

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DGEN	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY	
▲ 0.90%	▲ 0.49%	\$1,427.00 (per ounce)	\$102.92 (per barrel)	▼ 0.22%	closed	▲ 1.63%	▲ 0.08%	BUY TK	72.05	100.09	114.80	0.88
6,528.20	11,781.49			17,839.05		2,983.51	2,909.14	SELL TK	73.05	105.55	120.44	0.96

NCC Bank
Patgram Branch

is now at new premises from 20 March 2011

New Address:
Holding No-584, Ward No-5
Main Road, Patgram
Lalmonirhat

NCC Bank Ltd.
Where Credit and Commerce Integrates

www.nccbank.com.bd

star BUSINESS

DHAKA TUESDAY MARCH 22, 2011, e-mail: business@thedailystar.net

Economy under stress: IMF

REJAUL KARIM BYRON

The International Monetary Fund (IMF) has said the macroeconomic and financial pressure on Bangladesh economy has intensified since December last year.

The organisation said it has recommended some steps including a hike in petroleum prices to reduce subsidy burden.

The IMF also criticised Bangladesh Bank's intervention in exchange rate and said the BB had violated an article of the IMF agreement.

An IMF mission after a discussion on \$1 billion credit concluded its 10-day visit to Bangladesh last week and presented their observation to the government in a report.

Officials at the finance ministry and BB said the IMF mission was more critical of different economic issues.

The officials said the problems facing Bangladesh did not emerge suddenly; the setbacks such as high inflation, slow remittance and pressure on subsidy continued for long. The government and the BB are trying to address the issues, they added.

The IMF said if the petroleum prices are not adjusted, the government's subsidy may double to Tk 15,000 crore in the next fiscal year.

The IMF said fiscal policy is coming under increasing strain from rising subsidy costs. The government's domestic borrowing requirement is set to exceed the budget target in FY 2011, due to rising subsidy for electricity, petroleum and fertiliser.

"To limit an intensification of budget pressures and reduce opportunities for cross-border smuggling to India, retail prices of petroleum products require im-

mediate adjustment," IMF said.

The organisation also said it was not happy with the extent of the recent hike in power tariff and said it should be enhanced further.

The IMF said balance of payment (BoP) pressures are becoming more acute owing to rising food, fuel, and cotton prices, slowing remittance growth, and an accommodating monetary policy.

As a result, the current account balance is expected to go from a surplus of 3.75 percent of GDP in FY2010 to a deficit of 0.75 percent in FY2011, with a further deterioration expected over the medium term, IMF said. It said inflation in January was the highest in the last two years.

Bangladesh has been absorbing the pressures by drawing down foreign reserves, the IMF said. The net provision of foreign exchange has been more than \$1 billion during the first six months.

The IMF said a wedge has also developed between market and official exchange rates, indicating a possible Multiple Currency Practice (MCP).

The BB's official taka/US dollar rate has deviated significantly from market rates since late 2010, by as much as 3.5 percent. Bangladesh may be deemed as operating an MCP, which is a violation of Article VIII of the IMF's Articles of Agreement.

The IMF said the BB should allow greater exchange rate flexibility, facilitate inter-bank market development, and intervene only to smooth short-term volatility in the exchange rate.

The monetary policy should be further tightened to slow credit growth and reduce inflation pressures, with increased interest rate flexibility, it said.

Panel threatens to take BGMEA polls to court

STAR BUSINESS REPORT

Forum panel leaders of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday threatened to go to court challenging the validity of the biennial election of the trade body that was held Sunday.

In a press briefing at Sonargaon Hotel, Anwar-Ul-Alam Chowdhury Parvez, the Forum Panel chief, said he has already submitted a petition to the election appeal board of the trade body to suspend the election results.

"If the appeal board fails to take proper action, we will go to court," said Parvez, who boycotted the election on March 19, demanding a clear, flawless voter list for the election.

He demanded a fresh election under a new voter list and said: "I will continue a legal battle if a fresh election is not held with a new voter list."

He complained the voters whose names were taken off the list were not given enough time to appeal, but were made voters again on Sunday.

"There might be a question about the credibility of the election. BGMEA should play a professional role in running the business," Parvez said.

Mahmudur Rahman Manna, a Forum leader, said the business will not be hampered for the election problems. "We just don't agree with the election as it was held in an undemocratic manner."

Another Forum leader, MA Salam, said: "The election should not take place keeping the opposition away."

In the Sunday's election held simultaneously in Dhaka and Chittagong, Sammilito Parishad led by Shafiqul Islam Mohiuddin won all the 27 posts.

The rival panel, Forum, boycotted the election alleging a "faulty" voter list.

Credit info now a click away

SAJJADUR RAHMAN

Waiting for days, or even months, for obtaining credit reports on borrowers is going to be a history next month with the full automation of the Credit Information Bureau (CIB) of the Bangladesh Bank (BB).

Banks and financial institutions (FIs) now can get the mandatory reports on the borrowers concerned in a few minutes by logging on to the automated CIB.

"CIB automation will not only reduce time but also the cost of doing business," said BB Governor Dr Atiur Rahman.

"Currently, data and report verification is being carried out," said Rahman.

The automated CIB went into trial run in October last year after nearly two years of works. The full-fledged operation of the Bureau is set to begin next month.

The governor said the project is important for enlarging and upgrading the capacity of the CIB to sort, handle and deliver credit information to and from the banks and FIs in high and fast expanding volumes.

Bankers said the service deserves faster pace in the wake of expansion of lenders' portfolios to numerous small and medium enterprises and farm loans in addition to the booming personal loans.

BB data show the CIB had a huge backlog of over 60,000 inquiries for credit information in early last year. The central bank under a "crash programme" removed the backlog in June that year, making the information updated.

"Getting credit information of prospective bank borrowers would take a few minutes instead of present five working days on completion of the project," said

the governor. It took two months a couple of years ago and both lenders and borrowers had to bear extra costs for the reports.

To deal with the problem, the BB appointed SouthAsia Enterprise Development Facility as consultant of the project, funded by UK Department for International Development (DFID), while Italian CRIF was appointed as the vendor to implement the project two years ago.

With the launch of the automated CIB, the service banks and non-bank financial institutions will be able to access the CIB database online, and get the credit reports of the borrowers concerned. The database will contain detailed information of individual borrowers, owners and guarantors.

"The online CIB will also minimise the extent of default loans," said Rahman.

The rate of non-performing loans decreased to 14.71 percent in 2005 compared to more than 23 percent in the previous year. In 2000 the percentage of such loans was 34.9 percent, and now at a single digit level.

As the defaulters are not given any fresh loans, the banks and non-banks, before sanctioning any loan, will have to take clearance from the CIB that the applicant concerned is not a loan defaulter.

"The rate will further go down once the system is in operations," said Jamilur Reza Chowdhury, an IT expert. He said the move would significantly reduce the time for obtaining a credit report.

A credit amounting to a minimum of \$725 or Tk 50,000 comes under the provision for the reporting to the CIB, which was set up in August 1992 to improve the credit risk management and reduce default loans. World Bank funded the establishment of the bureau at that time.

Grameenphone Ltd.

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Notice of the 14th Annual General Meeting

Notice is hereby given that the 14th Annual General Meeting of Grameenphone Ltd. will be held on Tuesday, April 19, 2011 at 10:00 am at Bangabandhu International Conference Centre (BICC), Agargaon, Sher-E-Bangla Nagar, Dhaka-1207 to transact the following businesses:

AGENDA

Ordinary Business:

1. Consideration and adoption of the Directors' Report and the Audited Financial Statements of the Company for the year ended December 31, 2010 together with the Auditors' Report thereon.
2. Declaration of Dividend for the year ended December 31, 2010 as recommended by the Board of Directors.
3. Election/Re-election of Directors.
4. Appointment of Auditors and fixation of their remuneration.

Special Business:

5. Amendment of Article-56(i) of the Articles of Association of the Company *.
- In order to give effect to the said amendment, to consider and, if thought fit, to pass the following resolution as Special Resolution:
- "Resolved that Article-56(i) of the Articles of Association of the Company be and is hereby amended and substituted to read as follows: *"Borrowing funds in excess of the total capitalization of the Company"*, in place of the existing provision of *"Borrowing funds in excess of ten percent (10%) of the total capitalization of the Company"*.
- Resolved further that, consequent upon the aforesaid amendment in the Articles of Association of the Company, the Articles of Association as amended be and is hereby adopted, which shall henceforth be the Articles of Association of the Company."

* The Article-56(i) presently requires that a majority of at least seventy five percent (75%) of the votes of all issued and outstanding Ordinary Shares will be necessary for borrowing funds in excess of ten percent (10%) of the total capitalization of the Company.

By order of the Board of Directors
Sd/-
Hossain Sadat
Company Secretary

March 22, 2011

Notes:

- Members whose names appear on the Members/Depository Register as on "Record Date" i.e. **February 20, 2011** are eligible to attend the Annual General Meeting (AGM) and receive dividend.
- A Member entitled to attend and vote at the AGM may appoint a Proxy to attend and vote in his/her stead.
- The "Proxy Form", duly filled and stamped by Revenue Stamp of Tk. 8 must be deposited at the Company's Share Office located at **Nitol Tower, Road # 113/A, Plot # 7, Gulshan-2, Dhaka-1212** not later than 72 hours before commencement of the AGM.
- Members/Proxies are requested to record their entry in the AGM well in time on **April 19, 2011**. The registration counter will open at **8:00 am** on the AGM date.
- In case of non-receipt of Annual Report of the Company sent through courier, Members may collect the same from the Company's Share Office within **April 18, 2011**. No additional Annual Report will be distributed at the AGM venue.
- Members are requested to submit to the Company's Share Office on or before **April 12, 2011**, their written option to receive dividend. In case of non-submission of such option within the stipulated time, the dividend will be paid off as deemed appropriate by the Company.
- Grameenphone is concerned about the environment and utilizes natural resources in a sustainable way. We request the members to update their email address and contact number (mobile/fixed phone) with their respective Depository Participant (DP) for quicker and easier communication. Such cooperation will help conserve paper and minimize the impact on the environment.

সম্মিলিত শেয়ারহোল্ডারদের সদস্য অবগতির জন্য জানানো যাচ্ছে যে, আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার উপহার/খাবার/কোন ধরনের কুপন প্রদানের ব্যবস্থা থাকবে না।

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Probaho. Bringing smiles to thousands of people in rural communities.



BAT Bangladesh's new CSR initiative 'Probaho' is providing rural people with safe drinking water in arsenic prone areas. This initiative is aimed at complementing government's effort to achieve one of the Millennium Development Goals. 18 plants provide approximately 95,000 litres of safe drinking water free from arsenic and other impurities for 47,000 people in different parts of the country everyday.

Today is the World Water Day. At least 47,000 people smile today.

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SUCCESS AND RESPONSIBILITY GO TOGETHER