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Prof Muhammad Yunus, flanked by his lawyers, is on his way to the High Court, prior to yesterday's hearing on his writ petition against the legality of a central bank order that seeks to remove him from Grameen Bank as its managing director. The hearing has been adjourned until 2pm today. (Story on page 1)

Tk 5,000cr fund to boost stocks

STAR BUSINESS REPORT
The state-run investment organisation and seven other state-owned enterprises have come forward to give a massive liquidity support to the shrivelling stockmarket by creating a Tk 5,000 crore fund. The eight SoEs are the sponsors of the fund styled "Bangladesh Fund", which will be an open-ended mutual fund, and the decision of floating the fund was finalised at a meeting in Dhaka yesterday. Half of the fund will be utilised in buying shares from the secondary market, while the rest will be kept for the money market, said Md Fayekuzzaman, managing director of Investment Corporation of Ban-

gladesh (ICB) and also the organiser and manager of the fund. "Bangladesh Fund will be an open-ended mutual fund and it will also help boost the investors' confidence," he said after the meeting. "As it's an open-ended fund, the door for any financial institute would remain open for their participation in the fund," he said. An open-ended mutual fund is a professionally managed collective investment scheme that has unlimited lifetime and size. The fund manager pools money from many sponsors or investors through its selling agents and invests it in stocks, bonds and short-term money market instruments, and pays out dividends to the unit holders annually.

Apart from the ICB, the seven other SoEs are: Sonali Bank, Janata Bank, Agrani Bank, Rupali Bank, Bangladesh Development Bank, Sadharan Bima Corporation and Jibon Bima Corporation. The sponsors, however, will decide the sizes of their participatory portions in the fund later. Fayekuzzaman said the ICB will apply for the regulatory approval required after the eight participating institutions come up with permissions from their respective boards of directors. Earlier, the government through the Securities and Exchange Commission suggested the ICB form a special purpose fund to increase liquidity supply in the stockmarket.

Shrinking farmland stokes fears of food crisis

Minister, analysts speak at MCCI discussion

STAR BUSINESS REPORT
Fast-shrinking agricultural lands have stoked fears of a food crisis as Bangladesh is failing to curb an indiscriminate transfer of arable lands to other uses in the absence of a proper law, analysts said yesterday. Food Minister Muhammad Abdur Razzaque said the government is serious about saving agricultural lands and looks to review the existing land policy to go for implementation. "Land area is shrinking at an alarming rate. If cultivable lands continue to decline at this pace, it will be difficult to ensure self-sufficiency in food production," said Razzaque. The minister made the statement at a discussion with private sector representatives on Country Investment Plan (CIP), a document drafted with an aim to boost investments in agriculture to ensure food security and nutrition for all. The Metropolitan Chamber of Commerce and Industry (MCCI) and Food and Agriculture Organisation (FAO) organised the discussion, moderated by MCCI President Amjad Khan Chowdhury. The government has set a target to invest \$10 billion in the five years to 2015 for the CIP, and plans to generate \$3 billion of the total investment domestically and the rest from development partners. Razzaque's concern on reduction of farmlands came at a time when food prices around the world are surging, spurred by ravaged crops due to adverse weather and subsequent bans on exports by producing countries such as Russia. Food prices have also gone up in Bangladesh, which still produces its staple rice near a food sufficiency level, reinforcing the belief that dependency on the world market might not ensure food security unless there is adequate production at domestic level. However, sufficient domestic production to meet demand of growing population, now more than 15 crore, depends

largely on factors such as raising productivity and protecting the agricultural lands. The analysts say Bangladesh loses its farmlands by 1 percent every year due to transfer of lands to other uses such as human settlements, brick kilns and industries. Discussants said the fall in farm lands needs to be stopped to ensure food production and create jobs to accelerate the pace of poverty reduction. Ahsan Mansur, executive director of Policy Research Institute (PRI), said land prices are going up as farmlands are being used for other purposes. "Land is getting out of agriculture," he said. Mansur suggested demarcation of agricultural lands to prevent people switching to other uses. Discussants also stressed increased participation of the private sector to boost investments in various areas of agriculture such as seeds, fertilisers and marketing, distribution and value chains. "The issue should not be limited to consultations with the private sector and NGOs. They have to be taken on board and given space to operate," said Mahabub Hossain, executive director of Brac. Hossain, also former head of Director General of Bangladesh Institute of Development Studies, said the government has roles to play in research and technology generation, providing information on prices and markets to private sector. Hossain also recommended public private partnership in quality seed production and distribution to increase yield. Abdul Awal Mintoo, of Lalteer Seeds Ltd, said there is bias in the government against private sector participation. "Bias within the government has to be stopped first," he said. Among others, FAO Representative in Bangladesh Ad Spijkers, USAID Mission Director Denise Rollins, Principal Officer of Plant Protection Division of FAO Peter Kenmore and Bangladesh Agro-processors Association President Anjan Chowdhury also spoke.

Fog of data raises doubt over food sufficiency

STAR BUSINESS REPORT
Rice prices have shot up despite good harvests in the recent three crop seasons and there might be a discrepancy in the data on production and population, said Food Minister Muhammad Abdur Razzaque. "We had very good boro and aman crops. But the prices are still going up. There are some inconsistencies in the statistics of population and production," he said. His statement came after a discussion at Metropolitan Chamber of Commerce and Industry (MCCI) on Country Investment Plan, a document to boost investment in agriculture, food security and nutrition. MCCI and Food and Agriculture Organisation (FAO) organised the programme. Analysts say, based on the data of Bangladesh Bureau of Statistics, the total rice production was 3.2 crore tonnes in fiscal 2009-10, which is 14 percent higher than the annual demand for 2.8 crore tonnes (if the size of the population is put at 15 crore). Bangladesh should have a surplus of rice against the per-capita demand, 182.5 kilograms a year, even after a 12 percent deduction for wastage from the total output, they observe. But if the population is more than 16 crore, there is a shortfall in production, they say.

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Nano may enter Europe

REUTERS, Frankfurt
India's Tata Motors could bring its small car Nano, touted as the world's cheapest car, to the European market as early as 2013, although a final decision has not been made, its chief executive said. Carl-Peter Forster said: "We don't know yet. But it will certainly take two to

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