

TCB starts sales of basic commodities

STAR BUSINESS REPORT

Trading Corporation of Bangladesh (TCB) yesterday began its market operation through sales of five essential commodities at lower than market prices ahead of the Ramadan fasting.

The commodities include chickpeas, sugar, cooking oil, dates and pulses, said the state-run agency which launched the operation by

distributing these items among dealers at a programme in Tejgaon.

Commerce Minister Faruk Khan inaugurated the programme.

Customers will be able to buy chickpeas at Tk 58 a kilogramme, sugar at Tk 58 a kg and cooking oil at Tk 102 a litre from the dealers, said Md Humayun Kabir, spokesperson for TCB.

Dealers will have to sell lentils

at Tk 68 per kg and dates at Tk 55-70 per kg, depending on quality.

TCB, which intervenes in the market from time to time to curb the prices of different essentials, entered the market with these

items at a time when the prices of chickpeas, sugar and pulse are rising -- less than two weeks ahead of the Ramadan when the consumption of these commodities pick up.

Prices of chickpeas rose to Tk 65-80 a kg yesterday from Tk 62-70 a week ago. Sugar rose to Tk 68-73 per kg from Tk 68-70 in the previous week, according to TCB data.

The organisation which has 2,400 dealers all over the country said it will carry out its market intervention drive in phases.

"We will distribute in phases. The second phase will start at the beginning of Ramadan,"

said Sarwar Jahan Talukdar, chairman of TCB, early this week.

In each phase, TCB will distribute 2 tonnes of sugar, 1,200 litres of cooking oil, 1 tonne of lentil among its dealers. It will supply 500kg of chickpeas and dates to dealers for sale to consumers.

Kabir said TCB has 'sufficient' quantities of commodities to meet demand.



A Rouf Chowdhury, chairman of Bank Asia, cuts a ribbon to inaugurate a new office for the bank's card department at Tea Board Building in Motijheel on Sunday. SM Khorshed Alam, acting managing director of the bank, was also present.

BANK ASIA



AARONG

Muhammad A (Rume) Ali, managing director of BRAC Enterprises & Investments, third from left, receives ISO 22000: 2005 from Zulfikar Rahman, founder chairman of Intertek, a leading provider of quality and safety solutions worldwide, in Dhaka recently. The certification testifies Aarong Milk's internationally accepted quality and food safety management. Tamara Abed, a director of BRAC Dairy, middle, was also present.

AB Bank chairman re-elected



M Wahidul Haque

Salim Ahmed

STAR BUSINESS REPORT

M Wahidul Haque has been re-elected as chairman of AB Bank, the bank said in a statement.

Also, the bank re-elected Salim Ahmed as its vice-chairman at a board meeting on July 12, according to the statement.

Haque joined the AB Bank board in 2007. He also served Bangladesh Tea Association as its chairman.

Ahmed, an industrialist, has been associated with paint, refinery, chemical and petrochemical industries for a long time.

Ahmed is also the chairman of Elite Paints Group of Companies and is also the president of Bangladesh Paint Manufacturers Association.

Chittagong chamber backs Ramadan action plan

STAFF CORRESPONDENT, Chittagong

Businessmen in the port city yesterday emphasised forming a combined action plan to keep prices of essential commodities stable during the month of Ramadan.

They voiced the call at a meeting organised by Chittagong Chamber of Commerce and Industry (CCCI) at its conference room.

Morshed Murad Ibrahim, president of CCCI, said the chamber would monitor the market during the Ramadan. He said CCCI started monitoring the market jointly with the district administration yesterday.

A joint action plan will be formed to keep the prices of daily necessities stable during the Ramadan.

Syed Sagir Ahmed, general secretary of Khatunganj Trade and Industries Association, said it is a misconception that prices of daily necessities can be kept stable by interfering with the businessmen's work.

Ahmed said benefits to importers should be increased and the rate of bank loans should be decreased to a single digit to reduce the cost of imports. He urged the authorities to enhance facilities for storage of import items too.

Shafiqur Rahman, former president of CCCI, alleged that the commerce ministry does not want to make Trading Corporation of Bangladesh active.

Kamruddin Talukder, a trader of Khatunganj Wholesale Market, said the government should not harass the businessmen.

SM Nazer Hossain, president of Consumer Association of Bangladesh, said prices of basic necessities have already gone up. He urged the chamber to take steps against the unscrupulous and immoral businessmen.

He also urged the chamber to start an awareness programme for both the businessmen and the consumers.

IFC launches fund for small businesses

STAR BUSINESS REPORT

The International Finance Corporation (IFC) has launched an \$80 million short-term liquidity facility in Bangladesh to provide banks with working capital and trade financing solutions, following recent market disruptions in the availability of foreign exchange in the country.

The funds were made available through the newly formed IFC Bangladesh Small and Medium Enterprise Liquidity Facility, a rapid-response initiative to help meet the funding needs of local banks and small businesses.

The Bangladeshi regulatory authorities have been content with the speed and timeliness of IFC's intervention and financing support. The facility will enable small and medium enterprises, especially those that are export-oriented, to have continued access to critical funding for timely issuance and discounting of letters of credit, said IFC in a statement.

In the first phase, IFC, a member of the World Bank Group, signed agreements with existing clients -- Eastern Bank Ltd, BRAC Bank and Southeast Bank. The facility is well received by local bankers and subsequently will

reach out to other banks that could potentially receive similar financing.

The three banks appreciated IFC's swift response and expressed their endorsement of its ability to put together "an innovative mechanism to address the liquidity needs of their borrowers."

The banks also felt IFC filled a critical market need in Bangladesh, where trade finance is either prohibitively costly or not available given the country's perceived risks, the statement said.

"The facility aligns with IFC's financial sector strategy in Ban-

ladesh, by seeking to strengthen local financial institutions with capital, liquidity support, and advisory services. Through the facility, IFC will support the private sector, especially export-oriented companies and small entrepreneurs, who form the backbone of the country's economy," said Kyle F Kelhofer, IFC country manager for Bangladesh.

The facility will help increase the number and value of short-term transactions to finance the working capital needs of small enterprises and exporters located in Bangladesh's special economic zones.

The funding will encourage international banks to follow IFC's lead and finance the local banking sector and increase their range of funding options. It will also help accelerate export-led economic growth in Bangladesh in addition to supporting job security in the small business sector.

IFC has been working in Bangladesh, with both investment and advisory services, to strengthen underserved economic sectors and ease constraints in access to finance, especially for small businesses.

IFC is the largest global development institution focused exclusively on the private sector.



CITY BANK

City Bank Managing Director K Mahmood Sattar and Desh Energy Ltd Chairman Annisul Huq pose with top officials of other lenders at an agreement signing ceremony in Dhaka recently for arranging a syndicated loan. City Bank has arranged Tk 328 crore in syndicated finance for Desh Energy that owns a rental power plant in Narayanganj.

Bank of America reports huge loss

AFP, New York

Bank of America said on Tuesday that it lost \$9.1 billion in the second quarter, due to its record-breaking settlement over subprime mortgage claims stemming from the financial crisis.

Its earnings amounted to a swing into a loss of 90 cents a share, in line with analysts' forecasts after the bank set aside \$14 billion last month to compensate angry investors for their losses on dodgy mortgage-backed securities.

Without the mortgage settlement and other exceptional items, the bank would have posted a profit of \$3.7 billion, or 33 cents per share, Bank of America said in its quarterly earnings report.

"Obviously, the solid performance in our underlying businesses continues to be clouded by the costs we are absorbing from our legacy mortgage issues," chief executive Brian Moynihan said in a statement.

Goldman profit misses badly, rattles Wall Street

REUTERS, New York

Goldman Sachs Group Inc rattled investors with earnings that fell far short of analysts' estimates because of sharp declines in trading revenue.

Goldman, once Wall Street's largest bond trading house, reported its sixth consecutive quarterly decline in that business, making bond trading smaller than its traditionally low-margin equities trading business.

Its fixed income, currency and commodities trading revenue fell 53 percent from a year earlier to \$1.6 billion, far worse than analysts had expected. Compared to the first quarter, FICC revenue was down 63 percent.

"What it makes me wonder is, what happened? Did they lose market share? It seems like Goldman and Morgan Stanley cannot compete with the big commercial banks," said Chris Whalen, an analyst who covers bank stocks for Institutional Risk Metrics, based in Los Angeles.

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