

BB chief pledges to work more for the underserved

REJAUL KARIM BYRON and MD FAZLUR RAHMAN

If one has to pick the highlight of Atiur Rahman's tenure as Bangladesh Bank governor, it would undoubtedly have to be his drive for financial inclusion.

In 2009, when he took the helm of the central bank, there was not even one single taka given as agriculture loans by the private and foreign banks.

even dream in the past—the central bank has been able to change the mindset of the bankers," Rahman said as he steps into his sixth year today as the BB governor.

Due to banks' serious involvement in agriculture and SMEs, domestic demand has gone up significantly, helping the country avoid the onslaught of global financial crisis.

They also played a hand in maintaining a steady economic growth not seen in many countries, he said in an interview.

bank. We have fully digitised the central bank and the private banks. Funds are being transferred electronically immediately."

As a result, a large number of e-commerce sites have mushroomed in recent times.

The central has also launched mobile banking services platform, with Tk 250 crore changing hands everyday.

"Every bank is getting into it. Electronic fund transfer has been introduced. National payment switch has been launched."

\$107 billion in 2012. It has now surpassed at least \$125 billion.

Five years ago, the foreign currency reserves of the country were about \$6 billion, which could barely meet the country's three months of imports. Now, the reserves have surpassed the \$20 billion mark, enough to cover imports expenditure for 6.5 months.

The central bank plans to introduce Real Time Gross Settlement, an online system for settling transactions of financial institutions, especially banks.

Rahman said the central bank's green banking effort is being praised across the world, with many calling it the "green central bank".

He also said the country's monetary policy is one of the best crafted in the world.

"We do it in a participatory way. We discuss with all the stakeholders including the entrepreneurs before we announce it. We take into consideration their concerns. No country in the world prepares monetary policy in this way."

"As a result, we are getting positive outcome. We have financial stability for a long time. We have not faced any financial instability."

Unfortunately, Rahman also presided over the biggest financial scam in the country's history: the Hall-Mark scam at the state-run Sonali Bank.

He kept calm and brought the situation under control, adding that the financial stability has been strengthened further due to those scams.

"We are more alert now. The supervision has been strengthened and digitised more than ever before."

The governor has also faced criticisms for his failure to control the scheduled loans and improve their performance.

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Atiur Rahman

The same was also true for the small and medium enterprises sector, where promises were aplenty but nothing of note came through.

Now, half of the farm loans are disbursed by private and foreign banks and 29 percent of all loans are going to the SMEs.

"This is something we could not

Looking back on how he has fared in the last five years, Rahman said he does not want to highlight how much he succeeded.

"Bangladesh Bank has introduced a landmark payment system—we have fully digitised the payment system. We have introduced automated clearing house in the central

BB also launched school banking as part of the broader financial inclusion that will integrate the largely unserved and unbanked populace to the mainstream financial sector. "We have penetrated areas where banks have never set their foot in."

The asset of the banking sector in proportion to the GDP was



YUNUS CENTRE

Professor Muhammad Yunus holds a carrom board produced on the spot at the 15th Design Lab by young entrepreneur Md Yeasin, at Yunus Centre in Dhaka yesterday.

19 social business plans presented

STAR BUSINESS DESK

NINETEEN new social business plans were presented at the 15th Yunus Centre Social Business Design Lab at the Grameen Bank auditorium in Dhaka yesterday.

The plans include 18 Nobin Udyokta projects: businesses launched by the young entrepreneurs who are the children of the Grameen Bank family.

The projects include Meghla Beauty Parlour by Morzina Akter Meghla; Dairy Foods, a social business to produce sweets, employing members of the Santal community and implemented by Lustre.

Lima Tailors, a social business selling different items of clothing and tailored products run by an 18-year-old entrepreneur, and Nimai handicrafts producing bamboo and cane-related products made by Nimai Chandra Roy, a young man from the Dalit community.

Faisal Fish Farm, a project named after a

young entrepreneur, aims to produce four types of fish in ponds.

Another project is Meghna Carrom Board Factory presented by Md Yeasin, a recipient of Grameen higher education loans.

Yeasin had a well-developed business plan and assembled a carrom board on the spot in front of the audience. The project received on-the-spot approval for funding by Grameen Trust.

Professor Yunus participated in a question and answer session with the online viewers from different countries. Usually participants from around 80 countries view each Lab.

Yunus thanked the participants for the innovative social businesses and said half the businesses presented were by women, which is a trend he hoped would continue.

He also invited participants to join Social Business Day to be celebrated on June 28 at Radisson Blu Water Garden Hotel in Dhaka where the next Design Lab will be organised.

France's Carrefour to quit India



AFP/FILE

Left, Managing Director Carrefour India Jean Noel Bironneau addresses the media as Director Yannick Douville looks on during the launch of its Green House Nursery at Palla village on the outskirts of New Delhi.

AFP, New Delhi

CARREFOUR, the world's second largest retailer, is working on a plan to exit India, media reports said Saturday, amid political uncertainty about the future of multi-brand retail in the South Asian giant.

The reports in the Times of India and Business Standard and other dailies come as the opposition Bharatiya Janata Party (BJP), tipped to win India's marathon general election which winds up in mid-May, declared it opposes allowing foreign direct investment in multi-brand retail.

Indian newspapers quoted unnamed sources in the France-based company as saying Carrefour had been working on an exit strategy for two weeks.

Carrefour did not answer telephone calls from AFP, but Business Standard newspaper quoted the retailer's regional director Franck Kenner as saying: "At this point, we will not be able to comment on anything."

The Indian newspapers said Carrefour's plans to leave the country come after talks to sell its five wholesale stores to Indian tycoon Sunil Bharti Mittal's retail group failed.

The reports said there had been several senior level exits from Carrefour India already, and that the company saw little hope of the next Indian government allowing foreign chains to set up multi-brand outlets in the country.

The BJP announced in its manifesto it will not allow FDI in multi-brand retail, while promising to push foreign investment in other sectors of the economy.

Carrefour had been expected to set up supermarkets in India after the Congress-led national government in 2012 allowed foreign stores to launch 51-percent-owned joint ventures in the country they had eyed for years as a potentially lucrative market.

But after the new FDI in retail rules were passed by the Congress government, protests erupted among shopkeepers and labourers who feared a loss of jobs and the collapse of small family-run stores.

The retail sector landscape remains dominated by traditional family-owned shops and small grocery stores.

The central government has left it to each state to decide whether foreign retailers can set up shop -- but enthusiasm has been muted.

The northwestern desert state of Rajasthan, which had a Congress government, reversed its policy of allowing FDI in multi-brand retail after the BJP came to power.

One of the few foreign retailers to commit to India recently is Britain's Tesco, which has declared it will invest in India since the Congress government relaxed the FDI rules. Tesco has struck a deal with India's giant conglomerate Tata to invest in a dozen stores in India.

World Bank approves \$1b loan to Pakistan

AFP, Islamabad

The World Bank said Friday it had approved a \$1 billion loan for Pakistan and "envisages" another \$11 billion package spanning five years.

The loans are meant to support Pakistan's struggling energy sector and bolster its efforts to increase growth and investment and arrest poverty.

"The World Bank Group approved a package of assistance worth US\$1 billion to support Pakistan's economic reforms on Thursday," the bank said in a statement.

"The assistance package consists of two development policy credits (DPCs) to support the government of Pakistan's efforts to improve the power sector, and reinvigorate growth and investment for reducing poverty and building shared prosperity," it said.

The bank also said it was "envisaging" \$11 billion worth of loans under a new country partnership strategy for Pakistan over the next five years, covering fiscal years 2015 to 2019.

The government, however, said the World Bank had approved the \$11 billion partnership strategy to tackle its four main challenges of energy, economy, education and fighting extremism.

"The other landmark achievement of the day was the approval of country partnership strategy under which Pakistan will get US\$11 billion in the shape of project loans and budgetary support," it said.



AFP

Sander de Block, head of the business development of the Tuk Tuk Factory, drives his vehicle on April 30 in Diemen, the Netherlands. The company will expand to the USA as it made a deal with e-Tuk USA for the sales and final assembly of its electric-powered tricycles.

GM, Chrysler, Toyota boost US sales in April, Ford falls

AFP, Washington

AUTOMAKERS General Motors, Chrysler and Toyota on Thursday scored US sales gains in April, extending the rebound from bad winter weather, while Ford sales unexpectedly slipped.

GM, the largest US automaker, said total sales rose 7.0 percent in April from a year ago, to 254,076 vehicles.

Kurt McNeil, GM's US vice president of sales operations, was upbeat about demand.

"The economy continues to strengthen," he said in a statement. "Retail demand was steady in April, and truck sales and transaction prices were especially strong."

Chrysler Group, the US unit of Italy's Fiat Chrysler Automobiles, clocked in a 14 percent jump year-over-year with 178,652 vehicles sold, its best April performance since 2007.

For GM and Chrysler, sales gains were higher than estimates of 4.7 percent and 12.3 percent, respec-

tively, from analysts at Edmunds.com, a car-shopping website.

Ford Motor Company, the number-two US automaker, reported sales fell 1.0 percent from a year ago, to 141,950 vehicles. Edmunds.com analysts had forecast a 4.6 percent increase.

Ford's sales numbers came the same day the company named chief operating officer Mark Fields to replace Alan Mulally as chief executive on July 1.

Japanese rival Toyota, the world's top automaker, said US sales increased 9.0 percent to 199,660 vehicles.

"Sales momentum from March rolled into April pushing the industry to its best back-to-back monthly sales pace since fall of 2007," said Bill Fay, Toyota division group vice president and general manager.

Fellow Japanese automaker Nissan said US sales shot up 18.5 percent to an April record of 94,764 vehicles.

Honda's sales fell 2.9 percent from last year's record in April to

96,704 vehicles.

"Even though our April sales were off slightly, it was still one of the ten best sales months in American Honda history," said Dick Colliver, executive vice president of sales for American Honda.

"The market is very competitive, but there are still plenty of people out shopping for cars and trucks."

South Korean firm Hyundai Motor said its US unit sales rose 4.4 percent to 66,107 cars and trucks.

Volkswagen's US sales skidded sharply lower. The German company posted a 10.4 percent drop from a year ago, to 30,831 units.

Overall, US auto sales in April are expected to have extended their spring rebound after unusually harsh winter weather in January and February hammered sales.

Edmunds.com predicted a 9.1 percent rise in US auto sales in April following the 5.7 percent gain in March, with hot demand for sport utility vehicles leading the way.