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BUSINESS

DHAKA THURSDAY NOVEMBER 15, 2012, e-mail:business@thedailystar.net

Are you eating safe?

Agora to get its food items tested by a government research organisation before selling to customers

STAR BUSINESS REPORT

Retail chain Agora will sell fruits, vegetables, fish, meat and processed foods, tested by a research organisation of the government, in a bid to provide safe and hygienic food items to consumers.

Rahimafrooz Superstores Ltd, the owning company of Agora, and Bangladesh Council of Scientific and Industrial Research (BCSIR), yesterday signed an agreement to this effect.

Rahimafrooz, on a regular basis or occasionally, will send food samples to the research organisation from every batch of its fresh vegetables, fruits, raw and processed products that come from the suppliers.

BCSIR will test these food items against national standards, according to the memorandum of understanding signed at the organisation's office in Dhaka.

"We hope customers will find the tested food items in our stores from December 1," said Niaz Rahim, managing director of



Ahmad Ismail Mustafa, chairman of Bangladesh Council of Scientific Research (BCSIR), and Niaz Rahim, managing director of Rahimafrooz Superstores, shake hands after signing a deal in Dhaka yesterday. Rahimafrooz's chain superstore Agora will use BCSIR's technology to ensure safe and hygienic foods for consumers. Middle, Yeafesh Osman, state minister for science and ICT, is also seen.

Rahimafrooz Superstores.

The customers will not need to pay extra for these products, he added.

BCSIR Chairman Prof Dr Ahmad Ismail Mustafa and Rahim signed the deal, while State Minister for Science and Technology

Yeafesh Osman was present.

The initiative of public-private partnership comes at a time when rampant food adulteration is raising concern about its deadly impact on health.

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Bangladesh objects to bank list for UK visa

STAR BUSINESS REPORT

Bangladesh has objected to the new rules of the UK Border Agency on the financial statements required for British visa applications.

The UK government named only 14 banks in Bangladesh to issue financial documents to support visa applications, which the Bangladesh foreign ministry said was a violation of international rules.

"Picking only 14 banks out of the total of 47 local and international banks for visa applications is a breach of the Vienna Convention 1961, and is illogical," the ministry said in a letter to the finance ministry.

"The British government's decision is contrary to Bangladeshi citizens' freedom to open bank accounts anywhere they like," it said.

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Bank loans being diverted

Funds are spent for unintended purposes due to lax monitoring: ex-BB governors

STAR BUSINESS REPORT

A portion of bank credit is being used for unintended purposes due to weak monitoring by the regulator and the banks, two former central bank governors and a business leader said yesterday.

The central bank will have to earn autonomy by running the banking industry effectively, they said.

Former governors -- Mohammed Farashuddin and Salehuddin Ahmed -- and President of the Federation of Bangladesh Chambers of Commerce and Industry AK Azad made the observation at a discussion on the situation in the banking sector and macroeconomic challenges.

The Economic Reporters' Forum (ERF) organised the programme at the National Press Club in Dhaka with its President Khawaja Main Uddin in the chair.

"Credit has to be ensured for productive sectors, including small and medium enterprises," Salehuddin said.

Ahmed said he carried out a research on 18 bank branches recently and found that the banks did not know where the credit was going.

The private sector credit witnessed 19.9 percent growth in the first quarter (July-September) of the current fiscal year against a monetary policy target at 16 percent, according to Bangladesh Bank data.

"Loans are not going to the targeted areas, if so, the economic growth would have been higher," said AK Azad, who is a leading apparel exporter and a director of a private commercial bank.

"Banks are crazy for profits, they don't see quality always," said Azad.

Farashuddin questioned if there is such a high growth in credit, why did the private sector investment go down by 1 percentage point last fiscal year?

Hassan Zaman, the chief economist of Bangladesh Bank, said they are working to find where the credit is going.

"The quality of credit growth matters," Zaman said.

"We're trying to reduce the loan concentration among some big borrowers," he said.

There was also a debate between the former and present officials of the central bank on the private sector credit growth.

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New study finds 0.3pc of arable land lost each year

STAR BUSINESS REPORT

Bangladesh loses 0.3 percent of cultivable land each year due to massive urbanisation, industrialisation and new roads, not the 1 percent long been claimed, according to a recent study.

The country had 9.2 million hectares of farm lands, according to an agriculture census conducted in 1983-84. It came down to 8.2 million hectares in the census of 1996, providing ground for the claim that the country loses 1 percent of cultivable land annually.

But the latest study, which was conducted in 2008 but the results were made available recently, shows an increase in the cultivated land by 0.8 million hectares over the previous census.

Between 1983-84 and 2008, cultivable land decreased at an annual rate of 0.3 percent, said Mahabub Hossain, executive director of BRAC.

"It is an important piece of information, as various issues such as food security hinge on the availability of land," he said, urging the government to conduct a detailed research to find out the amount of land available in the country for agriculture.

The agriculture economist said although policymakers claim that a large swathe of land has been reclaimed recently, the amount is still not visibly significant.

He made the disclosure at a workshop on "Developments in tenancy and credit markets in Bangladesh: implications for agricultural development strategy and policies" at BRAC Centre Inn in the city. BRAC organised the programme.

Hossain said farmers must be given fair prices and some incentives, otherwise they would not feel encouraged to grow enough rice for the consumers in the cities.

The speakers also called for setting up a national commission to supply credible data not only for the farm sector but also for other sectors.

"How can we plan if we do not have effective census data?" Hossain said. "There should be a framework so that we can get credible information."

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Tank-lorry owners postpone strike

STAR BUSINESS REPORT

Tank-lorry owners and workers yesterday postponed their strike as Bangladesh Petroleum Corporation assured them of providing all legal cooperation to release their four leaders who were detained on November 10 on charges of carrying 90 grams of heroin.

"We withdraw the strike after a meeting with the BPC in the evening, and all tank-lorries will start loading, unloading and transportation of fuel from tomorrow [today] morning," said Md Shahjahan, president of Bangladesh Tank-Lorry Sramik Federation.

He, however, said they will sit on Saturday again, if their leaders are not released before that.

The tank-lorry owners and workers enforced an indefinite strike yesterday morning protesting arrest of their leaders: General Secretary of Tank-Lorry Sramik Union, Sylhet Amir Hossain and Line Secretaries Md Azizul Islam Aziz, Younus Miah and Liakat Uddin Ripon.

Govt defers plan to reset GDP, export targets

REJAUL KARIM BYRON

The government has put off the decision of re-fixing the country's targets for economic growth and other macroeconomic indicators for the current fiscal year by three months.

The issue that the country would not be able to reach its gross domestic product (GDP) target of 7.2 percent in 2012-13 mainly because of a slowdown in exports was discussed at a meeting of the Fiscal Coordination Council yesterday.

The GDP growth could be around 6.5 percent in 2012-13, according to a government official who was present at the meeting.

Donor agencies, including the World Bank, the International Monetary Fund and the Asian Development Bank, have already forecast that the economy would expand by 5.8 to 6.1 percent this fiscal year.

They blamed the debt crisis in the eurozone and the slowdown in the USA for the country's bleak GDP growth prospects, as the two regions account for more than 70 percent of Bangladesh's exports.

The resetting of the major macroeconomic indicators is needed for better coordination of fiscal and monetary policies, the official said.

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