

# Dealers reject TCB products in Rangpur for higher prices

OUR CORRESPONDENT, Rangpur

The Rangpur divisional dealers of the Trading Corporation of Bangladesh (TCB) stopped taking release of their allocated products from Sunday, as the corporation hiked the prices of lentil and dates.

The Rangpur regional office of TCB has 396 authorised dealers in the eight districts of the division. Of them, 96 dealers belong to the Rangpur City Corporation.

One of the dealers said the state-owned trading body hiked the prices of per kg of Nepalese lentils by Tk 35 and

dates by Tk 10. It raised the prices without any prior notice, he said, adding that the quality of the commodities is very poor compared with the products available in the market.

The dealer said they sold lentil at Tk 70 a kg and dates at Tk 70 a kg of their last allocation. Another dealer, on condition of anonymity, said consumers in Rangpur do not like to buy the TCB goods, as they are very low in quality.

According to the Rangpur TCB, 297 dealers of the Rangpur division are taking release of their allocated products, although according to the deal-

ers that is untrue.

All these paused the selling of TCB products at fair prices in Rangpur since Sunday.

The dealers also alleged that in the previous allocation they received edible oils in containers of 203 litres where TCB is distributing oil containers of 200 litres now.

They also said the trading body did not increase the commission for the dealers, which is 3 percent now, although it hiked commodity prices several times.

SM Yasir, general secretary of TCB Rangpur Division Dealers' Association, said they will not

take release of the commodities if TCB does not reduce the prices of lentil and dates and supply better quality products.

"We just followed government rules," said Suzaudaula Sarkar, assistant executive officer of the Rangpur office of TCB. He also said they will discuss the issue with the concerned authority to solve the stalemate soon.

Yasir said they will boycott TCB products if the corporation does not correct the prices in time.

The dealers also set with the TCB authority with their demands. But the meeting ended without any decision.

## New VAT office beats annual target

STAR BUSINESS REPORT

A newly formed VAT commissionerate in Dhaka logged higher than targeted revenue in the first year of its launch.

Taxmen under the new customs, excise and VAT commissionerate of Dhaka (East) collected Tk 479.62 crore in revenue, which is Tk 1.53 crore higher than the revised target, said a statement.

The new VAT (value added tax) office began its journey in November last year with an initial goal to collect Tk 470.59 crore in revenue.

The collection increased to Tk 478.09 crore later, added the statement.

Last year, the National Board of Revenue opened four new VAT commissionerates, including two in Dhaka, in a bid to boost revenue collection.



YUNUS CENTRE

A team of Waseda University TWins comprising TWins Chairman Prof Mitsuo Umezo, Dr Young Kwang Park, founder and CEO of EBK Corporation, and Dr Hiroyuki Tsukui, a cardiac surgeon at Tokyo Women's Medical University, meets Nobel laureate Professor Muhammad Yunus on Monday to discuss collaboration in field of biomedical engineering and cardiac surgical training in Bangladesh.

## Japanese surgeons keen to set up social business in Bangladesh

STAR BUSINESS REPORT

A team of Japanese medical specialists showed keen interest to set up social business venture in Bangladesh.

The team plans to visit Bangladesh in October to learn more about the business model and find opportunities to offer surgical training for Bangladeshi cardiac specialists as a first step of collaboration between Japan and Bangladesh in this area.

The specialists also plan to initiate an exchange programme for Bangladeshi cardiac surgeons to go to Japan for training and exposure.

It came as Nobel laureate Professor Muhammad Yunus visited Waseda University TWins in the Japanese capital city on Monday, according to a statement of Yunus Centre.

Yunus is now in Japan to attend the Social Business Forum Asia and other social business events in Fukuoka and Tokyo.

TWins is involved in pioneering cardiac bypass surgery using simulators as a way for young surgeons to train. It has pioneered a simulating machine for bypass surgery, which enables young surgeons to get practice of doing bypass surgery on a simulated beating heart.

The TWins centre is also doing pioneering work on the treatment of brain aneurysms using CT imaging and biomedical engineering techniques, testing durability of cardiac stents, also on artificial hearts.

In the evening, the Grameen Bank founder addressed an event called Peaceful Night at Showa University, a 100-year old Japanese university for women, which was followed by a panel discussion on ways that social business can help the Tohoku region of Japan, which remains devastated even after more than one year of the Great Eastern Japan Earthquake.

At another event on the day, Prof Yunus delivered a keynote address to the top management and executives of Nomura Securities, the largest securities company in Japan, where more than US\$ 20 billion of assets are traded each day.

## BB refutes banks' concerns over new loan rules

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The Association of Bankers Bangladesh, a forum of chief executive officers, requested the BB to extend the deadline for the implementation of its new instructions on loan classification and provisioning up to January 1, 2014, instead of July 1.

Otherwise, the bankers said the NPL would jump in the next quarter. Some top bankers said the NPL would double or more due to the new rules.

Not only bankers, manufacturers and exporters also expressed their concern saying that the new loan rules would hurt their industries. But the central bank does not agree with the bankers with their concern.

"Banking industry may face trouble for the time being, but in the long run it will establish credit discipline," said the BB deputy governor.

Chowdhury said some people in Bangladesh take loans from banks with an intention not to pay it. These borrowers get defaulted and reschedule their loans to get new loans, he said.

"We want to stop this bad intention of borrowers," he said.

## Correction

In a news item headlined "ICB stresses primary market for stability" published in this page yesterday, it was said that chief executive officers of Sonali Bank, Agrani Bank, Rupali Bank and Janata Bank attended a meeting with Investment Corporation of Bangladesh on Monday. Actually, chief executive officers of six state-owned merchant banks/financial institutions attended the meeting.



Ayub Quadri, chairman of Linde Bangladesh, presents a crest to Latifur Rahman, chairman of Transcom Group and a director of the Linde Bangladesh Board of Directors, at the corporate office of Linde in the capital recently, as Rahman won the Oslo Business for Peace Award 2012.

THE LINDE GROUP

# Telenor restructures Uninor ahead of 2G auction

REUTERS, Oslo

Norwegian mobile phone operator Telenor ASA plans to cut hundreds of jobs in India as part of a cost-cutting drive that some analysts saw as a signal it will stay in the country despite recent regulatory problems.

Telenor, which threatened to exit India after it lost its licenses in an industry-wide corruption probe, plans to reallocate resources to more profitable regions in India and brought forward by a year and a half the break-even point for a unit that has never turned a profit.

"By doing this, we believe that we can make (Indian unit) Uninor self-financing, that means cash-flow break-even, within the end of 2013," Chief Executive Jon Fredrik Baksaas said. "In the previous business plan, this target was the first half of 2015."

The firm will lay off 400 employees and the restructuring will also affect 1,600 independent distributors, Telenor said.

However, Telenor - which has more than 150 million subscribers across Europe and Asia - would only take part in a new licensing process, expected in late August, if it stayed within its self-imposed 155 billion rupee funding cap, Baksaas added.

Uninor is among eight carriers set to lose a total 122 zonal permits in September, after a Supreme Court order to revoke all licences granted in a scandal-tainted 2008 sale.

Still, analysts said the restructuring plans represent a subtle shift in Telenor's approach, as a restructuring indicates the company is planning for the long haul rather than getting ready to leave.

"We think Telenor's language signals

its intentions at the upcoming auctions," Nomura said in a note to clients.

"We expect this be well received by investors as it helps to reduce the uncertainty for potential outcomes from the auction process," Nomura analysts said. "Expectations may even start to rise that India might hit EBITDA break even ahead of plan."

Analysts at DNB also took Telenor's message as a plan to stay. "As such Telenor remains committed to India for now, and is likely to partake in the upcoming spectrum auction, focusing on circles (zones) where they are doing relatively well."

In the second quarter, Telenor picked up 2 million customers in India, a slowdown from earlier as the market saturates, and reduced its EBITDA loss to 625 million crowns from 965 million a year.

Telenor shares were among the top performers on the Oslo bourse, rising 2.5 percent on the Indian comments and the firm's plans to buy back around 47 million shares.

Telenor's second-quarter operating profit rose 32 percent to 4.29 billion crowns, prompting the company to lift shareholder returns as both its European and Asian operations improved.

The firm will buy back shares worth around 4.7 billion crowns, improving total returns including the dividend to 12.6 billion crowns from 10.7 billion a year earlier.

For the full year, Telenor continues to expect group-wide revenue excluding India to rise in excess of 4 percent, in line with its guidance from three months ago, and still sees its earnings before interest, tax, depreciation and amortisation (EBITDA) margin in the 35 to 36 percent range.

# Central bank goes tough with farm loan anomalies

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These banks requested the governor to reconsider the punishment and vowed not to repeat the failure.

Rejecting the bankers' requests, Atiur said: "We should maintain it... After all, non-compliance has a cost."

The central bank has set the farm loan disbursement target for all the 47 banks operating in Bangladesh at Tk 14,130 crore for fiscal 2012-13, up by only 2.39 percent from the previous year.

All the banks collectively disbursed Tk 13,137 crore or 95 percent of the target at Tk 13,800 crore in farm loans by June of fiscal 2011-2012, according to the BB.

"The punishment measure of keeping 3 percent of non-disbursed loans will be maintained to keep pressure on the banks," said SK Sur Chowdhury, deputy governor, who briefed the media after the meeting.

Chowdhury said this year's loan disbursement target was set in line with the GDP (gross domestic product) growth rate. He said the meeting also discussed priority and new areas for farm loans.

He said private and foreign commercial banks that were reluctant to give farm loans a few years ago have performed relatively better in 2011-12 than the state-owned banks.

"Many private banks disbursed 100 percent of their targeted loans," he said. Foreign banks are also coming forward despite limited branch network, he added.

The farm sector plays a key role in Bangladesh's economic development as it contributes more than 20 percent of GDP. On an average, the country's GDP growth rate has been 6.35 percent in the past three years.

After Rahman became the governor of the central bank in May 2009, he kept pressing the banks to go to rural areas with funds. Rahman also introduced several refinancing schemes, including cultivation of spices and lending to sharecroppers, to encourage the banks in this regard.

"Agriculture plays a significant role in creating domestic demand. A good harvest also helps contain food inflation," said Rahman.

The governor urged the private banks to open accounts for the poor people.

Responding to the central bank's measures, the bankers said they want to see how their loans impact the rural people.

"We have requested the central bank to carry out an impact assessment study on our farm loans in the economy," said Nurul Amin, managing director of NCC Bank and chairman of Association of Bankers Bangladesh.

# Indians to protest against foreign retailers

AFP, New Delhi

Indian traders and farmers said Tuesday they would stage a nationwide protest next month against any government move to open up the nation's retail sector to competition from foreign supermarkets.

Overseas retail giants such as Wal-Mart of the United States and Britain's Tesco have been pushing for a government green light that would clear the way for them to enter the vast sector.

"We refuse to become puppets in the hands of foreign corporate players. Foreign Direct Investment (FDI) will kill the retail business forever," said Praveen Khandelwal, secretary of the Confederation of India Traders.

The protest organisers said they hoped more than one million traders and farmers would take part in the pan-India event on August 9.

India's 1.2-billion-strong population looms large in the aspirations of international retailers, who are faced with saturated Western markets and want to develop new outlets to sell directly to Indian customers.



BKASH

Adel Ahmed, head of business development of bKash Ltd, and Korvi Rakshand, founder of JAAGO Foundation, exchange documents after signing a deal at a programme in the capital recently. The foundation supporters will have a channel to send donations.



BANK ASIA

Mohammed Roshangir, deputy managing director and chief business officer of Bank Asia, poses with the participants of a two-day workshop on credit appraisal system and green banking, in Chittagong recently. Md Touhidul Alam Khan, senior executive vice president, and Swapan Das Gupta, executive vice president, were also present.



IIDFC

Ahmed A Khalid, ICD regional head for Asia, and M Matiuil Islam, chairman of Industrial and Infrastructure Development Finance Company Ltd, exchange documents after signing a deal recently. The deal is the first step towards formal discussions and negotiations on the proposed joint venture -- Infrastructure Development Bank -- to run on Islamic principles.