

DHAKA SUNDAY MAY 26, 2013, e-mail:business@thecitizenstar.net

EYE ON BUDGET

Bank borrowing may rise to meet budget deficit

REJAIL KARIM BYRON

The government's borrowing from the banking sector may rise by 10 percent next fiscal year, compared to the current year, and cross Tk 25,000 crore.

The higher amount of bank money that will be needed to meet the budget deficit would hike the government's spending on interest payment, officials said.

The government's target of bank borrowing is Tk 23,000 crore for the current fiscal year.

The next fiscal year's budget deficit could be 4.7 percent of gross domestic product, according to primary estimates of the finance ministry.

But the International Monetary Fund has suggested the amount should be within 4.3 percent of GDP.

The finance ministry has also made a commitment to the IMF that the amount of bank borrowing will be kept within Tk 22,900 crore.

The government may need to increase the amount of bank borrowing due to the demand for higher allocation by different ministries and divisions amid a slow revenue growth, a finance ministry official said.

Finally, the budget deficit may be limited within the IMF target as various funds allocated in the budget remain unutilised at the end of a year, the official said.

The government's receipts from savings instruments have been very low in recent times, which is another reason behind the government's plan to hike borrowing from banks, he said.

The government's target of borrowing from national savings instruments was Tk 7,400 crore in the current fiscal year. But the total borrowing stood at only Tk 692 crore in the first nine months of the year, according to Bangladesh Bank.

The finance ministry official said the government has already formed a committee to make the national savings instruments more attractive and the panel has put forward a number of recommendations.

The recommendations that will be implemented in the next budget may raise sales of the savings instruments, he added.

READ MORE ON B3

Google eyes emerging markets networks

AFP, New York

Google has become deeply involved in a series of projects to build and operate wireless networks in emerging markets including sub-Saharan Africa and Southeast Asia, a report said Friday.

The Wall Street Journal, citing unnamed sources, reported the effort is part of a plan that could connect a billion or more new people to the Internet.

Google did not immediately respond to an AFP request to comment on the report.

DCCI hunts for 2,000 young entrepreneurs

STAR BUSINESS REPORT

The Dhaka Chamber of Commerce and Industry yesterday unveiled an ambitious plan to find 2,000 entrepreneurs from across the country to support them within the next five months.

"Our initiative will give them a platform, guideline and much-needed financing to implement their innovative projects," Sabur Khan, president of the chamber, told reporters at a programme at the DCCI auditorium in the capital yesterday.

"We want to create a model for others," he said.

The initiative will begin its journey on June 15 and the chamber will organise events at each of the 64 districts to pick entrepreneurs with innovative and creative ideas.

The 2,000 selected entrepreneurs will be presented at a two-day event -- DCCI Entrepreneurship and Innovation Expo 2013 -- on November 1 and 2 in Dhaka.

"In November, we will not only name the entrepreneurs and their projects, we will also give them funds," he said.

Khan said five lakh students graduate from public and private universities each year and enter the job market.

Citing the findings of UK-based research firm Global Entrepreneurship Research Association, he said 72 per-

cent of Bangladesh's young entrepreneurs think their initiatives end up in failure.

"As a result, they prefer to invest in land which has caused the land prices to go up astronomically or in businesses in hopes of making quick profit. So, we have to give them scope and means to grow," he said.

Khan, also a leading entrepreneur, said the chamber is looking to the central bank, which is awash with donor fund meant for creating entrepreneurs, and the finance minister, who is enthusiastic over creating opportunities for the younger generation.

"Some development partners are also interested in our initiative. We have also talked with some banks. So, I think financing will not be a problem."

The initiative will give priority to innovative and creative ideas from any sector. Besides, ideas in education, health, infrastructure and communications, renewable energy, fashion designing, handicraft, environment and waste management, IT, outsourcing, e-commerce, electronics and light engineering and agro-based products will get focus.

The chamber said the entrepreneur-hunt will eye creating a strong network of businesses. The network will help them overcome barriers to doing businesses and develop their capacity.

Ford to keep 1,000 jobs at French plant

AFP, France

Ford pledged to maintain 1,000 jobs for five years at a factory in southwestern France under an agreement signed Friday on aid and incentives to keep the transmission plant running.

The agreement signed by representatives of Ford's management, union members, and local and regional officials clears the way for 12.5 million euros (\$16.2 million) in public aid.

Panasonic AGENCY FOR SALE!

Running Company with Clients

0171.2045804 / 0161.2045804

Amin Court (6th Floor), 62-63, Motijheel C/A, Dhaka-1000.

সারাদেশ এমটিবি'র
৮৬টি শাখায়
পৰিব্ৰহ্মের টাকা
জমা নেয়া হয়



মিতুল বাংলা নিয়ন্ত্ৰণ
Mutual Trust Bank Ltd.

যোগাযোগ
MTB CONTACT CENTRE
16219 or 9604016219

www.mutualtrustbank.com



Recipients of the Trust Award pose with Atiur Rahman, governor of Bangladesh Bank, and Syed Mahbubur Rahman, MD of BRAC Bank, at an SME conference at Shaheed Suhrawardy Indoor Stadium in Mirpur yesterday.

SME lending grows, so does access to credit

2,000 entrepreneurs join BRAC Bank's SME conference

STAR BUSINESS REPORT

Banks and non-bank financial institutions disbursed Tk 69,753 crore in SME loans in 2012, up 29.84 percent from a year ago.

As many as 4.63 lakh small and medium enterprises received the loans in 2012, according to data from Bangladesh Bank.

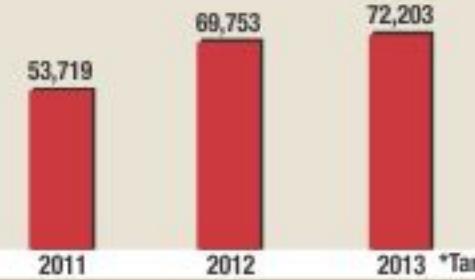
Buoyed by the success in taking money to the cash-strapped SMEs, the central bank has set the loan disbursement target higher at Tk 72,203 crore for 2013.

"Access to finance for SME entrepreneurs has improved a lot over the years. Even entrepreneurs from remote parts of the country get easy access to credit," Bangladesh Bank Governor Atiur Rahman said at the BRAC Bank SME Entrepreneurs Conference at Shaheed Suhrawardy National Indoor Stadium in Mirpur.

Countries such as Bangladesh with a huge population need labour-intensive industries like SMEs that create larger employment opportunities, Rahman said. It is the

SME LOAN DISBURSEMENT

TK IN CRORE



SOURCE: BB

SMEs that keep the economy vibrant.

"Bangladesh must maximise the benefits derived from the SME sector, as it plays a pivotal role in promoting and sustaining the industrial as well as overall economic growth," he said.

READ MORE ON B3

Govt puts bio-safety rules in place
Matia urges caution in use of new tech in crops

STAR BUSINESS REPORT

The government has framed necessary bio-safety rules, guidelines and a framework to facilitate research and introduce genetically modified crops for increased farm production, Agriculture Minister Matia Chowdhury said yesterday.

She, however, urged all concerned to exercise caution in using the modern techniques in view of their implications in various areas.

"We welcome various inventions of science, and side by side, we want to remain cautious about them. But in the name of caution, we do not put any roadblock to any new invention," Matia said.

Her views came at a two-day international conference on biotechnology that began at The Westin Dhaka yesterday.

"We must pay adequate attention to various issues associated with the development and commercialisation of GM crops in view of their possible environmental, economic, legal and ethical implications," she said.

Committee of Action for Research, Extension and Services -- a charitable organisation -- arranged the conference focusing on the use of biotechnology to address the development needs of Bangladesh.

More than 90 scientists and experts from Bangladesh, the US, Canada, India, Sri Lanka, Thailand, Singapore and Nepal are attending the programme.

Bangladesh has achieved sufficiency in food, while grain production trebled to 3.5 crore tonnes between 1972 and 2012, the minister said. Despite the success, the country faces challenges of ensuring foods for future.

"There are serious constraints to agricultural productivity because of small holdings, declining soil fertility and various stress factors such as drought and salinity intrusion," she said, adding that 82.5 lakh hectares of land is available for crop production.

The amount of cultivable land is declining steadily due to urbanisation and land degradation, she said.

"There is an urgent need to reinvigorate agricultural research to address crop productivity issues by redesigning crop plants to benefit farmers and consumers," Matia said.

"It is in this context that biotechnology can play an important role in increasing yield and addressing environmental stresses," she said.

READ MORE ON B3

Hello Tomorrow Emirates



Don't miss the moment

Enjoy special fares for one day only, to destinations in Europe, USA and the Middle East. Book your next trip now and make the most of your journey.

emirates.com/bd

Award-winning service • Gourmet cuisine • Generous baggage allowance

Terms & Conditions apply. The offer is valid till 26th May 2013. Travel must be commenced on or before 31st July 2013. The offer is also available if booked online at emirates.com/bd or call Emirates on 9692601 or 968657475 (Dhaka). 725647-B (Chittagong), 711200-711300 (Sylhet).

NCCB
SureCash

টাকা পাঠাই
ফোনে ফোন

Send Money thru Phone

NCC Bank Ltd.

Where Credit and Commerce Integrates