

Global recession badly hits FDI flow in first six months

The Financial Express, Sunday March 14, 2010

The inflow of foreign direct investment (FDI) was badly hit by the global recession in the first half of this fiscal year recording a 67% fall over that of the same period of the previous fiscal year. The inflow of net FDI came down to USD 197mn in July-December 2009 from USD 603mn in the corresponding period of the previous year.

http://www.thefinancialexpress-bd.com/more.php?news_id=95002

6-Month Review of FY 2009-10 Budget

BDT 9.46bn surplus on less spending, high earning

The Daily Star, Wednesday March 17, 2010

The first six months of the current fiscal year saw a budgetary surplus of BDT 9.46bn due to low expenditure, increased foreign assistance, and high revenue income. The report said the corresponding period of the last fiscal year saw a budget deficit of BDT 61.29bn, and the estimated total deficit for the current fiscal year was fixed at BDT 343.58bn (USD 5bn) in the annual budget. The government has BDT 120.0bn (USD 1.73bn) cash in hand even after repaying bank loans of a huge amount of BDT 111.08bn (USD 1.6bn) in cash as well during the period. According to the report, in the first six months of FY 2009-10 the total revenue collection was BDT 355.53bn (USD 5.13bn) which was 15.7% higher on the corresponding period of FY 2008-09. Budgetary spending in the first six months of the current fiscal year was 6.1% lower than in the same period of the last fiscal year, according to the report.

<http://www.thedailystar.net/newDesign/news-details.php?nid=130389>

NBR body suggests exemption of 1800 products from PSI list

The Financial Express, Sunday March 21, 2010

A committee constituted by the government has recommended a withdrawal of mandatory pre-shipment inspection (PSI) system for nearly 1800 products starting from the next fiscal year. The products include industrial raw materials, capital machinery, sugar, refined soybean and palm oil. The committee after scrutinizing the requests received from different industries has recommended items, including oxygen, fly ash, stone and aluminum for PSI exemption. Products enjoying duty-exemption through Statutory Regulatory Order (SRO) and imported under flat-rate duty can be allowed for import without PSI, the committee report said.

http://www.thefinancialexpress-bd.com/more.php?news_id=95654

ADB: Look for new drivers of growth

The Daily Star, Tuesday March 09, 2010

The Asian Development Bank (ADB) said on March 8 that Bangladesh should look for new drivers of growth to shake off any further jitters stemming from global recession that has already affected the country. For the impacts of the recession on investments and export-import, ADB forecasts that Bangladesh's GDP (gross domestic product) growth rate will go down to 5.5% this fiscal year from 5.9% in the previous year. The Manila-based multilateral lender has also suggested that the government boost both public and private investments, bring a favourable investment climate, keep domestic demand up and accelerate its poverty reduction drive.

<http://www.thedailystar.net/newDesign/news-details.php?nid=129252>

Flat prices in plush areas skyrocketing

The Daily Star, Sunday March 14, 2010

Apartment prices in the city's plush areas have increased six to eight times in the last 15 years, driven by high demand that pushed up land prices exorbitantly in those areas. Shrinking land and spiraling prices of construction materials also added to the price hike of flats, sector people said. Now the average price of per square feet of an apartment stands at around BDT 13,000 in Baridhara, BDT 9,500 in Gulshan, BDT 9,000 in Dhanmondi and BDT 8,500 in Banani, they said. But the prices were around BDT 1,850 in 1990, BDT 2,150 in 2000 and BDT 4,000 in 2005 in Baridhara, while other places also witnessed a similar rise in flat prices.

<http://www.thedailystar.net/newDesign/news-details.php?nid=129986>

Cash incentives for potato export to rise

The Daily Star, Thursday March 18, 2010

The government is considering increasing cash incentives on export of potatoes to 20% from existing 10% to help potato growers get a fair price as now the price is lower than the production cost in domestic markets. The move comes when farmers are selling potatoes at BDT 6-7 (US 8-10 cents) per kg in the field level though its production cost is around BDT 10 (US 14.5 cents) per kg. According to the ministry, potato production is estimated to be over 80 lakh tonnes this year, some 20 lakh tonnes more than the domestic demand. The capacity of cold storages is only about 22 lakh tonnes of potato, which leads to a competition between the growers and traders in storing potatoes.

<http://www.thedailystar.net/newDesign/news-details.php?nid=130536>

Muhith outlines revised budget in parliament

The Daily Star, Wednesday March 17, 2010

In the revised budget of the current fiscal year, the government may cut overall expenditure by BDT 32.96bn to BDT 1105.23bn (USD 15.95bn). The total allocation in the 2009-10 budget was BDT 1138.19bn (USD 16.14bn). In the revised budget, allocations to 38 ministries and divisions may increase by BDT 110.75bn (USD 1.59bn), while allocations to 18 ministries and divisions may come down by BDT 143.71bn (USD 2.07bn). The minister said revenue budget expenditure might be reduced to BDT 820.24bn (USD 11.84bn) from BDT 833.19bn (USD 12.02bn). The Annual Development Programme (ADP) will be BDT 285.0bn (USD 4.11bn), down from BDT 305.0bn (USD 4.4bn). BDT 25bn (USD 360.75mn) allocated for public-private partnership initiatives has been slashed by BDT 5.0bn (USD 72.15mn).

<http://www.thedailystar.net/newDesign/news-details.php?nid=130423>

Stock Market News**DSE turnover hits lowest in 5 months**

The Financial Express, Wednesday March 10, 2010

On March 9, daily turnover at Dhaka Stock Exchange (DSE) hit its lowest in more than five months, as investors remained cautious due to continuous price-sliding. Turnover dropped 15.6% to BDT 6.30bn (USD 91.04mn), the lowest since September 9, and the

benchmark DSE General Index (DGEN) plunged 86.03 points or 1.56% to 5400.39, its five-week low since February 3.

http://www.thefinancialexpress-bd.com/more.php?news_id=94611

4 more Bangladeshi firms on Dow Jones SAFE index

Total reaches 10

The Financial Express, Saturday March 13, 2010

Four more Bangladeshi companies have been added to global Dow Jones SAFE 100 Index that measures the performance of 100 blue-chip companies in five of the eight member-states of the South Asian Federation of Exchanges (SAFE).

The companies are Beximco Pharmaceuticals Ltd, British American Tobacco Bangladesh Co Ltd, Titas Gas Transmission & Distribution Co Ltd and Dutch Bangla Bank Ltd. SAFE in collaboration with Dow Jones Indexes Inc, New York, launched the first such index in Abu Dhabi in March last year. Six other Bangladeshi companies were included in the index last year. The companies are Uttara Bank Ltd, Pubali Bank Ltd, AB Bank Ltd, National Bank Ltd, Power Grid Co. of Bangladesh Ltd and Prime Bank Ltd.

The 10 Bangladeshi companies have 8% share of the total index while the Indian companies have 48.44% and Pakistan 29.5% shares. The SAFE 100 index is calculated in US dollars and it is weighted by float-adjusted market capitalisation. The float-adjusted market capitalisation of the index was USD 24.3bn on February 26 this year, and the total return in 2009 was 78.35%.

http://www.thefinancialexpress-bd.com/more.php?news_id=94921

Four directors of DSE elected

The Financial Express, Monday March 22, 2010

Four people, including the incumbent president of Dhaka Stock Exchange (DSE), were elected directors of the country's premier bourse in an election held on March 21. They are Md. Rakibur Rahman, the incumbent president of the DSE, Khaja Ghulam Rasul, Ahmed Iqbal Hasan and Sharif Ataur Rahman. Out of 228 voters, 213 exercised their franchise where Md. Rakibur Rahman got 178 votes, Khaja Ghulam Rasul 155 votes, Ahmed Iqbal Hasan 128 and Sharif Ataur Rahman 104.

As per the DSE constitution, the members elect four directors every year before its Annual General Meeting (AGM) to fill the vacant posts of four retiring directors for a term of three years. The Annual General Meeting (AGM) of the DSE will be held on March 27 when the induction of the four new directors will take place.

http://www.thefinancialexpress-bd.com/more.php?news_id=95753

SEC extends lock-in period for MF share placement

The Financial Express, Thursday March 18, 2010

The Securities and Exchange Commission (SEC) has extended the lock-in period for placement shares of mutual funds (MFs) from the current six months to one year. An SEC member said the SEC would approve at least two mutual funds every month. Currently, 52 mutual funds are awaiting the SEC nod. The move came after a recent decision taken by the SEC.

The SEC also finalised a standard trust deed of mutual funds. According to the standard trust deed, mutual funds are not allowed to invest or lend to any scheme as long as it is not permissible under the rules.

http://www.thefinancialexpress-bd.com/more.php?news_id=95370

Margin loan ratio revised upward

The Financial Express, Tuesday March 16, 2010

The Securities and Exchange Commission (SEC) Monday raised margin loan ratio to 1:1.5 from 1:1 to boost purchasing capacity of investors, effective from March 18. The latest move came against the backdrop of continued downside of the marker over the last three weeks. The benchmark index of the Dhaka Stock Exchange lost around 500 points in the last one month, prompting the investors to take to the street.

In early February, the SEC fixed margin loan at 1:1 from 1:1.5 to cool down the overheated market. The SEC earlier barred scrip whose price earning (PE) ratio is above 50 from getting facility of margin loan in a move to rein in spiraling share prices. Mutual funds that trade 7.5% over their latest NAV (net asset value) will not qualify for the loans.

http://www.thefinancialexpress-bd.com/more.php?news_id=95166

SEC turns down AIMS plea on stock dividend

The Financial Express, Saturday March 13, 2010

The Securities and Exchange Commission (SEC) turned down an appeal from AIMS First Mutual Fund for approval of its stock dividends and rights share considering the interest of the market. The SEC rejection came at a meeting between the trustees of AIMS and SEC Chairman.

Recently, AIMS declared 70% stock and 130% rights for its unit holders for two years combined and sought SEC approval. The SEC rejected the AIMS declaration saying that it could not approve it because 15 other mutual funds that launched their operation before the amendment to Mutual Fund Act 2000 made on 23 June 2008 can claim similar approval. The amendment has barred the close-end mutual funds from declaring stock dividend and right shares.

On November 4, the High Court allowed mutual funds to raise their size by issuing bonus and rights subject to the approval of the SEC.

http://www.thefinancialexpress-bd.com/more.php?news_id=94915

Khulna Power Company plans to offload 25% share by next month

The Daily Star, Thursday March 11, 2010

Khulna Power Company Ltd (KPCL) has a plan to offload 25% of its share in the stock market by next month. An indicative price for each KPCL share has already been built at BDT 162 through bidding by seven institutions from five sectors.

Standard Bank joined the indicative price bidding from the banking sector. The other companies who took part in the bidding are Continental Insurance as an insurer, Swadesh Investment Management as a merchant banker, Bangladesh Finance and Investment Company as non-bank financial institution and SAR Securities, B&B Enterprise and Royal Capital as brokerage houses. Now on the basis of the indicative price of BDT 162, an offer price will be discovered through institutional bidding. In the price discovery phase, bidders cannot quote 20% more or less than the indicative price, meaning they will have to bid between BDT 129.60 and BDT 194.40 for each share.

For price discovery, the newly introduced book building system will be followed during the bidding for KPCL shares, as prescribed by the stock market regulator. The KPCL will be listed directly.

In total, KPCL will offload 52.15mn ordinary shares of BDT 10 (US 14.5 cents) each -- of which, the eligible institutions will bid for 10.43mn shares, while the rest shares have been kept for general investors. The institutions will not be allowed to sell shares in the first 15 trading days under the lock-in system.

KPCL, which has paid-up capital of BDT 2.086bn, is now owned by Summit Industrial & Mercantile Corporation (Pvt) Limited and United Enterprise & Co Ltd (Bangladesh) with equal 50% stakes.

<http://www.thedailystar.net/newDesign/news-details.php?nid=129540>

SEC okays RAK Ceramics IPO, Green Delta MF trust deed

The Daily Star, Monday March 22, 2010

The Securities and Exchange Commission (SEC) has approved the Initial Public Offering (IPO) of RAK Ceramics Limited and the trust deed of Green Delta Mutual Fund.

RAK Ceramics (Bangladesh) Pvt Ltd, a Bangladesh-UAE joint venture, will float BDT 30mn ordinary shares, which will have a face value of BDT 10 (US 14.5 cents) each. The indicative price of the shares of this company is BDT 48 (US 69.2 cents). The tiles and sanitary-ware manufacturing company will be the first to use the book-building method to discover each share price. The existing paid up capital of RAK is BDT 650mn (USD 9.38mn), which will be increased to BDT 1.30bn soon. Presently, foreign entrepreneurs own 90% of the company's stake, while local entrepreneurs own the remaining 10%.

The total fund size of Green Delta Mutual Fund is BDT 1.50bn (USD 21.6mn). The amounts of the pre-IPO placement and the IPO are BDT 600mn (USD 8.66mn) and BDT 750mn (USD 10.8mn) respectively. The sponsors will offer the remaining portion of the fund.

http://www.thefinancialexpress-bd.com/more.php?news_id=95761

Banking

Guideline eased for banks' minimum capital need

BB slashes Basel-II MCR

The Financial Express, Thursday March 11, 2010

The Bangladesh Bank (BB) has relaxed guidelines on risk-based capital adequacy for banks under Basel-II framework considering the overall financial position in the country's banking sector. Under the amended guidelines, the banks will have to comply with the minimum capital required (MCR) at 8.0% from January 1, 2010 to June 30, 2010 while a rate of 9.0% will be maintained from July 1, 2010 to June 30, 2011. The banks, however, must comply with the MCR at 10% from July 1 next year and onwards, according to a circular issued by Bangladesh Bank on March 10. The MCR had been set at 10% with the risk-weighted assets of the banks or BDT 4.0bn of total capital, whichever is higher, that would be treated as MCR of the banks under the Basel-II accord.

The central bank earlier found that only 22 commercial banks have been able to comply with the MCR at 10% out of 47 banks, the BB official added. Bangladesh is now following Basel-II for the banks' capital adequacy requirement. Risk-based capital ratio was

8.0% when it was first adopted in 1996. Later in 2002, the ratio was increased to 9.0%.

The banks will have to submit the Basel-II implementation report on quarterly basis to the Department of Off-site Supervision of the BB by the end of the month following the end of each quarter.

http://www.thefinancialexpress-bd.com/more.php?news_id=94713

BB eases rules for banks to increase capital base

The Financial Express, Tuesday March 23, 2010

Bangladesh Bank (BB) has relaxed guidelines on subordinated debt allowing more banks to issue such debt instruments to meet their capital requirements under the Basel-II accord. Under the amended guidelines, the banks will be allowed to issue the debt instrument, which has composite CAMELS rating at two, issuer rating at least three instead of two and instrument rating at least three instead of two. The central bank issued a circular in this connection on March 22.

On October 18 of last year, the central bank issued a guideline allowing commercial banks to raise their capital through issuing subordinated bonds instead of issuing right and bonus shares. Only 12 banks out of 47 will be able to issue the bonds following the initial guidelines on subordinated debt for inclusion in regulatory capital.

The subordinated debt will replace perpetual subordinated debt as a component of regulatory capital, which will be treated as a supplementary capital, generally known as tier-2 or additional supplementary capital, generally known as tier-3. The subordinated debt eligible to be considered as tier-2 capital must have a maturity period of more than five years and tier-3 capital at least two years.

http://www.thefinancialexpress-bd.com/more.php?news_id=95852

Prime Bank to hike investment in telecom, power projects

The Financial Express, Tuesday March 23, 2010

Prime Bank Limited CEO Ehsanul Haque said that PBL - the leading private bank in the country -- wants to be an exception as it has planned to bankroll key energy and telecom projects in the coming months through its 'hugely successful' syndication lending arrangements.

Haque said that the Bangladeshi economy needs massive investments in infrastructure and his bank "sees ample opportunities to provide large scale financing in power, telecommunications, renewable energy, tourism and communication related projects." "These are the sectors which are likely to grow enormously in the coming years and would require huge volume of large and mid scale financing which can better be served through syndicated loan schemes," he added.

The 15-year-old private bank has raised around BDT 11.5bn (USD 165.95mn) over the last decade through syndicated financing as a lead arranger while providing funds worth another BDT 4.5bn (USD 64.94mn) either as participating banks.

http://www.thefinancialexpress-bd.com/more.php?news_id=95800

SME loan target set for 2010

Bangladesh Bank unveils BDT 239.95bn (USD 3.47bn) plan
The Daily Star, Monday March 22, 2010

| BY THE NUMBERS | |
|---------------------|-----------------|
| Total loans | Tk 23,995 crore |
| State banks to give | Tk 3,897 crore |
| Specialised banks | Tk 600 crore |
| Private banks | Tk 17,478 crore |
| Foreign banks | Tk 707 crore |
| NBFIs | Tk 1,313 crore |

For the very first time Bangladesh Bank (BB) has fixed a target for all banks and financial institutions of distributing BDT 239.95bn (USD 3.47bn) in small and medium enterprise (SME) loans for 2010. Banks will give up to BDT 2.5mn (USD 36,051) in collateral-free loans to small enterprises and women entrepreneurs. In these cases, the banks can consider personal guarantees including products and machinery of the enterprises as collateral. The banks will divide the whole country into different zones and a bank would choose one zone for distributing its loans.

Of the BDT 239.95bn (USD 3.47bn) loans, state-owned commercial banks will disburse BDT 38.97bn (USD 562mn), specialised banks BDT 6.0bn (USD 86.5bn), private commercial banks BDT 174.78bn (USD 2.52bn), and foreign banks BDT 7.07bn (USD 101.9mn) and non-bank financial institutions (NBFIs) BDT 13.13bn (USD 189.19mn). The central bank has already identified prospective initiatives in 64 districts to give SME loans to entrepreneurs, and made a list of 131 enterprises including bakeries, handicrafts and cold storage.

<http://www.thedailystar.net/newDesign/news-details.php?nid=131071>

BB moves to upgrade fight against financial crimes

The Daily Star, Monday March 15, 2010

Bangladesh expects to be a member of a global network of financial intelligence units (FIUs), Egmont Group, by next year to enhance the capacity of combating money laundering, terrorist financing and other financial crimes through international cooperation.

Established in 1995 to stimulate international cooperation, the present 116-member Egmont Group provides scope to FIU-members to cooperate and exchange information in the fight against money laundering, terrorist financing and other financial crimes. Membership will allow access to the international database on anti-money laundering and terrorist financing, said the BB governor. As required by the Egmont Group membership process, Thailand and Malaysia are sponsors for Bangladesh.

<http://www.thedailystar.net/newDesign/news-details.php?nid=130105>

Rupali Bank to start exercising operational autonomy soon

The Financial Express, Saturday March 13, 2010

The government plans to corporatize Rupali Bank Ltd in a move taken earlier to enable it to compete with private sector commercial banks. Four consultants will soon be appointed in key areas of the bank and about 1,000 fresh officials will be recruited. The move has been taken following amendment to the memorandum and articles of association of Rupali in mid-February this year that empowered the board of directors of the bank with more operational autonomy.

Rupali, according to the existing memorandum, cannot lend to Small and Medium Enterprise (SME), but the revised Articles of Association has included a provision allowing SME banking. According to the amendment made in the EGM of Rupali, the board of directors, not the MoF (Ministry of Finance), would appoint or remove the chairman. However, the MoF will appoint directors to the board as usual as the bank is largely state-owned. The government owns 94.5% stakes of the ailing Rupali bank Ltd.

http://www.thefinancialexpress-bd.com/more.php?news_id=94911

Food and Agriculture

Facelift for farming

The Daily Star, Tuesday, March 23, 2010



Machines are taking over farming in Bangladesh slowly but surely, bringing a major shift in centuries-old manual cultivation. Ploughing with cows and buffaloes and irrigating fields manually will soon be a thing of the past. About 67% of the 7.6mn hectares of arable lands are irrigated by mechanized means. Power tillers and tractors till nearly 70% of 13.7mn hectares of total cropland. Almost all maize is shelled by machine and in the case of rice threshing by machine is about 50%. Over 400,000 power tillers along with nearly 15,000-20,000 tractors are now in use in agriculture. Although the journey began as part of a so-called 'Green Revolution', advancements were slow until 1988 because of the standardization requirements of the government. Shortages of tilling cattle as well as farm laborers in peak season were the main factors behind the rise in such mechanization. Promotional campaigns by public agriculture research institutes and private sector marketers also supported the growth.

<http://www.thedailystar.net/newDesign/news-details.php?nid=131180>

Bumper jackfruit output in northern region likely

The Daily Star, Sunday, March 14, 2010

Production of jackfruit is expected to be bumper this year in northern Bangladesh because of the prevailing favorable climate in the region. After excellent budding in the maximum number of

trees, the jackfruit is becoming bigger in size without any report of pest attacks though budding is still continuing in some areas. Though there is no official statistics in the DAE office about the exact number of jackfruit trees, the number might be around 15mn or even more in the northern region. Jackfruit growers expect that the authorities concerned will ensure better marketing facilities to ensure fair prices for them as huge quantities of this seasonal fruit will be sent to other parts of the country.

<http://www.thedailystar.net/newDesign/news-details.php?nid=129989>

Telecom & IT

BTRC to switch on legal links

The Daily Star, Tuesday, March 23, 2010

Bangladesh Telecommunication Regulatory Commission (BTRC) is set to switch on private landline operators which were suspended for their alleged illegal VoIP (Voice over Internet Protocol) business. The BTRC has formed a six-member committee led by its Commissioner Aliwardy Khandaker to further investigate the operators' involvement in illegal VoIP business. According to the Telecom Act 2001, imprisonment or penalty up to BDT 1mn (USD 14,493) or both may be awarded if anyone is found involved in such practice. More than 10mn non-resident Bangladeshis (NRBs) make over 30mn minutes of calls to Bangladesh every day. After the recent drives, international call termination through legal channels jumped over 45mn minutes on March 22, 2010.

<http://www.thedailystar.net/newDesign/news-details.php?nid=131254>

IP phones ring

The Daily Star, Wednesday, March 17, 2010



Bangladesh's internet users are now allowed to talk through VoIP (voice over internet protocol) technology within the country. Eighteen local companies launched IP (internet protocol) telephony services on March 16, 2010. The existing users, connected by local internet service providers (ISPs), will get the chance to transfer and receive voice calls through IP telephony. In addition they will enjoy video calls, call forwarding and audio-video conferencing. Internet protocol telephony service providers (IPTSPs) initially target corporate customers, as intra-office communication cost will come down.

The 18 operators are: Advanced Data Networks System Ltd, Agni Systems Ltd, BDCOM Online Ltd, Beximco, BracNet, BTS Communication Ltd, Connect BD Ltd, Dhakacom Ltd, Grameen Cybernet Ltd, Global Access Ltd, HRC Technologies Ltd, Information Services Network Ltd, Innovative Online Ltd, Link3 Technologies Ltd, Metronet BD Ltd, Optimax Communication Ltd, Royal Green Online Ltd and Telnet Communication Ltd.

At present, more than 0.5mn internet users are connected through local ISPs, while mobile operators claim that more than

4mn people are connected via mobile internet. Bangladesh's internet penetration rate is 4%.

<http://www.thedailystar.net/newDesign/news-details.php?nid=130420>

WiMAX launched in Ctg

The Daily Star, Saturday, March 13, 2010

Banglalion Communications Ltd formally launched its WiMAX internet service in the port city on March 13, 2010 with a commitment to help improve daily life and speed up industrial activities. The company is introducing wireless internet facilities to establish an IT-based society through developing networks, marketing equipment within purchase capacity and promoting living standards. With increasing demand the telecom companies could be increasing investment in this sector by 50%, spending two-thirds of the increased investment on wireless-exchange of information, equipment and infrastructure development within the next three years. Speedy internet use is estimated to increase to 10% from existing 4% in the next two years.

<http://www.thedailystar.net/newDesign/news-details.php?nid=129907>

Banglalink issues more bonds on high demand

The Daily Star, Thursday, March 11, 2010

KEY FACTS



- Banglalink seals deals with local investors to borrow Tk 707 crore through bonds
- Earlier, the company had planned to raise Tk 425 crore through bonds
- 26 institutional investors agree to buy bonds
- The interest rate is 13.5 percent a year
- The tenure of Tk 1 crore-valued bond is five years
- The money will be used for network expansion in rural areas
- The company's total investment stands at Tk 7,974 crore in 2009

Banglalink has sealed a deal with subscribers to borrow BDT 7.07bn (USD 102.5mn) through bonds to expand its network in the near-untapped rural telecom market. The figure is an increase from its initial bid for BDT 4.25bn (USD 61.6mn). The company was inspired by over-subscription of its bond offer by private placement. Banglalink is offering 13.5% interest a year for its five-year senior secured bond of BDT 10m (USD 144,927) each which is proposed to be redeemed by 2014. The amount will mainly be spent on network expansion to the deep rural areas and improve service quality. Citibank NA is acting as the lead arranger and placement agent for the bond offer.

In the first nine months of 2009, the operator registered 25% growth in revenue to over BDT 17.96bn (USD 259mn) from a year ago. In the same period, Banglalink achieved EBITDA (earnings before interest, taxes, depreciation and amortization) of BDT 6.58bn (USD 95mn) because of a decrease in customer acquisition and interconnection cost. The cell phone operator invested a total of Tk 79.74bn (USD 1.16bn) until the end of 2009 in Bangladesh. EBITDA margin for the third quarter of 2009 remained steady at 40%. Aggressive marketing made Banglalink the market's second

largest operator at the end of 2007, after overtaking Aktel in terms of subscriber acquisition. As of September 2009 Banglalink had a 24.2% share in the six-operator mobile market.

<http://www.thedailystar.net/newDesign/news-details.php?nid=129539>

Tourism & Aviation

More five-star hotels planned

The Daily Star, Tuesday March 09, 2010

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|---|
| WESTIN OWNER GOES BIG |
| Cost of expansion Tk 2,000 crore |
| Annual turnover (in 2008) Tk 106 crore |
| Operating profit (in 2008) Around Tk 47 crore |
| Growth in turnover in 2009 20 percent |
| Number of rooms 235 |
| Average occupancy rate 80 percent |
| Growth in local hospitality sector 15 percent |

Unique Group, the owning company of Westin Dhaka, is set to expand by opening three more five-star hotels to tap growing demand for high-heeled accommodation. Initially, the company plans to invest around BDT 20.0bn (USD 289.02mn) for expansion, while Starwood Hotels and Resorts Worldwide will be the managing company for all three hotels. A deal will be signed in March between Unique Group and Starwood, the parent company of renowned global brands such as Westin, Sheraton and Le Meridien.

Under the plan, two five-star hotels are to be constructed in Dhaka: Le Meridien in Banani and The Westin Dhaka 2 in Gulshan. A third, also named Westin, will open in Chittagong, the first five-star hotel for the commercial capital. Construction of the hotels will be complete by the end of 2012 and all are likely to begin operations the following year.

<http://www.thedailystar.net/newDesign/news-details.php?nid=129250>

Ministry seeks fund for tourism campaign

Three-day fair kicks off

The Daily Star, Friday March 12, 2010



A young man, left, poses as a company mascot while an attendant of the Etihad Airways stall looks on at the seventh Dhaka Travel Mart, a three-day tourism fair that started at Dhaka Sheraton Hotel on March 11.

The civil aviation and tourism ministry has demanded an allocation of BDT 10.0bn (USD 144.51mn) in the national budget for 2010-11 to develop infrastructure for the tourism industry. Of the total amount, the ministry plans to allocate BDT 100mn (USD 1.45mn) for campaigning to showcase attractive and potential tourist spots to the world and boost the inflow of foreign tourists.

According to ministry statistics, 4.35 lakh foreign tourists visited Bangladesh in 2009, which was a sharp rise from 3.82 lakh in 2008, 2.65 lakh in 2007, 2 lakh in 2006 and 2.07 lakh in 2005. Most tourists came for business purposes. The government is being pressured for years now to allocate funds for promotional activities in and around the world, said industry insiders.

GM Quader, civil aviation and tourism minister said that the majority of the allocation will be utilised to develop infrastructure, including construction of better roads and highways. Simultaneously, ensuring better security for local and foreign tourists also needs large investment. Quader was speaking at the launch of the seventh Dhaka Travel Mart, a three-day tourism fair, organised by travel and tourism fortnightly Bangladesh Monitor at Dhaka Sheraton Hotel.

A total of 46 organisations, including airlines, hotels, tour and cruise operators and resorts, are showcasing their products and services at the three-day international tourism fair with special discount packages. Participant from Malaysia, China, United Arab Emirates, Kuwait, Nepal and India are also taking part in the fair.

<http://www.thedailystar.net/newDesign/news-details.php?nid=129686>

Energy

Energy crisis can be mitigated within three years: WB

The bank to provide additional USD 257mn (BDT 17.78bn)

The Financial Express, Saturday March 20, 2010

Bangladesh can potentially overcome its nagging energy shortage within the next three years through institutional capacity building and strong commitment from the government, a senior World Bank official said on March 18. Identifying the mitigation of the power crisis as one of the highest priorities for Bangladesh in the years ahead, the WB official also stressed regional cooperation and long-term financing in the energy sector for an increased power supply within the country.

http://www.thefinancialexpress-bd.com/more.php?news_id=95566

Govt to create fund for energy sector

The Financial Express, Wednesday March 10, 2010

The government is going to create the first ever fund for the energy sector to encourage public-private partnership (PPP) projects with an option to raise money from the capital market amid growing power outages and demand. It will be a general pool of funds operated under a company and it will be used in PPP projects on an equity or debt basis. The projects can also have the option to raise funds from the stock market to gather necessary funding. The government plans to create the fund to encourage the private sector to come forward with new energy-related projects.

A committee, which was assigned to find out a way to raise the funds for the power sector, submitted its report to the government recently. Deputy Governor of Bangladesh Bank Ziaul Hasan Siddiqui headed the committee.

Initially, the government plans to provide BDT 15bn (USD 216.76mn) as seed money for the fund and BDT 10bn (USD 144.51mn) will be raised from non-resident Bangladeshis and other investors, said Securities and Exchange Commission (SEC) member Mohammed Yeasin Ali, also a member of the committee. The fund will be a 'patient capital' which means the return from the investment will be long-term in nature commercially viable and profitable, he said.

http://www.thefinancialexpress-bd.com/more.php?news_id=94563

Power

ECNEC Okays peaking power plant project

10 plants to produce 830MW; 6 other projects also approved

The Daily Star, Wednesday March 17, 2010

On March 16 the Executive Committee of the National Economic Council (ECNEC) approved seven development projects involving BDT 138.22bn (USD 2.0bn) that include a major project to install 10 peaking power plants with a total capacity of 830 MW.

The installation of 830 MW peaking power plants under the Power Division will be completed by December 2011 at a cost of BDT 72.03bn (USD 1.04bn) to be entirely borne by the government, said Planning Minister AK Khandaker while briefing reporters after the meeting. He said the new peaking power plants, based on furnace oil, will meet the peak hour demands.

The capacity of the 10 power plants are Gopalganj 100 MW, Faridpur 50 MW, Bera 80 MW, Baghabari 50 MW, Katakhal 50 MW, Santahar 50 MW, Hathazari 100 MW, Dohazari 100 MW, Daudkandi 50 MW and Ghorashal 200 MW.

<http://www.thedailystar.net/newDesign/news-details.php?nid=130399>

4 power plants get go-ahead

Purchase body Okays contracts to produce 230MW

The Daily Star, Monday March 22, 2010

On March 21 the cabinet purchase committee approved awarding contracts of four public sector dual fuel peaking power projects totaling 270 megawatts to two companies. The projects are Shantahar 50 MW (BDT 3.64bn), Rajshahi Katakhal 50 MW (BDT 3.50bn), Gopalganj 100 MW (BDT 6.83bn) and Pabna Bera 70 MW

(BDT 4.84bn). The first three projects will be awarded to local company Energypac and the last one to Korean Hyundai.

These are four of the 10 power projects totaling 820 MW capacity for which the Power Development Board (PDB) floated tenders in September.

<http://www.thedailystar.net/newDesign/news-details.php?nid=131043>

WB to help build small power plants

The Daily Star, Saturday March 20, 2010

The World Bank will assist Bangladesh with USD 257mn (BDT 17.78bn) for facilitating Private-Public Partnership (PPP) in setting up small power plants. A negotiation to this effect between the Bank and the government will be held today to provide the assistance under the Investment Promotion and Financing Facility (IPFF) Project of the World Bank. The WB helps the government in setting up small power plants, which is a fast and effective way of scaling up power generation in the country. The IPFF Project of the WB has already financed seven fully operational small power plants.

<http://www.thedailystar.net/newDesign/news-details.php?nid=130844>

Gas

Govt mulls building a deep-sea LNG terminal

The Financial Express, Wednesday March 10, 2010

The government is contemplating building a deep-sea liquefied natural gas (LNG) discharge terminal as the sea draught near the country's shore is not enough to facilitate anchorage of large LNG-carrying tankers, officials said. Top energy ministry officials held discussions with the US-based Excelerate Energy in the secretariat for a suitable LNG import option to mitigate the energy crisis, especially in the port city Chittagong. They also talked with the Philippines National Oil Company (PNOC) to select a suitable site for building a LNG platform.

"The foreign companies have offered several ideas to facilitate the import of LNG," Petrobangla chairman Dr. Hossain Monsur said. Options include building a permanent LNG terminal in the deep-sea and then bringing in LNG through pipeline to seashore, transferring LNG from mother vessel to a feeder vessel in deep sea and then carrying it to shore for use, said the Petrobangla chief.

http://www.thefinancialexpress-bd.com/more.php?news_id=94561

Govt permits private sector to import LNG

The Financial Express, Saturday March 20, 2010

The government has allowed the private sector to import liquefied natural gas under a new policy to ease the acute gas crisis, although the country lacked infrastructure to gasify LNG and pipe it to the mainland. Private companies will now be able to import LNG under the newly formulated Import Policy 2009-12, a commerce ministry official said, as the government eyes new fuel sources to shore up its depleting gas reserves. The companies have to obtain licenses from the energy regulator, Bangladesh Energy Regulatory Commission (BERC), and approval from the energy ministry to import LNG and feed it into the national gas line.

The approval comes as the government this month opened talks with foreign companies to set up a LNG terminal and re-

gasification facility near the Chittagong Port. A tender will be floated later this year. Under the government plan, the winner of the bid will have to finance the USD 1.5-USD 2.0bn terminal, which will have the capacity to handle at least 3.5 million tonnes of LNG per year. The government will provide land and other licenses free of cost.

Top ministry officials already held talks with a number of global LNG firms including the US's Excelerate Energy and the UK's SBM Imodco to expedite LNG import. It has also assigned Excelerate Energy to complete a study by mid-April to find out the best possible location for the terminal and how much it will cost.

http://www.thefinancialexpress-bd.com/more.php?news_id=95573

Coal

3 local firms may get license to explore peat coal

The Daily Star, Wednesday March 17, 2010

The Energy Ministry has asked the Bureau of Minerals Development to issue licenses to three newly-formed local companies for exploration of peat coal in Madaripur. Swadhin Bangla Mines and Electricity Ltd will be awarded a license to explore peat coal in 3,400 hectares, Padma Mining and Energy Corporation Ltd 4,000 hectares and Reliance Minerals and Power Ltd 3,100 hectares in Rajoir upazila of Madaripur.

As per the conditions, the companies would explore peat coal in the blocks at their own expense. They would not conduct any activities that can affect the environment, biodiversity, fishery, plants, important structures, relics, cultural or religious structures. The companies are not to explore radio-active minerals but if they find any, they would have to inform the BMD and the Atomic Energy Commission about the discovery.

<http://www.thedailystar.net/newDesign/news-details.php?nid=130400>

Japanese envoy for use of coal as alternative energy Govt 'can capitalize on strategic location'

The Financial Express, Tuesday March 09, 2010

Japanese Ambassador Tamotsu Shinotsuka advised the government of Bangladesh on March 8 to switch over to use of coal as an alternative source of energy, saying that a paradigm shift was necessary for the country to face the challenges lying ahead. "In Bangladesh's case, for instance, coal could be considered as an alternative energy source. Hydropower could also be another possible option," he said. He was speaking as the chief guest at a seminar on 'Japan's contribution to development of Bangladesh,' organized by Bangladesh-Japan Friendship Association (BDJFA) at the National Press Club.

http://www.thefinancialexpress-bd.com/more.php?news_id=94515

Clean Energy

REB-KOICA partnership for renewable energy

The Daily Star, Tuesday March 23, 2010

The Bangladesh Rural Electrification Board (REB) signed a record of discussion with Korea International Cooperation Agency (KOICA) on March 18 to implement a project titled 'Solar-Powered Irrigation Pump and Solar Home System,' according to a press release.

REB will implement the two-year project with the technical assistance of KOICA under its East Asia Climate Partnership Programme. The project will be implemented with the Korean government's grant assistance of USD 2.50mn (BDT 173mn). KOICA will provide 1,250 stand-alone solar home systems and will install 20 solar-powered irrigation pumps in seven districts of the country.

<http://www.thedailystar.net/newDesign/news-details.php?nid=131271>

Solar power changes lifestyle of char people in Noakhali

The Daily Star, Sunday March 14, 2010

Solar power connections have changed the lifestyle of the char people in three upazilas of Noakhali district. Locals said they have started designing their life anew to make best use of the solar power supply. A total of 3800 solar power connections have so far been provided to the people recently on installment basis by Grameen Shakti, a project of Grameen Bank. However about 4200 households and shops are benefited from the device by taking parallel connections.

The solar power consumers are using fans, VCD, TV, energy bulbs at their houses and shops without facing the hassles of load shedding of the national grid.

<http://www.thedailystar.net/newDesign/news-details.php?nid=130000>

Infrastructure

PM for direct road, rail links with China

The Daily Star, Sunday March 21, 2010

Prime Minister Sheikh Hasina on March 20 expressed her firm conviction in road and rail links being established between Chittagong and Kunming to boost trade and investment between Bangladesh and China. "I believe the leaders of Yunnan province can play an important role in establishing the road and rail links," said the premier, while addressing a banquet hosted by the Vice-Governor of Yunnan province, Li Jiang.

Once it is established, Bangladesh would be connected by road to almost the whole of the important Association of South East Asian Nations regional bloc's lucrative markets, which include Singapore, Thailand, the Philippines and Indonesia.

<http://www.thedailystar.net/newDesign/news-details.php?nid=130915>

Dhaka to seek USD 2.2bn (BDT 152.24bn) for infrastructure projects - Second Padma Bridge, Jamuna Railway Bridge, Karnaphuli tunnel, rail link with Myanmar, fertilizer factory on project list

The Daily Star, Wednesday March 17, 2010

Bangladesh will seek around USD 2.2bn (BDT 152.24bn) of assistance from China for its 12 projects for infrastructure development and setting up of a fertilizer factory.

The projects include construction of the Second Padma Bridge at an estimated cost of USD 579mn (BDT 40.07bn), Karnaphuli Tunnel at a cost of USD 289mn (BDT 20bn), single line metre-gauge railway track from Chittagong to Gundum near Myanmar border at a cost of USD 210mn (BDT 14.53bn), Second Meghna-Gomti Bridge at a cost of USD 125mn (BDT 8.65bn), a railway bridge with a dual-gauge double track over the river Jamuna at a cost of USD 172mn (BDT 11.90bn) and Kazirtek Bridge over Arialkha river at an estimated cost of USD 22mn (BDT 1.52bn).

<http://www.thedailystar.net/newDesign/news-details.php?nid=130386>

Padma Bridge tender likely by early Apr-2010

The Daily Star, Wednesday March 10, 2010

The tender for the Padma Multi-purpose Bridge is likely to be invited late this month or in early April, sources in the Economic Relations Division said. The communications ministry in cooperation with a donor group led by the World Bank almost completed chalking out bidders' pre-qualification criteria for building the bridge that will have both road and railways linking the south-western region of the country with the east.

Earlier this week, the WB appreciated the government, in particular the communications ministry and Bangladesh Bridge Authority, for moving expeditiously with the preparatory work for the tender, and reiterated the donors' firm commitment for providing assistance.

<http://www.thedailystar.net/newDesign/news-details.php?nid=129453>

Dhaka-Mymensingh 4-lane highway likely in 2yrs PM asks for fund disbursement

The Daily Star, Tuesday March 16, 2010

On March 15 Prime Minister Sheikh Hasina directed the finance minister to immediately disburse the funds for the construction of the Dhaka-Mymensingh four-lane highway. She asked Finance Minister AMA Muhith to start the BDT 8.0bn project as early as possible. The directive came at a regular cabinet meeting at the Bangladesh Secretariat with the premier in the chair.

<http://www.thedailystar.net/newDesign/news-details.php?nid=130340>

Contract for elevated expressway by June-2010

The Daily Star, Thursday March 18, 2010

Finance Minister AMA Muhith said that the contract for the much talked about elevated expressway might be given by this fiscal year. "One big project is ready under the Public-Private Partnership (PPP) and there are also some 2-4 projects. The contract for the elevated expressway may be given by this fiscal year," he said after a meeting with a Korean delegation at his Economic Relations Division (ERD) office. The expressway will be implemented through the 'Build Operate and Transfer' (BOT) system.

<http://www.thedailystar.net/newDesign/news-details.php?nid=130563>

Elevated Expressway 9 foreign firms show interest

The Daily Star, Thursday March 18, 2010

Nine foreign investors have shown interest in the government's plan to construct an elevated expressway in the capital, Communications Minister Syed Abul Hossain said on March 17. Replying to queries in parliament, he also said the government will build railways to connect Mongla and Chittagong seaports.

<http://www.thedailystar.net/newDesign/news-details.php?nid=130398>

Shipbuilding & Port

Chittagong Port to be digitalized

The Financial Express, Sunday March 21, 2010

The country's premier seaport, Chittagong Port, will be turned into a world-standard digitalized port by the end of this year. Chittagong Port Authority sources said the port will be brought under full computer network as part of digitalization under Chittagong Port Trade Facilitation Umbrella Project. The BDT 2.25bn (USD 32.51mn) project will be implemented with the financial assistance of the Asian Development Bank (ADB).

"To this end, all activities including submission of bill of entry for export-import and the process for imposing duty of the Chittagong Customs House, the main source of the country's revenue income, have already been brought under automation," the sources said. Of them, the work for implementation of two projects--- the Port Management Information System (PMIS) and the Container Terminal Management System (CTMS) ---is nearing completion.

The projects are being executed to make other operational activities, including administrative management, goods handling of ships and scanning of goods delivery of the port, technology, dependent under these projects. In this regard, Chairman of Chittagong Port Authority (CPA) Commodore RU Ahmed said to turn the Chittagong Port into a world- standard port, all its activities are being computerized, making the activities dependent on modern equipment by changing the traditional operational system and administrative management of the century- old port in line with the present government's vision to build 'Digital Bangladesh'.

http://www.thefinancialexpress-bd.com/more.php?news_id=95614

China keen to help build deep-sea port Willing to establish Dhaka-Kunming rail link, says Dipu Moni

The Daily Star, Tuesday March 23, 2010

On March 22, Foreign Minister Dipu Moni said that China is very much willing to establish direct rail link between Dhaka and Kunming and help build a deep-sea port at Sonadia island to boost trade and investment. "Beijing also assured us of using the deep-sea port, which is very important for its viability," Dipu Moni said while briefing journalists at the foreign ministry about Prime Minister Sheikh Hasina's just-concluded state visit to China.

<http://www.thedailystar.net/newDesign/news-details.php?nid=131237>

Pharmaceutical

Drug makers seek easy forex rules

The Daily Star, Sunday, March 21, 2010

The applications for fund transfer from three local pharmaceutical companies intending to buy overseas licenses for drug exports remain pending with the central bank. According to the manufacturers, a further delay means they will miss out on export opportunities. The intending firms are Square Pharmaceuticals Ltd, Incepta Pharma and Renata Ltd. The main obstacle is that Bangladesh's foreign currency policy does not allow any local firm to send overseas an amount above BDT 2.07mn (USD 30,000) whereas the industry insiders think the minimum fund for a product license could be BDT 6.9mn (USD 100,000) and the maximum could run into several millions. Bangladesh exported BDT 3.15bn (USD 45.67mn) worth of medicines in fiscal year 2008-09 and recorded a 19.7% increase.

<http://www.thedailystar.net/newDesign/news-details.php?nid=130923>

Drug administrator to sharpen watch on quality, price
The Daily Star, Wednesday, March 17, 2010

The newly empowered Directorate General of Drug Administration (DGDA) plans for a massive expansion mainly to combat manufacturing and marketing of substandard and spurious medicines across the country. The drug administrator will recruit around 1,000 inspectors and superintendents in phases to enforce constant vigilance against adulteration and malpractices. In January the government gave more power to the drug administrator by turning it into Directorate General of Drug Administration from Directorate of Drug Administration (DDA). The under-stuffed DDA had to inspect around 300 pharmaceutical plants, issue drug licenses, register imports of raw materials and check product quality and prices at market level.

<http://www.thedailystar.net/newDesign/news-details.php?nid=130421>

Manpower

Lebanon may take more Bangladeshi workers
The Daily Star, Tuesday March 16, 2010

Lebanon is considering employing more Bangladeshi male workers in the construction and cleaning sectors, a delegation that visited the Middle Eastern country said on March 15. "They expressed keen interest when we talked of our training facilities and skills, especially in construction," said Khorshed Alam Chowdhury, director general of the Bureau of Manpower Employment and Training.

Chowdhury, a member of the delegation, told The Daily Star that around 30,000 Bangladeshis have so far gone to Lebanon, but very few were male.

<http://www.thedailystar.net/newDesign/news-details.php?nid=130242>

Textiles

Country loses 4.5% share in US apparel market in '09
The Financial Express, March Sunday 21, 2010

Bangladesh has lost nearly 4.5% in its share of the US apparel market in 2009 while our major rivals have attained positive growth during the period, industry people said. Countries including China, India, Vietnam and Cambodia decreased their prices to keep themselves competitive in the US market. Prices for Bangladesh-made garment increased 2.32% in 2009 while Cambodia decreased 6.59%, China 12.44%, India 4.68% and Vietnam 12.42% during the same period.

http://www.thefinancialexpress-bd.com/more.php?news_id=95655

Buyers' price pressure hits RMG profitability
The Daily Star, Sunday March 14, 2010

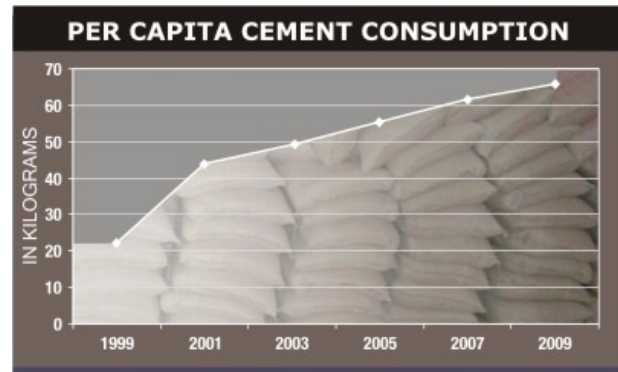
The profitability of Bangladesh's readymade garments (RMG) is now hit hard by persistent pressure from international buyers to lower RMG prices, say industry insiders. Such pressure also undermines efforts to improve the sector's working conditions, they said. Garment factory owners struggle to raise workers' wages and sometimes delay paying them their dues because of the rise in operational costs and the global competition. A denial

of fair prices for RMG products by a major portion of the foreign buyers has made the situation worse for the industry. Many RMG owners also point to the fact that the wage issue leads to frequent labor unrest, which results in a loss of productivity and global competitiveness.

<http://www.thedailystar.net/newDesign/news-details.php?nid=129982>

Cement

Cement makers up for expansion
The Daily Star, Friday March 12, 2010



The expansion of the cement industry is underway, thanks to the government's move to materialize its plan of building big infrastructure projects such as the Padma Bridge, elevated expressways, and other road projects. The industry has been growing at 10-12 percent for the past several years, except for 2007 when demand for this construction material came down to its lowest. "We expect cement consumption to grow by at least 15 percent in the next several years on rising demand for infrastructure projects," said Mostofa Kamal, president of Bangladesh Cement Manufacturers Association, and owner of Meghna Group that manufactures Fresh brand cement.

Heidelberg (Bangladesh) that makes Scan and Ruby brands, MI Cement Factory that makes Crown brand and Bashundhara Group, the manufacturer of King brand, have also decided to raise its capacity to have a bigger share of the growing market. Some other big companies are taking a 'wait-and-see' approach to observe how the government moves to carry out its development works.

According to market players, the industry is saturated with nearly 120 companies registered with an annual capacity of 21 million tonnes against demand for around 11-12 million tonnes as per the 2009 consumption pattern. Cement consumption was nine million tonnes in 2008 and eight million tonnes in 2007, down from 8.4 million tonnes in 2006 because of less demand from the construction sector. Cement consumption rose three times higher in just 10 years -- between 1999 and 2009. Per capita consumption was just 22 kilograms in 1999 and reached over 65 kilograms in 2009.

Of the 120 cement companies registered with the relevant government agencies, around 80 companies are in operation. Some small manufacturing plants in northern and southern parts of the country had already been shut down in the last few years, as those lost out their competitiveness to big players. Multinational Heidelberg Cement meets 13 percent of Bangladesh's demand from its two plants in Dhaka and Chittagong. Another multinational company Holcim (Bangladesh) has an 8 percent market share in Bangladesh and 17 percent in capital Dhaka, according to website data.

<http://www.thedailystar.net/newDesign/news-details.php?nid=129685>

Insurance

AIG sells Alico unit to MetLife for USD 15.5bn (BDT 1072.6bn)

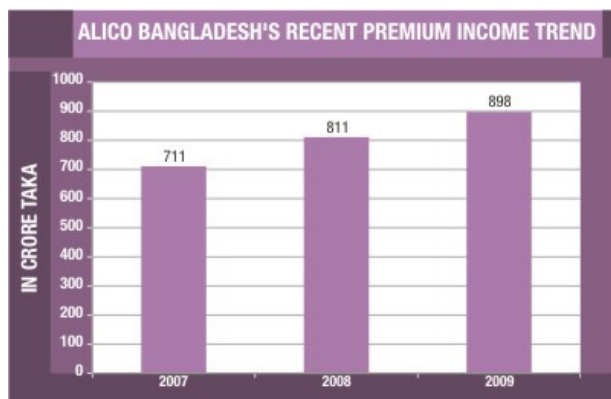
The Daily Star, Tuesday March 09, 2010

American International Group will sell its overseas life and health insurance unit for USD 15.5bn (BDT 1072.6bn) to MetLife Inc, the insurer said on March 8, as it attempts to repay billions in government aid. In the deal announced Monday, MetLife will pay USD 6.8bn (BDT 470.56) in cash, and the rest in stock and equity units.

<http://www.thedailystar.net/newDesign/news-details.php?nid=129242>

Alico takeover to firm up Bangladesh foothold: Official

The Daily Star, Wednesday March 10, 2010



Alico's takeover by MetLife will strengthen the international life insurer's capacity and operations in Bangladesh, said the top Alico official in Bangladesh on March 9. Insurance giant American International Group Inc (AIG) on Monday agreed to sell its American Life Insurance Co (Alico) division to another insurance powerhouse, MetLife, for USD 15.5bn (BDT 1072.6bn). Akhlakur Rahman, chief operating officer of Alico in Bangladesh, considers the MetLife deal a "positive move" for Alico and said it will benefit all stakeholders.

Founded in 1921, Alico is a leading international life insurer that provides consumers and businesses with products and services for life insurance, accident and health insurance, retirement and wealth management solutions. The sale agreement includes all of Alico, including the company's approximate 60,000 points of distribution, agents, brokers and financial institutions, 12,500 employees across more than 50 countries and 20 million customers worldwide.

MetLife Inc is the largest life insurer in the US and Mexico. The deal will give MetLife a larger presence in Japan as well as high-growth markets in Europe, the Middle East and Latin America, according to MetLife officials.

<http://www.thedailystar.net/newDesign/news-details.php?nid=129422>

Grameen, Adidas to make low-cost shoes

The Daily Star, Sunday March 21, 2010

Grameen Group and German sports apparel maker Adidas are planning a joint venture to make low-cost shoes in Bangladesh for the poor. If the deal gets through, it will be a major footprint in Nobel laureate Muhammad Yunus' social business. As the first step, the two sides have signed a memorandum of understanding and are working together on how to bring the products into market tentatively by year-end, said officials of the Yunus Centre, the hub of the Nobel laureate's social business activities. Grameen and Adidas are working on the price issue, they said.

Dairy giant Groupe Danone and water company Veolia -- both from France -- have already launched separate joint social business ventures with Grameen to serve the poor with nutrition and safe-drinking water. Germany's BASF SE and Intel of USA have also entered joint venture social businesses with Grameen to produce chemically-treated mosquito-nets and provide information and communication technology for the poor. Grameen has also tied up with Germany's top chain store Otto to set up a garment factory. Grameen-Adidas will be the latest in Yunus's social business efforts.

<http://www.thedailystar.net/newDesign/news-details.php?nid=130925>