

Yunus attends social business events in Australia, meets top ministers

STAR BUSINESS REPORT

Nobel laureate Prof Muhammad Yunus took part in various events on social business and met with top ministers and government officials in Australia last week.

They discussed how social business can help tackle social challenges in the country, Yunus Centre said in a statement yesterday.

On Thursday, Prof Yunus opened the Australasia Social Business Forum organised by Grameen Australia and the Private Wealth Network in Melbourne.

The event was attended by 380 participants from business, government and civil society. On the sidelines of the forum, he sat with young social business entrepreneurs, according to the statement.

In Sydney, Yunus held a meeting with Australian Finance Minister Scott Morrison to discuss social business as way to fight youth unemployment, social problems faced by indigenous communities, and other social issues in Australia.

The minister who is already familiar with Prof Yunus's global work sought the Bangladeshi economist's advice on how to make Australia's programmes for social inclusion more sustainable, inclusive and effective.



YUNUS CENTRE

Australia's Foreign Minister Julie Bishop shakes hands with Nobel laureate Muhammad Yunus at the Commonwealth Parliamentary Offices in Melbourne to discuss how social business can be part of Australia's development assistance strategy for the region and beyond.

They discussed several possible programmes which will be followed up in collaboration with Prof Yunus.

Yunus was also invited to the Department for Foreign Affairs and Trade in Canberra to launch its new international development faculty as part of the Diplomatic Academy.

He was part of a panel with Duncan Green of London School of Economics and Sally Moyle, chief executive of Care Australia, to discuss how young diplomats can be trained to make the country's aid programmes more effective.

In Melbourne, he also met with Australia's Foreign Minister Julie Bishop who is interested in introducing social business into her overseas development programmes for the Pacific region, particularly in Papua New Guinea and the Solomon Islands.

Bishop and Prof Yunus discussed the possibility of creating a social business fund to invest in the two countries and other countries in the region to ensure optimal use of development aid.

He also addressed students and faculty at the University of New South Wales in Sydney and La Trobe University in Melbourne, both of which have established Yunus Social Business Centres.

Rezaul Karim joins Asian Shippers' Alliance

STAR BUSINESS DESK

Md Rezaul Karim, chairman of Shippers' Council of Bangladesh, has recently been appointed as the vice chairman of Asian Shippers' Alliance, the council said in a statement yesterday.

The appointment has been given at the three-day meeting of the alliance held at Jakarta in Indonesia on March 1, according to the statement.

Karim is the proprietor of SN Jute International and a member of the general body of the Federation of Bangladesh Chambers of Commerce and Industry.

He is also a former chairman of Bangladesh Jute Association, according to the statement.



Md Rezaul Karim

UK industrial output shrinks unexpectedly in Feb

REUTERS

British industrial output fell unexpectedly in February and manufacturers struggled, according to official data on Friday that added to signs economic growth may have slowed as Britain prepares to leave the EU.

Industrial output fell 0.7 percent in February, worse than all forecasts in a Reuters poll of economists that pointed to a 0.2 percent increase and following a 0.3 percent decline in January.

Separate figures showed Britain's goods trade deficit unexpectedly hit a five-month high in February and January's deficit was revised up too, the Office for National Statistics said.

Another batch of figures showing a

slump in construction output chimed with recent business surveys that suggested Britain's economic performance probably peaked towards the end of last year.

The latest ONS data suggested manufacturing was not making up for signs of a consumer spending slowdown as some economists had hoped following the pound's post-Brexit vote drop.

Output in manufacturing, which accounts for about 10 percent of Britain's gross domestic product, unexpectedly fell 0.1 percent following a 1.0 percent fall in January, disappointing against forecasts for a 0.3 percent rise in the Reuters poll.

British manufacturing had a mixed performance in 2016, with economic growth driven mostly by the much larger services sector and consumer spending.

RBI releases paper on wholesale, long-term finance banks

REUTERS

The Reserve Bank of India on Friday released a discussion paper on a proposal to set up "differentiated banks" in the form of wholesale and long-term finance banks to fund large projects.

The new banks will focus on lending long-term and cater to the funding needs of sectors such as infrastructure and core industries, where projects take longer to complete, the Reserve Bank of India stated in the discussion paper.

"These sectors traditionally remain deprived of regular bank credit due to asset-liability mismatch issues, which arise on the balance sheet of banks

because of long gestation/repayment period of assets in such sectors," the RBI said, seeking public comments on the proposed framework by May 19.

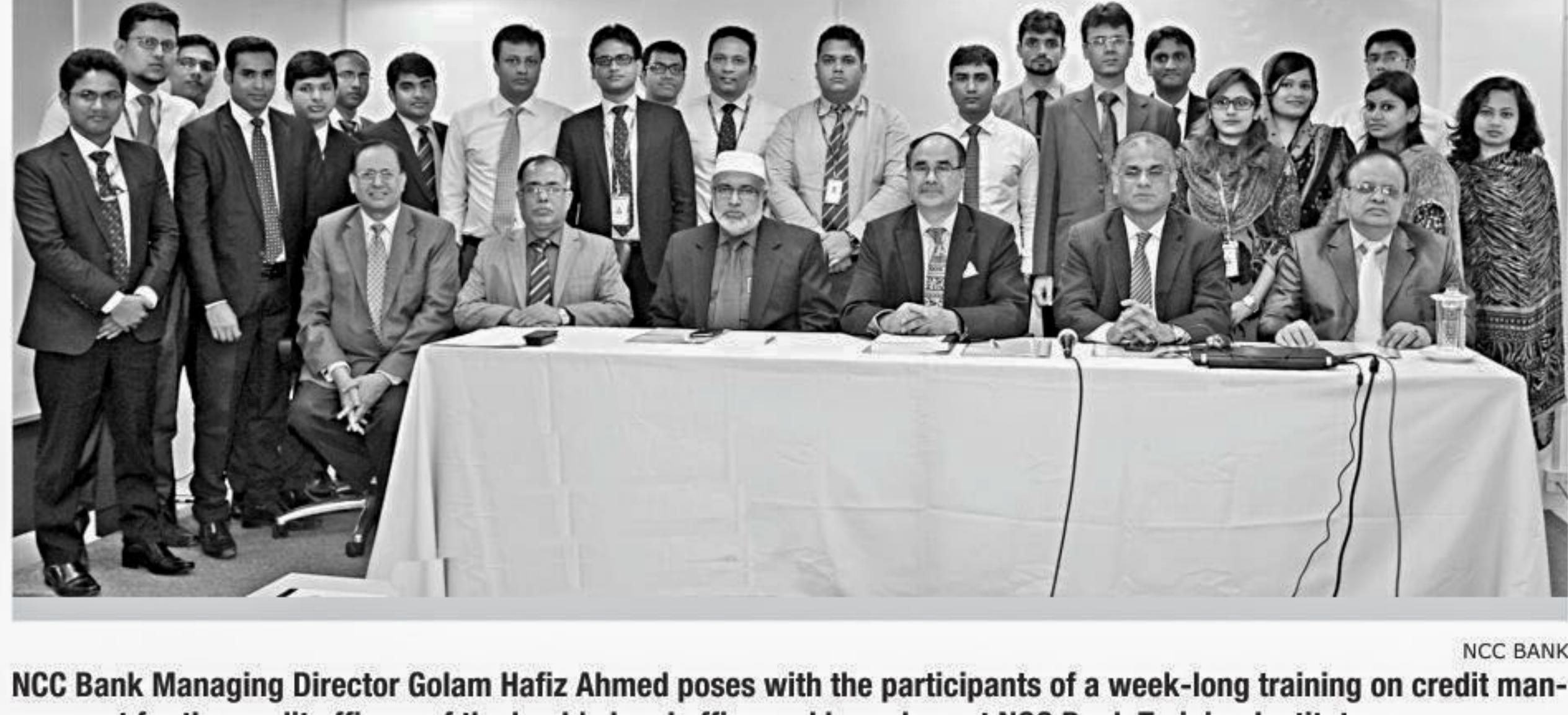
Last year in April, the RBI had said it would explore possibility of setting up more differentiated banks, including those concentrating on wholesale and long-term financing.

Banks account for most of India's project funding in the absence of a deep bond market. Due to asset quality pressure on the banks' balance sheets, there is an overall declining trend in bank credit to sectors including services and industries, the RBI said, adding there had been a decline in the share of banks' long-term assets

with maturity of more than three years.

"This scenario, thus, presents an opportunity for specialized banks to take up long-term financing of the corporate and refinancing of the MSME (micro, small and medium enterprises) sector lenders within the existing banking structure," the central bank said.

The new banks can also act as market-makers in securities such as corporate bonds, credit derivatives, warehouse receipts, and take-out financing, the RBI said. They would also provide refinance to lending institutions and will be present in capital markets in the form of aggregators, it said.



NCC BANK MANAGING DIRECTOR GOLAM HAFIZ AHMED POSES WITH THE PARTICIPANTS OF A WEEK-LONG TRAINING ON CREDIT MANAGEMENT FOR THE CREDIT OFFICERS OF THE BANK'S HEAD OFFICE AND BRANCHES, AT NCC BANK TRAINING INSTITUTE.

WB okays \$507m for infrastructure projects

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The infrastructure would be built for waste management, water treatment, energy saving equipment, container terminals, land ports and bridges, the multilateral lender said.

The projects will be funded by the World Bank's concessionary arm, International Development Association.

The Regional Connectivity Project 1 will receive \$150 million zero-interest IDA credits with a 38-year term, including a six-year grace period, and a service charge of 0.75 percent.

The IPFF II will receive \$357 million financing, including \$257 million zero-interest credit with a 38-year term and a six-year grace period, and \$100 million scale-up facility with a 30-year term with a 10-year grace period.

Due to limited capacity and market constraints, local financial institutions traditionally could not meet the longer-term financing demand for infrastructure investments, the lender said.

Eligible financial institutions can apply for IPFF II funding through Bangladesh Bank, according to the statement.

IPFF financed 11 small power plants that together generate over 550MW electricity, three water treatment plants, an inland container depot, a fibre-optic cable network, and a dry dock.

"Bangladesh needs faster and higher

quality growth to attain its vision of becoming a middle income country by 2021," said Qimiao Fan, World Bank country director for Bangladesh, Bhutan, and Nepal.

The World Bank is supporting Bangladesh to overcome key bottlenecks to higher growth, including addressing the huge infrastructure gap, and improving intra-regional connectivity and trade logistics.

"These two projects will help develop the much-needed infrastructure through building a private sector-led, long-term infrastructure financing platform."

To improve connectivity and trade with India, Bhutan, and Nepal, the Regional Connectivity Project 1 will invest in infrastructure, systems and procedures to modernise three key land ports at Bhomra, Sheola and Ramgarh and improve security at the Benapole land port.

Through the modernisation of customs and ICT infrastructure, the project will reduce the average time needed to meet the regulatory requirements associated with trade activities, and clear traded goods at land ports.

In addition, the project will benefit female traders and entrepreneurs through facilitating skills development programmes, improving logistics and transport services at key border points, and developing a simplified trade regime and clearance procedures.

Food exports to rise if India accepts BSTI certificates

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The recognition of certificates issued by BSTI could help bridge the huge trade imbalance between the two nations, according to businesses. It is hindering the growth of food shipments to India, which has offered duty free entry to all products from Bangladesh, excluding some alcoholic and tobacco items.

Tilted in favour of India, bilateral trade stood at \$6.14 billion in fiscal 2015-16. Bangladesh exported goods worth \$689 million in fiscal 2015-16, according to data compiled by Federation of Bangladesh Chambers of Commerce and Industry.

This is a long standing problem despite the fact that BSTI got accreditation for 161 parameters of 27 different products, such as fruit juice, fruit drinks, jam, jelly, biscuits, noodles, carbonated beverages, soap, cement, MS rod and GI pipes, from India's National Accreditation and Calibration Laboratories (NABL) by fulfilling all the requirements.

In past meetings on bilateral trade and cooperation since 2012, Bangladesh has been requesting Indian authorities to issue notifications to accept BSTI test certificates for products that are accredited by NABL.

At the last India-Bangladesh

commerce secretary level meeting in New Delhi in November 2016, Bangladesh again raised the matter, according to the Joint Record of Discussion.

The Indian side informed the meeting that its concerned regulator needs to examine and permit acceptance of NABL accredited certifications.

In respect to food items, India said the Food Safety and Standards Authority of India (FSSAI) made its draft regulation public. The draft proposed to identify laboratories in exporting countries, including Bangladesh, for prior testing of food samples before the food articles are exported to India.

"The arrangement would be on a reciprocal basis and these laboratories would be notified by FSSAI," according to the Joint Record of Discussion, posed on the Ministry of Commerce and Industry of India website.

"We are yet to get any notification in this regard," said a senior official of the commerce ministry, seeking anonymity.

To eliminate technical barriers

to trade and facilitate reciprocal market access of products of both the countries, BSTI and Bureau of Indian Standards (BIS) signed an agreement on cooperation in standardisation and conformity assessment during the visit of India's Prime Minister Narendra Modi in Dhaka on June 6, 2015.

Under the agreement, an action plan was prepared by the BIS and was shared with BSTI last year. Later, the BSTI sent the plan to BIS, giving its observations.

At the commerce secretary level meeting in November last year, the Indian side said comments are being examined by BIS for finalisation. Since then, we have no correspondence, said a senior official of BSTI.

There is a provision to identify products for standardisation and conformity assessment, but it is yet to start, according to the BSTI official.

Kamruzzaman Kamal, marketing director at leading processed foods exporter PRAN RFL, said both consumers and business would be benefited if similar standards are accepted in both countries. "Exports would have increased."

State banks rescheduled 43pc less loans in 2016

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In recent months, the BB has also become strict in allowing loan rescheduling without the requisite down payment, said a senior executive of the central bank. Before Fazle Kabir took charge as the central bank governor last year, banks were allowing loan rescheduling without taking the required down payment, he said.

But the new governor asked the respective department of the central bank to approve loan rescheduling proposals only after confirming the deposit of down payment, thus bringing down loan rescheduling significantly, the senior executive said.

Sonali, Rupali and Janata performed well in cash recovery from defaulters last year, according to a BB report.

Sonali realised 30.51 percent of its cash recovery target of Tk 4,400 crore from the top 20 defaulters in 2016. The rate was 10.55 percent in 2015. The cash recovery for Janata was 52.64 percent against 35.61 percent in 2015. Rupali achieved 69 percent of the target, whereas the rate was 9.33 percent a year ago.

Agrani performed poorly, realising only 2.23 percent of the target of Tk 2,900 crore in 2016. The lender had managed to recover 22.36 percent of its cash recovery target in 2015, according to the central bank.



MANJUR AHMED, MANAGING DIRECTOR OF BANGLADESH DEVELOPMENT BANK, POSES WITH THE PARTICIPANTS OF A DAYLONG TRAINING ON ANTI-MONEY LAUNDERING AND TERROR FINANCING, AT THE BANK'S TRAINING INSTITUTE IN DHAKA ON APRIL 6.

India promises to cut trade gap: Hasina

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In fiscal 2014-15, imports stood at \$6.03 billion and exports \$527.16 million.

Hasina said she also asked India to review the anti-dumping duties it imposed on jute exports from Bangladesh and resolve the issue. But there was no word on what was Modi's response to this.

The Indian premier said he and Hasina recognised the need to diversify commercial engagement to forge wide-ranging business partnerships between the two economies and for greater regional benefit.

A major part of the effort has to be from the business and industry of the two countries, he said.

"We are happy to receive the high-powered business delegation accompanying Prime Minister Hasina. Our agreement to open new border haats will empower border communities through trade and contribute to their livelihoods," Modi said.

India yesterday also started supplying additional 60MW of power to Bangladesh from the Palatana plant in Tripura and sent the first consignment of high speed diesel by a container train from Radhikapur in West Bengal to Biroi in Bangladesh.

India supplies 600MW of electricity to Bangladesh and has promised another 500MW.

Modi said India has agreed to fund a

pipeline to carry high speed diesel sourced from Numaligarh refinery in north eastern state of Assam to Bangladesh and assured a steady supply of the fuel by train till the pipeline is built.

The Indian prime minister said several agreements for investment in the energy sector in Bangladesh are expected to be signed by the Indian companies in the coming days.

"India will continue to be a willing partner in meeting the energy needs of Bangladesh, and its goal of achieving Power for all by 2021," Modi said.

Hasina said she discussed with Modi the prospects of cross-border electricity import from Nepal and Bhutan.