

# Rain slows Ctg port

DWAIPAYAN BARUA, Ctg

Incessant rains over the last three days have disrupted the unloading of imported goods from large cargo vessels at the outer anchorage of Chittagong port.

Some 26 cargo vessels with imported items such as fertiliser, raw sugar, soya seed, wheat, cement clinkers, ball clays and other goods were waiting at the outer anchorage of the port since Thursday.

Rains made work almost impossible on Friday, said Rafiqul Islam, a representative of Prestige Corporation Ltd, a cargo handler.

The Basundhara-6 cargo vessel arrived at outer anchorage on July 21 with 24,000 tonnes of slag, a raw material for cement factory. So far it could only unload 4,400 tonnes of the cargo in two days before rains disrupted work, he said.

About 49 lighter vessels were booked for unloading goods from nine cargo vessels in the last three days, but work slowed down to a trickle, said Mahbub Rashid, executive director of Water Transport Cell (WTC).

WTC is a private organisation that coordinates schedules of lighter vessels for unloading imported goods from cargo vessels at the outer anchorage.

The weather office at Patenga recorded 250mm rains in the 24 hours to 12pm yesterday. Even some industrialists that use their own vessels to unload their imports have not been able to do so, a port official said.

# Graft affects UK firms in Bangladesh: report

DIPLOMATIC CORRESPONDENT

Corruption affects many aspects of daily life in Bangladesh and is often cited as a barrier to private sector development, the United Kingdom has said.

"One of the biggest challenges facing UK companies in Bangladesh is how to avoid paying speed money," it said in a guideline on Thursday, highlighting the challenges in doing business in Bangladesh.

Speed money is unofficial, under the counter payments to minor officials to expedite business.

Politicians, bureaucrats and law enforcement officials often wield significant discretionary power and there have been some abuses, according to the guideline -- Doing business in Bangladesh: Bangladesh trade and export guide.

Bangladesh aims to become a middle-income country by 2021. The government's strategic vision for 2021 is a plan for growth through massive investment in infrastructure, skills development and trade. Cooperation with the private sector and international donor agencies is expected.

Almost 100 UK businesses operate in Bangladesh, including well-known compa-

nies like HSBC, Unilever and GSK.

Strengths of the Bangladesh market include annual growth rate of at least 5.3 percent over the last 16 years, stable credit rating, close to issuing first sovereign bond, poverty levels cut by half in the last decade and competitive labour force, it said.

Bangladesh, which stands 173rd in the World Bank's ease of doing business ranking, often lacks transparency and has significant bureaucratic burden in terms of procurement practices, according to the guideline. Bangladesh ranked 145th in Transparency International's Corruption Perceptions Index.

The Bangladesh market is extremely price sensitive with low-price goods from India and China dominating many sectors, it said.

Bangladesh's garment sector is now worth almost \$25 billion. It is the third largest apparel exporter to the European Union and fourth largest to the US.

The UK exported goods and services worth £450 million to Bangladesh in 2013 -- 71 percent of these were services. There has been more than 119 percent growth in bilateral trade in goods and services between 2007 and 2012.

## Exim Bank reappoints MD



STAR BUSINESS DESK

Mohammed Haider Ali Miah has recently been reappointed as the managing director of Exim Bank for the second term.

Ali Miah began his banking career in 1984 and joined Exim Bank in 2000 as vice president and has since worked as branch manager and head of different divisions.

He was promoted to deputy managing director in 2008 and additional managing director in 2011 and took over the charge of managing director in 2012, the bank said in a statement. He completed his MSc from Dhaka University and MBA from London Institute of Technology and Research.

## Eurozone July business activity holds up despite Greek crisis

AFP, Brussels

Eurozone private sector business activity slowed in July but was holding up much better than expected against a "rollercoaster" Greek debt crisis, a key survey showed Friday.

The closely watched Markit Economics Composite Purchasing Managers Output Index (PMI) for July slipped to 53.7 points from 54.2 in June when it hit a more than four-year high.

The July reading was still well above the 50-points boom-or-bust line and showed the 19-nation single currency bloc "remained reassuringly robust."

The eurozone has been recovering steadily but modestly for the past 18 months amid fears Greece could crash out of the bloc and undercut both consumer and business confidence.

But Markit chief economist Chris Williamson said the report showed "economic growth lost only slight momentum in July amid the rollercoaster events of the Greek debt crisis."

"The rate of expansion remained reassuringly robust to suggest that it was by-and-large 'business-as-usual' for the region as a whole," Williamson said.

The figures suggest the economy grew 0.4 percent in the three months to June and maintained that rate into July, he added. Williamson said "recent positive developments in relation to Greece suggest the pace of growth could pick up again in coming months."

The eurozone economy grew 0.4 percent in the first quarter of 2015.

Markit said its PMI index for the services sector -- which accounts for about two-thirds of all activity in a developed economy -- fell to 53.8 points in July from 54.4 in June, with manufacturing little changed.

Analysts said the report was positive overall and the prospect of agreeing a new debt rescue for Greece in coming weeks should support growth.



Akram Hussain, chairman of Mercantile Bank, attends the half-yearly business conference of the bank at Fars Hotel & Resorts in Dhaka yesterday. M Ehsanul Haque, managing director, was also present.

## Aromatic rice exporters may get more time

FROM PAGE B1

"We are losing business. The delay in decision is creating a gap in the export market, which our competitors in India and Pakistan will take up," said Khurshid Ahmad Farhad, assistant general manager-in-charge of export at Square Food and Beverage Ltd, a member of Square Group.

Square exported about 300 tonnes of aromatic rice under its brand in fiscal 2014-15, up from about 250 tonnes a year earlier, according to Farhad.

Aromatic rice export resumed in mid-2012 after a three-year ban, imposed on all sorts of rice in November 2008 to boost supply and keep the prices stable in the local market.

There were also allegations that par-boiled rice was exported in the name of the aromatic variety. Md Mizanur Rahman, chief of exports at Pran, said the past ban had

affected Bangladesh's export markets for aromatic rice. "Our markets would have been bigger had there been no ban -- we had to regain the market."

Pran, a leading food processor and exporter, shipped 2,500 tonnes of scented rice in fiscal 2014-15, up 38.89 percent year-on-year, according to the official. The company aims to export 3,000 tonnes this fiscal year.

Currently, it has export orders for nearly 200 tonnes of rice, but it cannot start shipping until the extension comes through.

"We are waiting for permission," said Rahman, who believes that the demand for Bangladesh's scented rice will grow because of its better flavour than Basmati, exported mainly from Pakistan and India.

Exporters fetched \$7.34 million last fiscal year, up 51 percent year-on-year, according to data from the Export Promotion Bureau.

## BB disburses Tk 14,000cr through refinance schemes

FROM PAGE B1

Those segments are typically underserved or overlooked by traditional banking.

MSMEs supported this way are generating incremental output on the supply side, alongside employment and income on the demand side, augmenting the GDP growth and speeding up poverty decline.

In 2014, 24.3 percent of the country's population were below the upper poverty line, down from 31.5 percent in 2010, according to the finance ministry estimates.

Thanks to the central bank initiative, 1.65 crore new no-frills bank accounts have been opened since 2009 in the names of unbanked low-income population segments.

A Tk 200 crore refinance scheme has been formed for giving loans to this segment of population through the no-frills bank accounts. But the banks are yet to give a single taka loan through this programme, the BB official said.

In the upcoming monetary policy for the current fiscal year, due to be announced on July 30, various steps will be taken to force the banks to give loans from the refinance schemes.

The central bank is set to take out another \$200 million refinance scheme this year, from which loans will be given to green transitional export-oriented enterprises.

About Tk 4,000 crore has been disbursed through Bangladesh Krishi Bank (BKB) and Rajshahi Krishi Unnayan Bank (Rakub), and the central bank conducted a study on this.

The objective of the study was to find the impact of the refinance schemes by comparing the economic well-being of those who have taken loans from BKB and Rakub with those who have not.

The economic conditions, in terms of assets, income and surplus income, have proved that the group farmers that have taken loans from the two state organisations are in a better position than the others.

About 98 percent of the target group farmers agreed that they have been benefited from agricultural credit of BKB and Rakub.

## Brazil's economy hits the skids

AFP, Sao Paulo

Bad news piled up Friday for Brazil's economy, with the real plunging to its lowest level against the dollar in 12 years and analysts warning the home of samba will need years to recover its economic rhythm.

For President Dilma Rousseff, weakened by government approval ratings of just 7.7 percent, things appear to be falling apart.

Friday's tumble of the national currency to 3.34 to the dollar followed Thursday's news of unemployment rising in June for a sixth month, while annual inflation has risen to almost nine percent.

Analysts say Brazil's once booming economy suffers deep underlying illnesses, notably the massive corruption scandal unfolding at national oil company Petrobras and rippling across other top companies and into political circles.

On Friday, prosecutors announced formal Petrobras-related charges against Marcelo Odebrecht, chairman of Brazil's biggest construction firm, Odebrecht. The once powerful executive is in detention.

The latest sign of macro-economic problems appeared on Wednesday when the government announced a radical cut to its fiscal savings goal and said it would increase austerity measures.

Finance Minister Joaquim Levy said the lowering of the surplus goal from 1.1 percent of GDP to just 0.15 percent reflected the worsening performance in the world's seventh

largest economy.

With Brazil on the brink of recession, "there has been an effect on tax receipts," he said.

However, the government's commitment to austerity measures was unshaken.

Cuts of 8.6 billion reais (\$2.66 billion) were announced, raising this year's cuts to \$24 billion, the ministry of planning and budget said.

"The revision is largely to do with the slowdown of the economy, which turns out to be deeper than thought," said Ignacio Crespo, an analyst at Guide Investimentos in the financial capital Sao Paulo.

"It's hard to know how far the recession will go, but for sure it will be tougher. Contrary to what we hoped for a few months ago, the economy will be going down in 2016," he said.

Another analyst, Andre Ferreira, from Futura, said he didn't expect growth to return before 2018.

If so, that would add up to a seven-year stretch of zero or negative growth in a country that not so long ago had been hoping to ride the commodities boom to top rank economic status.

In 2014, GDP grew just 0.1 percent and this year the government forecasts a 1.49 percent contraction, while the market expects even worse.

The economic hangover dovetails with a worsening political situation, especially for Rousseff who only began her second term, following a divisive re-election, in January.

"There is a drastic deterioration in

expectations and this is deepening the political crisis," Andre Cesar, a political analyst in the capital Brasilia, said. "The tendency is for worse."

The Petrobras scandal, he said, has presented the Rousseff government with a "moral crisis" as well as direct economic fallout, given the importance of the oil giant in the nation's political and economic landscape.

Spreading from within Petrobras' ranks, the probe has reached Rousseff's Workers' Party and also opposition figures.

Rousseff, chairwoman of Petrobras for seven years before she became president, has not been directly implicated in the scandal but there are mounting calls for her resignation or impeachment.

Smelling blood, Workers' Party opponents in Congress are blocking Rousseff's legislative agenda, while the speaker of the lower house and her nominal ally, Eduardo Cunha, has demonstratively broken ranks and gone into opposition.

As a result, Rousseff is hardly in a position to reform Brazil's public spending.

"Political conditions for such an adjustment, however, simply don't exist," Eurasia Group consultants said.

"With popular discontent and unemployment expected to rise in the coming months, the government's (already low) capacity to meaningfully cut expenditures is expected to decline even more."

## Govt to launch 500 mobile apps today

FROM PAGE B1

The apps will be available on Google store and on an online platform which the government has been developing, he said.

"Anyone can download the applications free."

Three hundred of the applications will provide services related to the government offices and institutions.

The rest of the apps are innovative in nature, the ideas of which have been collected from 17 public and private universities, Chowdhury said. "Information on utility bills of the last three years will also be seen using one of the apps," said Rajesh Palit, a director of EATLApps.

There are 10 educational applications,

which will help children learn Bangla and English alphabets and practise mathematics, Palit said. Visitors can find popular tourist destinations through an app and even use one of the apps as a medication reminder, Chowdhury said.

Users also can check which products have been tested by Bangladesh Standards and Testing Institution by an app, he said.

In September last year, the government introduced 100 applications. EATLApps developed 50 of the apps while the rest were made by MCC Ltd.

Currently, Bangladesh has 12.6 crore active mobile connections, nearly 30 percent of whom use smartphones; the number of internet users is 4.74 crore.

## Mitsubishi to end US vehicle production

AFP, Washington

Japanese automaker Mitsubishi said Friday it would stop making vehicles in the United States and is looking to sell its underused Illinois plant.

"Following a review of Mitsubishi Motor Corporation's global supply chain, we have been informed it is necessary to end production and seek a strategic buyer for the Normal plant," Mitsubishi Motors North America said in a statement.

Mitsubishi said it will continue to sell its cars, including current and planned models, at US dealerships. "The North American market remains a priority for Mitsubishi Motors," it said.

The company ended production in Europe three years ago.

Mitsubishi has been focusing its efforts in Asia, building a production site in Thailand and buying a factory in the Philippines from Ford.

The Illinois factory makes the Outlander Sport crossover and has 1,250 employees, according to the company. The plant manufactured just 60,000 vehicles last year, about half its capacity, Japanese public broadcaster NHK reported.

Mitsubishi's US vehicle sales jumped 24.9 percent in the first half of 2015 from the same period a year ago. But the company trails far behind its Japanese rivals in the huge US auto market.



Euro-Vigil (Pvt) Ltd. and Connect7 have signed an agreement on 18th June, 2015 to launch a joint venture in the name of EV Business Solutions.