

Sugarcane farmers threaten to stop supply

STAR BUSINESS REPORT

Sugarcane farmers yesterday threatened to stop supply of their produce to state sugar mills in the coming crushing season unless the government increases cane prices by 44 percent a maund.

Growers demanded the price should be increased to Tk 120 from Tk 83 a maund, claiming their production cost rose due to a spike in the prices of urea and labour cost, said an industry leader at a press conference at Dhaka Reporters Unity.

"We will have to stop supply sugarcane if the government does not meet our demand," said

Golam Sarwar, president of Bangladesh Chinikal Aakhchashi Federation, a lobby group of sugarcane farmers who supply cane to the state-owned mills. The body that represents 2.5 lakh cane farmers supplies cane to 15-state-owned mills.

The demand came a month ahead of the start of sugarcane crushing at government sugar mills that produced 1 lakh tonnes of sugar in 2010-11, up from 62,000 tonnes a year ago.

Sugar production crossed 2 lakh tonnes in 1994-95, but gradually declined in the following years, according to farmers.

Industry and farmers linked the falling sugar production to a

steady dwindling of cultivation areas and production of cane in the face of farmers' switch to other crops to earn more.

In the past two decades, sugarcane production slumped 40 percent to 44.91 lakh tonnes in 2009-10 from 76.82 lakh tonnes, a historic high, in 1990-91, according to Bangladesh Bureau of Statistics.

Sarwar said the state mills cannot continue production all the year round due to a lack of production of cane. Sugar production at mills dipped over the years.

"Cane growers are frustrated and angry because of low prices of cane compared to other cash

crops. If the government increases the price, farmers will be encouraged to grow more cane," said Sarwar.

"It will allow mills to stay in production and cut import dependency for sugar and save foreign currency," said the president of the federation.

The federation argued that producers of molasses now buy cane from growers at Tk 150-170 per maund, whereas the government pays Tk 83 for the equivalent quantity.

It also pointed to the government's move to increase mill-gate prices of sugar to Tk 53 each kilogram from Tk 42 previously, meaning that the government

has increased prices by Tk 400 per maund, the federation said in a statement.

Sarwar alleged that the government hiked sugar prices but did not increase the prices of sugarcane despite rising production and labour costs.

"Against the hike in prices of sugar by Tk 400 a maund, we demand a Tk 37 hike in prices to Tk 120 per maund," said Md Sirajul Islam, vice president of the federation.

The lobby group of cane farmers also demanded a hike in compensation prices to farmers for weight loss of cane and introduction of digital weighing machines in all sugar mills.



Md Shahidul Islam, chairman of the audit committee of Islami Bank Bangladesh Ltd, opens the bank's 252nd branch in Rangpur yesterday. Md Habibur Rahman, deputy managing director, was also present.

11 listed firms to convert face value to Tk 10

STAR BUSINESS REPORT

Eleven listed companies have so far decided to convert face value of their shares into Tk 10, in line with a regulatory directive.

The firms also announced plans to hold extraordinary general meeting (EGM) and set the EGM date, time and venue.

Holding EGM and ensuring shareholders' consent in the EGM to change the face value of stocks are a must in line with the rules.

The companies, which so far disclosed their decision of face value conversion, are: Islami Bank, Industrial Promotion and Development Company (IPDC) of Bangladesh, National Housing Finance and Investment, Dhaka Electric Supply Company (DESCO), Continental Insurance, Apex Adelchi Footwear, Lafarge Surma Cement, BRAC Bank, Mutual Trust Bank, HR Textile and Apex Tannery.

However, announcement of face value conversion by more other listed firms will come in the days ahead, as the deadline for such changes is November 30 this year.

The Securities and Exchange Commission on September 15 issued a directive on the uniform face value of equity shares and mutual fund units at Tk 10.

As per the directive, listed companies and mutual funds that do not have face value at Tk 10 will have to do the conversion by November 30, a move to create a level-playing field in the stockmarket.

The record date has been fixed as December 1 and the trading with the uniform face value will start on December 4, according to the directive.

In case of failure, trading will remain suspended.

There are 138 listed companies and mutual funds with Tk 100 in face value, and 129 with Tk 10 and one mutual fund with Tk 1 face value.

Earlier, the SEC at a meeting on August 23 decided in principle to set a uniform face value of equity shares and mutual fund units at Tk 10.

The regulator took the decision, as instructed by the finance ministry, after a government probe committee on the recent share market debacle



Syed Mahbubur Rahman, managing director of BRAC Bank, and Nasir A Chowdhury, managing director of Green Delta Insurance Company, ink a deal in Dhaka recently. The bank will provide cash management services, including payment of premium, to the customers of the insurer through its real time online branch network.



Mehboob Chowdhury, chief executive officer of Citycell, and Shah Alam Sarwar, managing director of Trust Bank, sign an agreement at the mobile operator's head office in Dhaka recently. Citycell will act as a facilitator for the bank's mobile banking service.

Yunus backs social business for Haiti

STAR BUSINESS REPORT

Nobel Laureate Professor Muhammad Yunus has said social business would have a tremendous impact on the reconstruction of Haiti's economy and social fabric.

"Youths of Haiti can play an important role in rebuilding their country," said the microcredit pioneer during a discussion on the sidelines of the Clinton Global Initiative in New York last week.

His comments came as Haiti is still struggling to recover from a devastating earthquake that struck more than a year ago.

An earthquake had struck Haiti with full force early in 2010, when its capital Port-au-Prince was hit by a magnitude 7.0 quake -- the country's worst in 200 years. Tens of thousands of people were killed and much of the capital and surroundings were devastated, prompting a major international aid effort.

Last week Yunus was in New York, where he attended the MDG Advocacy Group meeting. The meeting was presided over by President Paul Kagame of Rwanda, who is the co-chair of the Group, created by the UN Secretary General Ban Ki-Moon, also the co-chair of the group.

The group discussed and adopted the action plan for the group which included a series of social business initiatives in various countries and stipulates a Social Business Tour of Africa to stimulate initiation of social businesses in Africa to achieve the Millennium Development Goals.

In another session at the Clinton Global Initiative, Yunus, who is a member of the Presidential Economic Advisory Council of Haiti, along with President Clinton, former President Uribe of Colombia, and others, appointed by President Martelli of Haiti, participated in the intensive discussion on Haiti's future economic and social actions.



Nobel Laureate Professor Muhammad Yunus speaks in a plenary session at the Clinton Global Initiative. Yunus took part in a session, "Engaging Boys and Men as Allies for Long-term Change" with Michelle Bachelet, former president of Chile, and Paul Kagame, president of Rwanda.

In a separate ceremony he signed a memorandum of understanding with Luis Alberto Moreno, president of Inter American Development Bank, to undertake joint programmes in Haiti. A social business fund for Haiti has already been established. The fund will provide funding to anyone wishing to set up a social business in the country.

On September 22, Yunus participated in a plenary session at the Clinton Global Initiative titled "Engaging Boys and Men as Allies for Long-term Change" and the other speakers included former President of Chile, Michelle Bachelet and Kagame.

During the plenary, Yunus said, "It is not just the responsibility of women alone to pull their families out of poverty, but also that of the men. And men and boys have to stand in solidarity with women and girls as they fight for their empowerment."

Yunus was a key note speaker at the second Social Good Summit, where Matthew Bishop, US Business Editor for The Economist magazine, engaged him in a conversation on various issues to a packed audi-

ence at the famous 92nd Street Y. Yunus stressed the importance of social business, saying that it was needed to solve the vast problems that the world is facing today.

Yunus was also in conversation with Randi Zuckerberg, on the sidelines of the CGI meetings. Yunus said, "We need to get to a place where profit making will not be the only option in business, it will be one of the two major options, other option being the social business, i.e., engaging in business exclusively to solve problems. Once we can get to that reality, we will see the world with very different eyes. Things that seem impossible will suddenly become possible."

Yunus met former President of Bulgaria Peter Stoyanov in an exclusive private lunch. Stoyanov expressed a desire to start social business in Bulgaria. He also invited the Bangladesh's best-known citizen to visit Bulgaria in the coming months to explore the potential for social business in the country.

The Grameen Bank founder attended two premieres of documentaries showing the impact of microfinance.

Business leaders rethink global economic recovery

STAR BUSINESS DESK

The ICC G20 Advisory Group consulted with the chief executives of leading regional and global companies to deliver business input on economic growth and job creation to G20 leaders, ICC said in a statement yesterday.

The advisory group is an initiative of the International Chamber of Commerce (ICC). The roundtable brought together chief executive officers of leading companies from Bangladesh, India, Hong Kong, Singapore, Taiwan, Indonesia and France.

The roundtable in Hong Kong on September 22-23 was hosted by ICC Honorary Chairman Victor K Fung, who is also the chairman of Li & Fung Group, the statement added. Outcomes of the discussions will form a basis for business views being brought to the G20 Summit, November 3-4.

"Recent events have shown the fragility of economic recovery and highlighted the need for forward-looking measures to support trade, global economic cooperation and job creation. Our focus on jobs is deliberate: every major economy is facing serious challenges in this area, whether due to fiscal concerns, demographic change, or social integration," Fung said.

"Business has an important contribution to make to the global recovery in terms of job creation. And a concerted 'jobs agenda'

from global leaders would in turn do much to boost confidence in the business community."

ICC Bangladesh President Mahbubur Rahman while endorsing the draft presented by the ICC G20 Advisory Group suggested a few additional points for consideration and inclusion in the policy recommendations.

Rahman said the G-20 should recognise explicitly that there are some members of the global community, such as the least developed countries (LDCs), who require support to enable them to benefit from the processes of globalisation. "They should be given duty-free market access for all their exports to developed and developing countries."

"Trade will play a key role in tackling the jobs crisis," said ICC Secretary General Carrier. "Economic growth depends largely on the capacity of G20 governments to improve the conditions for international trade and job creation, and business stands ready as a partner in this recovery."

The other members of the delegation, who attended the consultation, are Latifur Rahman, vice president of ICC Bangladesh, and chairman and managing director of Transcom; Syed Manzur Elahi, chairman of Apex Adelchi Footwear; and Amjad Khan Chowdhury, president of Metropolitan Chamber of Commerce and Industry, and CEO of PRAN-RFL.



Anjan Chowdhury, managing director of Square Consumer Products Ltd, attends the company's annual distributor's conference 2011 at Hotel Sea-Palace in Cox's Bazar on Friday. The company's 213 distributors from all over the country took part in the event.



SM Abdul Hamid, senior executive vice president of IFIC Bank, speaks at a daylong course on "Prevention of money laundering and combating financing of terrorism", organised by the bank, at its academy in Dhaka recently.