

COMMODITIES		ASIAN MARKETS				CURRENCIES						
DGEN	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY	
▲ 2.69%	▲ 2.36%	\$1,727.08 (per ounce)	\$101.67 (per barrel)	▲ 1.98%	▲ 2.30%	▲ 0.81%	▲ 0.94%	82.40	106.71	127.75	1.02	
4,289.70	7,948.94			18,202.41	9,260.34	3,011.68	2,366.70	BUY TK				
								SELL TK	83.40	110.69	131.75	1.09

BD BUSINESS

DHAKA THURSDAY FEBRUARY 16, 2012, e-mail:business@thedailystar.net

NCC Bank's
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M Shahjahan Bhuiyan, managing director of United Commercial Bank, receives a certificate and a cheque for Tk 1 lakh from Atiur Rahman, the Bangladesh Bank governor, as he won the country's first-ever best banker award, at a function in Purbani Hotel in Dhaka yesterday. Story on B3

Banks increase investments in renewable energy projects

SAJJADUR RAHMAN

Banks have gradually increased investments in clean and renewable-energy technology, which was beyond conventional banking a few years ago.

Total investments in the alternative energy sector stood at Tk 71 crore till November 2011, according to Bangladesh Bank (BB) data. Of the investment, BB refinanced Tk 25 crore from its Tk 200 crore fund and the rest was lent by banks.

Trust Bank financed Tk 15 crore to set up 500 biogas plants in Gazipur, Manikganj, Natore, Tangail and Barisal in less than two years. The bank aims to take the total number of plants to 1,000 by June.

AB Bank is implementing a project to install solar panels for 2,700 families in the Sylhet region. Mutual Trust Bank has funded nine solar-powered pumps for irrigation across the country. Eastern Bank, which funded the highest amount of Tk 29 crore to a single project -- Rahimafrooz Renewable Energy, is now financing poultry farms to convert waste into gas and electricity in Cox's Bazar.

On biogas plants, Shah A Sarwar, managing director of Trust Bank, said, "Though it is going through trial and error, it is still workable."

Leaving rural areas that account for 68 percent of Bangladesh's economy, out of lending programmes, does not make business sense to banks, he said.

Trust Bank runs this business on a 'four cow model'. The bank lends Tk 3 lakh to buy four cows and the borrowers can feed those cows and pay bank instalments by selling milk. In addition, slurry generated from the biogas plants can be used as organic fertiliser.

"We want to connect with the rural economy for sustainability and financial inclusion," said Sarwar.

Mutual Trust Bank, which funded the first ever solar pump for irrigation in the southern district of Barguna in July 2010 for Tk 34 lakh, has now set up nine such pumps.

"All those pumps are running quite well," said Anis A Khan, managing director of Mutual Trust Bank.

Khan said the bank also disbursed Tk 20 crore to set up solar panels in 900 off-grid union

parishads (councils). The bank also launched loan products for green energy recently, he said.

Eastern Bank has given \$3 million in loans to Rahimafrooz Renewable Energy to produce 18 megawatts of electricity. The bank has also financed the setup of effluent treatment plants at many textiles and garment factories. Despite that, Ali Reza Iftekhar, managing director of the bank, believes they are not doing enough to save the planet.

"We have to own the planet we live in," said Iftekhar.

BB Governor Dr Atiur Rahman, however, is not happy with the pace the banks are financing green projects.

"Banks can appoint agents, if necessary, to reach out to more clients with renewable energy products," said Rahman.

He said BB has given out only Tk 25 crore to banks so far, out of its Tk 200 crore scheme. The governor is surprised to see why the banks are not so interested in taking the fund at an interest rate of only 5 percent.

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Four telecom operators to pay Tk 857cr more for licence renewal

STAR BUSINESS REPORT

The telecom regulator has asked four mobile operators to deposit a combined amount of Tk 857.46 crore in 10 days to renew their licences, an official of Bangladesh Telecommunication Regulatory Commission said yesterday.

BTRC sent letters to the mobile operators -- Grameenphone, Banglalink, Robi and Citycell, said Shahiduzzaman, director general of the commission. "BTRC will start the renewal process as soon as the operators pay the money," he said.

Grameenphone will have to pay Tk 396.2 crore, including Tk 146.82 crore in dues and late fees since 2010, Shahiduzzaman said.

Banglalink will have to pay Tk 217.54 crore, Robi Tk 199.49 crore and Citycell Tk 44.23 crore for licence renewal.

In November, the four operators paid a combined amount of Tk 3,177 crore as part of the first instalment of licence renewal charges.

The telecom operators were supposed to pay their renewal charges on November 10, 2011, Zia Ahmed, chairman of BTRC, said on Thursday. "But they did not do so and went to court," he added.

So, the operators will have to pay an additional 15 percent interest on the renewal charges in line with the telecoms law, Ahmed said.

Also, the 15 percent VAT deducted at source since 2010 and paid to the National Board of Revenue, must be returned to BTRC by the telecom operators, he said.

Officials of the companies refused to comment on the issue as they received the letters after office hours.

The telecom operators used to make payments to BTRC after deducting 15 percent as VAT to pay to NBR.

The High Court on Monday handed down a verdict asking Grameenphone to pay the full amount to BTRC and an additional 15 percent to NBR as VAT. But the operators will receive a rebate on VAT.



BB's commemorative note on Language Movement

STAR BUSINESS DESK

Bangladesh Bank yesterday released a commemorative note of Tk 60 denomination, marking the 60th anniversary of the country's Language Movement, the BB said in a statement yesterday.

Artist Murtaza Bashir unveiled the note at a function at the bank's premises in the capital.

The central bank printed 10 lakh pieces of the commemorative note with the title of '60 Years of Language Movement 1952-2012'.

The note carries the image of the Central Shaheed Minar on one side and portraits of five language martyrs on the other side, according to the statement.

"The Language Movement was not only a movement for the mother language, but it was also a fight to bring about socioeconomic changes in the country. So, we should keep it in mind round the year," said Bashir.

"Currency collectors, both at home and abroad, will be able to know about the Language Movement through the note," said BB Governor Atiur Rahman.

Syed Badrul Ahsan, executive editor of The Daily Star, wrote the literature part of the note in English while officials of BB's department of currency management and payment systems translated it into Bangla.

The note is now available at the central bank's Motijheel office at Tk 200 with an especially designed folder and envelope while only the note will cost Tk 60.

The note will also be available at all branches of the BB and commercial banks across the country from February 19.

Crucial talks for stocks set for Sunday

STAR BUSINESS REPORT

Finance Minister AMA Muhith will sit with different stakeholders on Sunday to discuss the current situation in the stockmarket.

The meeting to be held at the conference room of the finance ministry will also review the implementation of the market stabilisation package and its impact on the market, people close to the issue said.

The meeting will also discuss a special scheme on compensating the retail investors who lost money to downswings.

Although the Securities and Exchange Commission, instructed by Prime Minister Sheikh Hasina, unveiled a 21-point market stabilisation package on November 23 last year, the market is still on a declining trend, they said.

The stabilisation package failed to put a positive impact on the market, they said.

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No liquidity crisis: Muhith

STAR BUSINESS REPORT

There is no liquidity crisis in the country, Finance Minister AMA Muhith said in parliament yesterday, adding that some banks are under pressure to keep the mandatory reserve due to their mismanagement, which the minister said is consistent with the current monetary policy.

The present government has taken more than Tk 1,79,300 crore loan from the Bangladesh Bank and other scheduled banks up to January 2012, Muhith added.

Replying to other lawmakers' queries, he said the government has repaid around Tk 1,36,108 crore.

"Of the total loan, the government has taken Tk 15,538 crore in six months through December," he said.

The minister also said the private sector's loan flow was not hindered due to the government's borrowing from banks.

The Federation of Bangladesh Chambers of Commerce and Industry, the country's apex trade body, on different occasions urged the government not to take loans from the banking sector as it increases inflation.

Analysts also said taking excess loans from banks will cause liquidity crisis and obstruct the flow of loan in the private sector.

On increasing revenue collection, the finance minister said the government has taken steps to amend the VAT law and rules and a new VAT policy is likely to come into force by July 1 this year.



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