MTBiz

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BANGLADESH IN INTERNATIONAL TRADE: A COMPARISON TO WORLD & COMPARABLE ECONOMIES - PART II

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BANGLADESH IN INTERNATIONAL TRADE: A COMPARISON TO WORLD & COMPARABLE ECONOMIES - PART II

BANGLADESH IN INTERNATIONAL TRADE

This[1] part of the paper would discuss international trade volume of Bangladesh. This discussion has been organized into following four sequences:

1 To examine whether trend of Capital Machinery Import is Significantly Downward

2 To explore reasons behind decline of Capital Machinery Import, if any

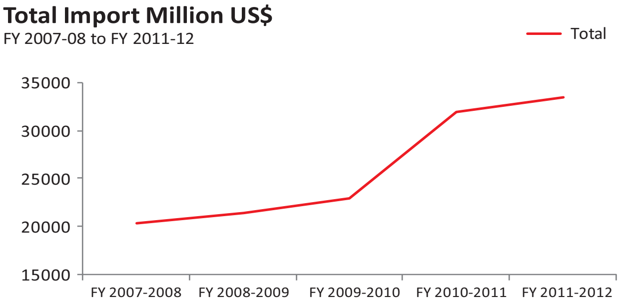
3 To compare International Trade of Bangladesh to Region, LDC Cluster & the World

Export and Import data of Bangladesh has been obtained from weekly publication of the country's Central Bank (named as Major Economic Indicators). Foreign currency transaction in Bangladesh calls for approval from the Central Bank and thus opening of Letter of Credit or Import or settlement of the same is processed through Central Bank. Central Bank publishes amount of L/C opened and settled every week.

This paper has used L/C settlement data for the analysis, instead of L/C opening data. Reasons behind using L/C settlement data is an assumption, that, importers know their shipment period and know installation and setup time (in case of industrial machinery), including their required lead time to obtain the imported goods in hand at usable form. Knowing total lead time, importers open L/C at an earlier time than they actually need. Another reason behind considering L/C settlement data is that, until goods are not paid, it is not a complete transaction and all transactions may not be complete due to unseen externalities.

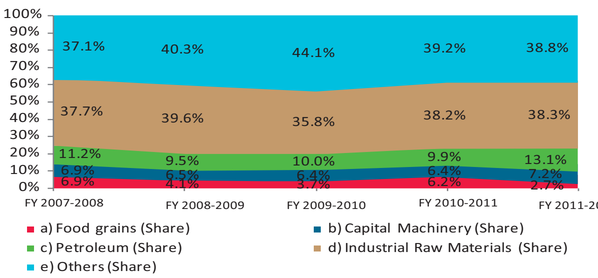
1. To examine whether trend of Capital Machinery Import is Significantly Downward

Total Import Million US$
FY 2007-08 to FY 2011-12



During last five fiscal years (2007-08 to 2011-12) total imports to Bangladesh grew by 64% where total export from Bangladesh grew by 107% on point to point basis. If a visual is produced with the Total Import figures of these five (05) fiscal years, it appears as below:

Share of Components in Import
FY 2007-08 -FY 2011-12



1 [...continued from previous issue]

This graph shows that, Total Import to Bangladesh starting from USD 20.3 thousand Mn increased 164% to USD 33.5 thousand Mn.

However, a closer look into the graph, says that, there are two turning points when imports figures shot upward, first in FY 2009-10 and again in the following year.

Now, if we breakdown the Total Import figure into major components group (as grouped by Central Bank of Bangladesh), following visual is formed:

With this graph, we note several findings:

a. Capital Machinery Import accounts for only 6% to 7% of total import.

b. Majority of the pie of total import is occupied by import of Industrial Raw Materials, which ranges from 36% to 40% of total import.

c. The third biggest share of Total import pie goes to Import of Petroleum, which ranges from 9.5% to 13% and is expected to be increasing in days to come due to current need of power and dependency of the economy on fuel based power stations.

d. Another major chunk in the graph is seen, named as "Others". This chunk is quite big and ranges from 37% to 44%. However, this group is a summation of many small items from luxury goods to economy goods, most of which (above 80%) is Consumer Goods.

Given the components shown in the graph above, it is noted that:

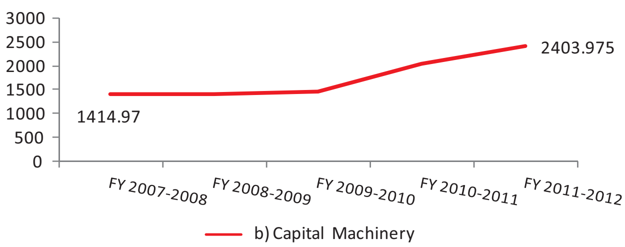
This is arithmetically correct to conclude that, import of capital machinery is not at all downward, rather it is noted that on year to year basis, in the FY 2011-12, import of capital machinery has grown by 7.2% compared to FY 2010-11. Compared to FY 2007-08, Import of Capital Machinery has grown by 70%, on point to point basis from USD 1.41 thousand Mn to USD 2.40 thousand Mn.

Though, import of Capital Machinery is noted to be "Not Downward", yet it cannot be taken as "Upward", instead it may be called having a "Steady State" with a range of fluctuation for last five years. After drawing a conclusion that, Import of Capital Machinery is steady, it becomes imminent to query, if Food Import is declining, then which other component/s of Total Import is pushing the Import upward?

A closer examination into the data set of four (04) major sub categories of Total Import was undertaken in search of the insights and following were the findings:

1.1 Capital Machinery:

Cap Machinery Import Million US$
FY 2007-08 to FY 2011-12

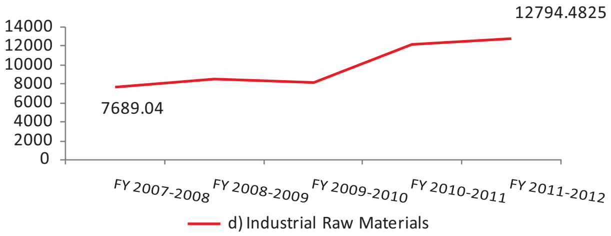


- **Trend of Capital Machinery Import is upward having an inflection point in the FY 2009-10.**
- **Rise of the trend is not very sharp, yet not declining and seems steady.**
- **It's a step wise Linear Trend.**

1.2 Industrial Raw Materials:

Industrial Raw Materials Import in Million US$

FY 2007-08 to FY 2011-12

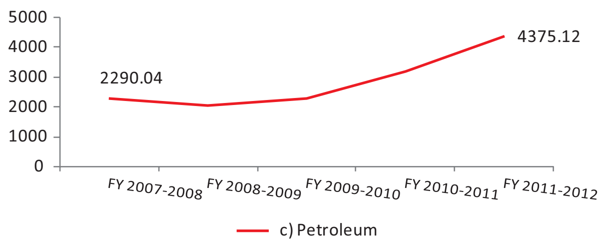


- **Import of Industrial Raw Material looks steady first three (03) years and seems to pick up since FY 2009-10 and having a pacing down the next year.**
- **It's a step wise Linear Trend.**

1.3 Petroleum Import:

Petroleum Import in Million US$

FY 2007-08 to FY 2011-12

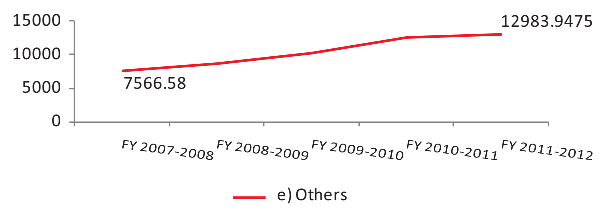


- **Import of Petroleum suddenly picked up since FY 2008-09.**
- **Petroleum based Power sources are the main reasons expected behind the pickup.**
- **It's a Polynomial Trend, whatever way it moves, towards rise or fall, the slope would be quite sharp, as par the properties of Polynomial Trend.**

1.4 Import of Other Goods:

"Others" Import in Million US$

FY 2007-08 to FY 2011-12



- **Import of Other Goods is steadily growing upward.**
- **Since FY 2010-11 there appears to have a mild fall in growth rate.**
- **As, majority of this cluster is formed with Consumer Goods, increase of this group indicates a growth of new Middle Class in the society, as discussed in the first part of this article.**

2. To explore reasons behind decline of Capital Machinery Import, if any

Following reasons have been identified from different secondary sources and mainly from printed media, and summed up as major reasons why, Import of Capital Machinery does not reflect a sharp rise like other components into Total Import:

2.1 Consumption of Capital Machinery by an Economy may not be compared to Consumption of Consumer Goods of Raw Materials, as the consumption patterns are quite different.

2.2 Considering last five (05) fiscal years, Bangladesh has yet to produce enough Power as par its total consumption. Shortage of Power and Natural Gas and supply rationing of the two to industrial segments have pushed the cost of Power for the manufacturers, through usage of Captive Power Plant.

2.3 FY 2012-13 is the last year of the current political party in Government. Therefore, this is the Election Year. Since 1971, birth of Bangladesh Handover of Power, has not been seen as smooth as expected. Therefore, there might be an anticipation of political instability in the minds of the investors.

3. To compare International Trade of Bangladesh to Region, LDC Cluster & the World

Least developed countries can (LDCs) be distinguished from developing countries, "less developed countries", "lesser developed countries", or other terms for countries in the so-called "Third World". Although many contemporary scholars argue that "Third World" is outdated. Least developed country (LDC) is the name given to a country which, according to the United Nations, exhibits the lowest indicators of socioeconomic development, with the lowest Human Development Index ratings of all countries in the world. The concept of LDCs originated in the late 1960s and the first group of LDCs was listed by the UN in its resolution 2768 (XXVI) of 18 November 1971. LDC criteria are reviewed every three years by the Committee for Development Policy (CDP) of the UN Economic and Social Council (ECOSOC). Countries may "graduate" out of the LDC classification when indicators exceed these criteria[2].

Bangladesh is till date, one among 48 LDCs according to UN definition. There are specific criteria for defining a country as LDC. Those criteria have further sub-criteria. Vulnerability of Exports is one yardstick among those sub criteria. In order to assess robustness of the Growth, and Trend of Export of Bangladesh, this report has used Export Instability value among the LDCs. The Export Instability value is an index produced by Committee for Development Policy (CDP) of the UN Economic and Social Council (ECOSOC).

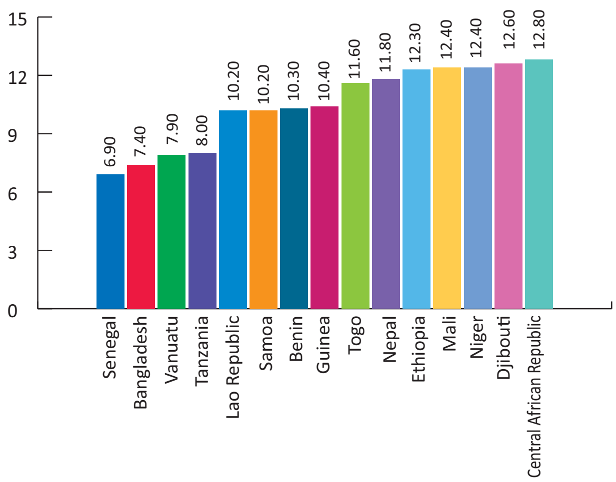
3.1 Instability of Exports of Goods & Services:

The indicator measures the instability of the capacity of countries to import goods and services from current export earnings. Exports earnings are measured in current United States dollars and then deflated by import unit values. This result approximates a measure commonly referred to as the purchasing power of exports. The indicator is calculated by regressing deflated export earnings on their past values as well as on a trend variable and using the standard error of the regression as measure for the instability. Instability of export earnings is an important manifestation of structural vulnerability for many low-income countries, which are affected by fluctuations in world markets.

2 *http://en.wikipedia.org/wiki/Least_developed_country*

3.2 Region (LDCs) Export instability (2012)[3] Index & Bangladesh

Region (LDCs) Export instability (2012) Top 15 Countries



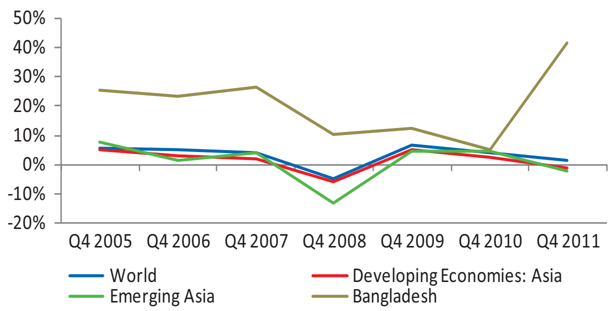
According to the Export Instability Index (2012) by Committee for Development Policy (CDP) of the UN Economic and Social Council (hereafter referred to as CDP), there are 45 LDCs and Bangladesh stands 2nd among all, in terms of least instable economy in its Export, where Senegal stands first and countries behind Bangladesh are Vanutau, Tanzania, Lao Republic and the rest.

Therefore, conclusion may be drawn to be said as, according to CDP data, Bangladesh among 45 LDCs is the 2nd stable economy in terms of its export.

3.3 Export of Bangladesh vis-à-vis Dev. Asia, Emerging Asia & The World

Comparison of the Export of Bangladesh to Developing Asia, Emerging Asia and the World, has been made for the data set[4] from Q4-2005 to year Q4-2011.

Export Growth 2005-2012



Comparing Bangladesh with The World and the stated clusters, as par the graph above, it is noted that:

- Trend of Exports of the World and the clusters, all three, have followed same trend as a group behavior during the stated time, however, export of Emerging Asia has slightly gone below than the group during Q4 of 2008.
- Trend of Export of Bangladesh is totally different from the Trend of Exports of the World and the clusters.
- Impact of Global Recession possibly is reflected in the fall of Export of Bangladesh in Q4- 2007, which further deepened until Q4-2010. However, during this period, Bangladesh has gone through different political tenure, which might have been the alternate cause behind the fall during the period.
- Since Q4 2010, Export of Bangladesh has seen a sharp rise, which continues till date.

Summary:

Capital Machinery Import accounts for only 6% to 7% of total import. Majority of the pie of total import is occupied by import of Industrial Raw Materials, which ranges from 36% to 40% of total import. The third biggest share of Total import pie goes to Import of Petroleum, which ranges from 9.5% to 13% and is expected to be increasing in days to come due to current need of power and dependency of the economy on fuel based power stations.

This is arithmetically correct to conclude that, import of capital machinery is not at all downward, rather it is noted that on year to year basis, in the FY 2011-12, import of capital machinery has grown by 7.2% compared to FY 2010-11. Compared to FY 2007-08, Import of Capital Machinery has grown by 70%, on point to point basis from USD 1.41 thousand Mn to USD 2.40 thousand Mn.

Though, import of Capital Machinery is noted to be “Not Downward”, yet it cannot be taken as “Upward”, instead it may be called having a “Steady State” with a range of fluctuation for last five years. Reasons behind why Import of Capital Machinery has not shown a sharp rise, may be attributed to three (03) main reasons: Growth rates of Imports of Consumer Goods or Raw Materials do not match to the growth rate of import of Capital Machinery, due to difference in consumption pattern by Economy, Lack of sufficient Power Supply and anticipated political instability as FY 2012-2013 would be the last year before next national election.

Trend lines of different category of imports were noted to have different behavior. Especially, trend of import of Capital Machinery showed a Linear behavior with smallest slope and trend of import of Petroleum has shown a polynomial curve.

Trend of Exports of the World and the clusters, all three, have followed same trend as a group behavior during the stated time, however, export of Emerging Asia has slightly gone below than the group during Q4 of 2008. Trend of Export of Bangladesh is totally different from the Trend of Exports of the World and the clusters.

Impact of Global Recession possibly is reflected in the fall of Export of Bangladesh in Q4- 2007, which further deepened until Q4-2010. However, during this period, Bangladesh has gone through different political tenure, which might have been the alternate cause behind the fall during the period. Since Q4 2010, Export of Bangladesh has seen a sharp rise, which continues till date.

Finally, this study suggests that, within the scope of this study, import of Capital Machinery has neither risen nor fallen sharply instead it is holding a positive growth rate with smaller slope. This has to be born in mind that, trend of import of capital machinery is different compared to other import categories. However, given the Power and Political situation resolved, this study suggests, there is a good potential to see an inflection point in the trend line of import of Capital Machinery, since when a sharper (than now) trend will be observed.

3 http://esango.un.org/sp/ldc_data/web/StatPlanet.html
4 UNCTAD, UNCTADstat

Finance Minister AMA Muhith poses with award winners: from left, Towhid Samad, chairman of Bangladesh General Insurance Company, who received the trophy on behalf of his late father; Anwar Hossain, chairman of Anwar Group; Ehsan Khasru, managing director of Prime Bank; M Anis Ud Dowla, chairman of ACI; Mahbubur Rahman, president of International Chamber of Commerce Bangladesh; Latifur Rahman, chairman of Transcom Group, who was conferred a special award; and Sharmin Hossain, chairman of Fresh and Safe Agro, at a ceremony at Sonargaon Hotel in Dhaka on the night of May 18. Extreme right, Desmond Quiah, country manager of DHL Express, and second from right, Ramesh Natarajan, vice-president of DHL Express, Rest of South Asia, are also seen. Photo: Amran Hossain

Lifetime Achievement Award

Mr. Mahbubur Rahman was awarded for "Lifetime Achievement Award" last year. Mr. Rahman is in business and job creation since 1962. In that year He set up Eastern Trading Company that was later shortened to ETBL Holdings. Now, the 50-year-old company, ETBL Holdings, has nine associated units operating in banking, insurance, housing, international trade and cold storage.

Rahman was the president of FBCCI for 1992-94. Before that, he had led the DCCI as its president for two terms. He is now the president of the International Chamber of Commerce (ICC) Bangladesh, known as a man with vision of building a business community around a strict code of conduct.

Business Person of The Year 2012

Anwar Hossain (74), the chairman of Anwar Group of Industries has been awarded for "Business Person of the Year 2012".

His business interests are in areas such as garments, sweater, plastic, tea, automobiles, education, and real estate – employing more than 14,000 people. Anwar initiated the process to set up the country's first private bank. In this effort he set up the The City Bank Ltd and City Insurance Ltd. It has set up eye hospital, maternity centre, daycare centre for 250 children, orphanage, madrasas, primary schools and high schools. The Group finances about 95 charities. Anwar now plans to set up a diabetes hospital in his locality, as there is no such facility in Old Dhaka.

Lifetime Contribution Award, Posthumous

Pioneer of private insurance

Private sector insurance, as we enjoy in our lives, would not have been possible without the inspired leadership of the late MA Samad, founder of the first private insurance company, Bangladesh General Insurance Company Ltd. The company now boasts 27 branches with more than 500 employees and a 20 percent year-on-year growth.

Mr. Samad was the founder director of Bangladesh Insurance Academy. He also played the driving role in establishing the Bangladesh Insurance Association. He has been enlisted as an international expert in the technical assistance programme on trade and development of the United Nations. In acknowledgement of his unparalleled professional achievements, The Daily Star and DHL Express have honored the insurance icon posthumously with Lifetime Contribution award.

Enterprise of The Year

Secret of ACI's success

The story of ACI dates back to 1992 when a multinational pharmaceutical company ICI (Imperial Chemical Industries) sold its business units in Bangladesh to local management headed by M Anis Ud Dowla. Today, ACI has 13 subsidiaries with its profit having increased by 20 percent over the years. Joint ventures with foreign companies like Tetley, Dabur and

Godrej Agrovet remain its other noteworthy accomplishment.

Practices of ACI include welcoming ideas from executives, holding meetings every six months as well as rewarding those whose decisions help the company save costs and bring about improvement in processes. Today, ACI employs more than 7,000 people directly. ACI has been awarded by The Daily Star and DHL Express as the Enterprise of the Year 2012.

Outstanding Woman in Business

The rise of a quiet woman

Even as recently as 2008, Sharmin Hossain was a full-time homemaker, with no plans whatsoever of starting a business of her own. Then the random use of harmful chemical for ripening and preserving fruits and vegetables became rife in Bangladesh, which led the protective mother of four with a degree in agriculture to grow fruits and vegetable on a shared family patch for her family's consumption. And there was no looking back.

Motivated by good yields and overwhelming requests from friends and neighbours, Sharmin started considering cultivation on a commercial scale and soon immersed herself in research and development. Then in 2010, with a group of professionals she formed Fresh and Safe Agro Ltd (FASAL) with the aim of supplying chemical-free products. FASAL is now a venture of around Tk 2.5 crore employing around 100 employees. Sharmin Hossain has been awarded as "Outstanding Woman in Business".

Best Financial Institution of The Year 2012

A bank that puts service first

Prime Bank Ltd (PBL) with a slogan of 'a bank with a difference' has proved their capability.

"We believe that by serving our clients well and creating employment opportunities, our own success will follow," said Ehsan Khasru, managing director of PBL.

Khasru has a point. PBL, in less than 20 years of its formation in April 1995 by a group of local entrepreneurs, has gone on to become one of the top-tier banks of Bangladesh.

The bank's net profit grew by over 18 percent to Tk 366.2 crore in 2011. PBL's capital adequacy ratio, which is very important in today's banking business, now stands at 12.5 percent, well ahead than the regulatory requirement of 10 percent. PRIME BANK LTD. has been awarded as the Best Financial Institution of the Year 2012.

Special Recognition

A voice of ethical business

Transcom Group Chairman Latifur Rahman was given a special recognition award by The Daily Star and DHL Express after winning the Oslo Business for Peace Award this year.

Right, Transcom Group Chairman Latifur Rahman poses with Finance Minister AMA Muhith for photographs at the awards ceremony. Rahman was given a special recognition award by The Daily Star and DHL Express.

Rahman is defined by his phenomenal success in business, setting up new enterprises and working them up through the ladder. All his enterprises are leaders in their own spheres – be it media, pharmaceuticals, printing, electronics or food industries.

Rahman has always been vocal against unethical practices. His enterprises boast clean tax and bank loan records and are also one of the highest-payers of corporate tax, VAT and import duty in a country where many top companies are willful defaulters, and avoidance of tax is rampant. His companies are among the best employers, complying with all the labour and industrial laws. He has set such a dream standard of business that all others try to follow him.

Source: The Daily Star, June 3, 2012

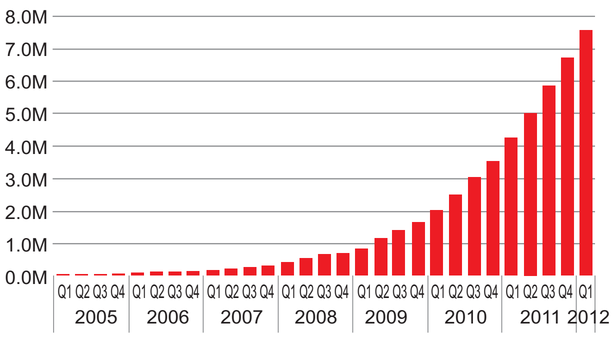
Bangladesh: An Online Work Success Story

Matt Cooper

Matt Cooper, oDesk's Vice President of Enterprise and Business Development, has more than a decade of executive operating experience in both start-ups and Fortune 500 companies. Previously, as a member of the executive team at Accolo, Inc., a recruiting services and technology firm, he grew the business from one employee into one of the top 50 companies on the Inc 500 list. He also co-founded a boutique strategic consulting firm for ramping early-stage companies, and started his career in investment banking at JPMorgan Securities. Matt puts his finance, operations, and strategy expertise to work leading oDesk's enterprise solutions, sales and business development teams. Matt holds an MBA from Vanderbilt University. He also graduated with a Bachelor of Science degree in Economics, magna cum laude, from Vanderbilt University.

A few weeks ago Matt Cooper visited Bangladesh for the second time in six months. The first trip was in December, when oDesk invited him to present at the eAsia conference. oDesk had achieved rockstar status. Mr. Cooper says, luckily I had 26 hours of return travel in a coach seat to bring me back down to reality.

Hours worked on oDesk (2005-2012)



This most recent trip was part of our new Contractor Appreciation Day event series. When managing a marketplace business, it's very easy to get fixated on the demand side of the equation — the clients that are spending money on the platform. However, oDesk recognizes the impact of the supply side — the hundreds of thousands of talented professionals that have made oDesk the largest and fastest-growing online workplace in the world. When planning the Contractor Appreciation Day series, they launched a Facebook poll to determine which cities they would visit, and Dhaka — the capital of Bangladesh — was the runaway winner.

Bangladesh has a fascinating story on oDesk. In 2009, Bangladesh accounted for only 2% of the total hours worked on oDesk. Today, it accounts for 10%, making Bangladesh the #3 country for contractors, behind only the Philippines and India. There are three factors that fueled such a success in Bangladesh.

The first factor is the demographics. Bangladesh has a young, educated and rapidly grouping population. Of the country's 150 million people in 2010, almost 56 million were under the age of 18. Furthermore, while the unemployment rate is officially estimated to be around 5%, almost 40% of the country is underemployed, working only a few hours a week at very low wages. Net: Bangladesh has a young, educated workforce that is eager for more economic opportunity.

Country	Total hours worked on oDesk
Philippines	17,815,660
India	13,534,606
United States	3,573,573
Bangladesh	3,510,120
Pakistan	3,172,806
Russia	2,591,596
Ukraine	2,575,962
China	566,563

Source: oDesk, countries with 500,000 plus hours worked

The second factor is population density. Bangladesh is the most densely populated country in the world, and the city of Dhaka has 16 million people with almost 60,000 residents per square mile. Net: Things spread quickly in this type of environment.

And finally, the employee compensation of our country is much worse than the world standard. The per-capita gross national income in Bangladesh was $700 in 2010. Assuming the average contractor earns $10 an hour, a Bangladeshi contractor can earn the average annual income in less than 2 weeks of work on oDesk. Net: There's a huge financial upside to working online — for both individuals and the country's overall economy — compared to local opportunities.

To sum up:

A young, educated population eager for opportunity, and then pack them all into a small geographic area, and introduce Compelling economics...

... you get a country that grows from 2% to 10% of oDesk's total hours worked in only 3 years.

Success is what happens when 1) you are in the right place at the right time, 2) you're smart enough to recognize the opportunity in front of you, and 3) skilled enough to execute on the opportunity. Watching the professionals in Bangladesh pull these three things together and hearing their personal stories has been an extraordinary experience.

The Daily Star, June 6, 2012

Bangladesh wins the Earth Care Award 2012

Bangladesh wins the Earth Care Award 2012 for LDCF adaptation project.

The Ministry of Environment and Forests (MoEF) of Bangladesh won the Earth Care Award 2012 (sponsored by the Times of India) for spearheading the Least Developed Countries Fund (LDCF) (LDCF) project "Community Based Adaptation to Climate Change through Coastal Afforestation in Bangladesh". This year's Earth Care Awards category was "Community-based adaptation and mitigation".

The LDCF- funded project has a strong community-based adaptation component and has benefited 18,269 households by involving them in afforestation, agriculture, livestock, and fishery-based livelihood adaptation.

One of the significant adaptation response measures used is the development of FFF (Forest-Fish-Fruit) Model, a mound-ditch model that comprises short and long term resource and income generation, as well as livelihood diversification. This model is used in barren lands, located behind coastal mangrove forests. By using a combination of protective and productive vegetation, mound and ditch land structures, the FFF model has prevented land encroachment and ensured water security through rain water harvesting in ditches. It offers multiple livelihood opportunities such as fish cultivation, irrigation for crops, and conversion of barren land into productive land. This model accommodates families in the community with at least US $1,000 additional income/beneficiary/year. Ms. Naoko Ishii, CEO and Chairperson of the GEF expressed: "Through on-ground projects in over 42 least developed countries, the LDCF has been fulfilling its mandate to address the urgent climate change adaptation needs of the most vulnerable. However, it is only through engaged governments and community ownership, such as in the case of Bangladesh, that the expected adaptation benefits of these projects can be realized. This award honors Bangladesh's commitment and substantiates LDCF's decade-long efforts towards fulfilling adaptation needs."

This innovative project, implemented by UNDP, is also the recipient of an award in the "Knowledge Competition" of the Fifth International Conference on Community Based Adaptation (CBA5), held at Dhaka on March 26-31, 2011. This is a remarkable example of the achievements of LDCF in concrete adaptation actions finance.

Source: Letter from gef to the Ministry dated, August 12, 2012

Bangladesh again gets GAVI Award

Dhaka, Dec 7 (UNB) – Bangladesh has once again got the GAVI Alliance Award for its outstanding performance in improving child health immunisation. GAVI stands for The Global Alliance for Vaccines and Immunisation.

Health Minister AFM Ruhal Haque received the award on Thursday at the GAVI Partners Forum meeting held in Dar es Salaam of Tanzania on December 5-7.

GAVI disbursements to Bangladesh

	2000	2001	2002	2003	2004	2005
	2,405,503	100,000	7,001,931	8,862,986	18,003,165	3,517,963
2006	2007	2008	2009	2010	2011	Total in US$
8,286,321	27,722,367	26,790,582	52,001,720	31,859,004	10,058,430	196,609,973

Assistant director general of World Health Organization (WHO) Flavia Bustreo handed over the award to the minister.

The awards recognise the work of all those responsible for the success of the nations including the individuals who work in national health care systems and the GAVI partners who collaborate with the governments to help overcome financial and logistical barriers.

Bangladesh also got the GAVI award in 2009 for its outstanding performance in improving child health immunisation.

Source: UNBConnect, December 07, 2012

Winners for AIBD Awards 2012 Announced

AIBD is pleased to announce the final winners for the AIBD TV and Radio Awards 2012.

The final judging session took place 9 July 2012 at the AIBD office in Kuala Lumpur. The panel of judges included Ms. Philomena Gnanapragasm, Senior Programme Manager at RTM Radio; Mr. Ahmad Budiman, Producer at Astro Television, Mr. Maxime Villandre, Chief Editor at IGN Asia-Pacific; and Ms. Geraldine Mouche, Programme Manager at AIBD.

The panel evaluated entries for the different award categories based on concept and production values. The final award winners are below.

Representatives from China, Radio Republik Indonesia, Educational Broadcasting Service (Korea), and Bangladesh Betar receiving their awards at the GC Inauguration Ceremony 2012

AIBD TV Award 2012 for the best TV programme on Public's Response to Natural Disaster:

"THE SPRING OF KESENNUME" from China Central Television (CCTV) – China

AIBD TV Award 2012 for the best TV programme on Social Media Impact on Society Today:

"LINK" from Educational Broadcasting System

(EBS) – Republic of Korea

AIBD Radio Award 2012 for the best radio programme on Dealing with the Effects of Urbanization:

"WASTINI, BITTER PORTRAIT OF JAKARTA'S URBAN" from Radio Republik Indonesia (RRI) - Indonesia

Reinhard Keune Memorial Award 2012 for the best radio programme on Promoting Green Technology and Sustainable Energy: "PROMOTING THE GREEN TECHNOLOGY AND SUSTAINABLE ENERGY" from Bangladesh Betar – Bangladesh

Source: http://www.aibd.org.my , July 09, 2012

2012 Ramon Magsaysay Awards: Bangladesh lawyer fights for environmental justice

MANILA, Philippines - She "eats death threats for breakfast" but no amount of intimidation can diminish Bangladeshi lawyer Syeda Rizwana Hasan's passion to protect the people's right to a healthy environment.

Hasan, executive director of the Bangladesh Environmental Lawyers Association (BELA), a pioneer in public interest litigation, has fought a battle in the courts to prevent toxic-laden ships from entering their country unless they have decontaminated at their point of origin.

Hasan is among six recipients of this year's Ramon Magsaysay Award, the Asian counterpart of the Nobel Prize.

"I'm lucky to have one death threat during the hearing phase of one case. I try not to take them seriously. I know that my opponents are threatening me because their financial interests are threatened," Hasan told The STAR yesterday.

Hasan, who assumed leadership of BELA in 1997 when its founder, respected lawyer-activist Mohiuddi Farooque, died, has also moved mountains to enforce standards for the protection of workers and the environment.

Hasan said their battle may be far from over but they have managed to score significant successes.

For the first time in the judicial history of Bangladesh, compensatory fines were ordered against a polluter in 2003.

In 2009, the Supreme Court also ordered the closure of all 36 ship-breaking yards in Bangladesh that have been operating without environmental clearance, and directed the pre-cleaning at origin, or before entering Bangladesh, of all ships to be imported for breaking.

"Things are not so rosy yet but I am hopeful that in time our efforts will pay off," Hasan said.

From the time she took over as head of BELA, the organization's legal activism has widened, taking on close to a hundred cases involving industrial pollution, sand extraction from rivers, forest rights, river pollution and encroachment, hill cutting, illegal fisheries, and waste dumping, among others.

"Also now, every political party in Bangladesh needs to have environmental protection in their platform of governance," Hasan added.

Born in Dhaka to a family with a tradition of public service, Hasan earned a master's degree in law and immediately went to work for BELA.

Hasan stressed that the right to environment is part of the constitutional right to life.

"My job it so revive hope in the judicial system among Bangladeshis, to give the message to the people that the law and lawyers do not always exist for the mightiest," Hasan said.

"When I talk to people, I see their sufferings. You see, when we took our oath as lawyers, we promised to uphold the interest of the poor people," Hasan said.

Apart from the Ramon Magsaysay Award, Hasan has also received numerous honors including the Global 500 Roll of Honor from the United Nations Environment Program, Heroes of the Environment from Time Magazine and Goldman Environmental Prize from the Goldman Environmental Foundation-USA.

"It's a happy feeling that we are recognized, not only me but my colleagues and the entire team. Certainly there are times when we feel that we can't proceed any further... but citations such as the Ramon Magsaysay Award tell us that perhaps we are on the right track and we just have to keep going," Hasan said.

Source: The Philippine Star, August 29, 2012

Bangladesh Journalist Wins 2012 DAJA Competition

ADBInstitute Sharing development knowledge about Asia and the Pacific

TOKYO (28 November 2012) – Syed Zain Al-Mahmood, a journalist with the Dhaka Courier in Bangladesh, was named Winner of the 2012 Developing Asia Journalism Awards (DAJA) for his article Pink Gold Rush, which explores the impact of large-scale shrimp farming on the environment and livelihoods in local communities of the Sundarbans area.

The award was present to Mr. Al-Mahmood at the Asian Development Bank Institute in Tokyo as part of the 2012 DAJA Forum.

"The DAJA competition is a unique opportunity to highlight the significant contribution of journalism and individual journalists to the development process in Asia," said Masahiro Kawai, Dean and CEO of the Asian Development Bank Institute.

"Zain's article is an excellent example of this contribution. It sheds light on the challenge of balancing the growth of an important job-creating industry and the need to protect the environment."

The shrimp industry is the second-biggest export earner in Bangladesh behind garments, with shrimp farms covering around 600,000 acres of farm land, according to the article. But the industry has taken a heavy toll on the environment as salinity and pollution have damaged the soil fertility of more than 1 million acres of coastal agricultural land.

The following prizes were also awarded:

First Runner-Up: Gong Jing from the Peoples' Republic of China for his article Nor Any Drop to Drink Second Runner-Up: Reji Joseph from India for his article Eco-friendly Agrarian Revolution of Forest Primitives Enticing World Markets

Young Development Journalist of the Year (awarded to the best article by a journalist under age 30): Pramod Kumar Tandan from Nepal for his article Himalayas Can Change into Blackstone Very Soon

Twenty-five journalists from across Asia and the Pacific were selected as Finalists by an international panel of judges and participated in the DAJA Forum.

The Developing Asia Journalism Awards were established by the Asian Development Bank Institute in 2004 to build capacity among journalists working on key development issues. The annual awards honor the work and contributions of journalists actively engaged in the responsible dissemination of knowledge related to poverty reduction, and other areas that support long-term growth in Asia and the Pacific.

Source: http://www.adbi.org, November 28, 2012

Bangladeshi woman gets Wangari Maathai Award-2012

DHAKA, Oct 07, 2012 (BSS) - Environment and Forest Minister Dr Hassan Mahmud today said that a woman Khurshida Begum received for the first ever Wangari Maathai Award-2012 for her pioneering role in co-management in wildlife conservation of forest resources at a village in the south-eastern Cox's Bazar district.

"She has been selected for the Wangari Maathai Award-2012 in Rome last month for her co-management efforts and leadership in wildlife conservation of forest resources in the area," he said while addressing a press conference at his ministry conference room here.

The conference was arranged to congratulate Khurshida Begum, from Teknaf in Cox's Bazar. She started her natural resource conservation activities, during the inception of Nishorgo Network, through forming a female Community Patrol Group (CPG) with 28 members at a village in Teknaf under Cox's Bazar.

Khurshida started her natural resource conservation activities, during the inception of Nishorgo Network, through forming a female Community Patrol Group (CPG) with 28 her pioneering role in co-management in wildlife conservation of forest resources at a village in the south-eastern corner of the country. The press conference was also addressed, among others, by, Mohammad Yunus Ali, chief conservator of forest, Mission Director of USAID to Bangladesh Richard Greene, Representative of Food and Agriculture Organisation (FAO), of the United Nations to Bangladesh Dominique Burgeon and Ram Sarma.

Besides, Khurshida Begum delivered her special speech while secretary of the ministry Mesbah ul Alam and USAID, Bangladesh senior official Tamar Barabadze was present in the briefing. The minister said the government planted some 12 crore saplings in a bid to enhance the country's forest areas.

While USAID Mission Director Richard Greene said that USAID provided 17 million dollars for the wildlife sanctuary project which Khurshida led the CPG with 28 women at Kerontali and completed successfully. She made the local people aware about biodiversity conservation for future generation, he said.

Representative of FAO Dominique Burgeon said that the first-ever Wangari Maathai Award has been given to Khurshida to recognise her efforts to promote community forest management in Bangladesh. The ceremony took place at the Committee on Forestry (COFO), at FAO headquarters in Rome, he said.

Source: BSS, Oct 07, 2012

Bengal Gallery wins Top Influential Galleries Award in Beijing

From left Kanak Champa Chakma, Subir Chowdhury, Maksuda Iqbal Nipa and Biswajit Goswami attended the expo.

Bengal Gallery of Fine Arts has won the Top Influential Galleries Award at the 15th Beijing International Art Expo 2012. The 15th Beijing International Art Exposition was inaugurated on August 16 at the China World Trade Centre, which was organised by the Ministry of Culture of the People's Republic of China. Over 130 galleries from 16 countries took part at the five-day festival.

Bengal Gallery of Fine Arts, Dhaka in collaboration with the Embassy of Bangladesh in Beijing arranged the Bangladesh booth at the expo, where 30 artworks including oil, acrylic, drawing and video installation were exhibited.

The participating Bangladeshi artists were Quayyum Chowdhury, Rafiqun Nabi, Monirul Islam, Kanak Chanpa Chakma, Maksuda Iqbal Nipa, Yasmin Jahan Nupur and Biswajit Goswami.

Subir Chowdhury, director of Bengal Gallery of Fine Arts; artists Kanak Chanpa Chakma, Maksuda Iqbal Nipa and Biswajit Goswami attended the expo.

The Daily Star, August 24, 2012

REVE Systems receives Red Herring top 100 award

REVE Systems CEO M Rezaul Hassan and Director Monnujan Nargis receive the award.

REVE Systems, a leading VoIP software solutions provider in Bangladesh has received the prestigious 2012 Red Herring's Top 100 Global Award, says a press release.

Red Herring, an international media organisation, announced its Top 100 award at an event in Los Angeles, US on November 27-29.

Every year Red Herring organises the event in recognition of the leading private companies from regional competitions in Europe, North America, and Asia. Red Herring Global has become a mark of distinction for the most promising young companies from around the world.

Alex Vieux, publisher and CEO of Red Herring said after rigorous contemplation and discussion, they narrowed the list down from hundreds of candidates from across globe to the top 100 winners. The companies were evaluated by Red Herring's editorial staff on qualitative and quantitative grounds such as technology innovation, management quality, financial performance, strategy, and market penetration.

On receiving this award, REVE Systems CEO M Rezaul Hassan said, "2012 Red Herring's Top 100 Global Award is a big achievement for us, which motivates us to adhere to our commitment of bringing innovation in the IP communication industry."

REVE Systems offers a complete range of mobile VoIP platform, Softswitch-Billing and other software applications. Currently, the company is serving 1700 service providers across 70 countries. REVE Systems has its head office in Singapore and other offices in Bangladesh, India, UK and USA.

The Daily Star, December 14, 2012

ACHIEVEMENT IN EDUCATION

63 students get world's highest scores

High achievers at the O- and A-level examinations pose with medals and certificates at The Daily Star's 13th award ceremony for outstanding students at Shaheed Suhrawardy Indoor Stadium in the capital yesterday.

Bottom (from left): Nabanita Nawar, Md Imran Khan, Mahnaz Islam, Hasbiul Ameen, Shahruk Hossain, Saadman Rahman, Samira Ashraf, Pulok Roy And Samiul Karim Khan. Photo: Rashed Shumon

The Daily Star yesterday honoured the nation's 1,353 highest achievers in O- and A- levels, including the 63 who ranked among the globe's top scorers subject-wise.

The students received medals and certificates of excellence in the ceremony themed "Saluting the Nation Builders of Tomorrow" attended by their teachers, families, friends, and special guests in the capital's Shaheed Suhrawardy National Indoor Stadium.

The 13th annual awards went to 82 highest scorers and 833 students of the O-level, who obtained a minimum of six A's in two consecutive exams, and 46 highest scorers and 339 students of A-level, who attained at least three A's in the academic session

2010-11, besides 53 private candidates of both the groups.

This year the top scorers of the world in particular subjects include 16 more students on last year's 47 while the national-level top scorers number 65 against last year's 20.

Eminent economist Prof Rehman Sobhan, also the chairman of Centre for Policy Dialogue (CPD), handed over the certificates and medals to the future nation builders. The ceremony was marked with jubilation as the audience burst into cheery applause as the name of each attendee was announced in the four-hour programme. BRAC Bank Ltd, Edexcel International and Monash University, Malaysia sponsored the programme with Channel i as the media partner.

The Daily Star, March 25, 2012

28 top brands win accolades

Bangladesh Brand Forum organises Best Brand Award

Winners of Best Brand Award 2011, given by Bangladesh Brand Forum in collaboration with Nielsen Bangladesh, pose for photographs at Sonargaon Hotel in Dhaka yesterday. The awards were given to the best brands in 28 different categories. Top 10 local brands were also awarded for the first time this year.

Parachute Coconut Oil of Marico Bangladesh was judged the best overall brand, beating three times winner Nokia, at the Best Brand Award 2011 yesterday. Nokia was the second best in the overall top 10 brands.

The awards were given in 28 categories.

Bangladesh Brand Forum, a private organisation that promotes branding, communication and marketing principles, hosted the event to recognise these brands for the fourth year at an event at Sonargaon Hotel in Dhaka.

Rohit Jaiswal, managing director of Marico Bangladesh, said: "We at Marico Bangladesh are extremely proud of this achievement of our brand Parachute and would like to thank all the consumers of the brand as well as our stakeholders and well-wishers."

"The purpose of the award is to demonstrate to the business community that brands are intrinsic part of the organisation and in many cases the single most valuable asset," said Shariful Islam, founder of Bangladesh Brand Forum.

He also announced the launch of their new website www.marketinghubbd.com during the event.

Amitava Chattopadhyay of INSEAD, Singapore, launched his book "The New Emerging Market Multinationals: Four Strategies for Disrupting Markets & Building Brands" at the function.

Sunsilk of Unilever Bangladesh, Grameenphone, 7up, Lux, Fair & Lovely, Close up Toothpaste, won the third to eighth positions in the overall category. Rupchanda, Soybean and RFL Plastic were jointly ninth, followed by Sony.

Bangladesh Brand Forum also awarded 10 best local brands for the first time.

Source: The Daily Star, July 15, 2012

MTB NEWS & EVENTS

LAUNCHING CEREMONY OF MTB IT GENIUS

MTB MD & CEO, Anis A. Khan is seen handing over a cheque to Dicastaria, the first client of MTB IT Genius, a special product for IT entrepreneurs. Eminent scientist, Professor Dr. Muhammed Zafar Iqbal, Secretary to the ICT Ministry, Md. Nazrul Islam Khan, General Manager of Bangladesh Bank, Deb Dulal, Head of MTB SME Banking Division, Mohammad Iqbal were also present on the occasion. Senior consultant, Digital World 2012, Munir Hasan was the moderator of the program.

Date: December 08, 2012
Venue: Media Bazaar, Bangabandhu International Conference Centre (BICC), Sher-E-Bangla Nagar, Dhaka 1207

ORIENTATION AND INDUCTION COURSE ON BANKING FOR DIRECT SALES TEAM OFFICIALS

MTB Additional Managing Director Md. Ahsan-uz Zaman and A. K. M. Shameem, SEVP & Principal of MTBTI is seen at the closing of the course along with the participants.

Date: December 10, 2012
Venue: MTB Training Institute (MTBTI),
MTB Square, 210/A/1 Tejgaon I/A, Dhaka 1208

SEMINAR ON EFFECTIVE PERFORMANCE REVIEW

Conducted by: Mr. Mehboobur Rehman,
HR Consultant, MTB

Heads of different Divisions and Departments along with upcoming new leaders in the bank participated at the seminar.

Date: November 9, 2012
Venue: MTB Training Institute (MTBTI),
MTB Square, 210/A/1 Tejgaon I/A, Dhaka 1208

WORKSHOP ON ANTI-MONEY LAUNDERING AND COMBATING THE FINANCING OF TERRORISM

MTB arranged a workshop for MTBians of Chittagong Division Branches on recent policies of Anti-Money Laundering & Combating the Financing of Terrorism.

Date: November 10, 2012
Venue: Silverspoon Restaurant, Agrabad, Chittagong 4100

MTB NEWS & EVENTS

MTB MD & CEO VISITS MTB AGRABAD BRANCH & CHITTAGONG REGIONAL OFFICE

MTB MD & CEO Anis A. Khan is seen with Head of Chittagong Division Branches with the MTBians at the office.

Date: November 14, 2012
Venue: Office of MTB Chittagong Division Branches, Akhtaruzzaman Centre 21-22, Agrabad C/A, Chittagong 4100

MTB SENIOR MANAGEMENT TEAM VISITS ATLAS GREENPAC FACTORY, GAZIPUR

Mr. Fazle Sayed Rabbi, Chairman & Managing Director; Mr. Faruque Ahmed, Country Director and Md. Khalid Hossain, Director Finance & Company Secretary of Atlas Greenpac are seen along with MTB MD & CEO Anis A Khan, AMD Ahsan-uz Zaman and other MTB officials.

Date: November 05, 2012
Venue: Kaliakoir, Gazipur

ORIENTATION AND INDUCTION COURSE ON BANKING

MTB AMD Ahsan-uz Zaman; A.K.M. Shameem, SEVP & Principal MTBTI are seen along with the course participants.

Date: December 05, 2012
Venue: MTB Training Institute (MTBTI), MTB Square, 210/A/1 Tejgaon I/A, Dhaka 1208

REMITTANCE DRAWING AGREEMENT BETWEEN SIDDHARTHA BANK LIMITED AND MTB

SiddharthaBank
Mutual Trust Bank Ltd.

Siddhartha Bank Ltd. (Nepal) and MTB signed an agreement by which, MTB would be able receiving remittance through this bank. Mr. Sundar Prasad Kadel, COO; Mr. Manish Raj Panth, Financial Consultant, of Siddhartha Bank & AMD Ahsan-uz Zaman, DMD Quamrul Islam Chowdhury and other senior officials of MTB were present at the occasion.

Date: December 03, 2012
Venue: MTB Centre, Dhaka 1212

MTB BRANCH EXPANSION IN 2012

MTB Chittagong Medical College Branch

MTB Khilpara Branch

MTB Kakrail Branch

MTB Narayanganj BSCIC Branch

MTB Kamrangir Char Branch

MTB BRANCH EXPANSION IN 2012

MTB Naogaon Branch

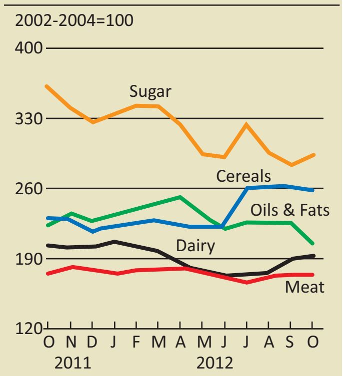
MTB Govindaganj Branch

MTB Dinajpur Branch

MTB Chittagong Medical College Branch

FOOD OUTLOOK

FAO Commodity Price Indices
(October 2011-October 2012)



Food prices have averaged 8 percent lower during the first ten months of 2012 compared to the same period last year. Considerably lower international prices and freights, together with less cereal purchases are predicted to reduce global expenditures on imported foodstuffs. The 2012 forecast for global food import bills is set at USD 1.14 trillion, 10 percent lower than the record which was set last year.

RICE

World rice production in 2012 may surpass last season's record, supported by favourable growing conditions. Steadfast import demand together with very ample export availabilities are sustaining an expansion of trade in 2012, with a further, albeit small, increase foreseen in 2013.

WHEAT

A tightening in world supply and demand balance is keeping wheat prices above the 2011 levels. Latest information confirms a smaller wheat crop in 2012 and, with projected utilization exceeding production, stocks are expected to be drawn down sharply, especially major exporters' stocks. World trade in 2012/13 is forecast to fall below the previous season's peak.

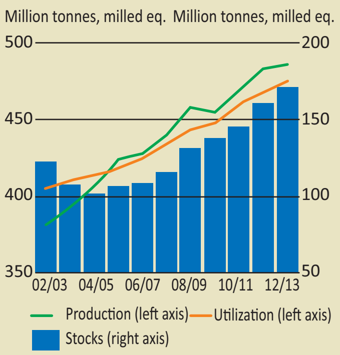
OILSEEDS

The 2012/13 oilcrop season is opening under the legacy of a tight 2011/12 balance and a disappointing soybean crop in the United States. Current supply and demand forecasts for the new season provide limited scope for a relaxation in prices – at least until prospects for record South American soy crops are confirmed.

Rice market summary

The 2012 rice season is unfolding positively in most regions, as a revival of the monsoon rains has allayed fears of a repeat of the 2009 drought in India. As a result, global production is forecast to exceed last year's record by about 1 percent and reach 486 million tonnes (milled rice basis), a level more than sufficient to cover world consumption in 2012/13 and enable countries to increase their end-of-season inventories. Import demand was particularly strong in 2012, supported by a decline in export prices from the high 2011 levels, as large export availabilities intensified competition among several of the world suppliers. Consequently, international trade in rice is anticipated to grow by 2.5 percent in calendar 2012 to a new high of 37.3 million tonnes. Early prospects for 2013 are also positive, with trade forecast even higher, at 37.5 million tonnes. Among the major developments driving trade in rice this year and probably next are the very large size of China's imports, contrasting with subdued purchases by traditional importers, such as Bangladesh, Indonesia and the Philippines. As regards exports, India is expected to displace Thailand as the world's major rice exporter in 2012.

Rice production, utilization and stocks



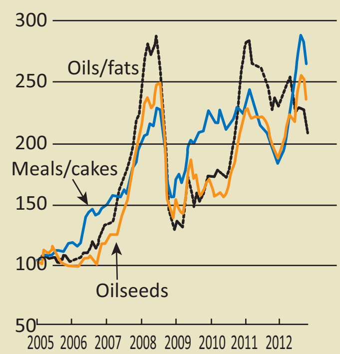
World rice market at a glance

	2010/11	2011/12 estim.	2012/13 f'cast	Change: 2012/13 over 2011/12
		millions tonnes		%
World Balance				
Production	468.5	482.7	485.9	0.7
Trade	36.4	37.3	37.5	0.5
Total Utilization	460.1	467.9	474.7	1.5
Food	389.1	395.8	401.5	1.4
Ending Stock	143.7	159.3	169.8	6.6
Supply and Demand Indicators				
Per Caput Food Consumptions:				
World (kg/year)	56.3	56.6	56.7	0.2
LIFDC (kg/year)	68.7	69.4	69.5	0.1
World stock-to-use ratio (%)	30.7	33.6	35.5	
Major Exporters stoc-to disappearance ratio (%)	21.2	26	27.1	
FAO Rice Price Index (2002-2004=100)	2010	2011	2012	Change: Jan-Oct 2012 Over Jan-Oct 2011
	229	251	238	-5.5

Global rice utilization in 2012/13 is predicted to increase by 1.4 percent to 475 million tonnes, of which 402 million tonnes are destined for human consumption, with only small amounts diverted to feed or industrial uses. Per capita food consumption is expected to reach an estimated average of 56.8 kg per year, up from 56.7 kg in 2011/12.

While international prices were rather subdued in the first four months of the year, they resumed an upward trend in May 2012, sustained by the high price policy implemented by Thailand and, in recent months, by pressure from other cereal markets. Thus, although prospects for increasingly abundant rice supplies would call for a retrenchment of rice quotations in 2013, their future direction will be very much influenced by the policies of the major country players, in particular Thailand, and developments in the wheat and maize markets.

FAO monthly international price indices for oilseeds, oils/fats and meals/cakes (2002-2004-100)



Oilseeds Market Summary

The 2012/13 oilcrop season is opening under the legacy of a tight 2011/12 balance and with a disappointing soybean crop in the United States. Last seasons tightness mainly resulted from short global soybean supplies which, combined with firm soy demand, led to a significant drawdown in world stocks.

COMMODITY NEWS

World oilseed and product market at a glance

	2010/11	2011/12 estim.	2012/13 f'cast	Change: 2012/13 over 2011/12
	millions tonnes			%
Total Oilseeds				
Production	468.0	452.3	474.3	4.9
OILS AND FATS				
Production	181.3	181.2	186.7	3.0
Supply	208.7	211.8	215.9	1.9
Utilization	177.0	183.9	186.1	1.2
Trade	92.4	96.6	98.6	2.1
Stock-to-utilization ratio (%)	17.3	15.9	16.0	
MEALS AND CAKES				
Production	118.4	111.0	119.8	7.9
Supply	137.1	131.6	136.3	3.6
Utilization	114.4	116.9	117.7	0.7
Trade	69.9	71.7	73.8	2.9
Stock-to-utilization ratio (%)	18.0	14.1	15.0	
FAO Price Indices (Jan-Dec) (2002-2004=100)	2010	2011	2012	Change: Jan-Oct 2012 Over Jan-Oct 2011
Oilseeds	165	216	223	3.2
Meal/cakes	216	218	239	9.6
Oils/fats	182	256	231	-9.8

With global stock-to-use ratios falling to critically low levels, international prices embarked on a new upward trend in 2012. Oilseed and meal quotations, in particular, climbed virtually without interruption until August, setting new records. Only oils/fats prices departed from this tendency as the

arrival of abundant palm oil supplies on the world market coincided with a weak demand for the product.

The 2012/13 season started with very low opening stocks, but also with disappointing first harvests, especially in the United States, where the new soybean crop (the harvest of which is nearing completion) was hit by severe drought. The US production shortfall is likely to limit global export availabilities over the ?rst half of the current season. Although record-high soy prices are expected to strongly stimulate plantings in South America (where the season is about to start), harvests in the region are several months away, meaning that favourable weather conditions throughout the growing season will be required for current forecasts of a record crop to materialize. Overall, the current 2012/13 outlook points to an improvement in the global supply and demand balance for oilcrop products, in particular oilmeals. Built into this forecast are expectations that persistently high prices are going to ration demand for oilmeals and that growth in the demand for oils/fats could be contained by a lower uptake of vegetable oils by the biodiesel industry. Considering that only a partial recovery in global stock levels and stock-to-use ratios appears possible, international markets are expected to remain vulnerable, leaving limited room for a relaxation in prices, at least until prospects for record soy crops in South America are confirmed.

World Wheat Market Summary

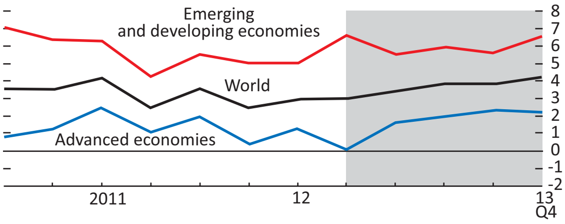
	2010/11	2011/12 estim.	2012/13 f'cast	Change: 2012/13 over 2011/12
	millions tonnes			%
World Balance				
Production	655.3	699.4	661.2	(5.5)
Trade	125.3	147.0	135.0	(8.2)
Total Utilization	663.0	697.6	687.5	(1.4)
Food	468.2	473.8	479.1	1.1
Feed	120.3	146.3	136.1	(7.0)
Other uses	74.4	77.6	72.2	(7.0)
Ending Stock	192.7	189.2	166.7	(11.9)
Supply and Demand Indicators				
Per Caput Food Consumptions:				
World (kg/year)	67.7	67.7	67.7	-
LIFDC (kg/year)	49.8	50.0	50.2	0.4
World stock-to-use ratio (%)	27.6	27.5	24.0	
Major Exporters stock-to disappearance ratio (%)	20.1	18.2	13.9	
FAO Wheat Price Index (2002-2004=100)	2010	2011	2012	Change: Jan-Oct 2012 Over Jan-Oct 2011
	169	222	208	-9.2

FAOs latest forecast for global wheat production in 2012 points to a 5.5 percent decline from last years record level to 661 million tonnes. This forecast, which is considerably below expectations earlier in the year, largely reflects the impact of severe drought in eastern Europe and central Asia, but also the reduced prospects in the southern hemisphere. Biggest declines are expected in the CIS countries, where production by the three largest wheat producers, Kazakhstan, the Russian Federation and Ukraine, is forecast to fall by 36 million tonnes. Global wheat utilization in 2012/13 is projected to drop slightly to 687 million tonnes. At this level, total utilization would exceed production for the second consecutive season. Feed use of wheat, which peaked in 2011/12, is likely to decline but still remain above average, due to the very tight maize supply. However, world wheat trade is likely to contract sharply by 8.2 percent from the record volume registered in 2011/12 to only 135 million tonnes. This fall reflects larger supplies in several wheat importing countries but also some reduction in feed wheat import demand and tighter exportable supplies. Against this backdrop, world wheat stocks could be cut by 11.9 percent from their opening level, to 167 million tonnes by the close of the crop seasons ending in 2013. At this level, the world wheat stock-to-use ratio could drop to 24.0 percent, from 27.4 percent in 2011/12, but still remain above the 22 percent low registered in 2007/08. The ratio of major wheat exporters closing stocks to their total disappearance defined as domestic utilization plus exports is also expected to fall sharply, to 13.9 percent from 18.2 percent in the previous season. This confirms a significant tightening of the global wheat supply-and-demand balance in 2012/13. FAOs early outlook points to a rebound in world wheat production in 2013. Current prices are higher than a year ago and, given demand prospects, wheat remains an attractive option for producers. Thus, weather permitting, plantings in most major producing countries are expected at least to match those of last year or even to increase, especially in those areas affected by drought in 2012. International wheat prices are unlikely to retreat to lower levels without a strong rebound in world production in 2013.

(Source: FAO)

Global Growth Forecast for 2013

Figure 1, Global GDP Growth
(Percent; quarter over quarter, annualized)



Source: IMF staff estimates.

Global growth is projected to increase during 2013, as the factors underlying soft global activity are expected to subside. However, this upturn is projected to be more gradual than in the October 2012 World Economic Outlook (WEO) projections. Policy actions have lowered acute crisis risks in the euro area and the United States. But in the euro area, the return to recovery after a protracted contraction is delayed. While Japan has slid into recession, stimulus is expected to boost growth in the near term. At the same time, policies have supported a modest growth pickup in some emerging market economies, although others continue to struggle with weak external demand and domestic bottlenecks. If crisis risks do not materialize and financial conditions continue to improve, global growth could be stronger than projected. However, downside risks remain significant, including renewed setbacks in the euro area and risks of excessive near-term fiscal consolidation in the United States. Policy action must urgently address these risks.

Economic conditions improved modestly in the third quarter of 2012 (Figure 1), with global growth increasing to about 3 percent. The main sources of acceleration were emerging market economies, where activity picked up broadly as expected, and the United States, where growth surprised on the upside. Financial conditions stabilized. Bond spreads in the euro area periphery declined, while prices for many risky assets, notably equities, rose globally. Capital flows to emerging markets remained strong.

Global financial conditions improved further in the fourth quarter of 2012. However, a broad set of indicators for global industrial production and trade suggests that global growth did not strengthen further. Indeed, the third-quarter uptick in global growth was partly due to temporary factors, including increased inventory accumulation (mainly in the United States). It also masked old and new areas of weakness. Activity in the euro area periphery was even softer than expected, with some signs of stronger spillovers of that weakness to the euro area core. In Japan, output contracted further in the third quarter.

Turning to the updated outlook, growth in the United States is forecast to average 2 percent in 2013, rising above trend in the second half of the year.

The near-term outlook for the euro area has been revised downward, even though progress in national adjustment and a strengthened EU-wide policy response to the euro area crisis reduced tail risks and improved financial conditions for sovereigns in the periphery. Activity is now expected to contract by 0.2 percent in 2013 instead of expanding by

0.2 percent. This reflects delays in the transmission of lower sovereign spreads and improved bank liquidity to private sector borrowing conditions, and still-high uncertainty about the ultimate resolution of the crisis despite recent progress. During 2013, however, these brakes start easing, provided that the planned policy reforms to address the crisis continue to be implemented.

The near-term growth outlook for Japan has not been downgraded despite renewed recession. Activity is expected to expand by 1.2 percent in 2013, broadly unchanged from October. The recession is expected to be short-lived because the effects of temporary factors, such as the car subsidy and disruptions to trade with China, will subside. And a sizeable fiscal stimulus package and further monetary easing will give growth at least a near-term boost, with support from a pickup in external demand and a weaker yen.

Growth in emerging market and developing economies is on track to build to 5.5 percent in 2013. Nevertheless, growth is not projected to rebound to the high rates recorded in 2010–11.

Supportive policies have underpinned much of the recent acceleration in activity in many economies. But weakness in advanced economies will weigh on external demand, as well as on the terms of trade of commodity exporters, given the assumption of lower commodity prices in 2013 in this Update. Moreover, the space for further policy easing has diminished, while supply bottlenecks and policy uncertainty have hampered growth in some economies (for example, Brazil, India). Activity in Sub-Saharan Africa is expected to remain robust, with a rebound from flood-related output disruptions in Nigeria contributing to an acceleration in overall growth in the region in 2013.

Against this backdrop, the projections in this WEO Update imply that global growth will strengthen gradually through 2013, averaging 3.5 percent on an annual basis, a moderate uptick from 3.2 percent in 2012, but 0.1 percentage point lower than projected in the October 2012 WEO. A further strengthening to 4.1 percent is projected for 2014, assuming recovery takes a firm hold in the euro area economy.

Policy Action Is Needed to Secure the Fragile Global Recovery

The policy requirements outlined in the October 2012 WEO remain relevant. Most advanced economies face two challenges. First, they need steady and sustained fiscal consolidation. Second, financial sector reform must continue to decrease risks in the financial system. Addressing these challenges will support recovery and reduce downside risks.

The euro area continues to pose a large downside risk to the global outlook. In particular, risks of prolonged stagnation in the euro area as a whole will rise if the momentum for reform is not maintained. Adjustment efforts in the periphery countries need to be sustained and must be supported by the center, including through full deployment of European firewalls, utilization of the flexibility offered by the Fiscal Compact, and further steps toward full banking union and greater fiscal integration.

In the United States, the priority is to avoid excessive fiscal consolidation in the short term, promptly raise the debt ceiling, and agree on a credible medium-term fiscal consolidation plan, focused on entitlement and tax reform.

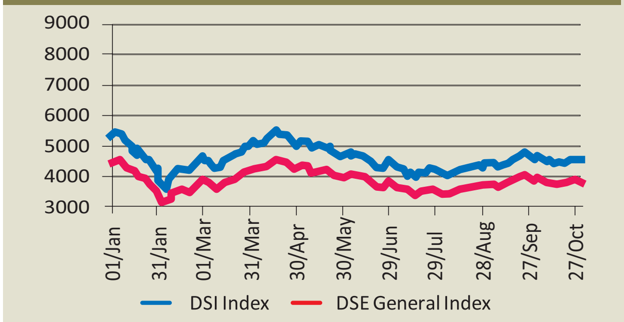
In Japan, the priority is to underpin the renewed emphasis on raising growth and inflation with more ambitious monetary policy easing, adopt a credible medium-term fiscal consolidation plan anchored by the consumption tax increases in 2014–15, and raise potential growth through structural reforms. Absent a strong medium-term fiscal strategy, the stimulus package carries important risks. Specifically, the stimulus-induced recovery could prove short lived, and the debt outlook significantly worse.

In China, ensuring sustained rapid growth requires continued progress with market-oriented structural reforms and rebalancing of the economy more toward private consumption. In other emerging market and developing economies, requirements differ. The general challenge is to rebuild macroeconomic policy space. The appropriate pace of rebuilding must balance external downside risks against risks of rising domestic imbalances. In some economies with large external surpluses and low public debt, this entails a lower, more sustainable pace of credit growth and fiscal measures to support domestic demand. In others, fiscal deficits need to be rolled back further, while monetary tightening proceeds gradually. Macroprudential measures can help stem emerging financial excesses. In the Middle East and North Africa region, many countries will need to maintain macroeconomic stability under difficult internal and external conditions.

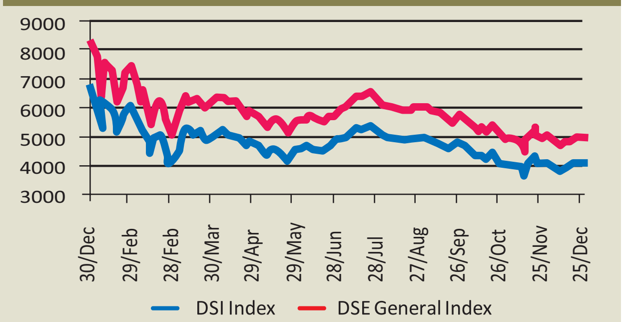
DOMESTIC CAPITAL MARKETS

CAPITAL MARKETS SUMMARY IN 2012

DSE Price Indices for the Year 2012



DSE Price Indices for the Year 2011



Compared to 2011, the market self-correction process was quite stable in 2012. In 2011, it can be observed that DSE Gen Index fell to around 500 gradually from 8000 class. At least in 2012, such free fall couldn't be observed. During this year, the DSE index fell and rose twice. In the first week of February, DSE index reached its' lowest state. And during mid- April, a moderate increase can be observed which gradually fades out over the next 4 months.

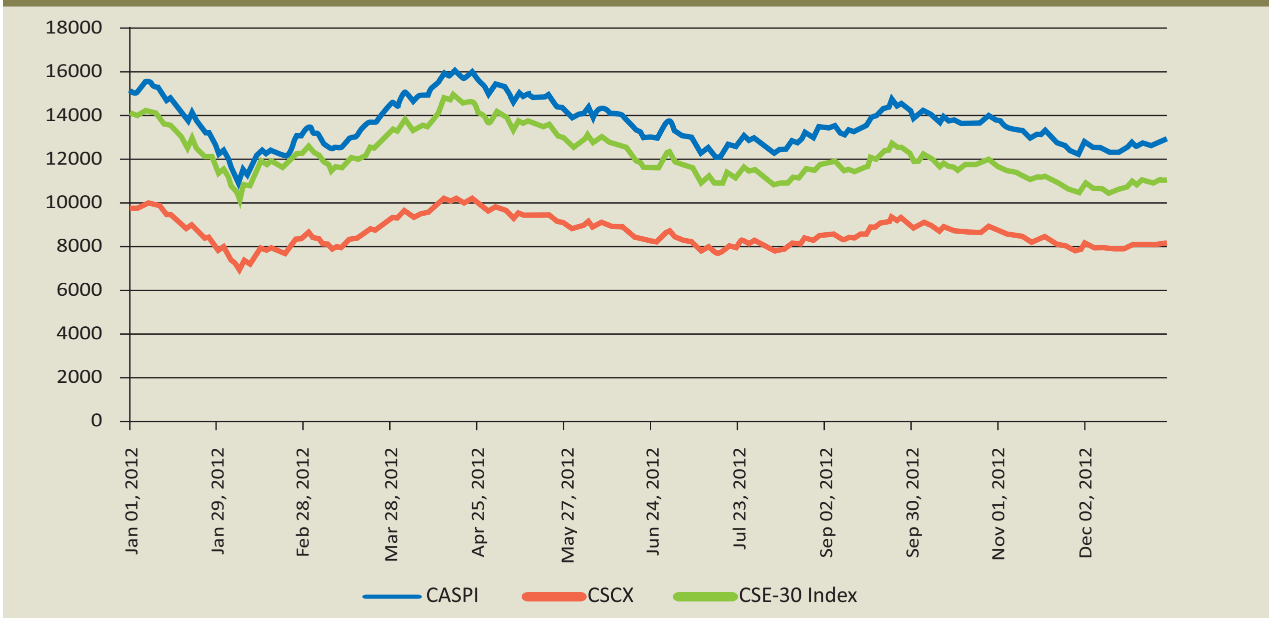
2012 was mainly the year of price stabilization. Additionally it can be said that, those who wanted to make a long term investment in the capital market it was a year of easy access to them.

CAPITAL MARKET: CSE

It was a mixed year for Chittagong Stock Exchange. It went through a turbulent time very early in the year. All the indices declined through out January and it continued till the first week of February. The indices fell around 20% during January. The above normal Turnover in this month shows there was a sell pressure during this time which pushed the prices down.

However, the market started to regain from the second week of February. This trend went on throughout March and in the middle of April the market reached its peak for the year. During May-June the market became sluggish again. During this time the market faced liquidity problem which is reflected through the low turnovers.

CSE Indices 2012



The situation took a positive change in September when indices started to rise higher in both DSE and CSE. The Turnover increased dramatically to 20 Billion taka. This was mostly because of the high gains and turnovers in the banking sector stocks. The market also experienced fresh flow of investment during this time. These developments created investor optimism, which in turn boosted the market. In the subsequent months the turnover dropped and there was no major change in the overall market. The average CASPI was 13,552.83 points during this year with a standard deviation of 1,057.44. The CASPI had a coefficient of variance of 7.8% which suggests: overall the market had gone through low level of fluctuation. In general, market could not regain the full confidence of the investors and they kept shying away from making new investments.

PLASTIQ

PAY NOW

AN INTRODUCTION

1) WHAT IS PLASTIQ? *The power of credit cards*

PLASTIQ is an online system that allows people to use their credit cards to pay for things when they couldn't before. This typically occurs in situations when merchants are not equipped or prefer not to pay the fees credit card companies charge. This is common with government entities, universities, rental property owners and private clubs.

PLASTIQ provides a convenient secure mechanism for consumers to make payments to these merchants, with their preferred credit cards, and earn rewards.

2) HOW IT WORKS *Technology behind plastiq*

PLASTIQ was developed to provide a way for people to make payments with ease and confidence. At the center of the service is our proprietary payment platform – designed to allow secure access from any internet-enabled device at any time. This allows you to make and manage payments when you want and where you choose. The PLASTIQ platform manages the secure transactions between credit card companies and merchants.

- ❑ SECURITY

  Plastiq uses 256-bit Extended Validation (EV) Secure Socket Layer (SSL) encryption technology to make sure all of your information stays secure as it travels across our network. Plastiq is a certified Payment Card Industry Data Security Standard (PCI DSS) company.

- ❑ TRUSTWAVE

  Plastiq uses automated vulnerability scans by Trustwave to ensure our system is secure from all attacks. Trustwave is the leading provider of cloud based compliance and information security solutions and has millions of customers across North America.

- ❑ DIGICERT

  SSL Certificates from DigiCert provide the strongest 2048-Bit and

  SHA-2 encryption available.

3) MAKING A PAYMENT *Easy & Intuitive*

Making payments with the Plastiq system is similar to making any other online credit card payment. Simply indicate the merchant you would like to pay, enter your credit card information, confirm the information, and your payment will be executed through our secure system. You will receive a confirmation email from us detailing the transaction, and all charges will be clearly indicated on your credit card statement. And you can always contact us if you have any questions.

4) NOMINAL FEE *Transaction transparency*

Plastiq assesses a nominal fee for each transaction that is a percentage of the total payment amount. When paying through Plastiq the principal amount and fee will always be indicated. It will appear as two separate charges on your credit card statement.

5) WHY REGISTER *added control and convenience*

Registering for Plastiq is easy and free. Creating an account allows you to save credit card information from multiple credit cards, schedule payments and automate those that are recurring.

THE PLASTIQ STORY

Plastiq was founded by Eliot Buchanan and Daniel Choi while they were attending Harvard University. They had a simple idea – make payments easier for people by letting them use the credit cards they prefer, to pay for things they want, when they want to.

While it sounded like a fairly straightforward concept, realizing the vision involved building relationships with the established players in the credit card payment space, developing a proprietary platform to facilitate secure payments across diverse transaction processing systems, and establishing a talented team to make it all happen.

Today Plastiq has offices in Boston and Toronto, and is continuing to look for new ways to make payments even more convenient and rewarding for people.

THE BENEFITS OF PLASTIQ

I. CONVENIENT

Make payments online when you prefer.

We developed our proprietary payment platform so that it is accessible whenever you want, from wherever you want. Simple intuitive tools and an easy to use interface make managing payments quick and easy. You can also save multiple credit cards and schedule automatic payments for even greater convenience.

II. PERSONAL

Reach a payment specialist at any time.

At Plastiq our aim is to make payments as convenient as possible for our customers. You can talk or chat with a dedicated customer service team member at any time on our website. Our payment specialists will work with you to help manage your account and make sure any of your concerns about payments are resolved. Please call us first if you ever have any questions, at any time.

III. FLEXIBLE

Manage and monitor your payments whenever you choose.

The Plastiq platform is accessible from any internet-enabled device, from anywhere, at any time. In addition, the platform allows you save and mange multiple credit cards, schedule future or recurring payments, and access your transaction details when you want to. These features were developed to make payments easy, help consumers avoid late payment charges, and maximize their credit card rewards – giving you control.

IV. REWARDING

Enjoy the rewards from your credit card programs.

Plastiq allows you to use your favorite cards for payments. Now you can add the earning power of your large payments - one time or recurring - to get the most from your credit card reward programs. Making payment strategically with your credit card allows you to achieve next-level reward tiers faster when making large payments, and more consistently by scheduling recurring payments. You can even pay with multiple cards.

V. SECURE

Pay with confidence through our proprietary platform.

The Plastiq platform was developed with security safeguards in mind. You can be sure all your payments enjoy the protection of our global credit and payment partners as well as our state-of-the-art security technology. We invest in the most advanced technologies, adhere to the strictest industries standards and conduct ongoing internal diagnostic tests to ensure our system is secure. For more information, read our security point.

PLASTIQ PERKS FOR MERCHANTS

Credit Cards can be friendly

Accept credit and debit cards without incurring any charge i.e. 100% free! Here is a list of benefits that you can avail from Plastiq as a Merchant-

1. BETTER CASH FLOWS

Plastiq is your lever for opening up new business, bringing old business back through the door, and making all your customers happy by giving them more choices. Every morning we post all the payments from the day before into your designated account. No checks waiting to clear, no bank transfer runaround. Just cash. Everyday.

2. SEAMLESS INTEGRATION

Plastiq works with your website and accounting systems. We launched Plastiq with our API (direct data connector) already in place, something most Web software products do much later in their lifecycle. We did this because we know how important it is for most Merchants to be able to track, store, and have complete access to their transactions records in the context their used to. Our "Pay Now Button" allows your customers to make payments directly from your website, associating you to a robust and beautiful payment experience.

3. CHOICE FOR CUSTOMERS

People love their credit cards. They're often chosen and used because of the substantial rewards programs tailored to their lifestyle, buying habits or aspirations for things like travel. It's rewarding for them to make purchases with these cards and... the bigger the purchase the better the reward! Also, it makes life much simpler for your customers to be able to pay for things with their favorite credit card, which translates to them having a much better buying experience and more likely to be a return customer.

4. REDUCED PAPERWORK

Monkey-work is for... well, monkeys! Plastiq knows that time is money and it should only be spent on things that move your business forward. That's why we've gone to great lengths to give you tools to optimize your day. Your Plastiq Merchant Portal is a Web-based application with up-to-the-minute information on all things associated to your merchant account. We also send an email for every transaction run through your system (a setting you can change) AND we send daily, data-rich, transaction reports in MS Excel. Flexible, simple, and informative.

5. LOYALTY OPPORTUNITIES

Your customers credit card is a gateway to valuable behavioral information associated to their purchase history with you. This becomes powerful data for creating effective sales and marketing programs to get your customers back through your doors or back on your website. You have access to this data 24/7 through your powerful Plastiq Merchant Portal.

6. ALL WITH NO COST

This is absolute. Nothing hidden. No surprises. We understand why accepting credit and debit cards can be cost prohibitive for you. We've designed Plastiq around that very thing. We also give you controls to make your customers choice for using credit more agreeable - as you see fit. If this sounds to good to be true... well, connect with us by filling out for the form below and we'll answer any questions you may have and reassure you that Plastiq is for real.

Evolving Banking Regulations

01 Foreward

This poses substantial challenges for banks, not least increasing credit risk, threatening the supply of funding and limiting opportunities for growth. In addition, there has been reduced bond and equity issuance, and subdued M&A activity.

This study focuses two main areas- the implementation of various reforms across regions and countries, and the "second wave" of regulatory reform., which at the global level has concentrated primarily on systematic risk and on Systematically Important Banks (SIBs).

These banks will be subject to a range of measures to make them both safer and easier to wind-down in a crisis – capital surcharges, holding bail-in debt and recovery and resolution planning. The initial focus will be on the twenty nine banks designated as being of global systematic importance ('G-SIBs'), with a clear intention to apply the same framework at the next stage to banks of national or regional systemic importance.. Meanwhile, it is important not lose sight of the continuing evolution of regulatory interventions in other areas, including the structure of wholesale markets, consumer protection and corporate governance.

Senior bank executives refer consistency to four major areas of concern:

- The amount of senior management time spent on dealing with the regulatory agenda.
- While the main impact of the first wave of regulatory reform was to increase the cost of conducting existing business, the second wave is forcing executives to consider fundamental changes in their business models and operating structures.
- Despite the long transition period set out for the implementation of Basel 3 capital requirements, banks are in reality being forced to make rapid adjustments, due to a combination of market and regulatory pressures.
- Even where there is global convergence of the regulatory agenda and of regulatory rulebooks, local supervisory judgments may generate uneven implementation. Internationally active banks worry that this could increase costs and reduce group-wide synergies.

Over the year ahead I expect these concerns and the unrelenting development and implementation of regulatory change to create a number of pressure points for banks and their regulators.

First, the aggregate impact of regulatory reform and the accelerated timetable for adjustment may be coming close to the tipping point at which the costs regulatory reform- through the negative impact on the real economy from reduced availability of bank lending and other banking services – begin to exceed the benefits to financial stability.

Second, banks will need to focus on services which generate most value and adjust their strategies and business models accordingly – this may result in moves towards simpler banking models and further shifts in business to the developing markets, to benefit from high growth rates.

Third, although both banks and their supervisors have much to gain from greater cross-border cooperation among supervisors and resolution authorities, this will be difficult to achieve in practice – not least at the point at which a large cross-border bank fails. The price of not making progress on cross-border resolution will be tougher ring-fencing by national authorities.

As ever, the process of change will generate both opportunities and threats, and early and well0-considerred responses will reap the greatest rewards.

02 Executive Summary

The banking sector continues to be re-shaped by the ever-expanding set of regulatory and related reform initiatives at global, regional and national level. Each of these initiatives plays its part in enhancing financial stability, protecting investors and consumers, and making it easier to deal with failing banks. But they could also have significant negative impacts on banks and their business models, and in turn on bank's customers and the real economy. A long and difficult road lies ahead.

Key Policies Driving Reform

There are a number of key drivers, common across the three regions, that will influence the strategy, business models, size, shape, structure and cost to banks over the next few years:

1. Systemic Risk, Recovery and Resolution Planning – added capital and supervisory dimensions for systemically important banks and regulatory pressures for new business models.
2. Capital and Funding Strategy- Increased capital funding costs and slimmer balance sheets.
3. Supervision and Reporting – more intense supervision and ever expanding reporting requirements.
4. Governance and Remuneration – governance and remuneration enhanced accountability and risk-related metrics are key
5. The Customer Agenda – more checks and balances to protect customers and combat mis-selling

Major Implications of Regulatory Reform

There are many issues stemming from the contagious debt crisis and the avalanche of regulatory reform but two implications, in particular, are most critical:

1. Structural Reform and New Business Models – The process of undertaking complex business and structural reviews and adjusting to new ways of doing business consumes significant time and money. Banks are under severe pressure to determine the strategies and businesses that will maximize their value in response to the woeful economic climate and long list of regulatory demands.
2. Costs of Reform and Impact on Growth- Historic bank returns look unlikely to return, not inspiring investors. Coupled with downgrades for some of the largest banks and the pressure to cover the cost of capital it is appropriate to consider whether we are at the point at which the costs of reform exceed the benefits and are contributing to unnecessarily slow economic growth.

Global regulatory pressure

The Regulatory Pressure Index sets out and assessment of the scale of the challenge posed by key areas of regulatory reform across Europe, the US and ASPAC, and considers the impact on business models and the cost and complexity of reform. Similar to findings last year, the greatest regulatory challenges face banks in the US and Europe, although the Basel 3 liquidity rules are proving to be as painful for banks in ASPAC as for those in other regions.

Regional Perspectives

The three regional perspectives discuss the progress of key regulatory reforms in these regions over the past twelve months and the most pressing issues for banks. In Europe, we consider the challenges of capital and liquidity issues, structural and market reforms, supervision, governance and remuneration, consumer protection issues and the Financial Transaction Tax (FTT). In the US, we analyze the progress of implementation of the Dodd-Frank rules, the key areas to be finalized and expectations for 2012. In ASPAC, we look at the impact of Basel 3, RRP's, restructuring, corporate governance and some of the key national developments in the region's largest financial centers.

Major Implications of Regulatory Reform

03 Structural Reform and New Business Models

Banks face a pressing need to reassess the viability of their current strategies and business models in response to a myriad of regulatory pressures, and to other factors such as macro-economic developments in the countries in which they operate.

Some of the regulatory and related reform initiatives – capital, liquidity, recovery plans, bail-in-debt, consumer protection, reporting, taxes and levies- will have an unprecedented impact on the costs of banking activities. Overall, these costs will be hug and will force many banks to scale back some of their business, while seeking opportunities to maintain or expand other activities through aggressive cost-reduction, deleveraging and restructuring. Other initiatives – resolution planning, constraints on how derivatives are structured, traded and cleared, the Volcker rule in the US, and the retail bank "ring-fencing' recommendations of the Independent Commission on Banking (ICB) in the UK - will result in direct interventions in the activities that banks can undertake, in how they can undertake them, and in banks' legal entity and operational structures.

The cost and complexity of dealing with regulatory change will be magnified by the potential tax costs of any restructuring. In addition, and largely outside the control of either regulators or banks, investors in bank capital, providers of wholesale funding, retail depositors, and corporate and retail borrowers will all be deciding themselves about the terms by which they are prepared to invest in, lend to, or borrow from, banks – which will add to the pressures on banks and force banks to adjust further.

As a result, banks are already implementing or considering various changes to their strategies and business models, including:

- becoming smaller and safer, with lower but less volatile profits
- defining a narrower set of core activities, becoming more specialized and exiting from non-core activities
- Moving away from universal and full service banking
- adopting a 'utilities' model of focusing narrowly on the traditional core banking activities of deposit taking, retail and corporate lending, and payment system services
- Increasing market share in chosen core activities, through consolidation, mergers and acquisitions, to boost margins from economies of scale and market power
- Retrenchment from international and cross-border activities
- Geographic focus on a small number of high growth markets.

As part of the requirement to enhance capital, some banks will consider the use of "bail-in" debt. Bail-in debt automatically converts to common equity when a banks' capital level dip below a prescribed amount or when a bank becomes: non-viable:. The tax authorities will need to decide whether to treat this debt as true debt for tax purposes or as equity.

Overall, these costs will be huge and will force many banks to scale bank some of their business, while seeking opportunities to maintain or expand other activities through aggressive cost0reduction, deleveraging and restructuring.

04 The Costs of Reform and its Impact on Growth

The most important 'known unknown' facing regulatory authorities is the cumulative impact of the multitude of regulatory and related reform initiatives that have been launched over the last four years. All of these initiatives are designed to make the financial system safer, to improve investor and consumer protection, or to make it easier to deal with the failure of financial institutions. But they also impose costs on, and change the behavior of, financial institutions, with consequences in turn for their customers and ultimately for the real economy. Where is the; tipping point' at which the costs of these reforms begin to exceed the benefits?

For most of 2011, the FSB/BCBS and the Institute of International Finance (IIF) have been trading blows on the macro-economic impact of regulatory reform.

In October 2011 the FSB/BCBS published their latest estimates of the impact, extending this to cover the BCBS proposals on a capital surcharge for G-SIBs. The key element of their approach is that for a one percentage point increase in bank's capital ratios, lending spreads increase by 16 basis points and real GDP falls over eight years to 0.17 percent below its baseline level before rising back to baseline. The impact would be greater if implementation were more rapid – for example, real GDP would fall 0.19 percent below baseline if reforms were implemented over four years.

At the end of 2009 banks' average core tier one ratios were 5.7 percent, compared with the Basel 3 minimum of 7 percent. Therefore, the cost of moving up to 7 percent over the Basel 3 transition period would be a 0.23 percent fall in real GDP (1.3x0.17 percent). In addition, since G-SIBs represent around one-third of bank lending, each one percentage point additional increase in their capital ratios above 7 percent would reduce real GDP by 0.06 percent (ice. One-third of 0.17 percent). Assuming an average two percentage point increase in ratios for G-SIBs, this would lower real GDP by an additional 0.12 percent, giving a total decline of 0.34 percent. Lending spreads are estimated to increase by a total of around thirty basis points under this scenario.

The estimates do not include any impact form higher liquidity ratios. A 25 percent increase in liquid assets is estimated by the FSB/BCBS to reduce real GDP by 0.13 percent. However, since this would also reduce banks' risk-weighted assets, there would be some offset as capital ratios would improve.

The IIF published updated estimates in September 2011 which reduced the IIF's earlier estimates of the impact of Basel 3 but added the impact of the G-SIB capital surcharges. The overall estimated cost is ten times larger than the FSB/BCBS estimates, with real GDP 3.2 percent lower in five-years' time and lending spreads estimated to rise by 364 basis points.

Any estimates have to take a view on what will happen to the cost of bank's capital and long-term funding (the FSB/BCBS view that this should not increase in the long term and will not increase significantly even in the short term, while the IIF assumes a much sharper increase in capital and funding costs, especially over the next five years); the extent to which higher costs of capital and funding are passes on to borrowers through higher lending spreads; the extent to which banks improve their capital ratios by raising additional capital rather than by contracting their risk weighted assets; and on the transmission mechanism from higher lending spreads (and/or from deleveraging) to real GDP. Moreover, the IIF estimates focus almost exclusively on the capital element of regulatory reform, and do not capture the impact of the long list of other reform measures.

While this academic debate has been raging, the true answer has become increasingly evident in the real world, where increases in capital ratios and attempts by banks to improve their liquidity positions have occurred much more rapidly than under the eight-year path set out under Basel 3. This has been the result of a variety of market and regulatory pressures, seen most recently in the form of European Banking Authority's '9 percent' stress test and the latest Federal Reserve Bank stress tests in the US. This massively shortened adjustment period has significantly increased the costs of banks capital and long-term funding, pushing up lending spreads and made banks more reluctant to extend fresh credit to borrowers. It has led to a reliance by banks on reducing leverage rather than raising new capital or retaining earnings and had a marked negative impact in real economic growth.

There may, however, be some important differences across countries here- with nasty downward spirals in countries where rapid adjustment by banks has worsened the economic condition and outlook, and rather less impact where banks have not adjusted yet (or not had to adjust).

Source: Internet

MAJOR POLICY ANNOUNCEMENTS IN FY 2011-12

Chronology of Major Policy Announcements: FY11-12

There has been approximately more than 200 (two hundred) notices, circulars and or other type of announcements during Jan to Dec 2012. Following is an excerpt of those found having major impact in the economy and or the banking industry.

JULY 2011

- Considering the country's existing laws, size and nature of the insurance business, international standard and best practice, a draft 'Guidance Notes on AML & CFT' for insurance companies has been circulated in order to combat anti money laundering and financing terrorism.

SEPTEMBER 2011

- Refinancing of existing loans to specific sectors has been emphasized.
  - The application of refinance of cottage and micro enterprise will also be considered along with refinance of SME.
  - In case of women entrepreneurs, the existing refinance programme at the rate of 10 percent (bank rate+5 percent) for small enterprises will be applicable for cottage and micro enterprises.
  - Subject to adequacy of fund, the entrepreneurs except women will get 100 percent refinance facility against disbursed loan only in manufacturing and service sector under cottage, micro and small enterprises.
- Large loan/lease has been redefined as: "If the disbursed amount of loan/lease to a person/institution/group of institutions by any financial institution is equal to or more than 15 percent of the total capital (paid up capital & reserve), it will be considered as a large loan/lease".
- It has been decided to distribute bank loan with Micro Finance Institutions (MFIs) through partnership in order to reach solar electricity at the deprived rural areas of the country by establishment of solar home system. Maximum 12 percent interest rate is allowed to charge using reducing balance method at the beneficiary level.
- Banks have been allowed to disburse credit on "Fish Cultivation in Cage" programme as a sub-sector of fish resources under the agricultural/rural credit policy and programme for the FY12.
- The investment of banks on HTM securities (as per value) has been re-fixed at 75 percent (SLR) in place of 50 percent of the related month effective from 01 October 2011. The other instructions about the marking to market based revaluation of treasury bill and bond held by the banking company of DOS circular letter no. 05/2008 will remain unchanged.

NOVEMBER 2011

- Small life insurance policy holders (up to Taka 1,50,000) can open bank account by depositing Taka 100 (hundred) only at any state owned commercial or specialised bank against national ID card/birth certificate and premium deposit book/document for life insurance. There are no bindings for maintaining minimum balance on the said account.
- It has been decided that Risk Weighted Asset (RWA) against credit risk is to be computed on the basis of credit rating conducted by External Credit Assessment Institutions (ECAIs) duly recognised by Bangladesh Bank.
- Decision has been taken to include Gender Equality related performance indicators in the half yearly CSR reporting by banks from December 2011 onward, banks are advised to report gender equality related performance indicators on a half yearly basis.

DECEMBER 2011

- Amount of the "net income after tax" increased due to recognition of deferred tax asset. However, on such provisions, deferred tax asses should be excluded in distrubution of dividend.
- The amount of "deferred tax asset" recognised should be deducted while calculating the regulatory eligible capital for the statement of capital adequacy requirement
- Urban-Rural Branch Classification:
  - From now on, the ratio of urban and rural branches will be 1:1 for the number of new branches to open.
  - All branches established outside of City Corporation and Municipal area will be considered as "Rural Branch".
  - Branches of any rural area that has recently been declared as Municipality will be considered as "Urban Branch".

JANUARY 2012

- Considering the global economic recession, cap on rate of interest on lending in some sectors had been imposed. Cap on rate of interest on lending in all sectors other than pre-shipment export credit & agricultural credit has now been withdrawn.
- Financial institutions have been advised to submit a statement on CSR and a report on Gender Equality related performance indicators on half-yearly basis.
- Implementation of Enterprise Data Warehouse (EDW) of Bangladesh Bank has been finalised to collect information from scheduled banks in electronic procedure. To this end, banks have been advised to submit EDW related statements (daily/weekly/monthly/quarterly/half yearly) in Rationalised Input Template (RIT) through web portal Appropriately filled-in RITs have to be submitted to Bangladesh Bank regularly through web portal.
- Treasury bonds issued within the following period and held in HFT category by the PDs may be re-measured at amortised cost instead of fair value. The re-measured securities will be eligible for SLR, Repo and ALS operation.
- Banks are advised to limit the difference between lending rate and weighted average rate of interest on deposit or intermediation spread within lower single digit in different sectors other than high risk consumer credit (including credit card) and SME loans.
- It has been decided that loan-margin ratio for fresh loans shall be maintained at 70:30 in case of house finance under consumer financing and 30:70 for all other consumer loans including motor car loans.
- Banks are now required to fill up Rationalised Input Templates (RIT) and upload to Enterprise Data Warehouse (EDW) in the stipulated time period in case of submission of monthly quarterly statements to BB through online web portal.
- In order to simplify the liquidity support operation for the PDs, it has been decided that instead of outright buy/sell the procedures will be treated as Collateralised Repo transaction

FEBRUARY 2012

- Banks have to prepare a risk management paper and must place the same in the monthly meeting of the Risk Management Unit. Banks have to submit risk management papers along with the minutes of the meetings within 10 days of each quarter end to the Department of Off-site Supervision.
- Liquidity support will be provided to PDs for a maximum period of two months and 15 days at a stretch from the date of issue of treasury bills and bonds acquired by PDs in auctions through devolvement as well as successful bidding.

MAJOR POLICY ANNOUNCEMENTS IN FY 2011-12

MARCH 2012

- "Agricultural Credit and Financial Inclusion Department" has been formed by reconstructing "Agricultural Credit Department" Activities of CSR of Department will be directed by the newly formed Agricultural Credit and Financial Inclusion Department.
- Bangladesh Bank has started to implement National Payment Switch (NPS) under the Central Bank Strengthening Project. NPS will support transactions made through cards or account number (direct debit/credit), clear and settle these electronic transactions through the settlement accounts of all the scheduled banks maintained with Bangladesh Bank. Furthermore, NPS will have interfaces with all the major international payment schemes e.g., VISA, MasterCard, AMEX etc. so that the banks will be able to send the transactions originating from those international branded cards through NPS.
- In order to minimize the risk of investment, financial institutions have to seek prior approval from Bangladesh Bank in case of forming subsidiary company describing the objectives in details.

APRIL 2012

- It has been decided that growth of consumer credit must not exceed the average growth of total credit of the bank.

MAY 2012

- For farms producing bio-gas and extending its use in the rural areas of the country through integrated cow rearing and establishing bio-gas plant, interest rate can be charged at conventional bank rate (5 percent at present) + maximum 6 percent i.e. maximum 11 percent at beneficiary customer's level through reducing balance method. Any type of service charge will not be imposed on beneficiary customers.

JUNE 2012

- CATEGORIES OF LOANS AND ADVANCES:

  Some of the important instructions of loan classification and provisioning are circulated:

All loans and advances will be grouped into four categories for the purpose of classification, namely- (a) Continuous Loan (b) Demand Loan (c) Fixed Term Loan and (d) Short-term Agricultural & Micro- Credit.

1) A continuous loan, demand loan or a term loan which will remain overdue for a period of 02 (two) months or more, will be included into the "Special Mention Account (SMA)".
2) Loans in the "Special Mention Account" and "Sub-Standard" will not be treated as defaulted loan for the purpose of section 27KaKa(3) of the Banking Companies Act, 1991.
3) The short-term agricultural and microcredit will be considered irregular if not repaid within the due date as stipulated in the loan agreement. If the said irregular status continues, the credit will be classified as 'Substandard ' after a period of 12 months, as 'Doubtful' after a period of 36 months and as 'Bad/Loss' after a period of 60 months from the stipulated due date as per the loan agreement.

- The bank must have a policy approved by its Board of Directors in place that defines the circumstances and conditions under which a loan may be rescheduled. These conditions may be stricter than those contained in the circular and cannot be lenient in any case. The policy must include controls to avoid the routine rescheduling.
- If exceptions are made for certain sectors/business enterprises that do not meet the above guidelines, those sectors/business enterprises should be identified in the policy and a justification for rescheduling should be given. If it is detected from such review that the borrower has diverted funds elsewhere or the borrower is a habitual loan defaulter, the bank shall not consider the application for loan rescheduling and shall take/continue all legal steps for recovery of the loans.
- Rescheduling of any loan must be justified in written statement by the bank's credit committee. The statement must give reasons why the rescheduling is beneficial to the long-run profitability and capital adequacy of the bank, including the factors that cause the credit committee to believe that the loan will ultimately be repaid in full. The statement must also explain the impact of this rescheduling on the bank's liquidity position and the needs of other customers.
- Exporters may be granted further credit facility (after being identified as not-a-wilful defaulter), if required, subject to settling at least 7.5 percent of the "Outstanding Balance".
- If a loan account of an export-oriented garments industry or knit garments factory becomes adversely classified due to stock lot, the loan may be rescheduled without the required down payment.
- The maturity of a term loan may be extended subject to the following conditions and restrictions:
  - The loan must be performing (Unclassified: Standard or SMA)
  - The maturity date may be extended by a period of time not exceeding 25 percent of the current remaining time to maturity
  - Banks will have to report loan classifications and make required provisions in terms of the revised instructions from the 3rd (end September) quarter of calendar year 2012.
- Authority has been given to use International Credit Cards (ICCs) for online payment through internet fees such as membership fee of foreign professional and scientific institutions and fees for application, registration, admission, examination (TOEFL, SAT etc.) in connection with admission into foreign educational institutions mentioned in paragraph 09, chapter 11, GFET Guidelines for Foreign Exchange Transactions (GFET).
- Before executing shipment, disbursement of export subsidy may be made against advance payment received at different stages of production subject to submission of relevant documents in support of the production and bank guarantee (equivalent to the amount of export subsidy applied for) for a period of minimum 03 year.
- Beneficiaries of new market exploration assistance will be eligible for cash incentive or additional cash incentive. But the facilities under cash incentive (5 percent), additional cash incentive (5 percent) and market exploration assistance will not exceed 10 percent. In addition, small and medium industries under textile sector producing electricity for own need through use of less than 1 MW generator will be entitled for 10 percent grant on electricity bill.
- To facilitate outsourcing business, Bangladesh Bank has instructed ADs to accommodate the proceeds of the inward remittance to the accounts of individual service providers subject to observance of the specific terms and conditions. Bangladesh Bank has brought further changes by recognising service exports such as business services, professional/research and advisory services, etc. rendered from Bangladesh. Authorised Dealers have been advised to credit inward remittance received from abroad as payments against these and all other non-agency service exports in non-physical form to local currency accounts to the extent of not less than fifty percent and the remainder in Exporters' Retention Quota (ERQ) accounts in the names of the concerned exporters.
- Bangladesh Bank has published a booklet titled ' Bangladesh Bank's rules for opening and maintaining of FC accounts" Bangladesh Bank has asked all the authorised dealer banks to make the copies of the booklet available in adequate number to all of their branches in home and abroad and exchange houses abroad.

MTB NETWORK

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MTB Dhaka

Aganagar Branch
Babu Bazar Branch
Banani Branch
Baridhara Branch
Bashundhara Branch
Bashundhara City Branch
Chandra Branch
Chawk Moghaltuli Branch
Dhanmondi Branch
Dholaikhal Branch
Dilkusha Branch
Elephant Road Branch
Fulbaria Branch
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Gulshan Branch
Kakrail Branch
Kamrangir Char Branch
Kapasia Branch
Madaripur Branch
Meghna Branch, Sonargaon
Mohammadpur Branch
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Mymensingh Branch
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Narayanganj BSCIC Branch
Pallabi Branch
Panthapath Branch
Principal Branch
Progati Sarani Branch
Savar Branch
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Sonargaon Branch
Sreenagar Branch
Tejgaon Branch
Tongi Branch
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MTB Securities Ltd.

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Extension Office-Fulbaria
Extension Office-Fakirapul
Extension Office-Dilkusha
Banani Office
Dhanmondi Office
Gulshan Office
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SME/Agri Branch

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Noria
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Rangpur Branch
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Corporate Head Office

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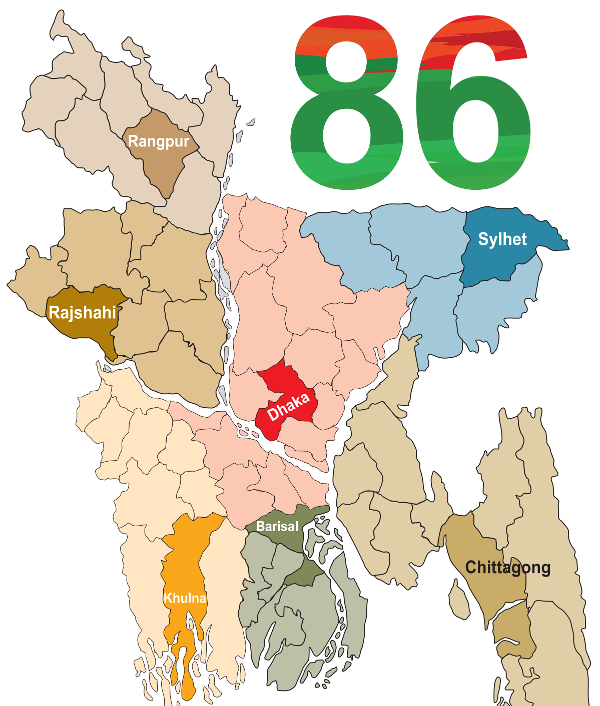

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Nazirhat Branch
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