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DHAKA WEDNESDAY JULY 24, 2013, e-mail:business@thedailystar.net

BB raises farm loan target

The central bank brings changes to disbursement policy to reach out to more farmers

STAR BUSINESS REPORT

The target for farm loan disbursement in the current fiscal year has been set at Tk 14,595 crore, which is 3.30 percent higher than in the last fiscal year.

However, the target set for the current fiscal year is 0.49 percent lower than the actual disbursement last year. Bangladesh Bank Governor Atiur Rahman yesterday announced agricultural credit policy and the disbursement target for the current fiscal year at a meeting with the chief executives of all banks.

The banks have been asked to achieve the government's budgetary target of agricultural loan disbursement, the BB governor told The Daily Star.

However, if any bank disburses more loan than its target, the BB will welcome it, Rahman said.

All banks, including the foreign and private ones, disbursed Tk 14,667 crore agricultural loans last year -- the amount is 3 percent higher than the target of the year, and 12 percent more than the actual disbursement in the previous year.

The BB governor at the meeting said both disbursement and repayment went up in recent times.

The country was able to achieve a 6.26 percent GDP growth on average in the last four years due to the government's development work, BB's pragmatic monetary policy and a rise in agricultural loans, Rahman said.

AGRICULTURAL LOANS

Target for fiscal 2013-14:
Tk 14,595 cr

Disbursement (FY13):
Tk 14,667 cr

4.46 lakh sharecroppers get
Tk 1,106 cr (FY13)

4.45 lakh women farmers get
Tk 1,245 cr (FY13)

Food production also rose by 20 percent in the last four years and 3.61 crore tonnes of food were produced last fiscal year that made the country almost self reliant in food.

According to the new loan disbursement policy, the banks failing to meet their target at the end of the fiscal year will have to deposit the undisbursed amount with the central bank for one year.

For this, the concerned bank will get interest at which the bank got the amount from the BB.

If a farmer is not a defaulter, he will be eligible to take various types of agricultural loans simultaneously, including those for producing lentil, oil seed, spice crops and maize, at a 4 percent interest.

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Stocks in freefall

Angry investors stage protests

STAR BUSINESS REPORT

Stocks slid for the fifth day yesterday to cancel off the past one-and-a-half months' rally.

Over the last five days, DSEX, the benchmark index of Dhaka Stock Exchange, plunged by 352 points, with 125 points eroding yesterday alone to close at 3,929 points.

To protest the fall, a group of investors yesterday staged demonstrations in front of the Bangladesh Securities and Exchange Commission (BSEC) office and submitted an eight-point demand.

The agitating investors' demands include suspension of IPO subscription until the index rises to 6,000 points, immediate implementation of stimulus package, bringing back the delisted companies that are now in production and allowing the mutual funds to declare bonus dividends or rights offer.

The demonstration also forced the BSEC to postpone its weekly meeting, scheduled to take place yesterday, said Saifur Rahman, spokesman and executive director of BSEC. The meeting will be held this morning.

"A panic-driven selling spree pulled down the market sentiment for the fifth consecutive session," IDLC Investments said in its market analysis.

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NBR, telcos in deadlock

Mobile carriers, NBR resume talks tomorrow

STAR BUSINESS REPORT

Mobile operators and the revenue administrator are set to resume talks tomorrow to resolve their long-standing tax disputes.

The two parties failed to agree on any of the issues at a meeting yesterday, a week after the first round of talks.

Foremost among the disputes is the National Board of Revenue's claim for more than Tk 3,000 crore from four mobile carriers as unpaid value-added tax for SIM replacement.

The 15 percent VAT rebate on 2G licence fees and the imposition of 7.5 percent VAT on 3G spectrum fees are the other points of differences between the two parties. The mobile operators say there should be no VAT on spectrum fees.

The mobile operators proposed to solve

the tax disputes through independent arbitration, said TIM Nurul Kabir, secretary general of the Association of Mobile Telecom Operators of Bangladesh.

The proposal came after the NBR last week suggested the operators solve the matter out of court -- through Alternative Dispute Resolution.

Revenue officials, however, said there is no scope to go for international arbitration as the dispute is an internal matter, adding that the mobile operators were unsure of the mechanisms of ADR, which the NBR tried to clarify.

"No decision has come out," Ghulam Hussain, chairman of NBR, said after the meeting, the second-of-its-kind between the tax collector and the mobile phone operators.

But Kabir is hopeful of a resolution at the next meeting.

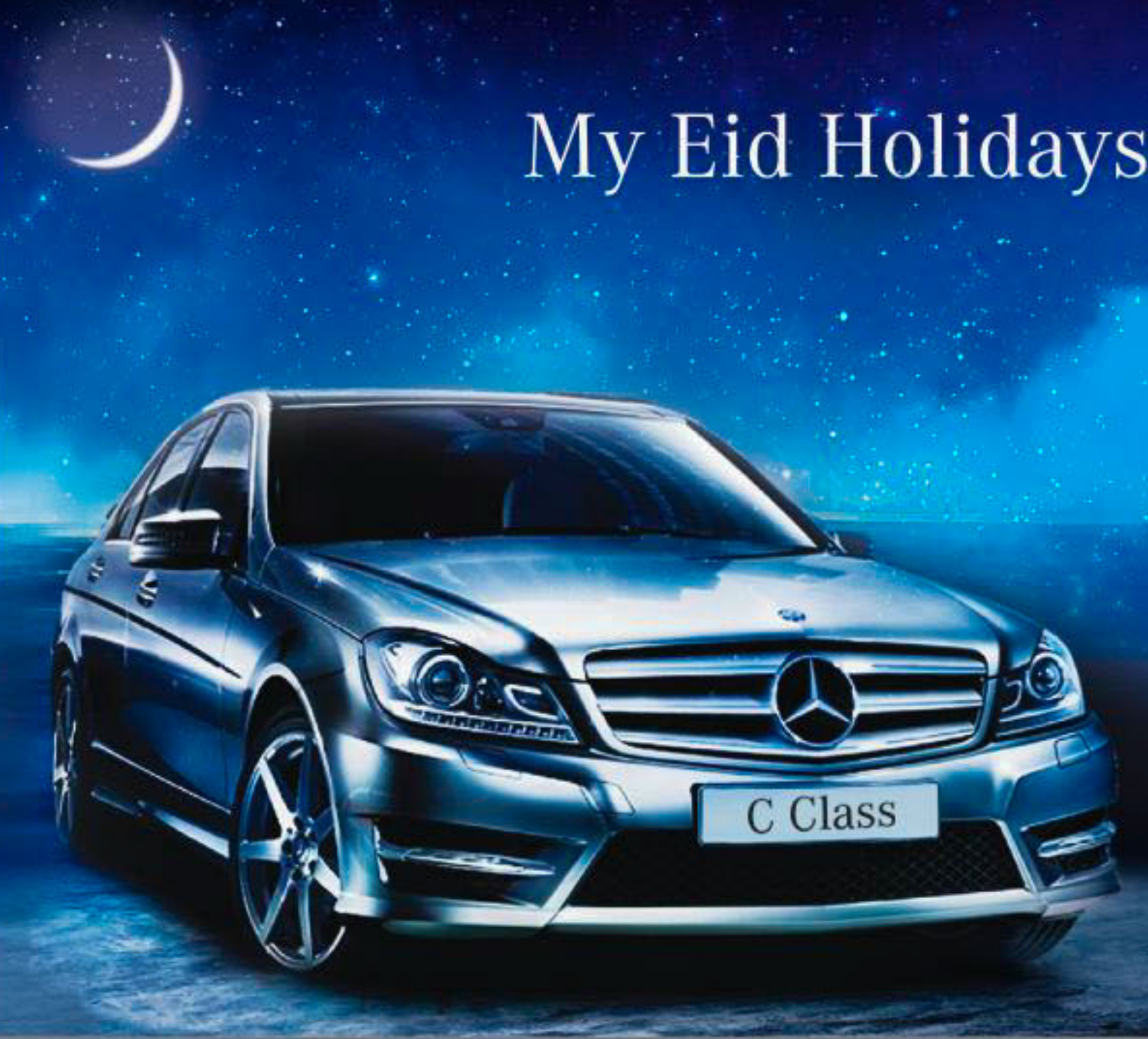
Regulator sticks to 3G auction date

ABDULLAH MAMUN

The telecom regulator will go ahead with the 3G auction set for September 2 as it deems the current telecom environment to be the most opportune.

"We have already deferred the auction twice. This time, we are firm about holding it on the announced date in September," said Sunil Kanti Bose, chairman of Bangladesh Telecommunication Regulatory Commission (BTRC).

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