growth.

Poor infrastructure and low productivity also hold back growth, he said.

"The government should put more focus on enhancing productivity by increasing the rate of primary education and encouraging people to go for vocational training."

E Shears, chief technical adviser of the EC-funded TVET Reform Project, said leather, agriculture, information technology, and transport equipment manufacturing sectors need a huge skilled manpower.

Nurul Islam Nahid, education minister, and Maj Gen (ret'd) Amjad Khan Chowdhury, chief executive of Pran-RFL Group, also spoke.



Md Humayun Kabir, managing director of Sonali Bank, addresses the region's branch managers' conference at a hotel in Rajshahi on Friday. Md Abdul Latif and Md Ataur Rahman, general managers, were also present.



Ahsan Khan Chowdhury, second from left, convener of Bangladesh Milk Processor Association (BMPA), speaks at a press conference at Dhaka Reporters Unity on Sunday. BMPA urged the government to reform tax structure in the proposed budget 2010-11 to save the domestic dairy industry.

BRAC Bank launches offshore banking

STAR BUSINESS DESK

BRAC Bank opened its offshore banking unit at its Gulshan branch recently, the bank said in a statement yesterday.

Syed Mahbubur Rahman, managing director of the bank, inaugurated the unit with other senior officials.

"We have already made the first transaction -- being a Bangladeshi bank -- for Bangladesh Biman towards financing its two new Boeing aircraft," Rahman said.

"This unit promises to gradually extend

its services towards a greater number of customers, as well as enhance its correspondent banking services."

Biman has recently received a syndicated financing of \$114 million, as pre-delivery payment financing to purchase two new Boeing 777-300ER aircraft where BRAC Bank provided \$16 million as one of the participating banks, the statement added.

An offshore banking unit allows a bank to accept deposits and provide loans in freely convertible foreign currencies.