

# Provide SME loans to hilly entrepreneurs

## Central bank officials urge bankers at entrepreneurs' fair

SHANTIMOY CHAKMA, *Rangamati*

Central bank officials have asked all bankers to work sincerely and provide loans for small and medium enterprises in the hilly region for the sake of the region's economic development.

They also urged the bankers to identify the potential of the region and disburse SME loans as per the terms and conditions of Bangladesh Bank.

They spoke at a press briefing organised by Rangamati Entrepreneur Development Council as part of an entrepreneurs' fair.

Twenty-three banks provided financial assistances to organise the eight-day fair that started on January 11 with 160 stalls at Rajbari Gymnasium in Rangamati town.

Bangladesh Bank is working relentlessly to develop the economy through the SME sector, said Sukamal Sinha Chowdhury, general manager and head of SME of Bangladesh Bank.

Initiatives will be taken to make the general mass conscious about SME loans, Sinha said. "Helpdesks will be set up at every bank."

"We will strongly monitor how banks deal with SME loans."

The central bank will regularly monitor and supervise SME loan activities through a committee expected to be formed very soon with heads of all scheduled banks and entrepreneurs, said Nirmal Kumar Bhakta, executive director of Bangladesh Bank.

The initiative will be taken as part of the banking regulator's move to boost the SME sector, he said.

Small and medium enterprises can thrive on various agro-products, including ginger, turmeric, pineapple, banana and jackfruit, Bhakta said.

Dresses prepared by indigenous women can also be a great success in SME business, he said.

The central bank officials also assured the entrepreneurs of providing SME loans at 9 percent interest rate to all and at 4 percent to women entrepreneurs.

Loans will also be disbursed for the development of cottage, micro- and medium-enterprises, Bhakta said.

Monindra Kumar Nath, additional general manager of Mercantile Bank, also spoke.

**MD NURUN NEWAZ SALIM**, chairman of NCC Bank, and **Mohammed Nurul Amin**, managing director, attend an annual conference of the bank's executives and branch managers, in Dhaka yesterday.



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## Bleak winter for Britain's high-street retailers

AFP, London

Four big British high-street retailers had to call in administrators this winter as cash-strapped, web-literate consumers proved unforgiving of stores failing to adapt to fast-evolving markets.

DVD rental chain Blockbuster became the latest casualty Wednesday, with its British arm entering administration -- in which a troubled firm brings in independent financial help in a bid to stay operational -- a day after music chain HMV made the same move.

Camera chain Jessops went into administration on January 9 and closed its 187 shops shortly after, while electrical firm Comet shut its 235 stores in December. The failures have cost Britain 9,025 jobs, with another 7,780 in the balance.

Bryan Roberts, director of retail insights at analysts Kantar, said this was part of a trend that began with the 2008 financial crisis.

"We've been through such a brutally Darwinistic few years, in which all the runts of the litter have been picked off," he said.

Britain's still-struggling economy, which climbed out of double-dip recession in the third quarter of 2012, faces at best sluggish growth this year.

Retailers meanwhile face stiff competition from supermarkets and online sales, especially in entertainment, where downloads and streaming are eroding markets for physical products.

HMV, Britain's last nationwide music store chain, failed to produce a strong online offering early enough to combat Amazon and Apple's iTunes, Roberts said.

## Iranian airlines face turbulent times

AFP, Tehran

Sky-rocketing fuel and ticket prices, a drop in passenger traffic and foreign currency shortages, all resulting from global sanctions, have forced Iran's aviation sector into turbulent times.

Aviation experts believe that some airlines in the Islamic republic will fail to weather these stormy days and be forced to even shut down.

"It is likely that some small airlines will be out of business due to rises in fuel prices," Hamid Reza Pahlevani, head of Iran's Civil Aviation Organisation, was quoted as saying by the Iranian media this week.

The state-owned National Iranian Oil Refining and Distribution Company (NIORDC), apparently facing financial difficulties like many other firms, tripled the price of jet fuel in October, making matters worse for domestic airlines.

Iranian media reports that the price of jet fuel for international flights has soared to 21,000 rials (\$0.75) from 7,000 rials (\$0.25) per litre, while domestic flights now have to cough up 7,000 rials per litre, up by 75 percent.

They say the price hike is driven

by a plan to reduce the gap between Iran, where fuel is subsidised, and Gulf Arab states.

The price increase is also a result of high inflation, officially estimated at 25 percent, and the plunging value of the rial -- a direct result of Western sanctions imposed on Tehran to halt its suspicious nuclear programme.

Oil and banking embargoes by the United States and the European Union have also led to a shortage of foreign currency in Iran. Adding further pressure is the doubling of airport taxes following the lifting of subsidies.

With companies losing their edge in buying foreign currency since the end of 2012, the cost of buying equipment and maintenance has also doubled.

The result is that airlines have increased fare prices by 70 percent on domestic flights and 90 percent on international flights, leading to a 25 percent drop in passenger traffic, said airlines association chief Abdolreza Mousavi.

"The income of companies dropped by 15 percent since August," Mousavi said, adding that some carriers are "on the verge of

bankruptcy... due to the collapsing rial, fuel hikes, and inaccessible foreign exchange."

"They do not have money to pay their debt."

In January, the planes of domestic airlines, Mahan Air and Aseman, were grounded for a few hours by NIORDC which refused to refuel them because it said they were behind on their payments.

The state-owned jet fuel supplier now demands cash up front from all airline companies, media reports say.

Iran's deputy oil minister, Ali Reza Zeighami, has put the pending payments from such airline companies at around 7,500 billion rials (\$225 million).

The turmoil in the sector has led Austrian Airlines to stop flying while Dutch carrier KLM said it would cease operations from April.

European carriers like Lufthansa, Alitalia, Turkish and Aeroflot still land in Iran, however.

Despite these financial difficulties, Iranian travel agencies have released large and colourful advertisements in mass-selling dailies, offering overseas trips ahead of the country's New Year, Nowruz, observed on March 21.



Arif Dowla, managing director of ACI Pharma Business, and M Mohibuz Zaman, chief operating officer, attend the annual marketing and sales conference 2013 of the company in Cox's Bazar on Thursday.

## ADB gives \$21m to help expand South Asian trade

STAR BUSINESS DESK

The Asian Development Bank (ADB) will give \$21 million in soft loans to help goods move more smoothly in and out of Bangladesh, Bhutan, and Nepal, by overhauling time-consuming, costly, and often opaque customs procedures that are inhibiting intraregional trade.

The project will help three countries, all members of the South Asia Subregional Economic Cooperation (SASEC) programme, adopt an international customs administration protocol, upgrade existing automated customs management systems, and establish web-based electronic trade portals.

Md Abdul Kalam Azad, secretary of the Economic Relations Division, and M Teresa Kho, country director of ADB's Bangladesh Resident Mission, signed the deal for the SASEC trade facilitation project at the ERD in the capital yesterday.

These measures will give importers and exporters accurate information timely, ADB said in a statement yesterday.

India, which is also a SASEC member, is not included in the programme as it is funding its own trade facilitation reforms and is significantly ahead of its neighbours, according to the statement.

"Removing the many non-tariff barriers which currently impede trade will have a major multiplier effect on trade volumes across South Asia," said Kho.

"Automated, user-friendly, transparent customs systems will cut business costs, reduce informal activity, and give a real lift to importers and exporters, including women entrepreneurs."

The project, which targets a 7.5 percent rise in intraregional trade volumes by 2018, will complement SASEC cross-border transport projects to improve connectivity, and planned investments in projects across the transport, trade facilitation and energy sectors, it said.

SASEC, set up in 2001 as an initiative of Bangladesh, Bhutan, India, and Nepal, aims to promote domestic and regional prosperity through stronger transport links and increased trade and cooperation across sectors ranging from energy, tourism, the private sector and the environment.

ADB acts as secretariat for SASEC.

The National Board of Revenue will execute the project scheduled to be completed in 2015.

Despite healthy growth, South Asia's low levels of intraregional trade make it one of the least integrated regions in the world, according to the statement.

"Of the total regional trade, intraregional trade is only 6 percent in South Asia against 55 percent in East Asia. Processing and export delivery times are more than 30 percent slower than in East Asia and the Pacific, while administrative fees and storage and handling costs are 43 percent more expensive."



FR Khan, managing director of BTI, and Selim RF Hussain, managing director of IDLC Finance Ltd, sign a deal to improve the services provided to the employees and the clients of both companies, at BTI Celebration Point in the capital on Thursday.



MONITOR  
Winners of the Rajshahi regional competition of Monitor Malaysian Palm Oil Chef of the Year 2012, pose with trophies at Cookie Jar Convention Centre in Rajshahi recently.

## Rooppur nuke power plant gathers fresh momentum

UNB, Pabna

Bangladesh signed a deal on January 14 with Russia on extension of state export credit for financing the preparatory stage work of a nuclear power plant at Rooppur in Pabna.

Under the agreement with Russian Atomic Energy Commission: Rosatom, the Russian government will extend all out cooperation to build the nuclear power plant.

Russia will supply fuel to the plant and take away used fuel and also train the plants' workers.

The deal was signed in presence of Russian President Vladimir Putin and Bangladesh Prime Minister Sheikh Hasina during her visit to Russia.

In November 2011, the two countries signed a memorandum of understanding and framework agreement in presence of Hasina.

Under the plan, two units of the Rooppur nuclear power plant will produce 2,000 megawatts of electricity annually. The tenure of the plant will be 60 years and it would be extended to 20 more years.

The plan for setting up the country's first ever nuclear power plant at Rooppur village in Ishwardi upazila of Pabna district was initiated in 1961.

After 44 years, the last caretaker government took

## Diesel price hike may boost refiners, divestment drive

REUTERS, Mumbai/New Delhi

India's move to raise the price of subsidised diesel should help with its plans to sell shares in state companies including Oil India Ltd to help bridge the government's fiscal deficit and gives a boost to private oil refiners looking to enter the market for bulk diesel sales.

New Delhi, which owns about 78 percent of Oil India, is likely to raise more than \$500 million by selling 10 percent in the explorer and producer early next month, said sources with direct knowledge of the plan, declining to be named because details are still being worked out.

Raising the diesel price may also help revive a 10 percent stake sale in retailer Indian Oil, which hired six banks in 2010 to prepare for the sale only to shelve the issue as its earnings worsened because of the subsidies, although people familiar with the matter said such a sale was unlikely to happen soon.

Selling shares in state companies is a central plank of the government's plan to bring the deficit down to 5.3 percent of gross domestic product for the financial year ending March and avoid a credit downgrade from global ratings agencies.

The subsidy burden of India's state oil producers and refiners has also been a worry for overseas investors, who are usually the biggest buyers of large share deals in Asia's third-largest economy.

"The element of cynicism around the public-sector oil firms will reduce a great deal after this decision," said Jagannadham Thunuguntla, equity head at SMC Global Securities. "It augurs well for the divestment

## Turnover plunges back to five-year low

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Banks declined 0.56 percent, followed by telecoms 0.52 percent and pharma 0.51 percent.

The Fourth ICB Mutual Fund was the biggest gainer of the day, as it registered a 9.24 percent rise, while Pragati Life Insurance was the worst loser, slumping 4.41 percent.

United Airways appeared among the most-traded stocks with 39.02 lakh shares worth Tk 8.37 crore changing hands. Unique Hotel and Resorts and Beximco were the next popular stocks of the day.

CSCX, the selective categories index of Chittagong Stock Exchange, closed the day at 8,045 points, dropping 33.11 points or 0.42 percent.

The port city bourse traded 44.29 lakh shares and

## Mass transfer at tax offices

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According to the transfer orders, some inspectors were transferred from Chittagong Customs to the Internal Container Depot Dhaka or the Dhaka Bond Commissionerate.

When asked, Ahmed said none of the AROs transferred has been kept in the same office.

The NBR has nearly 1,500 inspectors at its VAT and customs' field offices to ensure tax collection and find



SM Akbar, managing director of UAE-Bangladesh Investment Company Ltd (UBICO), and SM Shamsul Arefin, managing director of Uttara Finance and Investment Ltd (UFIL), sign a deal at a programme recently. UBICO will finance joint investment activities to develop SME business under the supervision of UFIL.

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