

# Green banking on cards

STAR BUSINESS REPORT

The central bank will launch a 'green banking' system soon to encourage the use of alternative energy sources, especially solar energy, at all bank branches, the governor said yesterday.

"We are going to introduce a new banking system, and a circular will soon be issued in this regard," said Atiur Rahman.

"We are now preparing the guidelines for this new system, where every bank will have to ensure an efficient use of energy and reduce dependency on conventional energy sources."

"Initially, we will ask all banks to volunteer in meeting regular energy needs through solar power. Gradually, we will make it mandatory when considering applications for opening new branches," he said.

Rahman was speaking at a seminar on 'Financial Inclusion through Adoption of Renewable Energy Technologies in Agriculture and

Economy', co-organised by Rahimafrooz Renewable Energy Ltd and Credit Development Facility (CDF) at Sonargaon Hotel in Dhaka.

Rahman hopes this new system will help ease the energy crisis.

He said no new bank branches will be allowed to open without the use of solar power. "In future, all the banks will have to inform the central bank in advance how much energy they will consume in the next one year."

He suggested the banks generate solar energy jointly with non-governmental organisations, which he thinks will cut costs and ensure transparency.

The Bangladesh Bank chief asked all commercial banks to open branches in rural areas to take the marginalised under banking coverage. He warned of stern action if the instruction was not followed.

Rahman also said the Microcredit Regulatory Authority (MRA) will soon frame new regulations to reduce the interest rates charged by the micro-

finance institutes.

"We are now looking at how microcredit organisations operate. Soon, we will have regulations on how much interest they should charge."

Munawar Misbah Moin, managing director of Rahimafrooz Renewable Energy Ltd, said the power situation that mostly hampers the agriculture sector can be improved by increasing renewable energy for irrigation.

"We have been working on renewable energy technologies for the last 25 years, and we have proven track record in introducing solar home systems. The breakthrough irrigation solution by solar water-pumping was installed in Borguna," he said.

Resource Development Foundation (RDF) implemented the solar water-pumping project in Borguna.

Mohammad Golam Mostafa, executive director of RDF, and Imranul Haque Chowdhury, vice president of CDF, also spoke.



Feroz Rahim, third from left, managing director of Rahimafrooz Group, hands an award to one of the dealers of the company at a programme at Bangabandhu International Conference Centre in Dhaka recently. Mudassar Murtaza Moin, second from right, managing director of Rahimafrooz Distribution Ltd, is also seen at the annual dealer convention.



AK Azad, middle, president of Federation of Bangladesh Chambers of Commerce and Industry, attends the monthly luncheon meeting of American Chamber of Commerce in Bangladesh (AmCham) at Dhaka Sheraton Hotel yesterday. From left, Khalid Hasan, AmCham vice president; Syed Nasim Manzur, vice president of Metropolitan Chamber of Commerce and Industry; Nicholas J Dean, deputy chief of mission of the US embassy; Aftab ul Islam, AmCham president; Abul Kasem Khan, president of Dhaka Chamber of Commerce and Industry; and A Gafur, AmCham executive director, are also seen.

## Danish team to explore tech, energy

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A Danish business delegation is scheduled to visit Bangladesh on December 4-7 to seek local partners to invest in energy and clean technology.

A press release from the Embassy of Denmark in Dhaka said the delegation members, from about 10-15 Danish companies, will explore the market for local partners.

This is the second such team to visit Bangladesh this year. The first team of 10 companies visited Dhaka in April.

"We are proud to be able to bring in this second delegation of Danish companies to Bangladesh in 2010," said Danish Ambassador Svend Olling.

"The first delegation tour was a great success. Out of 10 companies visiting in April, seven of these companies are now active in Bangladesh -- or getting ready to enter the market. We hope that the success rate of this second delegation will be the same, or even better."

He said the delegation's objective is to introduce Danish companies to relevant local companies to explore the possibilities of setting up long-term cooperation/joint ventures, where Danish know-how and investment will be combined with local knowledge and manpower skills.

The envoy said the embassy here is planning for meetings for the Danish companies and looking for potential relevant Bangladeshi companies.

## High-profile business team leaves for Delhi tomorrow

PALLAB BHATTACHARYA, New Delhi

With signing of a bilateral agreement on opening of border haats and seeking removal of duty- and non-tariff hurdles to goods from Bangladesh high on his agenda, Commerce Minister Faruk Khan arrives here tomorrow evening on a three-day visit to India.

The two countries are likely to ink a memorandum of understanding for starting the border markets later this month after officials finalised modus operandi of the proposed markets at certain points, capping months of negotiations.

Such 'haats' are initially planned at two points of the 4,156-kilometre border.

Khan, on his maiden visit to India as commerce minister, will hold formal talks with his Indian counterpart Anand Sharma on Saturday when he is expected to renew Dhaka's call for waiving duty and removal of non-tariff barriers on apparel exports

from Bangladesh besides easing ban on cotton export from India.

Bangladesh wants India to either give 61 products a duty-free access or a complete duty-waiver to all garment products.

Under a 2008 bilateral trade agreement, India had allowed zero tariff benefits to Bangladesh's eight million pieces of garment products.

To start with, 2 haats would be set up in northeastern Sunamganj and in northwestern Kurigram along India's Meghalaya frontier.

The Federation of Indian Chambers of Commerce will host a dinner for Khan and his 20-member high-level business delegation on Friday.

Federation of Bangladesh Chambers of Commerce and Industry President A K Azad and Saarc Chambers of Commerce and Industry President Anisul Huq are among the business honchos to accompany Khan to his Delhi visit.

Khan will return home Sunday.

## Business leaders seek right policy for growth

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Business leaders yesterday urged the government to ensure right policy support and improved gas and power supply and infrastructure for tapping economic opportunities.

It is possible to achieve 6.7 percent economic growth for fiscal 2010-11, if the government ensures a better supply of gas and power, improves infrastructure and makes the Chittagong port functional, said AK Azad, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

He was addressing businessmen at the regular October luncheon meeting of the American Chamber of Commerce (AmCham) in Bangladesh as the chief guest.

The FBCCI boss also said Bangladesh exported ready-made garment products worth \$3.9 billion to the USA in the last fiscal year.

It is possible to export RMG products worth \$15 billion to the US in the next three years because all renowned brands such as Wal-Mart, GAP and Target are shifting orders from China, the largest apparel supplier in the world to Bangladesh, Azad said.

While speaking on Bangladesh Economy: Opportunities and Challenges, Azad said a long turnaround time at the Chittagong port, inadequate supply of power and gas to industrial units and poor infrastructure are the major challenges in reaching the target for economic growth.

The deployment of army to bring normalcy to the port is not the solution; the port activities must run smoothly to promote

business, he added.

Syed Nasim Manzur, acting president of Metropolitan Chamber of Commerce and Industry, said Bangladesh has already been recognised by some international global financial institutions as one of the emerging economies.

Twenty years ago, the scenario was different because it was difficult to take loans from banks and export goods, but the transactions have been made easy thanks to the introduction of back-to-back letter of credit (LC) system in export of goods, he added.

Bangladesh imports 3 percent of the total cotton output of the US, which indicates the strength of the RMG sector, he added.

Bangladesh needs labour-intensive industries because every year three million people are coming to the job market and the private sector is playing a vital role in creating employment, Manzur said.

"The labour in Bangladesh is not cheap; we actually have low-cost labour with lower productivity," he added.

Abul Kasem Khan, president of Dhaka Chamber of Commerce and Industry, asked the government for Dhaka-Chittagong business corridor for diversified business activities.

He said it is possible to achieve 8 percent to 10 percent economic growth in the near future if challenges like energy and infrastructures are handled efficiently and urgently. "We need coal-based energy security for economic development," he said.

Former FBCCI president Annisul Huq said the biggest challenge for Bangladesh is its poor infrastructure.

AmCham President Aftab ul Islam chaired the meeting.

## MTB steps into brokerage business

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Mutual Trust Bank (MTB) Securities Ltd launched brokerage operations in Dhaka yesterday.

The brokerage firm began as a subsidiary of the bank, as per regulatory requirements.

The financial institutions, including banks, that have brokerage and merchant banking divisions, will have to form a subsidiary company to run the stock business within November 30, according to regulations.

So far, four banks, including MTB, have launched subsidiary companies for the purpose, while the rest are in the process.

Syed Manzur Elahi, founder chairman of MTB, formally launched operations at a function. MTB Managing Director Anis A Khan, Dhaka Stock Exchange President Md Shakil Rizvi and Chittagong Stock Exchange President Fakhur Uddin Ali Ahmed were also present.

On the current bullish trend in the stockmarket, Elahi said there is hardly any possibility of a situation similar to 1996.

In 1996, the Bangladesh stockmarket bubbled and later burst.

## Intel to invest \$8b in US chip plants

AFP, New York

Intel Corp. announced plans on Tuesday to invest up to eight billion dollars in its US manufacturing facilities to produce next-generation computer chips.

Intel, the world's largest microprocessor maker, said the investment over the next several years will fund deployment of its 22-nanometer (nm) chip manufacturing process across several existing US factories.

It will also fund construction of a new fabrication plant, known as a "fab," in the northwestern state of Oregon, Intel said in a statement.

Intel is to begin production of its first 22nm microprocessors, codenamed "Ivy Bridge," in late 2011.

Intel said the projects will support 6,000 to 8,000 construction jobs and result in the creation of 800 to 1,000 new permanent high-tech jobs.

"The most immediate impact of our multi-billion-dollar investment will be the thousands of jobs associated with building a new fab and upgrading four others, and the high-wage, high-tech manufacturing jobs that follow," Intel president and chief executive Paul Otellini said.

Intel said the new fab in Oregon is scheduled to begin research and development in 2013.

It said two existing factories in Arizona and two existing facilities in Oregon would be upgraded.

With one million personal computers shipping per day, Intel said the upgrades will create the manufacturing capacity to allow for continued growth of the PC market and to address growing markets such as mobile computing.

## Power crisis causes losses Steel millers tell DPDC

UNB, Dhaka

Bangladesh Auto Re-Rolling and Steel Mills Association yesterday urged the Dhaka Power

Distribution Company Ltd (DPDC) to resolve lowvoltage problems in electricity supply to the mills.

An association delegation met DPDC management to discuss the nagging power crisis and its obvious impacts on the production at the steel and re-rolling mills.

Sheikh Masudul Alam Masud, the association's newly elected chairman, and Abul Quasem Majumder, the general secretary, led the delegation.

DPDC Managing Director Abdus Sobhan and other top officials were present at the meeting.

The still millers alleged that the steel and re-rolling mills have been incurring huge losses because of the nagging power crisis,

which led to the rise in the prices of MS (mild steel) products for consumers.

"Frequent power disruption hampers our production severely. As a result, cost of production goes higher and higher," said Masud.

He revealed that power-cuts cause sharp fall in production in steel mills. After facing unbearable losses, many mills finally suspended their production.

He also urged the DPDC to investigate if any steel or re-rolling mills are involved in any power pilferage or underhanded means of consuming electricity.

The trade body leaders claimed that a good number of auto steel and re-rolling mills entered the industry in recent years.

These mills have bright prospects of exporting MS rod and other products to different countries if the mills are provided with incentives and government support.



Md Raqibul Islam, finance adviser to Rangs Group, inaugurates the company's latest sales campaign, Eid Utsab Kurbanir Offer, in Dhaka on Monday.



Citycell launched a cell phone-based financial service, moneybag\_Dhaka WASA, on Monday. Dhaka WASA customers can now pay their bills through Citycell authorised moneybag-marked outlets. David Lee, chief operating officer of the mobile operator, and Md Liakath Ali, managing director (in charge) of Dhaka WASA, attend the launch at the WASA head office in Dhaka.