

Development onus is not on lenders

Speakers urge reforms in internal policies at book launch

STAR BUSINESS REPORT

Global lenders such as World Bank and International Monetary Fund should not be blamed for a country's failure to adjust their policies to get benefit, said a former central bank governor yesterday.

"The World Bank and International Monetary Fund have not always done bad things only. The success of their guidelines depends on how we deal with them," former Bangladesh Bank governor Salehuddin Ahmed said.

The former governor was speaking at a book launching ceremony in the conference room of Policy Research Institute of Bangladesh (PRI) in Dhaka.

"Many of their advices may have failed, but it does not mean that they were ineffective," he said.

Mashirul Rahman, economic adviser to the prime minister, unveiled the book "Unnayaner Arthaneeti" written by Dr Rizwanul Islam, former special adviser of International Labour Organisation (ILO). The book was published by University Press Ltd.

Ahmed said Bangladesh must carefully handle the growing young population and offer them employment. "Many coun-



tries have failed to do this, while some have dealt with the issue and were benefited."

Developing countries have gained very little from globalisation, as all the people

could not take advantage of the phenomenon within a country, Islam wrote in his book.

"Globalisation is not a bad thing. We cannot progress by bypassing it. The benefit of it

should be distributed equally," he said.

He wrote: "The investment in Bangladesh's agriculture sector has to be increased even if the country aspires to become an indus-

trialised nation. Besides, the number of export-oriented industries has to be increased, as we tend to rely on a handful of sectors."

The book also features issues like development theories, poverty, economic growth, agriculture, food security, employment and income equality.

SR Osmani, professor of Development Economics, University of Ulster, UK, said the benefit of globalisation is not being equally distributed. "We have to find out whether the international political system or a country's domestic policies are responsible."

"The same applies to Bangladesh. When we talk about globalisation, we only call for changes in the global political structure and do not focus on internal policies," he said.

Economist Wahiduddin Mahmud, former finance minister M Syeduzzaman, Director General of Bangladesh Institute of Development Studies MK Mujeri, PRI Chairman Zaidi Sattar and its Executive Director Ahsan H Mansur spoke on the occasion.

Mahfuz Anam, editor and publisher of The Daily Star, and Fahmida Khatun, additional research director of Centre for Policy Dialogue, were also present.



Ejab Group Managing Director Eshtiaque Ahmed attends "Ejab distributors conference and new products launching ceremony 2011" at Bangabandhu International Conference Centre in Dhaka on Thursday. Northern Agricultural & Industrial Company and Ejab Distribution, sister concerns of Ejab Group, organised the programme.

New MD for Desco

STAR BUSINESS DESK



Md Monzur Rahman has joined Dhaka Electric Supply Company (Desco) as managing director on February 20, the company said yesterday.

He is a mechanical engineer of Bangladesh University of Engineering and Technology. Rahman also served Desco as a director for engineering and Rural Power

Bank of Ceylon MD in town

STAR BUSINESS DESK



AL Gooneratne, managing director of Commercial Bank of Ceylon, is now in Dhaka for an official visit, says a statement yesterday.

He will preside over the annual staff conference 2011 of CBC Bangladesh and meet the regulatory authorities of the bank here. Gooneratne is also scheduled to attend customers' get together in Sylhet and Chittagong.

Russia imposes first rate hike since crisis

AFP, Moscow

The Russian central bank on Friday said it was raising its main refinancing rate 0.25 basis points to 8.0 percent, its first hike in interest rates since the economic crisis over two years ago.

The Bank of Russia said in a statement that the rate hike, effective from Monday, was needed due to expectations of higher inflation in Russia and high global oil prices.

"The decision was taken due to continued high inflation expectations," it said in a statement.

The rate hike was the first since December 2008, when the economic crisis was starting to rock the country. The bank subsequently imposed 14 consecutive rate cuts to help bring the economy out of the slowdown.

The Russian government under Prime Minister Vladimir Putin has in the last years worked hard to bring down the sky-high inflation which dogged the country after the collapse of the Soviet Union.

But inflation worries have returned in the last months after a summer heatwave and fires destroyed over a quarter of the harvest, creating price pressures as the supply of basic food items on shop shelves fell.

The Bank of Russia said that inflation was 9.7 percent in the period to February 21 compared with the year earlier. "Inflationary pressure remains

Ireland transfers 12b euros from crisis-hit banks

AFP, Dublin

Ireland on Thursday transferred more than 12 billion euros (\$16.5 billion) of deposits from two of its crisis-hit banks to rival institutions, part of efforts to secure an international bailout.

In what could be the final act of the Fianna Fail government as voters gear up for a general election on Friday, the finance ministry said the High Court had issued orders for the immediate transfer of the deposits.

Customers and their money are being moved from Anglo Irish Bank and Irish Nationwide Building Society (INBS) to Allied Irish Banks (AIB) and Irish Life & Permanent respectively, said the ministry in a statement.

"This is a decisive step towards resolving the position of Anglo and INBS in a way that protects depositors and strengthens the banking system," said Finance Minister Brian Lenihan.

The move is a step towards winding down the two banks, whose years of reckless lending has taken much of the blame for inflating a property bubble in Ireland which dramatically collapsed and plunged the country into a deep recession.

AIB said in a statement that the deposits it had received from Anglo Irish amounted to some 8.6 billion euros, most of which was in Ireland with



Kazi Monirul Kabir, chief communications officer of Grameenphone, speaks at a press conference at GPHouse in the capital yesterday to announce an initiative of the mobile operator to translate social networking site Facebook into Bangla in association with the site. Facebook users can also join the initiative through their accounts.



Rahimafrooz Group directors Munawar M Moin and Mudassir M Moin attend the launch of the company's premium maintenance-free automotive battery Globatt at Sonargaon Hotel in Dhaka yesterday. Story on B1

GP promotes Facebook in Bangla

STAR BUSINESS DESK

Grameenphone in association with Facebook has taken an initiative to translate the social networking site into Bangla, the mobile operator said in a statement yesterday.

After its completion, the initiative will allow people to browse the site in Bangla by cellphone, Grameenphone Chief Commercial Officer Kazi Monirul Kabir briefed reporters at GPHouse in Dhaka yesterday.

Although enthusiastic users started translating Facebook into Bangla earlier, there still remains a significant part unattended, the statement added.

Now, Facebook users in Bangladesh will be able to participate in the translation process using their accounts. To translate the site, one has to join Facebook and log on to www.facebook.com/translations. They have to select Bengali as "translations app language" and then save it as "update preferences" after clicking on "preferences" on the left side of the page. The transformation will start after clicking the "translation" icon.

Having Bangla font in personal computers is a must to take part in the initiative. One can also vote the best Bangla translations previously done by others through the site.

Govt steps fail to rein in stock fall

STAR BUSINESS REPORT

A downturn continued on Dhaka Stock Exchange for four weeks despite the government initiatives to bring back normalcy in the capital market.

The benchmark general index of Dhaka Stock Exchange (DGEN) shed 125 points, or 2.1 percent, to close at 5,800 points. The DSE general index lost 600 points in the previous weeks.

Most of the investors had lost confidence in the current market situation because big institutional investors followed a 'wait-and-see' policy and did not go for any big buy, said market insiders.

However, most merchant banks and institutional investors faced credit crisis, and so they did not have buying power to stabilise the market, they added.

Earlier, the government had directed the state-owned companies to go for big buying of shares to stabilise the

market, but most investors including the institutional ones went for panic sale, as they anticipated a further fall, said an operator.

The market operators claimed the buying pressure of state-owned companies failed to bring back normalcy.

Most state companies are in loss, as share prices marked a continuous slump, the operators added.

The government on Thursday formed a high-powered committee at a Bangladesh Bank suggestion to increase liquidity flow, find out stockmarket manipulators and stabilise the market. The committee was also assigned to monitor the margin regulations of the merchant banks.

The committee will have representation from the central bank, Securities and Exchange Commission, Investment Corporation of Bangladesh, Dhaka Stock Exchange, Insurance Development and Regulatory Authority.

Life and general insurances retraced more than 3 percent each, while pharmaceuticals shed only 0.53 percent. There were only

three gainers -- non-banks gained 1.21 percent on expectation of dividend declaration, while food and allied and tannery also closed on positive ground.

The daily average turnover of the week stood at Tk 668 crore, down by 3.04 percent from the previous week.

Of the total 261 issues traded on the DSE, 202 declined, 57 advanced and two remained unchanged.

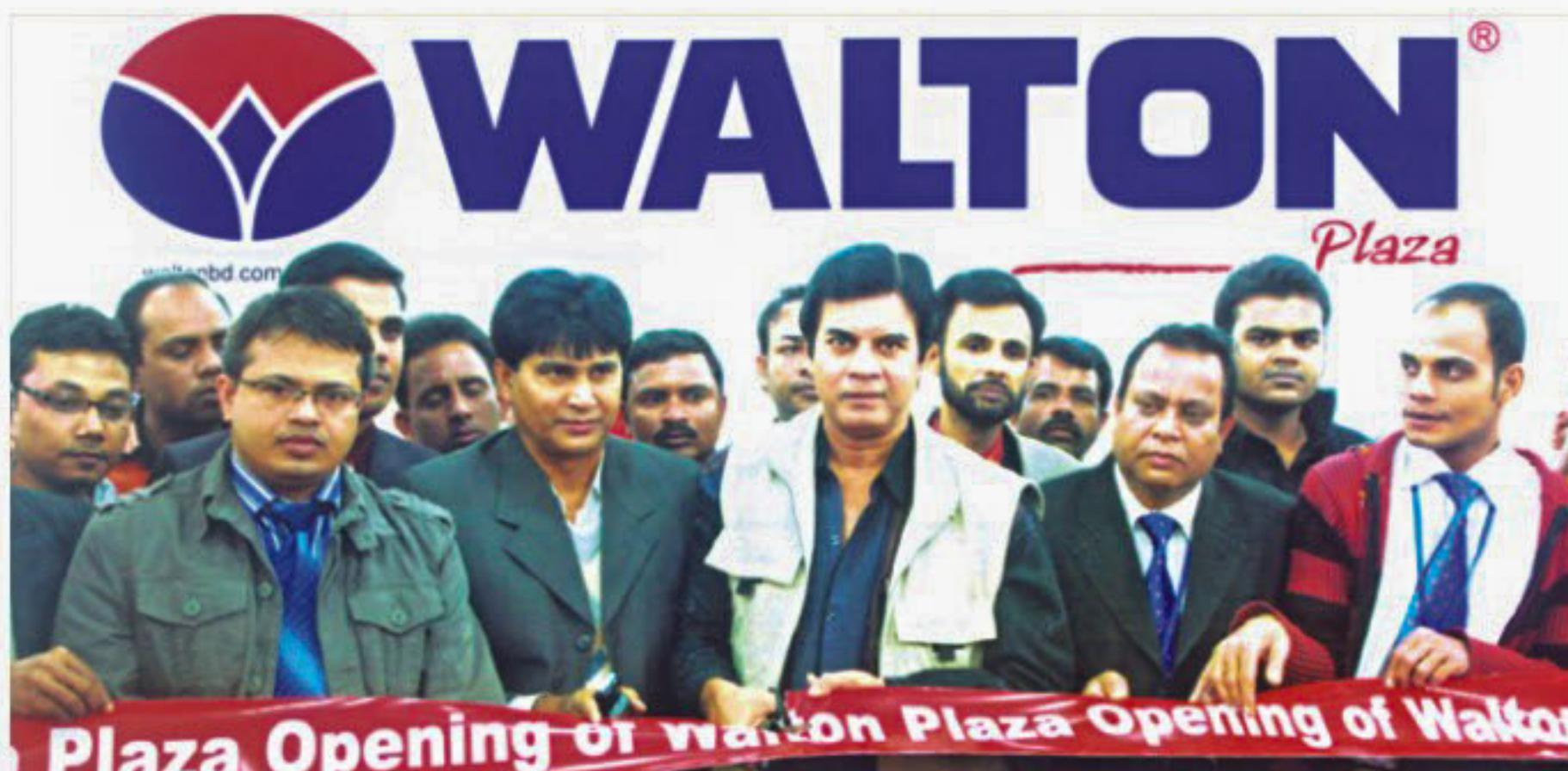
National Bank topped the turnover leaders with Tk 14.20 crore.

The other turnover leaders were Beximco, Peoples Leasing and Financial Services, Lanka Bangla Finance, Bextex, Union Capital, One Bank, Bay Leasing and Investment, Prime Finance and Investment, and Titas Gas.

Prime Finance and Investment was the biggest gainer of the week, with a 13.37 percent rise, while BD Welding Electrodes was the biggest loser, going down 60.93 percent.



M Wahidul Haque, AB Bank chairman, attends a training programme on "Orientation course on Islamic banking" at the bank's head office in Dhaka on Tuesday. Kaiser A Chowdhury, managing director, was also present.



Ilias Kanchan, director of Walton, inaugurates the company's showroom, Walton Plaza, at Syedpur in Nilphamari recently.