

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DGEN	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY	
▲ 2.26%	▲ 1.94%	\$1,674.15 (per ounce)	\$103.17 (per barrel)	▼ 1.37%	▲ 1.19%	▲ 0.33%	▲ 0.35%	81.25	104.97	127.16	0.98	
5,464.16	10,203.06			17,094.51	9,637.99	2,987.82	2,359.16	BUY TK	82.25	108.93	131.15	1.04



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DHAKA MONDAY APRIL 16, 2012, e-mail:business@thedailystar.net



Women sun-dry maize grains in a yard at Sherpur upazila in Bogra. Lower cultivation costs and higher prices have attracted more farmers to maize cultivation.

Growers switch to maize farming

SOHEL PARVEZ
Farmers are switching to maize cultivation in increasing numbers because of better prices of the cereal and high demand by feed and flour mills. The shift in cultivation from other crops such as wheat and rice has raised maize output, reducing the country's dependence on import. Areas under maize cultivation rose 9 percent to 4.09 lakh acres in 2010-11 from a year ago, according to data from Bangladesh Bureau of Statistics. Maize output rose 15 percent to 10.18 lakh tonnes in 2010-11 from the previous year, while the output was less than two lakh tonnes a decade ago, according to BBS data. Stakeholders linked the shift in farming with higher prices of maize than that of rice and other crops. Lower cultivation cost of the crop than rice is another reason that attracted farmers to maize, a key ingredient of poultry and other feeds. "A rise in temperature affects the production of wheat in winter. But maize can tolerate high temperature," said Anwar Faruque, director general of the seed wing of the agriculture ministry. So, a section of farmers prefers growing maize to wheat and winter crops as there is a demand for maize at the feed mills, he said. Md Adam Ali, head of customer marketing of Syngenta Bangladesh, said maize requires less irrigation and keeps farmers' cultivation cost lower than rice.

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Muhith sees GDP growth near 7pc

UNB, Dhaka

Despite doubts aired by ADB and IMF over Bangladesh achieving 7 percent GDP growth this fiscal year, Finance Minister AMA Muhith is upbeat on the target. "I believe GDP growth will be close to 7 percent and I still stick to that," he told reporters after a pre-budget meeting with government secretaries at the NEC. The Asian Development Bank (ADB) and the International Monetary Fund and the World Bank have their own projections, and there is nothing to argue with them over their projections, Muhith said. Muhith claimed that the government understands better the country's economy than these development partners. The ADB has recently projected 6.2 percent growth for Bangladesh in the current fiscal year. The IMF forecast economic growth in Bangladesh will slow to 5.5 percent in fiscal 2012, down from 6.7 percent in 2011. Replying to a question on district budget, he said it would not be possible in the upcoming budget. "But I would like to see its start before the tenure of the present government ends."

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Call to lower gap between lending and deposit rates

Some analysts say new banks were unnecessary

STAR BUSINESS REPORT
Economists and bankers have recommended slashing the interest rate spread by creating competition among banks. The recommendation came at the three-day Bankers Summit organised by Financial Excellence Ltd (FinExcel), a private advocacy organisation, at BRAC CDM in Saver on April 12-14. A rational level of spread (lending rate minus deposit rate) will help boost business across the country, they said. The commercial banks will have to take effective measures to minimise the asset-liability mismatch by improving fund management, they added. The speakers urged the government to ensure operational independence of Bangladesh Bank for better monitoring and supervision, saying the central bank should act without fear or favour. They also feared that the new banks may face problems in recruiting skilled manpower, particularly to manage their foreign exchange operations. FinExcel organised the event for the first time in Bangladesh in cooperation with Data Edge Ltd, an IT company, to discuss "50 years of banking in Bangladesh -- Vision 2021." "Nearly half of our population still remains beyond banking services, and poverty afflicts nearly one third of the country's population," BB Governor Atiur Rahman said while speaking as the chief guest at the summit's opening session on Friday. The BB chief said bank lending continues to be channelled largely to well-off borrowers, often with insufficient diversification and inappropriate asset-liability maturity mismatches. "Corporate governance weaknesses linger in many banks, allowing dominant equity holders to manipulate credit access, credit appraisal and internal control processes to their own advantage," he said. The banks will need to carry out stress-tests regularly to identify and address emerging institutional vulnerabilities against shocks of both internal and external origin, he said. Rahman also said the banking sector in Bangladesh has grown several-fold since independence in 1971, in tandem with the uninterrupted spell of steady and stable growth of the country's economy.

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Steps to fast-track stock-related cases

STAR BUSINESS REPORT
Initiatives will be taken to set up a separate bench in the High Court for the fast disposal of cases related to the stockmarket, Law Minister Shafique Ahmed said yesterday. Ahmed spoke to reporters after a meeting with a Dhaka Stock Exchange (DSE) delegation. Sometimes, public companies cannot hold annual general meetings due to legal barriers that create problems in dividend declarations, Ahmed added. After discussions with the chief justice, moves will be taken to set up a special bench in the High Court, he said. The law minister gave the assurance after DSE placed a set of recommendations, including formation of a separate bench in the High Court. In the recommendations, the premier bourse also urged the government to give the Securities and Exchange Commission special power so that it can settle allegations or cases regarding listed companies. Cases can be placed before a special bench in the High Court, if the commission fails to settle them, DSE said. The prime bourse also urged the government to enact a law introducing the share buyback system in an effort to save the retail investors' interest in a declining market. The bourse is demanding introduction of the buyback law after the secondary market crashed in January last year, leaving thousands of retail investors penniless. If the buyback law is formulated and passed, a company can buyback its own shares held by the public, either to increase the share value or to eliminate threats by shareholders who may be looking to take control. The also discussed with the law minister a recent High Court rule on the regulatory directive that mandated sponsors and directors to increase their stake in their own companies. On April 8, the High Court asked the regulators to explain why the directive should not be declared illegal, following a petition filed by Sheikh Abdul Momen, husband of late Masuda Begum, a sponsor of National Credit and Commerce (NCC) Bank Ltd, challenging the SEC directive on minimum shareholding. The court had also directed the SEC chairman, finance secretary, commerce secretary, Bangladesh Bank governor, managing director of NCC Bank, registrar of Joint Stock Companies and Firms, and Dhaka and Chittagong bourses to explain within four weeks as to why the directive will not be declared illegal. At yesterday's meeting, State Minister for Law Qamrul Islam, DSE President Rakibur Rahman, who led the prime bourse's delegation, Senior Vice-President Ahmed Rashid Lali and Director Shahriar Emon were also present.

Sometimes, public companies cannot hold annual general meetings due to legal barriers that create problems in dividend declarations: law minister

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Sugar bidding delayed

REUTERS, Dhaka

Bangladesh Sugar and Food Industries Corporation has delayed a bidding deadline in an international tender to import 25,000 tonnes of white sugar. The new deadline to submit offers is April 21 instead of April 7.

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