SINGAPORE SHANGHAI

CURRENCIES

STANDARD CHARTERED BANK

SUSD €EUR €GBP #JPY

BUY TK 78.40 104.97 121.28 0.79

ASIAN MARKETS

V 0.15% **V** 1.18%

যুক্তরাজ্য থেকে টাকা পাঠান **মুহূর্তেই** NCCB Exchange (UK) Limited Committed to serve the expatriates 13 Vallance Road, London E1 5HS www.nccbexchangebd.co.uk



COMMODITIES

\$1,628.08

\$97.07

Paddy production on contract is the best: study

STOCKS

DGEN

CSCX

2.82%

STAR BUSINESS REPORT

The government should introduce an integrated model for paddy purchase to secure a fair price for farmers, a study said.

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The study on the efficacy of the existing food procurement system found that most farmers were deprived of just prices due to lack of transparency and accountability of allied field institutions.

A tripartite model involving farmers, millers and local supply depots (LSDs) would be an effective approach to address the issue.

"We should gradually shift to contract production and supply system," said Nur Md Rahmatullah, a professor at Sher-e-Bangla Agricultural University, at the unveiling of the findings of the study yesterday.

The system will avoid malpractices of middlemen and syndication between millers and wholesalers, he added.

Contract production and supply system, however, is not a new concept in Bangladesh, with many private agencies now buying quality products directly from producers by applying this model.

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People take a look at Ford Fiesta cars at the US Trade Show at Ruposhi Bangla Hotel in Dhaka. The three-day event organised by the American Chamber of Commerce in Bangladesh and the US embassy ended yesterday.

India to release majority of loans this year

REJAUL KARIM BYRON

India will release 92 percent of the \$800 million line of credit this year, which was offered to Bangladesh for infrastructural development in 2010.

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"Dr Dipu Moni and I are satisfied at the pace of utilisation of the LoC extended by India," Salman

Khurshid, India's external affairs minister, said at a joint press conference in Dhaka yesterday.

To date, the Indian government has approved 13 projects worth \$733.84 million, according to a progress report from the finance ministry.

Of the 13 projects, commercial agreements have been signed for nine, with tender documents being processed for the remaining four.

The projects include procurement of 300 double-decker, 100 single-decker and 50 articulated buses, construction of second Bhairab and second Titas bridges with approach rail lines and Khulna-Mongla rail line, procurement of railwaylocomotives, tankwagons.

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Turnover riding high on optimism

GAZI TOWHID AHMED

Investor optimism coupled with fresh liquidity boosted turnover on the Dhaka Stock Exchange this year, analysts said.

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Turnover on the DSE floor advanced 121.69 percent to Tk 552 crore, for the first time this year. "Investors went on a buying spree due

to attractive prices of shares and mutual fund units," said Ahmed Rashid, senior vice-president of the DSE.

Rashid, also a director of DSE, said most of the listed companies' prices room for monetary easing, meaning the went down and touched the

lower limit due to the bearish run rampant towards the end of last year. Some optimistic institutional and individual investors injected fresh funds to the

market, which, in turn, had a

positive impact on the retail investors' outlook, he said. Md Moniruzzaman, managing director of IDLC Investments, too, said the same.

"Expectation of good corporate results triggered investors to take fresh positions in the market," said Mohammed Rahmat Pasha, managing director and chief executive officer BRAC-EPL.

The banking sector, which accounts for 30 percent of the market, will report their yearly performance soon, which, he expects, will enhance inventor activity in the days to come.

"The expansionary monetary policy of Bangladesh Bank also boosted investor confidence," added Pasha.

"Apart from the comfortable macroeconomic indicators, the recent cut in repo rates had a positive effect on investor sentiment," said Md Ashaduzzaman Riadh, a senior research analyst at LankaBangla Securities.

The higher private sector credit growth and increase in broad money supply are expected to reduce the cost of borrowing and increase corporate bottom line and economic activities, he said.

"The declining inflation rate is creating



market is expected to see more liquidity,'

he added. Inflation eased to 7.38 percent in January, down from December's 7.69 percent, showed data from Bangladesh Bureau of Statistics.

Furthermore, the low prices lured in foreign investors, said Rashid.

In January, foreign investors bought shares worth Tk 136.48 crore, up around 97 percent year-on-year, according to DSE.

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Farm loan roll-out goes up 16pc

STAR BUSINESS REPORT

Farm loan disbursement rose by around 16 percent to Tk 7,723.58 crore in the first seven months of the current fiscal year compared to the same period a year ago.

All commercial banks collectively disbursed 54.66 percent of their annual target of Tk 14,130 crore in agriculture loans during July-January, according to Bangladesh Bank data.

The disbursement was 48.37 percent or Tk 6,675.36 croreduring the same period in fiscal 2011-12.

However, 19 banks disbursed below 50 percent of their annual target during the period of the current fiscal year.

"The central bank's move to encourage banks to disburse farm loans has contributed to the current year's growth," said a BB official.

He said the finance ministry has also recently asked banks to increase farm loans.

Six state-owned banks -- Sonali, Janata, Agrani, Rupali, Bangladesh Krishi Bank and Rajshahi Krishi Unnayan Bank -- disbursed Tk 4,532.47 crore, or 52.66 percent of their annual target of Tk 8,607 crore.

Private and foreign banks disbursed Tk 3,191.12 crore, which was 57.78 percent of their total annual target of Tk 5,523 crore.



People work in a farmland. The sector saw more farm loans in the first seven months of this fiscal year than last year.

Foreign funds in stocks rising

STAFF CORRESPONDENT, Ctg

A significant rise in foreign investment was seen in the country's two bourses in the last one month, which is good for the economy, said M Khairul Hossain, chairman of Bangladesh Securities and Exchange Commission (BSEC).

A sign of stability in the stockmarket followed by a wellimplemented policy is attracting foreign investors, he said at a discussion at Chittagong Stock Exchange in the port city yesterday.

BASHUNDHARA CEMENT 12-14 March at BICC, Dhaka

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