

# MTBiz

Monthly Business Review, Volume: 03, Issue: 07, July 2011

## Search Theory & The Classical Demand – Supply Curve

The findings honored with Nobel Prize  
in Economic Science in 2010



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## ডাব্বল-এ মজার শেষ নেই...

তাই মিউচুয়াল ট্রাস্ট ব্যাংক নিয়ে এলো এমটিবি ডাব্বল সেভার  
ন্যূনতম ৫০,০০০ টাকা জমা রাখলে মাত্র ৬ বছর পর আপনি পাবেন এর ডাব্বল

বিস্তারিত জানতে যেকোনো শাখায় যোগাযোগ করুন, অথবা  
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 MTB R&D Department  
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Design & Printing: Preview

## Article of the Month

# 02

### Search Theory & The Classical Demand – Supply Curve

The findings honored with Nobel Prize in Economic Science in 2010



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# ARTICLE OF THE MONTH

## Search Theory & The Classical Demand – Supply Curve

The findings honored with Nobel Prize in Economic Sciences in 2010

Last year's (2010) Nobel Memorial Prize in Economic Sciences was awarded to Peter A. Diamond, Dale T. Mortensen and Christopher A. Pissarides for their research on "Markets with Search Frictions," which means any setting where buyers and sellers don't automatically find each other. Search models are relevant in many settings, including dating, used cars and housing, but above all, these models help us make sense of unemployment. By addressing unemployment, the prize manages both to honor timeless research on core economic questions and to highlight the ways in which economics addresses a most timely global problem.

In particular, the Economics 101 model does an awful job explaining an American civilian labor force where nearly one-tenth say they want a job and can't find one. Die-hard supporters of the basic model sometimes argue that wage floors, like the minimum wage, keep wages too high for the market to clear. But American minimum wages are low, and only a small fraction of jobs are affected by that barrier. Another attempt to save the old model is to argue that unemployed workers just value their time too highly to take a job at current market rates. But the view that the unemployed are just having a swell time hanging out watching cable is wildly at odds with the real world. New paradigms emerge when reality crashes against theory, and that's what brought us the SEARCH THEORY of Professors Diamond, Mortensen and Pissarides.

In microeconomics, search theory studies buyers or sellers who cannot instantly find a trading partner, and must therefore search for a partner prior to transacting.

Search theory has been influential in many areas of economics. It has been applied in labor economics to analyze frictional unemployment resulting from job hunting by workers. In consumer theory, it has been applied to analyze purchasing decisions. From a worker's perspective, an acceptable job would be one that pays a high wage, one that offers desirable benefits, and/or one that offers pleasant and safe working conditions. From a consumer's perspective, a product worth purchasing would have sufficiently high quality, and be offered at a sufficiently low price. In both cases, whether a given job or product is acceptable depends on the searcher's beliefs about the alternatives available in the market.

More precisely, search theory studies an individual's optimal strategy when choosing from a series of potential opportunities of random quality, under the assumption that delaying choice is costly. Search models illustrate how best to balance the cost of delay against the value of the option to try again. Mathematically, search models are optimal stopping problems. Macroeconomists have extended search theory by studying general equilibrium models in which one or more types of searchers interact. These

macroeconomic theories have been called 'matching theory', or 'search and matching theory'.

Economics education starts with the abstraction of an ideal market – demand, supply, and a price that clears the market. That is an extremely valuable starting place – it shows some of the effects that are present in pretty much all markets. And, since such ideal markets can achieve efficient outcomes, it helps us understand the sources of inefficiencies that can occur when market structures differ from the idealized version. In the simple market abstraction, each buyer knows how to purchase at the lowest price available in the market. As a result, each firm faces a discontinuity in sales when the price varies from the lowest price elsewhere and the "law of one price" holds – all transactions happen at the same price, which is the competitive price, equal to the marginal cost of providing the good. To analyze a search setting, the first step is to consider how individuals approach both the search process and the ensuing purchase or sale decision. And that is where the literature started. But a full analysis needs to combine individual decision-making with an analysis of how the interactions of buyers and sellers determine the economic environment in which these decisions are made.

All has visited several stores to check prices and/or to find the right item or the right size. Similarly, it can take time and effort for a worker to find a suitable job with suitable pay and for employers to receive and evaluate applications for job openings. Search theory explores the workings of markets once facts such as these are incorporated into the analysis. Adequate analysis of market frictions needs to consider how reactions to frictions change the overall economic environment: not only do frictions change incentives for buyers and sellers, but the responses to the changed incentives also alter the economic environment for all the participants in the market. Because of these feedback effects, seemingly small frictions can have large effects on outcomes.

As par the simplest standard model, a retail market for a standardized good with a large number of identical buyers and a large number of identical sellers. Having assumption that the only way to find out a price is by visiting a store and that, stores are visited randomly; then, visiting another store to get a second price quote has a cost. That implies that the first store you happen to visit has a little bit of market power over the other stores. Surprisingly, in this uniform setting, these little bits of market power interact so that all firms want to charge the price a monopolist would set. If the price were lower and the same in every store, then each store would want to make a small price increase to take advantage of its little bit of market power. So the only way to have equilibrium, where no store has an incentive to change price, is when the monopoly price is set. Notice that it does not matter how small is the cost of visiting another store – any positive cost gives the same result.



# ARTICLE OF THE MONTH

This result highlights one of the central aspects of economics. Economists study the nature of equilibrium, reflecting the interactions among buyers and sellers. Small search costs can have a large impact because price setters respond to the prices set by others, so there is a feedback process that greatly expands the impact of search costs – as each firm reacts both to the presence of the search costs of potential customers and also to the responses of other suppliers to the same search costs. That a small amount of friction could create a large change, even in such an unrealistic setting, served as a marker of the importance of the study of equilibrium with frictions.

The 1971 search paper of Professor Diamond produces a somewhat surprising result: if there are a number of otherwise identical stores, which fix their prices, then competition can lead to high monopoly prices, not low competitive pricing or Stiglerian price dispersion. If consumers think that companies are all charging the same price, then they won't bother searching. If consumers don't bother searching, then the only reasonable thing for companies to do is to charge the monopoly price. This result, which is known as the Diamond Paradox, can be weakened if price-cutting companies are able to advertise, but it suggests the enormous ability of search frictions to distort markets.

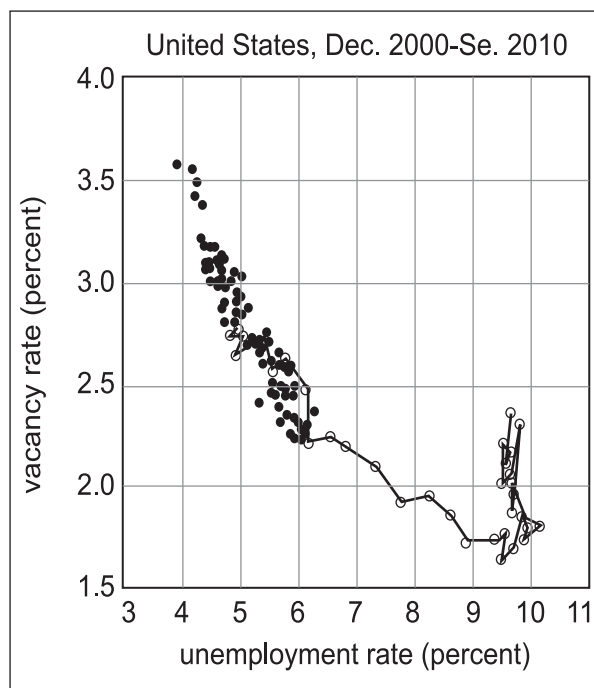
The core of Professor Diamond's work on search models appeared in a three-year window between 1979 and 1982. His work was distinguished both by elegant modeling — building the theoretical tools needed to make sense of labor turnover—and important insights. Perhaps the key idea is the “search externality,” the idea that each “additional worker makes it easier for vacancies to find workers and harder for other workers to find jobs.” In a sense, a flood of unemployed workers can congest the labor market just as a flood of extra drivers can congest a highway. Whenever one worker passes up a job, that worker makes finding a job easier for other workers. This insight led to Professor Diamond's conclusion that higher levels of unemployment insurance could improve the workings of the labor market by making some workers pass up marginal jobs.

Professor Pissarides had also begun working on job search models in the late 1970s, but he published his masterpiece “Job Creation and Job Destruction in the Theory of Unemployment,” together with Professor Mortensen, in *The Review of Economic Studies* in 1994. In this model, workers make decisions about searching for jobs. Companies make decisions about creating job openings. When they meet, a worker is hired if both parties benefit from the match. There is an implied negative relationship between the level of vacancies (the number of jobs needing to be filled) and the level of unemployment, which is called the Beveridge Curve. Most importantly, a cyclical downturn can cause the system to go seriously haywire, at least for a while, as the number of jobs destroyed soars and the number of jobs created drops.

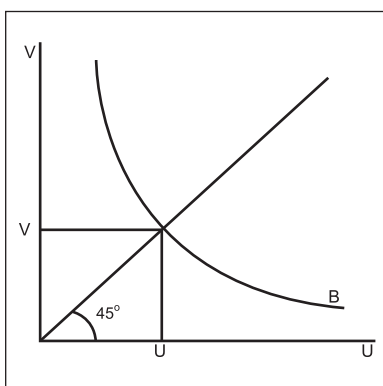
## The Beveridge Curve

The Beveridge Curve shows the pattern of vacancies and unemployment over time. In economically good times we expect lots of vacancies and low unemployment, with bad times showing fewer vacancies and more unemployment. In the course of a business cycle, a movement from good times to bad and back again, we expect to see a loop around a curve, as shows up in a differential equation setting of a basic search model.

**Beveridge Curve United States,  
December 2000 – August 2010**



With the number of unfilled jobs (vacancies) on the vertical axis and the number of unemployed workers on the horizontal axis: The 45-degree line represents equal numbers of vacancies and unemployed



workers, therefore no excess demand or supply in the aggregate. Its intersection with the B-Curve determines the level of unemployment that should be viewed as “full employment” for any particular economy. This

full employment level can be lowered by making the labor market more efficient, through job training programs (to reduce structural unemployment) and information and referral systems (to reduce frictional unemployment).



## FINANCE AND ECONOMY

### DR. ATIUR: PRICE HIKE BOOSTS RURAL GROWERS



The central bank governor has said food price hike is benefiting rural producers, ultimately giving a boost to production growth. Dr. Atiur Rahman said the government should continue providing incentives in agriculture and provide relief to the poor through safety net programmes. Dwelling on inflation, the Bangladesh Bank governor said the main task of the BB is to contain non-food inflation and it has succeeded in

keeping the same limited to around 4 percent. But the concern is that rising food inflation cannot be contained because of food price hike on the global markets, he added. On foreign direct investment (FDI), the governor said many are interested to invest in Bangladesh. He, however, said the biggest hurdle here is land scarcity. If land could be managed in the chars of Noakhali or on the other side of the Padma and new economic zones are set up there, the FDI will increase. Rahman said: "Power situation has substantially improved. Now we will have to give attention to addressing the gas shortages." He said gas imports should be considered. He also said a pressure is falling on the foreign exchange rates due to growth pressure. He said, in the current fiscal year, the imports will be worth about USD 35 billion, and on the other hand, the amount of exports will be USD 22-23 billion. The BB governor said the pressure will be felt due to the gap; it cannot be met by remittance alone. (3 June, The Daily Star)

### BB OPENS 24-HOUR HELPDESKS



The Bangladesh Bank opened 24-hour helpdesks to ensure better services in the banking sector. People can call to the helpdesks for any assistance or lodge any complaint

if they face any problem in getting proper banking services, a BB press release said. (15 June, The New Age)

### BB BECOMES APRACA VICE-PRESIDENT

Bangladesh Bank has been selected as the vice-president of the Asia Pacific Rural and Agricultural Credit Association for 2012-14 terms. The central bank won the position after competing with Malaysia, South Korea and Sri Lanka, a BB news release said. The BB has been an active member of the APRACA, established in 1977. Earlier in 1981-82, the BB was selected as the president of this organization. (20 June, The New Age)

### BB REDEFINES SMALL AND MEDIUM ENTERPRISE

Bangladesh Bank has reset the definitions of small and medium enterprises as per the National Industrial Policy Order 2010. The redefinition was done for the benefit of banks and financial institutions, a Bangladesh Bank circular said. In manufacturing, medium industry/enterprise would be those with assets worth BDT 100 to 300 million (minus land and factory building, and including replacement value) and/or 100 to 250 workers. In service industry and in business, medium enterprises will be those which employ 50 to 100 and have assets (defined as above) worth BDT 10 to 150 million. The circular said if a business fits into any of the criterion for a large industry, it will be considered a large industry though it's other characteristics

may be that of a medium one. In manufacturing, small industry/enterprise would be those with assets worth BDT 5 to 100 million (defined as above) and/or 25 to 99 workers. In service industry and in business, small enterprises will be those which employ 10 to 25 and have assets (defined as above) worth BDT 5,00,000 to 10 million. In manufacturing, micro industry/enterprise would be those with assets worth BDT 5,00,000 to 5 million (defined as above) and/or 10 to 24 workers or less. In service industry and in business, micro enterprises will be those which employ 10 or less people and have assets (defined as above) worth BDT 5,00,000 or less. In manufacturing, cottage industry/enterprise would be those with assets worth BDT 5,00,000 to 5 million (defined as above) and/or 10 to 24 workers or less. In service industry and in business, cottage enterprises will be those which employ 10 or less people and have assets (defined as above) worth BDT 5,00,000 or less. If a woman is the proprietor of a proprietary business or the owner of at least 51 percent of a partnership or a private company registered under joint stock companies, then she would be considered a woman entrepreneur. The circular said cottage and micro industries would from now on be included in Bangladesh Bank's SME loan policies and programmes. (22 June, The New Age)

### BB BUILDS UP FIGHT AGAINST INFLATION

Repo, reverse repo rates go up 50 basis points



The Bangladesh Bank (BB) again increased repo and reverse repo rates by 50 basis points -- the third attempt in about one and a half months -- to rein in credit growth and inflation. The central bank hiked the interest rate on repo to 6.75 percent from 6.25 percent. The latest increase comes into effect, according to a central bank circular. The rate of interest on reverse repo was raised to 4.75 percent. A repo rate is the interest rate at which the central bank lends money to commercial banks, while a reverse repo rate is the interest rate

earned by a bank for lending money to the central bank in return for government securities. A rise in the reverse repo or repo rate means a squeeze on credit from financial institutions to the private sector, which makes loans costlier. Earlier, on April 26 the repo and reverse repo rates were increased by 25 basis points, while on March 13, the rates saw a rise of 50 points. The BB also increased cash reserve requirement (CRR) on December 15 last year. The latest central bank move came at a time when both inflation and credit are on a continuous rise despite different measures against such increases. According to Bangladesh Bureau of Statistics (BBS) data, the overall inflation edged down slightly to 10.20 percent in May, when food inflation also slowed down a little but non-food inflation marked a rise. Non-food inflation rose to 4.78 percent in May from 3.97 percent in the previous month. In a bid to check inflation, the central bank took several steps to contain the private sector's galloping credit growth, which still remains high. In April, the private sector credit growth was 28.98 percent, up from 27.58 percent in December last year. In July last year, in the first Monetary Policy Statement of the current fiscal year, the BB set a target of trimming down the private sector credit growth to 16 percent by June this year from 24 percent in June 2010. Bankers said the moves will make credit costlier. In January, the central bank indicated that it would hike the policy interest rate to contain inflation. An official of the BB said, now it has become a main challenge for all developed and developing countries to keep inflation stable. As the economic growth is still slow due to the impacts of global recession, only the USA and the UK have not yet increased their interest rates. But the central banks of European Union, China



and India have raised their policy interest rates several times. From January this year, the central bank of China hiked interest rate four times, while India did it nine times. (14 June, The Daily Star)

### BB MAKES AVAILABLE USD 1.02b TO BANKS TO SETTLE IMPORT BILLS

The central bank has so far pumped in USD 1.02 billion directly to the country's commercial banks to enable the latter to meet their higher demand for the greenback mainly to settle import letters of credit (LCs) in the current fiscal. The country's foreign exchange reserve came down to USD10.43 billion on May 31 this year from USD 11.316 billion on April 28 last, according to the central bank statistics. The Bangladesh Taka (BDT) has, meanwhile, depreciated by over 0.84 percent against US dollar in the last one month in the inter-bank foreign exchange market. The weighted average of the BDT against US dollar was BDT 73.56 in the inter-bank foreign exchange market on May 31 last. It was BDT 72.95 on April 28 this year. The Bangladesh Bank (BB) official said the central bank has been providing foreign currency support continuously through sales of US dollar directly to the commercial banks for settlement of import bills that have been exerting some pressure on the country's foreign exchange (forex) reserve. Higher import payments have continued to exert pressure on foreign exchange reserve, forcing a steady depreciation of BDT against US dollar. The country's foreign exchange reserve has been facing the pressure mainly due to slower pace of remittance inflow and higher import payments, particularly for fuel oils, food grains and power plant equipment. (5 June, The Financial Express)

### SOLAR POWER MUST FOR NEW SME, AGRICULTURE BRANCHES: BB



The Bangladesh Bank in a circular made it mandatory for banks, which want to finance the SME and agricultural projects to set up solar power panels for providing electricity. BB's circular mentioned

that if any bank plans to open a new branch to finance projects in the agriculture or small and medium enterprise sectors, they should inform it whether solar power panels are available there to provide power to the branch. The BB will not allow any bank to open any such branch without installation of solar power panels. The circular containing the new directive has been sent to all the chief executive officers of the banks. The circular said that the new branches should be environment-friendly, and should prioritise the effective use of sunlight, the use of renewable energy, energy-efficient bulbs and machinery, along with proper use of water. The new directives are in line with the implementation guideline of 'green banking' that was announced last February. (22 June, The New Age)

### DOOR TO REOPEN FOR NEW BANKS

The government will seek applications for setting up new commercial banks and life insurance companies from the next month. Finance minister Abul Maal Abdul Muhith said this in parliament in reply to a cut-motion proposal of independent lawmaker Mohammad Fazlul Azim. "From the next month, we'll seek applications for setting up commercial banks and life insurance companies," the minister told the House. No new bank has been set up in the country since the BNP's last regime. Currently, the country has 49 banks with 30 in private sector, nine foreign banks and 10 state-owned commercial and specialised



ones. Of the banks, 31 are publicly listed ones and it is the biggest sector in the share market. Out of 61 general and life insurance companies, 44 are listed ones, while 18 are engaged in life insurance business and of them nine are listed ones. About fluctuations in the share market, Muhith said liquidity crisis has nothing to do with it. "It's true that we didn't take appropriate actions when the market was overvalued, but it's stable for the last two months," he added. (30 June, The Independent)

### JUTE HITS BILLION DOLLAR JACKPOT AS EXPORTS CROSS USD 20b MARK



Earnings from jute and jute product exports hit the billion dollars mark for the first time in the country's history, propelling overall shipments in the first eleven

months to USD 20.53 billion, official figures showed. Exports of raw jute rose 81 percent and jute goods 40 percent to take the shipment of the proverbial Golden Fibre to USD 1.03 billion --- a figure not seen even in the heyday of the cash-crop in the 1940s-70s. Shipments in May, the penultimate month of the fiscal year, soared to USD 2.29 billion, creating a new monthly record, as marks are shattered in exports every manufacturing and primary product that the country trade. The year-on-year growth in May was over half a billion dollars in absolute term, or 48 percent more than the same month last year. (17 June, The Financial Express)

### ECONOMIC GROWTH BEATS RECORD



Bangladesh's economic growth beat all records this year, riding on buoyant exports and robust agricultural outputs, said the Bangladesh Bureau of Statistics (BBS). The

growth rate -- 6.66 percent -- is the highest since 1973-74, said Aynul Kabir, director of National Accounting Wing of the state-run BBS. In 1973-74, a couple of years after the country's independence, the economy grew by 9.59 percent, which came after a negative growth in the previous year's imposed by the war in 1971. The actual growth of fiscal 2009-10 was 6.01 percent. Kabir said this growth calculation is provisional as the growth estimate will be final in May next year. "This is provisional statistics as the BBS has not received many data since December." The provisional calculation has also included the month of June, which has just begun, he added. The economic growth for the current fiscal year (2010-11) to be ended this month was at 6.66 percent, particularly banking on the robust export growth, which was more than 42 percent in the July-April period, and exciting agricultural outputs, he said. "The export sector, especially ready-made garment, performed exceptionally well. We are also expecting a robust boro output," he said. The BBS took 18 major sectors in consideration to calculate the economic growth, he added. Economists forecast a 7 percent growth next fiscal year, as the country's export sector is showing strengths, attracting increased orders from across the world, including China, a major competitor in exports. The growth of Bangladesh's manufacturing sector hovered around



9.51 percent buoyed by soaring garment exports, showed the BBS data. Mustafa K Mujeri, director general of Bangladesh Institute of Development Studies (BIDS), attributed the growth to rising exports led by RMG, encouraging boro output buoyed by adequate supply of electricity, fertiliser and other inputs, and absence of natural disaster. He said the provisional figure could still be adjusted once all the related data including the real boro output estimation are available. The former chief economist of the central bank thinks this year's growth could be the highest in the country's history. "The growth of 1973-1974 came after a negative growth in the previous year's imposed by war." "The level of production was lower soon after the Liberation War. But when the normal production picked up in 1973-1974 the growth jumped higher. The growth at that time was calculated on low base," said Mujeri. (1 June, The Daily Star)

### MOBILE USERS CROSS 75m



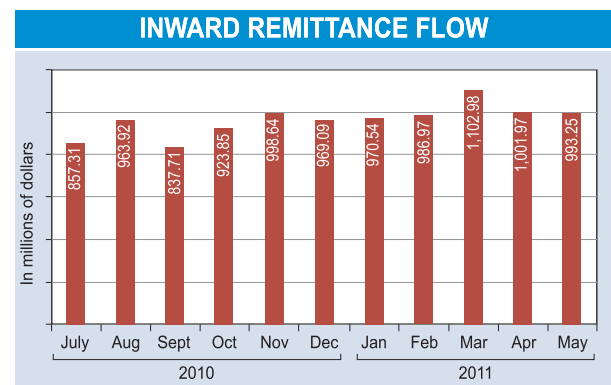
Mobile phone subscription has crossed 75 million, according to the country's telecoms regulator. Grameenphone had 33.261 million, Banglalink 20.047 million, Robi 14.350 million, Airtel 4.911 million, Citycell 1.747 million and Teletalk 1.166 million subscribers at the end of May, according to Bangladesh Telecommunication Regulatory Commission (BTRC). Abu Saeed Khan, secretary general of Association of Mobile Telecom Operators of Bangladesh, said there is nothing to celebrate about the current subscription growth. "The whole industry is plagued with many policy impediments," he said. The market achieved the growth after dealing with a lot of barriers, Khan said. He listed the barriers: SIM tax, uncertainty over licence renewal, spectrum management, technology-neutrality issue, sectoral and non-sectoral taxation. "The growth could be much more," Khan said, adding the investors are keen to invest here. "And the government's job is to allure them." The industry insiders said the high SIM tax has slowed subscription growth. Currently, the operators are paying BDT 800 for every SIM, excluding 15 percent VAT, to the state coffers. For fiscal 2011-12, the government has proposed BDT 600 in SIM tax. (14 June, The Daily Star)

### FOREIGN DIRECT INVESTMENT INFLOW AT USD 622m IN FIRST 11 MONTHS

Foreign direct investments (FDI) received by the country in the first 11 months stood at only US USD622 million, although registration for FDI recorded an all-time high during the period. Local investment registrations also recorded more than 100 percent growth over the previous year, Board of Investment (BoI) sources said. In all, 163 foreign and joint venture industrial units have been registered with investment proposals worth USD3.83 billion at BoI this year. In the year-ago period, the country received investment proposals worth USD584 million for 122 industrial units. As many as 1,560 industrial units were registered with BoI with proposed investments worth BDT 4,217 crore during the (July 2010-May 2011) period against 1,322 industrial units with BDT 1,512 crore investment proposals in

the corresponding period of the previous year. Centre for Policy Dialogue executive director Mustafizur Rahman said the lofty investment registration trend would mean that investors, both local and foreign, are keen to invest in Bangladesh which offers a positive business climate. But utility and infrastructure bottlenecks are the major deterrents. "If the government fails to provide electricity and industrial land at prime locations, majority of the proposals will not come into reality," he added. BoI executive member Mohammad Liaquath Ali said foreign investors are showing renewed interests in Bangladesh after writing the country off as a safe investment destination during the global economic meltdown. The government is set to provide all necessary support to the foreign investors, he added. According to the BoI record, foreign investors have proposed to create 50,721 new jobs in 2011 as against 29,356 jobs projected to be created in the previous year. Local investors proposed to create employment for about 2.87 lakh people in 2011 against 2.32 lakh jobs it had proposed to create in the previous year. According to the BoI statistics, companies based in South Korea, China, India, Japan, USA and Hong Kong have shown much interest to invest in Bangladesh during the period. So far, 18 South Korean companies and as many Chinese companies registered with BoI followed by 16 Indian, 12 Japanese companies, 9 USA and 7 Hong Kong companies. BoI executive director Jalalul Hye said Japanese and Hong Kong entrepreneurs are very keen to invest in 100 percent export-oriented industries and they want to put up their factories close to the Dhaka-Chittagong Highway. But the government can't provide them so many industrial plots in areas around the highway, he added. Foreign investors are eyeing textile, service, engineering and chemical sectors. BoI record shows that among the proposed foreign investments registered with the government in 2011, they proposed to set up 48 factories in the textile sector, 44 in service sector, 21 in engineering, and 19 in the chemical sector. Local investment entrepreneurs proposed to set up 500 factories in the textile sector, 257 in chemical, 247 in food processing, 61 in agro processing, and 142 in the service sector. Shafiqul Islam Mohiuddin, president, Bangladesh Readymade Garments Manufacturers and Exporters Association (BGMEA), says that local entrepreneurs, sensing a robust export growth, have shown great interest in investing in different textile-related backward linkage industries. (3 June, The Independent)

### REMITTANCE GROWTH LOSING PACE



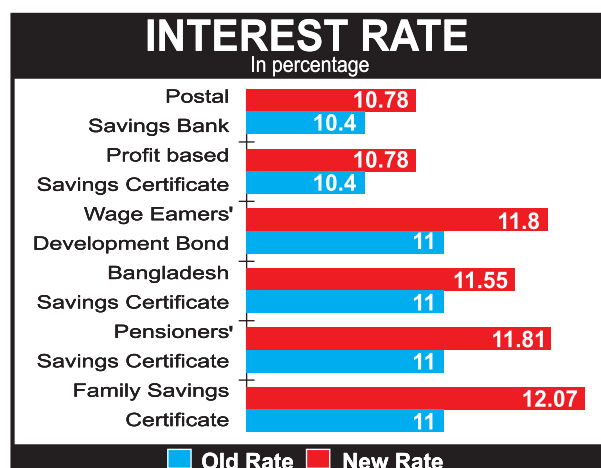
Inward remittance growth fell for a second month in May due mainly to the ongoing unrest in the Middle East and North Africa that has sent home thousands of migrant workers recently. In May, migrant workers remitted USD 993.25 million, down from USD 1,001.97 million a month ago, registering a 0.9 percent fall. The remittance, however, grew 9.9 percent in May compared to the same month last year when it was USD 903.05 million, according to statistics of the Bangladesh Bank. The remittance growth in the first 11 months of the current fiscal year stood at





5.06 percent. During the July-May period, Bangladesh received USD10.6 billion in remittance, up from USD10.09 billion in the same period the previous fiscal year. Remittance growth started slowing down due to a significant decrease in the net outflow of migrant workers over the past year and a half. The number of workers going abroad in the first 11 months dropped 10.9 percent compared to the same period last year. Also, a number of migrant workers returned home following political unrest in the Middle East countries such as Egypt, Libya, Bahrain and Yemen. Mustafa K Mujeri, director general of Bangladesh Institute of Development Studies, said the uncertainty in the Middle East is one of the major causes behind the declining trend in remittance inflow. The number of outgoing workers is also declining as some countries have stopped fresh manpower recruitment from Bangladesh, he added. "We need to look for new destinations like Latin American, African and European countries," he said, adding that giving training to the workers is necessary to gain the market in Europe. (7 June, The Daily Star)

### GOVT INCREASES INTEREST RATES ON SAVINGS INSTRUMENTS



The government has increased interest rates on six savings instruments by 0.38-1.07 percentage points, finance ministry officials said. Finance Minister AMA Muhith said that the increase in the rate of interest this time is called "social security premium". The National Directorate of Savings will issue a circular on the new interest rates. At present, there is no tax on earnings from Family Savings Certificates, Pensioner Savings Certificates and Wage Earners' Development Bond, but the finance minister told the parliament that 5 percent tax will be imposed at source on earnings from all savings instruments in the next fiscal year. Presently, 10 percent tax is levied on earnings from only three types of savings instruments which will be lowered to 5 percent in the next fiscal year, the finance ministry officials said. Though the rate of interest has increased the highest on Family Savings Certificates and Pensioner Savings Certificates the tax levied on the interest earnings will pare down profits, statistics from National Directorate of Savings show. For example, the interest rate on Family Savings Certificates has been raised from 11 percent to 12.07 percent. If a person invests BDT 1 lakh, he will get BDT 1,005.83 in monthly profits. But after a deduction of 5 percent tax on the interest earnings, his net profit will stand at BDT 960 in line with the new rate. At present, he gets a net profit of BDT 920 on an investment of BDT 1 lakh. The rate of interest on Pensioner Savings Certificates has been raised from 11 percent to 11.81 percent. The term of Pensioner Savings Certificates is five years and the profit is given every three months. Muhith told the parliament that there was demand for increasing the interest rate further but the government could not do so. (30 June, The Financial Express)

### KKT UNPACKS TEATULIA AT UK'S HARRODS



Kazi and Kazi Tea Estate Ltd. have recently launched its international tea brand Teatulia at Harrods, a luxury department store in United Kingdom. Photo: Kazi and Kazi Tea Bangladesh company Kazi and Kazi Tea Estate Ltd has launched its international tea brand Teatulia in Harrods, a luxury department store in the United Kingdom. "This is probably the first time that Harrods has carried any brand from Bangladesh," said Dr Kazi Anis Ahmed, chief executive officer of Kazi & Kazi Tea Estates. "This is not only a great break for Bangladeshi tea, but for all Bangladeshi brands looking to go international." "Teatulia" tea was first launched in the US in 2008 and is currently being sold in over 100 food chain stores, the company said in a statement. After the success in the US market, "Teatulia" tea now enters the European market through Harrods with its full range of products. The company clocked 38 percent growth in USA in 2010. The growth rate was 42 percent in USA and UK in 2011. The available flavours of Teatulia are Black, Green, White, Earl of Bengal, Bengal Breakfast, Neem Nectar, Tulsi Infusion, Ginger, and Lemongrass Tea. "These products have been priced at £7.95- £8.50 which makes it one of the highest priced teas in the world," the statement added. Linda Lipsius, CEO of Teatulia, and senior staff of Harrods were also present. (17 June, The Daily Star)

BB Circulars/Circular Letters			
Publish Date	Name of Department	Reference	Title
6-Jun-11	Foreign Exchange Policy Department	FEPD Circular No. 07	Cash incentive against export of frozen shrimps and other fishes
8-Jun-11	Foreign Exchange Policy Department	FEPD Circular No. 08	Cash incentive against export of handloom and other products
14-Jun-11	Monetary Policy Department	MPD Circular No. 03	Refixation of repo and reverse repo rate of Bangladesh Bank
15-Jun-11	Anti-Money Laundering Department	AML Circular No. 27	"Instructions to be followed by the Non Profit Organizations and Non Government Organizations to comply with the provisions of Money Laundering Prevention Act, 2009"
19-Jun-11	Banking Regulation and Policy Department	BRPD Circular No. 05	Bank account for beneficiaries under social security program
19-Jun-11	Banking Regulation and Policy Department	BRPD Circular Letter No. 08	Regarding formation of audit committee of Bank's executive committee
19-Jun-11	SME & Special Programmes Department	SMESPD Circular No. 01	Regarding definition of cottage, micro, small and medium industry/enterprise
20-Jun-11	Banking Regulation and Policy Department	BRPD Circular Letter No. 09	Regarding fixation of rate of interest, its disclosure and reporting
20-Jun-11	Banking Regulation and Policy Department	BRPD Circular Letter No. 10	Inclusion of solar energy system for establishment of new SME/Krishi branch
21-Jun-11	Debt Management Department	DMD Circular Letter No. 02	Submission of bids through primary dealers
23-Jun-11	Foreign Exchange Policy Department	FEPD Circular No. 09	New edition of code lists for reporting of external sector transactions by the authorized dealers



## EMERGING MARKETS

### EMERGING MARKETS TO REDEFINE GLOBAL ECONOMY BY 2025: WB



The World Bank

Six major emerging economies of Indonesia, Brazil, China, India, South Korea and Russia will account for more than half of all global growth by 2025, a World Bank's official said here today, reports Xinhua. Mansoor Dailami, manager of emerging trend at the World Bank, said that these emerging economies will grow on average by 4.7 percent

a year between 2011 and 2025. "On the other hand, advanced economies are forecast to grow by only 2.3 percent over the same period, but will remain prominent in global economy," said Dailami in a seminar here. He said that the projected changes in the global economy are likely to be positive for developing countries. "However, a key question is whether existing multilateral norms and institutions can accommodate the passage toward multi polarity", he said. He said that in managing global integration, strengthening policy coordination across power centers becomes critical to reducing the risks of economic instability. Justin Yifu Lin, the World Bank's chief economist and senior vice president for Development Economies, said that with the rapid rise of emerging economies, the centers of economic growth are now spread out across developed and developing countries. (16 June, The New Today)

### CHINA TO BECOME GLOBAL BANKING KING BY 2023

China could leapfrog the United States to become the world's largest banking economy by 2023, 20 years earlier than expected, and raising pressure on western banks to brush off the effects of the credit crisis and head east. According to a report published by consultants PricewaterhouseCoopers (PwC), India is expected to leapfrog Japan to rank third in terms of domestic banking by 2035 -- and could pass China as its population rapidly ages. PwC's chief economist John Hawksworth urged current-banking leaders, whose power has been sapped by the credit crisis, to heed the accelerating shift in global economic power and claim a share of emerging markets' relatively unbanked populations. "With populations of well over a billion each, access to markets like China and India is critical for growth," he said. Chinese banks already dominate global rankings by market value, and some lenders have already secured heavy emerging market exposure to tap into booming demand for financial products from young and increasingly wealthy populations. Banks in the fast-growing emerging markets (E7) of China, India, Brazil, Russia, Mexico, Indonesia and Turkey have been relatively shielded from the financial crisis that brought many western peers to their knees and sent asset values plunging. With watchdogs determined to rein in institutions that presided over an exuberant era of high-risk expansion that culminated in a rash of taxpayer-funded bailouts, western banks are also contending with tough new regulations, which are curbing lending growth, while domestic populations age. PwC, which based its report on projections for GDP and domestic credit and used net interest margins as a measure of profit, said E7 growth hinged on state investments in infrastructure, opening markets to fresh competition, reducing bureaucracy and budget deficits and increasing rural education. (5 June, The Daily Star)

### FOOD-PRICE INFLATION IN INDIA LIKELY TO ACCELERATE

Food-price inflation in India, Asia's third-largest economy, may accelerate after the government raised the prices it pays farmers for rice and oilseeds to records, making crops costlier, economists said. The minimum prices for monsoon-sown crops including paddy, soybeans and corn were increased to help

boost planting, the farm ministry said in New Delhi. The federal government sets the crop prices to assure farmers' incomes, while selling subsidized grains and cooking oils to the poor. An increase in food prices would add



to inflationary pressures in India, where the central bank has boosted interest rates nine times since March 2010. Global food prices reached an all-time high in February driven by stronger demand and harvest disruptions, according to a United Nations gauge. The higher crop prices in India will "Raise the floor price of agricultural commodities," Shubhada Rao, Chief Economist at Mumbai-based Yes Bank Ltd., said in an interview. "It will definitely add to food inflation." An index measuring wholesale prices of agricultural products advanced 9.01 percent in the week ended May 28 from a year earlier, the highest level in eight weeks, the trade ministry said. Overall inflation in India has been above 8 percent for 16 months. The jump in global food costs has pushed 44 million more people into poverty since June 2010, according to a World Bank estimate. Higher prices helped spark the riots across northern Africa this year, toppling Tunisian President Zine El Abidine. Food costs in India have been a concern for the last two years, Reserve Bank of India Deputy Governor Subir Gokarn said on June 2. Inflation needs to be curbed to boost economic growth, Reserve Bank Governor Duvvuri Subbarao said on May 18. India, the world's second-biggest rice producer, increased the minimum purchase price of the so-called common variety of raw rice to an all-time high of 1,080 rupees (USD24) per 100 kilograms (220 pounds), from 1,000 rupees, the farm ministry said. (11 June, The Financial Express)

## WORLD MARKETS

### CENTRAL BANKERS AGREE BANK CAPITAL SURCHARGE PLAN

Global banking regulators have agreed on a proposal to slap an extra capital charge on the world's biggest banks to make them safer by 2019. The surcharge is part of a series of regulatory reforms launched in response to the financial crisis, which forced countries worldwide into costly bailouts of their banking sectors to prevent systemic collapses. The Group of Governors and Heads of Supervision (GHOS) said after a meeting in Basel the proposal would be put out to public consultation next month. "The additional loss absorbency requirements are to be met with progressive common equity tier 1 capital requirement ranging from 1 percent to 2.5 percent, depending on a bank's systemic importance," the group said in a statement. An additional 1 percent surcharge would also be imposed if a bank becomes significantly bigger, pushing the total to 3.5 percent. The plans, which need approval from world leaders (G20) in November, would be phased in between Jan. 1 2016 and end of 2018. The capital surcharge will come on top of the new 7 percent minimum core capital all banks across the world will have to hold under new Basel III rules being phased in over six years from 2013. However, many of the world's biggest banks already hold core tier 1 capital ratios of 10 percent or more and therefore easily meet or exceed the top end of the surcharge band. The central bankers have opted for a smaller surcharge than foreseen but, in return, the surcharge will have to be in the form of top quality capital -- retained earnings or common equity. This marks a victory for hardline countries such as Britain and the United States but will disappoint some banks that have been hoping to use hybrid debt such as contingent capital (CoCos) to pad out the surcharge band. Dirk Jaeger, Managing Director for supervision matters at Germany's banks association BdB said the decision was not much of a surprise: "But we regret that bank levies and CoCo bonds do not count for the additional capital buffer." The proposal, which was due to be



finalised by last November but faced opposition from banks and some countries, will apply initially to so-called globally systemically important banks (G-SIBs). "These measures will strengthen the resilience of G-SIBs and create strong incentives for them to reduce their systemic importance over time," the statement said. The consultation paper in July will indicate how many banks face a capital surcharge but it is not clear yet if their names will be published. The number of banks affected is likely to change over time as lenders grow or shrink and the consultation will spell out how often a snapshot of the sector will be taken. Banks will face a surcharge according to an indicator that draws on five elements -- size, interconnectedness, lack of substitutability, global (cross-jurisdictional) activity, and complexity. The group of central bankers and the Basel Committee it oversees said they will continue to review the use of contingent capital. The central bankers said they would support the use of contingent capital to meet higher national requirements than the global minimum surcharge. However, even then, there would have to be a high-trigger for converting the debt into equity to help absorb losses on a going concern basis, the central bankers said. (27 June, The Daily Star)

### INTEREST RATES MUST RISE WORLDWIDE, SAYS BIS



The BIS warned low cost of borrowing had resulted in a credit and property price boom that was fuelling inflation, especially in emerging economies. Central banks across the globe have cut interest rates in an attempt to boost growth

after the 2008 financial crisis. However, BIS warned that the policy may prove to be counterproductive. "The prolonged period of very low interest rates entails the risk of creating serious financial distortions, misallocations of resources and delay in the necessary deleveraging in those advanced countries most affected by the crisis," the bank said in its annual report. The BIS is an organisation of international central banks which is not accountable to any national government.

#### ● Inflation fighting credibility

While loose monetary policies and availability of easy credit have triggered growth, there has been a flip side to it as well. Emerging economies, especially in Asia, have had to deal with rising prices for food and other essential commodities. This has pushed up the cost of living and has threatened to derail growth in many developing nations. The BIS warned that the central banks needed to change their policies in order to deal with the situation. "Tighter global monetary policy is needed in order to contain inflation pressures and ward off financial stability risks," it said. "It is also crucial if central banks are to preserve their hard-won inflation fighting credibility," the bank added.

#### ● Asset bubbles

One of the biggest concerns that economists and analysts have about low interest rates is the formation of asset bubbles. They have warned that availability of easy credit and low interest rates are driving up property prices to unsustainable levels. "Property prices in a number of emerging market economies are advancing at staggeringly rapid rates, and private sector indebtedness is rising fast," the BIS said. It also warned that the trend was very similar to that triggered by the global financial crisis. "Emerging market economies managed to escape the worst of the crisis, but many now run the risk of building up imbalances very similar to those seen in advanced economies in the lead-up to the crisis," the bank said. The BIS warned that the surge in property prices had resulted in over development in the real estate market, leaving large numbers of properties unsold. "It will take years to

absorb this overhang," the bank said. The bank warned that if not addressed immediately, a crash in the property market may derail economic growth in emerging economies. "All financial crises, especially those generated by a credit-fuelled property price boom, leave long-lasting wreckage," the bank said. (27 June, The BBC.com)

### WB: INFLATION PILES PRESSURE ON GROWTH IN DEVELOPING WORLD



The World Bank revised up its growth forecast for the developing world and warned that higher food and fuel prices were causing inflationary pressures to build up. In its updated Global Economic Prospects report, the World Bank said the pace

of growth in the world's developing countries should average 6.3 percent over the next three years through to 2013, which is down from 7.3 percent in 2010. It revised up its forecast for growth in developing countries to 6.3 percent in 2011 versus 6.0 in a January report, and to 6.2 percent from 6.1 percent for 2012. The majority of developing economies has, or are close to, full capacity activity levels while advanced economies still struggle with the effects of the global financial crisis, the World Bank said. Low and middle-income countries were responsible for 46 percent of global growth in 2010, the report noted. "Developing countries are at a point where they have put the crisis-fighting stage behind them and they now need to be reorienting themselves towards establishing conditions that are going to allow them to have strong growth in the years to come," said World Bank economist Andrew Burns. Developing countries need to hone in on difficult domestic policies that will ensure lasting, strong economic growth, he said. Countries may need to tighten both monetary and fiscal policy more quickly to curb inflationary pressures, Burns added. Rising commodity prices have pushed headline inflation rates higher, which are close to, or have breached the upper limits of central banks' targeted bands in many countries, the report said. Food inflation exceeded 9 percent by February 2011 in developing countries, it added. "Headline (consumer price inflation) suggests that inflation will accelerate further in most developing regions," the World Bank said, noting that the biggest rise will be in South Asia, Africa and the Middle East. Burns said the recent spate of weak economic data pointed to a pause or slowing of growth in the U.S. economy. He dismissed the possibility of a double-dip recession. Meanwhile, the recovery in Europe faced substantial headwinds from uncertainty over a debt crisis in Greece, Portugal and Ireland, the report said. While the World Bank forecast is for solid growth in developing countries, the report highlighted risks from costlier food and fuel, possible further price spikes in oil and nagging post-crisis problems in advanced economies. Pressures from a surge in private capital flows into emerging economies, which was a key concern for the World Bank in January, had now eased significantly, Burns said. "Those strong, short-term capital inflows that dominated our concerns have eased substantially," Burns told a news conference. He said countries had dealt with the effects of the "hot money" by tightening fiscal and monetary policy, which in the bank's opinion had eased some of the pressures. "Our baseline forecast is one where there is a smooth landing, a smooth resolution of those pressures but they are still there," Burns added.

### TEMPEST IN THE MIDDLE EAST

The World Bank report warned that political turmoil and unrest in the Middle East and North Africa could derail global growth if oil prices rose sharply, which would reduce economic output by around 0.5 percentage points. Turmoil has raged across the Middle East since January, starting in Tunisia and Egypt. Since



then it has spread to Syria, Jordan, Morocco, Bahrain, Yemen, Saudi Arabia, while NATO kept up its bombing campaign in Libya. The World Bank said a large and sustained drop in global oil supply due to the turmoil in the Middle East could push global oil prices as high as USD 200 a barrel. The bank said higher global oil prices were a major factor behind the rise in world food prices, just three years after the last food price crisis in 2008. More expensive oil feeds into food prices through the rise in fertilizer prices, transport costs to ferry food to markets, and through increased use of corn for biofuel production. The Bank noted that the rise in global food prices has been mitigated by healthy local harvests in some regions of the developing world. World Bank simulations suggest that if the June 2011/May2012 crop year is normal, then globally traded grain prices should decline in 2012. However, if the crop is poor then wheat prices could rise by a further 3.5 percent. (9 June, The Daily Star)

## COMMODITY, GOLD, OIL & CURRENCY

### GOLD STEADIES NEAR FOUR-WEEK HIGH



Gold steadied around its highest in nearly four weeks, supported by investor nervousness over the race in Europe to avert a Greek debt default, although stronger equities and oil tempered gains. A Wall Street Journal report that Germany could make concessions on efforts to put together a bailout for Greece lifted the euro and boosted equities and base metals at the expense of perceived safe-havens such as gold or bonds. Spot gold hit an intraday high of USD 1,540.36, its highest since May 4, before slipping to USD 1,536.70 an ounce by 1000 GMT, down 0.08 percent. June gold futures were up 0.1 percent at USD 1,537.50. Yet gold is down 1.7 percent so far in May, hovering below a lifetime high around USD 1,575 touched early in the month and, although it has been a beneficiary of the investor nervousness over Greece, it has struggled to retain its gains. "We have the Greek and the US debt issues, it is all supportive, but what is going to make gold go back up to the highs of the year? Can it achieve that just by renewed interest or does it require some big-impact event?" said Mitsubishi analyst Matthew Turner. "We've seen after a brilliant start to the year, the global economy has slowed quite quickly, partly due to Japan but also because of a slowing China and a slowing US and so on ... the question is can the economy recover on its own or will it get worse, or will we see more stimulus measures?" The European Union is racing to draft a second bailout package for Greece to release vital loans next month and avert the risk of the euro zone country defaulting, EU officials said. Germany is considering dropping its push for an early rescheduling of Greek bonds in order to facilitate a new package of aid loans for Greece, the Wall Street Journal reported, and citing people familiar with the matter. The euro hit three-week highs against the dollar, before retreating, while gold priced in euros-sometimes used as a gauge to measure investor concern over the euro zone's debt crisis over the last year, fell by 1 percent on the day, having

touched a record 1,088.11 euros an ounce last week. The rise in investor risk aversion has translated into greater interest in owning gold, as reflected in last week's net increase in global holdings of the metal in the world's largest exchange-traded funds, the first weekly rise in a month. Gold holdings are still down by over 500,000 ounces this month and down 0.68 pct in the year-to-date, but bullion ETFs have lured in more cash in May than other precious metals. On the futures markets, speculators increased their holdings of gold for the first time since mid-April last week, according to data from the Commodity Futures Trading Commission, bringing total futures open interest to its highest since April 19. "It's crucial for markets to see whether Greece is actually sustainable and whether it can actually obtain the next 12 billion euros that is required for them to meet their funding needs in July," said Ong Yi Ling, investment analyst at Phillip Futures in Singapore. "I think silver was going up too fast and within too short a period of time. But I think on a longer-term basis after the selloff, you see that investors are slowly coming back." (1 June, The Financial Express)

### OIL PRICES FALL AS OPEC MEETS

Oil prices dropped as OPEC considered whether to boost supplies aimed at reviving weak global economic growth. New York's main contract, light sweet crude for delivery in July, fell 89 cents to USD 98.20 a barrel. Brent North Sea crude for July lost 71 cents to USD 116.07 a barrel in early London deals. "The market was nervous ahead of all important OPEC policy meeting in Vienna," said Andrey Kryuchenkov, a commodities analyst at VTB Capital financial group. "The market's reaction would depend on the scale of a potential hike and following comments. Prices could pullback significantly if there was an unexpected quick consensus with OPEC showing it can act quickly and decisively by reaching new output targets to elevate supply fears," he added. The Organisation of Petroleum Exporting Countries squared up for a critical decision on whether to raise oil output for the first time for almost four years to underpin the global economy. One central factor is a choke on production in Libya owing to unrest. OPEC, which accounts for an estimated 40 percent of global oil supplies, will announce its decision after a regular meeting of its 12 member nations in Vienna, where the cartel is based. (9 June, The New Age)

### INVESTORS SEE SHARP FALLS IN COMMODITIES

Weak economic news in key developed economies pushed down commodity prices in early May, and investors are expecting further falls for some commodities, the Bank for International Settlements said. While commodity prices had been rising in previous months as investors put their money on assets whose prices could rise with inflation, the "prices of most commodities dropped sharply" in early May, noted the bank for central banks. "Silver prices plunged by 30 percent while oil prices fell by 10 percent during the same period," it noted in its quarterly review which examined the economic situation up to May. "Moderating perceptions of global inflationary pressures following negative economic news in early May from the United States and Germany may have prompted some investors to close out their positions," it noted. "Since then, implied volatility for silver has risen sharply, suggesting that market participants perceive a risk of further sharp price falls," it added. Implied volatility is the estimated volatility of a commodity's price. Overall, investors continued to see strong growth in emerging economies during the period under review, while they were more bearish about expectations for the United States and other developed economies. Ongoing concerns over Greek finances also led to a "marked depreciation of the euro during May," said the BIS. (7 June, The Independent)

### EURO TRADES STRONGLY AGAINST DOLLAR

The euro traded strongly against the dollar in Asian trade after rising sharply amid growing relief over Europe's continued bailout for heavily indebted Greece, dealers said. After rising



to USD 1.4657 in early Tokyo trade, the euro stood at USD 1.4637 in the afternoon, almost unchanged from USD 1.4638 in New York. The European single currency rose to 117.58 yen from 117.40 yen. The dollar firmed to 80.31 yen from 80.25 yen. The euro was slightly off its peak in thin

trading, as markets in New Zealand, South Korea, China and Taiwan were closed for public holidays, dealers said. The euro climbed after the EU, International Monetary Fund and European Central Bank said they have agreed to extend the next tranche of funds under Greece's debt rescue accord package, most likely in July. That eased worries over a possible breakdown of the 110 billion euro (USD 160 billion) IMF-European Union bailout programme for Athens, with possibly huge collateral damage for the eurozone at large. Athens can also expect a new bailout, set to amount to some 60 billion euros, while international backers want greater control over a radical economic overhaul. (7 June, The New Age)

## GLOBAL BRANDS & BUSINESS

### AIRBUS BREAKS NEW ORDER RECORD WITH 200-PLANE DEAL



Airbus says it has signed the largest aircraft order in history, an order for 200 of its fuel efficient A320neo jets from Asian low-cost carrier AirAsia. AirAsia said that the order is worth USD 18.5 billion and is the largest order ever by an airline in terms of number of aircraft involved. Carriers often negotiate discounts on the list prices. That tops the record set just by Airbus with an order for 180 aircraft from Indian carrier IndiGo. The announcement was made at the Paris Air Show, where Airbus has enjoyed huge success with its fuel-efficient A320neo. Meanwhile, Malaysian airline AirAsia ordered a record 200 medium-haul Airbus A320neo passenger jets, a deal with a catalogue price of USD18.2 billion (12.7 billion euros), both firms announced at the Paris air show. "It is the largest single order for Airbus in terms of numbers of aircraft," Airbus chairman Thomas Enders told reporters at the Le Bourget aerodrome as he stood next to AirAsia boss Tony Fernandes. The order makes the Malaysian low-cost pioneer Airbus' biggest customer, with a total of 375 planes on order from the France-based planemaker and 89 A320s already in service. Fernandes said this week that AirAsia had already placed an order for 175 A320s which will be fully delivered by 2015 but to meet its expansion plans in Indonesia, Philippines, Thailand and Vietnam it needed another 200 aircraft. AirAsia's current 93-strong fleet serves about 160 routes in Asia, making over 520 flights daily from hubs in Malaysia, Thailand, and Indonesia. Fernandes had said earlier that this would be a

"big day" for his company at the trade show at the Le Bourget aerodrome north of Paris, as rumours spread he was about to announce a record plane purchase. "Look where I am. Big day for AirAsia," he announced on Twitter, alongside a link to a picture of the Eiffel Tower. European defense group EADS, Airbus' parent company, rose nearly 2.0 percent after news of the AirAsia order. Airbus was due to give a press conference later, the last trade day of the show before the doors are thrown open to the public, to summarise a week in which it has won billions of dollars in orders. (24 June, The Financial Express)

## TECHNOLOGY

### MOBILE BANKING TO HELP 2 billion PEOPLE BY 2020 - STUDY



Mobile financial services are expected to improve the lives of around 2 billion people in developing countries within a decade and boost economies, a Boston Consulting Group study found. "Overall, mobile financial services can reduce financial exclusion by 5 percent to 20 percent through 2020 and increase gross domestic product (GDP) by up to 5 percent, with Pakistan, for instance, potentially seeing a 3 percent uplift," the study said. It added that improved access to finance fostered entrepreneurship, new business creation and new jobs. The report, released by Norwegian telecom group Telenor, focused on five countries -- Pakistan, Bangladesh, India, Malaysia and Serbia -- which represented a broad development range, it said. Some 72 percent of the populations in developing countries are without access to banks or credit cards according to the study. They manage to work around this by borrowing from friends and family, obtaining short-term credit from employers, forming savings clubs or seeking out moneylenders but these options were often risky, costly and with indeterminate results. Telecom firms such as Telenor, Vodafone, Orange and MTN have begun investing in mobile payment systems in Asia and Africa that allow consumers to make basic payments for utilities for example but also participate in savings, credit and insurance programmes via mobile phones. Mobile financial services can also help overcome economic shocks such as natural disasters or unexpected medical emergencies, the study said. In Kenya, Safaricom's M-Pesa's UAP Insurance insures poor farmers through mobile phones against weather-induced crop failures for example. Norway's Telenor said it was still early days but that the potential for growth was expected to be huge. Telenor's EasyPaiza programme in Pakistan started with 2,200 retail outlets in October 2009 and now has 12,600 retailers spread over 650 cities across the country. It has some 10 million estimated users and the total value of money transfers has reached 17.4 billion Pakistan rupees (USD167.2 million). "We believe that mobile financial services will be one of the key drivers for financial inclusion going forward and thus has the potential to be the most powerful tool for economic and social development in emerging economies," Telenor Chief executive Jon Fredrik Baksaas said in a statement. (30 June, The Reuters)



# MTB NEWS & EVENTS

## MUTUAL TRUST BANK (MTB) BAMLCO CONFERENCE 2011

**Date** : June 24, 2011  
**Venue** : Greentech Resort and Convention Centre, Gazipur-1700

The MTB Training Institute (MTBTI) organized the BAMLCO (Branch Anti Money Laundering Compliance Officer) conference, with the assistance of bank's Anti Money Laundering Department (AMLDD).



## WORKSHOP ON STRESS TESTING

**Date** : June 04, 2011  
**Venue** : MTB Centre, Dhaka-1212  
**Key Resource Person:** S.K. Sur Chowdhury  
Executive Director  
Bangladesh Bank.



## WORKSHOP ON INTERNAL CONTROL & COMPLIANCE

**Date** : June 11, 2011  
**Venue** : MTBTI, Dhaka-1205  
**Key Resource Persons:** Sheikh Mozaffar Hossain,  
Deputy General Manager, Bangladesh Bank & Tofazzal Hossain Khan, Joint Director, Bangladesh Bank.



## WORKSHOP ON SBS-2,3

**Date** : June 18, 2011  
**Venue** : MTBTI, Dhaka-1205  
**Key Resource Persons:** Nurun Nabi, Deputy General Manager, Bangladesh Bank & Kazi Md Nassiruddin, Joint Director, Bangladesh Bank.





## BB GOVERNOR HANDING OVER CDCS CERTIFICATE TO MTB OFFICIALS

Dr. Atiur Rahman, Governor of Bangladesh Bank, is seen handing over CDCS certificate to Kazi Mazbah Uddin AVP at a workshop organized by ICC.

CDCS [Certified Documentary Credit Specialist] is the internationally recognized professional certification for documentary credit practitioners having specialized knowledge and application of skills, required for competent practice.



## MTB OFFICIALS ACHIEVED CDCS CERTIFICATE

Md. Mazharul Hasan, Arifa Sultana and Mohammad Mominur Rahman (appeared right to left on picture) of Mutual Trust Bank Ltd. (MTB) have recently qualified as CDCS after passing the examination required for achieving this internationally prestigious certification.



## MTB DONATES TO THALASSAEMIA HOSPITAL

**Date** : June 28, 2011  
**Venue** : MTB Centre, Dhaka-1212



**24** hours

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# NATIONAL ECONOMIC INDICATORS

## Total Tax Revenue

Total tax revenue collection in April, 2011 increased by BDT 1350.21 crore or 24.74 percent to BDT 6808.61 crore, against BDT 5458.40 crore in April, 2010. The NBR and Non-NBR tax revenue collection in April, 2011 were BDT 6511.74 crore and BDT 296.87 crore respectively, against BDT 5202.35 crore and BDT 256.05 crore respectively in April, 2010. NBR tax revenue collection during July-May, 2010-11 increased by BDT 14811.40 crore or 28.17 percent to BDT 67399.36 crore against collection of BDT 52587.96 crore during July-May, 2009-10. Revised target for NBR tax revenue collection for FY 2010-11 is fixed at BDT 75600.00 crore.

## Liquidity Position of the Scheduled Banks

Total liquid assets of the scheduled banks stood higher at BDT 94390.71 crore as of end May, 2011, against BDT 87196.61 crore as of end June, 2010. However, excess liquidity of the scheduled banks stood lower at BDT 29249.57 crore as of end May, 2011, against BDT 34498.73 crore as of end June, 2010. Scheduled banks holding of liquid assets as of May, 2011 in the form of cash in tills & balances with Sonali bank, balances with Bangladesh Bank and unencumbered approved securities are 5.59 percent, 34.75 percent and 59.66 percent respectively of total liquid assets.

Bank Group	As on end June, 2010 (BDT in crore)		As on end May, 2011p (BDT in crore)	
	Total Liquid Asset	Excess Liquidity	Total Liquid Asset	Excess Liquidity
State Owned Banks	31088.88	15268.40	28525.42	9708.89
Private Banks	35855.58	9820.39	46161.91	13191.47
Private Islamic Banks	9634.59	4286.13	10301.25	2991.98
Foreign Banks	9247.73	4516.52	8260.34	3183.32
Specialized Banks	1369.83	607.29	1141.79	173.91
<b>Total</b>	<b>87196.61</b>	<b>34498.73</b>	<b>94390.71</b>	<b>29249.57</b>

## Imports

Import payments in May, 2011 stood higher by USD 62.60 million or 1.94 percent to USD 3291.80 million, against USD 3229.20 million in April, 2011. This was also higher by USD 1164.80 million or 54.76 percent than USD 2127.00 million in May, 2010. Of the total import payments during July-May, 2010-11 imports under

Cash and for EPZ stood at USD 29332.90 million, import under Loans/Grants USD 43.20 million, import under direct investment USD 123.20 million and short term loan by BPC USD 1247.80 million.

## Exports

Merchandise export shipments in May, 2011 stood higher by USD 258.93 million or 12.72 percent at USD 2295.10 million compared to USD 2036.17 million in April, 2011 according to EPB data. This was also higher than USD 1553.97 million of May, 2010. The year-on-year growth stood at 47.69 percent in May, 2011.

## Remittances

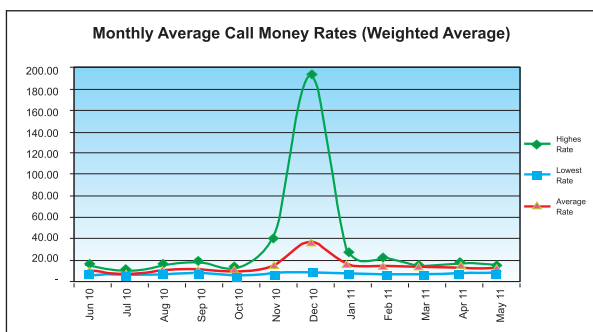
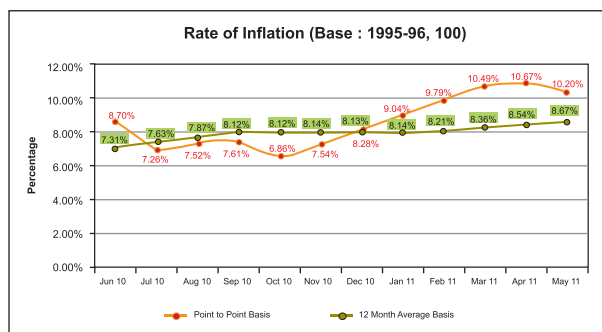
Remittances in June, 2011 stood higher at USD 1038.13 million against USD 998.42 million of May, 2011. This was also higher by USD 145.98 million against USD 892.15 million of June, 2010. Total remittances receipts during July-June, 2010-11 increased by USD 662.19 million or 6.03 percent to USD 11649.59 million against USD 10987.40 million during July-June, 2009-10.

## Foreign Exchange Reserve (Gross)

The gross foreign exchange reserves of the BB stood higher at USD 10911.55 million (with ACU liability of USD 837.48 million) as of end June, 2011, against USD 10431.23 million (with ACU liability of USD 434.05 million) by end May, 2011. The gross foreign exchange reserves, without ACU liability is equivalent to import payments of 3.67 months according to imports of USD 2745.60 million per month based on the previous 12 months average (June-May, 2010-11). The gross foreign exchange balances held abroad by commercial banks stood slightly higher at USD 903.24 million by end June, 2011 against USD 903.12 million by end May, 2011. This was also higher than the balance of USD 465.52 million by end June, 2010.

## Exchange Rate Movements

Exchange rate of Taka per USD increased to BDT 73.49 at the end of May, 2011 from BDT 69.45 at the end of June, 2010. Taka depreciated by 5.50 percent as of end May, 2011 over end June, 2010.



Rate of Inflation on CPI for National (Base:1995-96,100)	Jun10	Jul10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11
Point to Point Basis	8.70%	7.26%	7.52%	7.61%	6.86%	7.54%	8.28%	9.04%	9.79%	10.49%	10.67%	10.20%
12 Month Average Basis	7.31%	7.63%	7.87%	8.12%	8.12%	8.14%	8.13%	8.14%	8.21%	8.36%	8.54%	8.67%

Source: Major Economic Indicators

Monthly Average Call Money Market Rates (wt avg)	Jun10	Jul10	Aug 10	Sep 10	Oct 10	Nov 10	Dec 10	Jan 11	Feb 11	Mar 11	Apr 11	May 11
Highest Rate	12.50	7.50	12.00	15.00	9.50	37.00	190.00	24.00	18.00	12.00	14.00	12.00
Lowest Rate	2.00	2.50	2.50	3.50	2.00	3.50	5.00	3.75	3.00	3.00	4.00	4.75
Average Rate	6.62	3.33	6.36	6.97	6.19	11.38	33.54	11.64	9.54	10.35	9.50	8.64

Source: Economic Trends Table XVIII (Call Money)



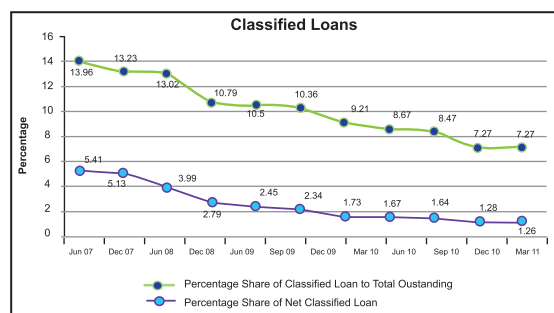
# BANKING AND FINANCIAL INDICATORS



Classified Loans	Dec 06	Jun 07	Dec 07	Jun 08	Dec 08	Jun 09	Sep 09	Dec 09	Jun 10	Sep 10	Dec 10	Mar 11
Percentage Share of Classified Loan to Total Outstanding	13.15	13.96	13.23	13.02	10.79	10.50	10.36	9.21	8.67	8.47	7.27	7.27
Percentage Share of Net Classified Loan	7.13	5.41	5.13	3.99	2.79	2.45	2.34	1.73	1.67	1.64	1.28	1.26

Monetary Survey	May, 2010		June, 2010		May, 2011 <sup>p</sup>		May 11 over May 10		Percentage Change (%)		
	May, 2010	June, 2010	May, 2011 <sup>p</sup>	May 11 over May 10	Jul-May'10-11	FY 2009-10					
Reserve Money (BDT crore)	75676.70	80510.30	91386.70	20.76%	13.51%	16.03%					
Broad Money (BDT crore)	352225.80	363,031.20	429275.80	21.88%	18.25%	22.44%					
Net Credit to Government Sector (BDT crore)	49449.10	54392.30	65632.80	32.73%	20.67%	-6.52%					
Credit to Other Public Sector (BDT crore)	14800.20	15060.70	18899.90	27.70%	25.49%	21.07%					
Credit to Private Sector (BDT crore)	264038.60	270760.80	336638.20	27.50%	24.33%	24.24%					
<b>Total Domestic Credit (BDT crore)</b>	<b>328287.90</b>	<b>340213.80</b>	<b>421170.90</b>	<b>28.29%</b>	<b>23.80%</b>	<b>17.90%</b>					

L/C Opening and Settlement Statement (USD million)	Percentage Change (%)					
	July-May 2009-10		July-May 2010-11		Year over Year	
	Open	Sett.	Open	Sett.	Open	Sett.
Food Grains (Rice & Wheat)	1055.73	802.53	2355.11	1819.66	1.23	1.27
Capital Machinery	1702.76	1331.78	2569.17	1844.32	0.51	0.38
Petroleum	2164.11	2018.89	2947.84	3021.01	0.36	0.50
Industrial Raw Materials	9065.23	7430.46	13978.40	11183.84	0.54	0.51
Others	11738.04	9216.94	14022.75	11309.9	0.19	0.23
<b>Total</b>	<b>25725.87</b>	<b>20800.60</b>	<b>35873.27</b>	<b>29178.73</b>	<b>0.39</b>	<b>0.40</b>



Yearly Interest Rates						
End of Period	Bank Rate	Call Money Market's Weighted Average Interest Rates on Borrowing		Scheduled Banks' Weighted Average Interest Rates on Advances		Spread
2011*	5.00	10.93	10.93	.....	.....	.....
2010	5.00	8.06	8.06	6.08	11.34	5.26
2009	5.00	4.39	4.39	6.29	11.51	5.22
2008	5.00	10.24	10.24	7.09	12.40	5.32
2007	5.00	7.37	7.37	6.84	12.78	5.95
2006	5.00	11.11	11.11	6.99	12.60	5.61
2005	5.00	9.57	9.57	5.9	11.25	5.35
2004	5.00	4.93	5.74	5.56	10.83	5.27
2003	5.00	6.88	8.17	6.25	12.36	6.11
2002	6.00	9.49	9.56	6.49	13.09	6.60

\*: data upto month of June of year 2011.

Interest Rate Development *1/												
Period	Treasury Bills			BGTB				Repo	Rev. Repo	Call Rate	Lending Rate	Deposit Rate
	91-Day	182-Day	364-Day	5-Year	10-Year	15-Year	20-Year	1-2 Day	1-2 Day			
<b>2009-10 *r</b>												
July	1.86	3.75	5.01	8.2	9.42	9.39	8.97	.....	.....	1.08	13.61	7.93
August	.....	.....	.....	7.47	8.55	8.59	8.59	.....	.....	0.72	13.26	7.57
September	2.05	3.5	4.33	7.49	8.43	8.80	.....	8.50	.....	4.39	13.13	7.45
October	2.14	3.51	4.57	7.8	8.75	8.69	9.10	.....	2.50	2.82	13.07	7.39
November	2.30	.....	4.60	7.8	.....	.....	.....	4.50	2.50	4.43	12.87	7.33
December	2.30	3.54	4.60	7.8	8.75	8.69	9.10	4.50	2.50	5.05	12.80	7.33
January	2.33	3.55	4.61	7.8	.....	8.74	.....	4.50	2.50	4.83	12.43	7.06
February	.....	3.56	4.62	7.82	8.75	8.74	9.11	4.50	2.50	4.51	12.33	7.14
March	.....	3.54	4.63	7.85	8.76	8.75	9.15	4.50	2.50	3.51	12.41	7.13
April	2.34	3.42	4.15	7.85	8.77	8.77	9.17	4.50	2.50	4.36	12.37	7.20
May	2.37	3.52	4.20	.....	8.77	8.77	9.19	4.50	2.50	5.18	12.30	7.13
June	2.42	3.51	4.24	7.87	8.78	8.80	9.15	4.50	2.50	6.46	12.37	7.40
<b>2010-11 *p</b>												
July	2.43	3.51	4.24	7.88	8.79	8.84	9.20	4.50	2.50	3.33	12.58	7.25
August	.....	.....	.....	7.88	8.82	8.86	9.23	5.50	3.50	6.58	12.29	7.21
September	.....	.....	.....	7.93	8.85	8.91	9.24	5.50	3.50	7.15	11.76	7.22
October	2.94	3.75	4.45	7.96	8.85	8.94	9.25	5.50	3.50	6.19	11.81	7.22
November	3.72	4.16	4.65	8.00	8.89	9.05	9.41	5.50	3.50	11.38	11.78	7.25
December	4.58	4.85	5.50	8.10	9.45	9.11	9.56	5.50	3.50	33.54	12.20	7.32
January	5.11	5.39	5.94	8.25	9.50	.....	9.60	5.50	3.50	11.64	12.64	7.59
February	5.25	5.5	6.00	8.25	9.45	9.12	9.60	5.50	3.50	9.54	12.51	7.55
March	5.48	5.63	6.20	8.26	9.36	9.20	9.63	6.00	4.00	10.59	12.82	7.67
April	5.98	6.03	6.67	8.26	9.45	9.30	9.65	6.25	4.25	9.50	12.83	7.98
May	6.45	6.63	6.97	8.26	9.45	9.35	9.65	6.25	4.25	8.64	12.85	8.45
June	6.75	7.00	7.30	8.26	9.45	9.35	9.65	6.75	4.75	10.93	.....	.....

Source: MRP, DMD, Statistics Dept., Bangladesh Bank, \*1/ Weighted Average Rate, \*p Provisional, \*r Revised, ..... Data Unavailable



# DOMESTIC CAPITAL MARKETS REVIEW

## CAPITAL MARKET - DSE (For the weeks June 05 to June 30, 2011)

### Weekly Summary Comparison

	June 26 - June 30	June 02 - June 09	% Change
Total Turnover			
in mn BDT	40,028	35,474	12.84%
Daily Average			
Turnover in mn BDT	8,006	7,095	12.84%

### Category-Wise Turnover

Category	June 26 - June 30	June 02 - June 09	% Change
A	87.66%	92.40%	(0.047)%
B	2.33%	2.53%	(0.002)%
G	0.00%	0.00%	0.000%
N	9.04%	3.62%	0.054%
Z	0.97%	1.45%	(0.005)%

### Script Performance in the Week

	June 26 - June 30	June 02 - June 09	% Change
Advanced	223	149	49.66%
Declined	39	111	(64.86)%
Unchanged	1	4	(75.00)%
Not Traded	7	5	40.00%
Total No. of Issues	270	269	0.37%

### Top 10 Gainer Companies by Closing Prices, June, 2011

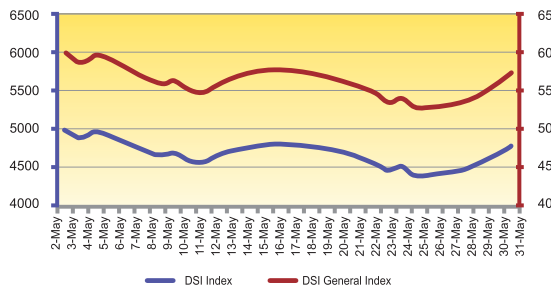
SI	Names	Category	% of Change	Deviation % (High & Low)
1	Federal Insurance	A	14.65	18.69
2	BGIC	A	14.25	19.02
3	Square Textile	A	14.18	17.69
4	Grameenphone Ltd.	A	13.11	13.25
5	Beach Hatchery Ltd.	A	11.26	17.38
6	M.I. Cement Factory Ltd.	N	10.71	12.24
7	Karnaphuli Insurance	A	9.79	15.85
8	Peoples Insurance	A	9.50	14.16
9	Southeast Bank Ltd.	A	9.48	12.23
10	Mercantile Bank Ltd.	A	9.46	11.21

### Top 10 Loser Companies by Closing Prices, June, 2011

SI	Names	Category	% of Change	Deviation % (High & Low)
1	Popular Life	A	(25.93)	4.89
2	Eastern Insurance	A	(8.59)	11.78
3	Samata Leather Complex Ltd.	Z	(6.26)	13.93
4	Rupali Life Insurance Company Ltd.	A	(5.21)	5.96
5	Rahim Textile	A	(5.10)	5.23
6	Pragati life Insurance	A	(5.08)	11.15
7	4th ICB M.F.	A	(5.00)	0.00
8	Safko Spinnings	A	(4.89)	10.15
9	Legacy Footwear	Z	(4.80)	11.79
10	Monno Jutex	A	(4.70)	8.52

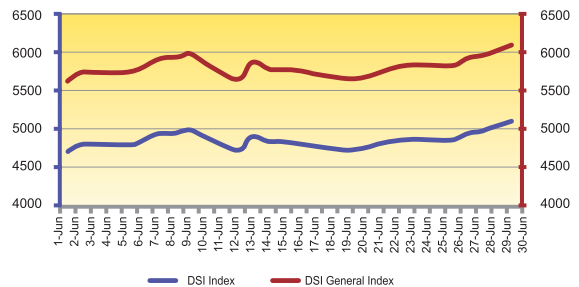
### Average Monthly Trend

#### DSE Price Indices for May-2011

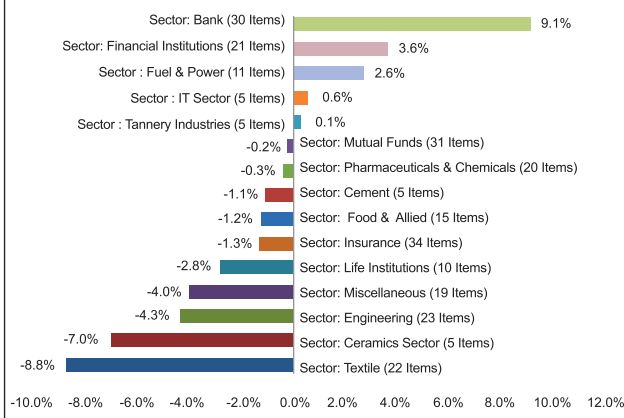


### Average Monthly Trend

#### DSE Price Indices for June-2011



### DSE SECTOR MOVEMENT BY CLOSING PRICE (%CHANGE)



Dhaka stocks closed on higher note in June 2011 with a rise in turnover to two and a half months high, after the government decided to allow 'undisclosed' money in the stock market. "The investors' confidence was boosted up by the government announcement that it will allow undisclosed money in the stock market and they went for heavy buying," market experts said. The government finally decided Tuesday (June 14th) to allow undisclosed money in the share market for two years with a 10 percent tax. By the end of June DGEN closed at 6,117 points at month end, which is 358 points high compare to last month of May 2011. DGEN increased by 6% during the month and the highest peak 6,117 was recorded on June 30. Meanwhile average daily turnover increased by 12.8% in the month compared to the first week with the last week at DSE. Though most of the sectors lost over the month due to the cash crunch low confidence of investors effect in early times of June. Among Textile was the biggest loser in the month which fell by 8.8% and on the other hand Bank was highest gainer of the month which rose by 9.1% during June 2011.

# DOMESTIC CAPITAL MARKETS REVIEW



## CAPITAL MARKET - CSE (For the Month of June, 2011)

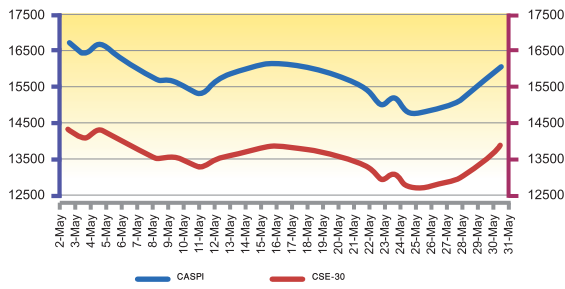
### Top 10 Gainer Companies by Closing Price, June, 2011

Names	Category	Week Difference	Opening	Closing	Turnover (BDT)
Square Textiles Ltd.	A	15.77	121.70	140.90	4,227,201.00
Federal Insurance	A	14.45	123.10	140.90	13,959,090.00
BGIC	A	13.14	44.90	50.80	21,899,020.00
Lafarge Surma Cement Ltd.	Z	12.94	436.50	493.00	46,628,125.00
Beach Hatchery Ltd.	A	12.83	45.20	51.00	10,472,692.50
Rupali Insurance	A	11.31	116.70	129.90	4,287,340.00
M.I. Cement	N	10.48	159.30	176.00	203,740,660.00
Salvo Chemical Industry Ltd.	N	10.02	48.90	53.80	43,285,400.00
MJL Bangladesh Ltd.	N	9.21	144.40	157.70	294,125,610.00
Marico Bangladesh Ltd.	N	9.04	460.00	501.60	690,300.00

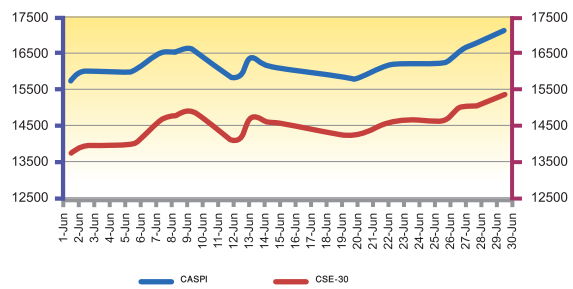
### Top 10 Loser Companies by Closing Price, June, 2011

Names	Category	Week Difference	Opening	Closing	Turnover (BDT)
Samata Leather Complex	Z	-10.43	230.00	206.00	149,100.00
Apex Spinning	A	-6.22	1,413.00	1,325.00	26,500.00
Eastern INS	A	-6.02	925.75	870.00	1,357,755.00
Rupali Life Insurance Company Ltd.	A	-5.86	2,760.00	2,598.00	4,118,300.00
Subordinated 25% Convertible Bonds of Brac Bank Ltd.	A	-5.67	970.00	915.00	14,280.00
Aziz Pipe	Z	-5.40	370.00	350.00	7,000.00
Bangas Ltd.	A	-4.03	1,760.00	1,689.00	824,846.25
MBL 1st Mutual Fund	A	-3.75	8.00	7.70	3,850.00
Reckitt Benckiser (BD) Ltd.	A	-3.50	1,200.00	1,158.00	473,900.00
B.S.C.	A	-3.15	2,375.00	2,300.00	23,000.00

CSE Price Indices for May-2011



CSE Price Indices for June-2011



আমার ব্যাট আছে,  
আমার ব্যাংক অ্যাকাউন্টও  
আছে!



- ১৮ বছরের কম বয়সী যেকোন ছাত্র/ছাত্রীর জন্য এই সেকিউল অ্যাকাউন্টে রয়েছে:
- আঞ্চলীয় ইন্সট্রুমেন্ট বোর্ড
  - ট্রি ডেবিট কার্ড
  - ট্রি ইন্সট্রুমেন্ট ব্যালেন্স
  - অ্যাকাউন্ট মেইনটেনেন্স একদম ফ্রি
  - অডিভার্সশনের মাধ্যমে অ্যাকাউন্ট পরিচালনা

মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড  
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you can bank on us

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স্বাক্ষর বন করণ ০২৭ ০০০০ ০০০০-৯  
ফোন: (০২) ১১৭ ০০২৯  
ইমেইল: info@mutualtrustbank.com

আমার গিটার আছে,  
আমার ব্যাংক অ্যাকাউন্টও  
আছে!



- ১৮ বছর বা তার বেশি যেকোন ছাত্র/ছাত্রীর জন্য এই সেকিউল অ্যাকাউন্টে রয়েছে:
- আঞ্চলীয় ইন্সট্রুমেন্ট বোর্ড
  - প্রতিদিনের ইন্সট্রুমেন্ট মাস পেয়ে করা
  - ট্রি ডেবিট কার্ড
  - ট্রি ইন্সট্রুমেন্ট ব্যালেন্স
  - অ্যাকাউন্ট মেইনটেনেন্স একদম ফ্রি

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ফোন: (০২) ১১৭ ০০২৯  
ইমেইল: info@mutualtrustbank.com



# INTERNATIONAL CAPITAL MARKETS

## SELECTED GLOBAL INDICES

### GLOBAL INDICES ROUND-UP

The fireworks came early on Wall Street. Stocks started the second half of the year firing on all cylinders lately, posting the strongest week in two years, as fresh data boosted investor optimism about the state of the economy. Though late gains weren't enough to lift the market out of the red. In fact, the market's performance in June was the worse that May 2011. The Dow tumbled nearly 1.2% for the month, while the S&P 500 and the Nasdaq lost 1.8% & 2.2% respectively. May has been a rough month for the stock market as investors, in fact, the gains over the last five sessions have helped stocks nearly

erase all of June's losses otherwise it could have been the worst month after August 2010. Stocks ended the first half of the year solidly higher recently, following a turbulent six months. The second quarter had been especially rough as soft economic data sparked concerns of a U.S. economic slowdown.

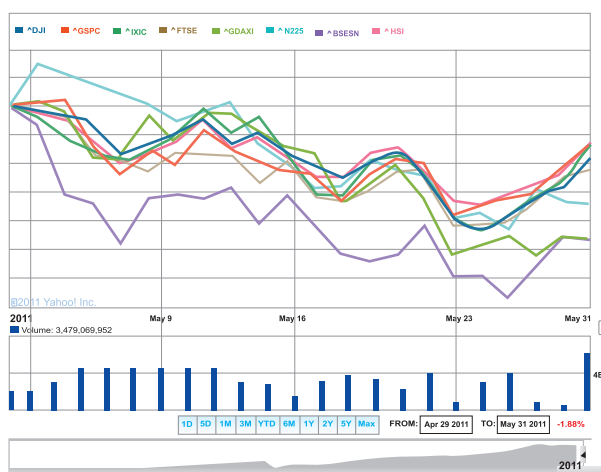
European stocks ended modestly higher. Britain's FTSE 100 dropped 0.7%, the DAX in Germany added 1.1%. Asian markets ended the session mixed. The Hang Seng in Hong Kong ticked down 5.4%, while the Ben Sensex soared 1.9% and Japan's Nikkei added 1.3%.

## INTERNATIONAL MARKET MOVEMENTS

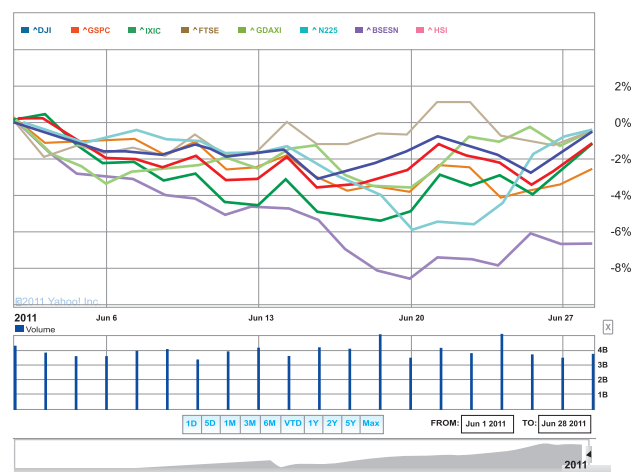
INDEX	VALUE (As of June 30, 2011)	VALUE (As of May 31, 2011)	CHANGE	% CHANGE
DJIA	12,414.34	12,569.79	-155.45	-1.2%
S&P 500	1,320.64	1,345.20	-24.56	-1.8%
NASDAQ	2,773.52	2,835.30	-61.78	-2.2%
FTSE 100	5,945.70	5,990.00	-44.3	-0.7%
DAX	7,376.24	7,293.69	82.55	1.1%
NIKKEI 225	9,816.09	9,693.73	122.36	1.3%
BSE SENSEX	18,845.87	18,503.28	342.59	1.9%
HANG SENG	22,398.10	23,684.13	-1286.03	-5.4%
Arithmetic Mean				-0.9%

## DOUBLE VIEW

### May 2011



### June 2011



(Compiled from Yahoo! Finance)

# INTERNATIONAL ECONOMIC FORECASTS



## WELLS FARGO SECURITIES ECONOMICS GROUP™ REPORT



### US OVERVIEW

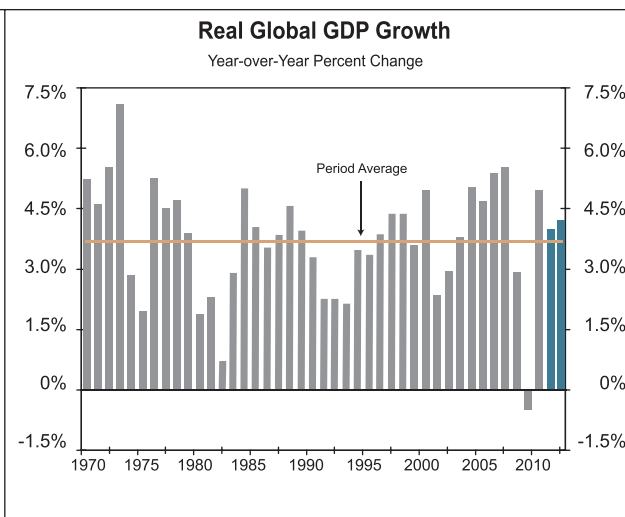
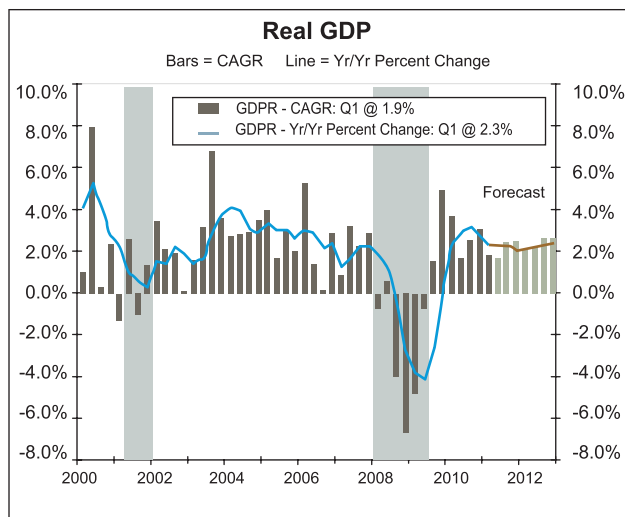
#### “Nuts”

That was General Anthony McAuliffe’s much celebrated response to the German commander’s request for the surrender of Bastogne during the Battle of the Bulge. Today, the U.S. economy appears to be surrounded and unable to break out through the enemy lines. Slow job growth, high energy prices, fiscal policy uncertainty here and in Europe and the end, at least temporarily, of monetary policy stimulus: Where will the economy find opportunity? Our outlook remains for moderate, sub-par growth accompanied by rising inflation pressures and no change in Federal Reserve policy on the federal funds rate. Within this environment, growth is expected to continue to generate opportunity in modest consumer spending, continued gains in equipment and software spending and modest gains in residential construction (remodeling) and exports. Yes, this is not an economic boom, but it is growth nonetheless. Meanwhile, inflation, while modest, is rising. However, we do not expect inflation, measured by the core PCE deflator; to hit the Fed’s two percent perceived guidepost. With modest growth and a sub-two percent core deflator, in our view, the Fed will not alter the federal funds rate at all this year—a view we had taken in our Annual Economic Outlook last December. Finally, corporate profit growth will moderate in the year ahead. Yet, the pace of profit growth will reflect globalization and competitiveness of U.S. firms, especially in value-added manufacturing and consumer products.

### INTERNATIONAL OVERVIEW

#### Expecting a Third-Quarter Bounce in Global Growth

A number of economic and financial trends are now moving in the global economy’s direction, allowing global growth to gain some strength in the third quarter. First, Japan is emerging faster and even more strongly from the March earthquake and tsunami than previously expected. A broad cross-section of economic data for May and June, from industrial production to vehicle sales and machinery orders, indicates a swift rebound is already underway in Japan. This has prompted a small upgrade to Japan’s GDP growth forecast for 2011 to a 0.6 percent decline from a 0.8 percent decline forecasted a month ago. Stronger growth can be expected in the United States and other oil-importing countries that saw a sharp increase in gasoline prices in the second quarter, which reduced the ability of consumers to grow their spending. Central banks around the world have continued to hike interest rates in July, but there is growing evidence global inflation pressures are peaking or soon will, reducing the need for, and pace of, additional monetary tightening. Several Chinese analysts have hinted that inflation problems may soon peak, reducing the need for further aggressive monetary tightening. That leaves the European sovereign debt crisis as the greatest remaining stumbling block and greatest downside risk for the global economy in the months ahead. Interest rates in Greece, Portugal, Ireland and, more recently, Spain and Italy have exploded in recent weeks, as Moody’s downgraded the sovereign debt rating of Portugal.



Source: U.S. Department of Commerce, International Monetary Fund and Wells Fargo Securities, LLC



Together we'll go far



# COMMODITY MARKETS



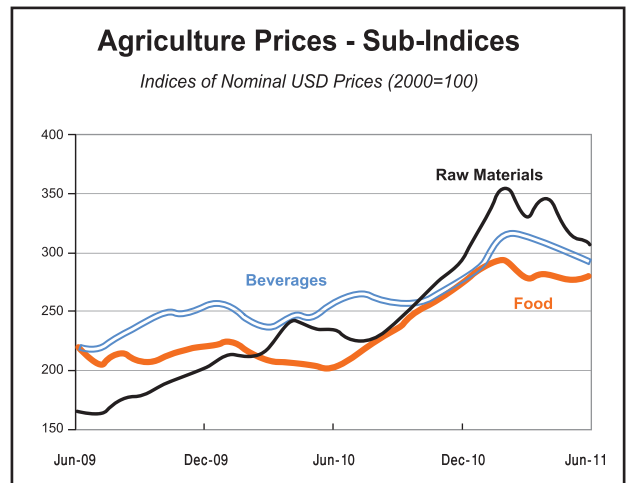
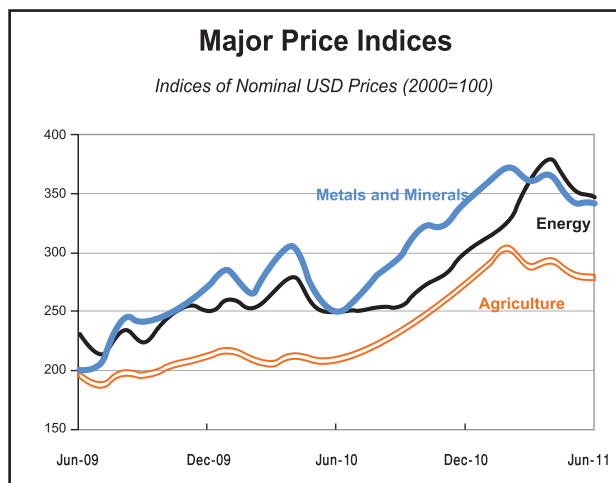
Non-energy commodity prices fell by 0.4 percent in June, although there were both large declines (coconut oil and tin) and sharp gains (urea fertilizer and sugar). Crude oil prices fell on the IEA release of emergency stocks. For the first half of 2011, non-energy commodity prices rose 3 percent, with fertilizer prices surging 26 percent on strong demand; agriculture prices rose 3 percent led by an 11 gain in grains, while metal prices were just 1 percent higher, with silver climbing 22 percent. Oil prices were up 18 percent and LNG by 26 percent.

**Crude oil prices fell 2.1 percent in June**, averaging USD 105.9/bbl. However the price for the international marker Brent was USD 113.8/bbl while WTI was just USD 96.3/bbl due to the continuing supply bottleneck at Cushing OK (in early July, the Brent-WTI price spread widened to more than USD 21/bbl). Oil prices rose briefly following OPEC's meeting June 8th when the group failed to agree on a production increase. However prices fell sharply following the IEA announcement June 23rd of a 60 million barrels release from strategic stocks for an initial 30 days. Half will be physical sales from the U.S. Strategic Petroleum Reserve. A sizeable portion of the remaining 30 mb will be in the form of relaxing stock-holding requirements in Japan and Europe, and thus will have minimal immediate impact on the market. As such, oil prices in early July have risen back to levels before the IEA release. In June, OPEC production increased 0.8 mb/d, the first sizeable gain since the loss of 1.5 mb/d of Libyan crude. Most of the increase was from Saudi Arabia. Global refinery runs in the third quarter are expected to rise by 2.3 mb/d from 2Q11, as companies move to meet higher seasonal demand. Even with higher supplies from OPEC and strategic stocks, more oil is needed in 3Q to maintain stocks at comfortable levels.

**Natural gas prices in the United States rose by 5.6 percent in June on strong demand because of hot weather.** A heat wave in the northeast early in the month led to higher gas demand for cooling and lower seasonal injections into storage. Prices receded later in the month on weaker demand with the passing of the heat wave.

**Agriculture prices declined 0.7 percent in June** on improved supply prospects for some commodities. Coconut and palmkernel oils plunged 14 and 10 percent, respectively, due to large gains in production, while cotton prices dropped 10 percent on weak demand and substitution to cheaper synthetic fibers in Asia. Wheat prices fell 8 percent following Russia's announced plan to end its grain export ban July 1st, and the Ukraine's move to lift export quotas. Coffee arabica prices fell 6 percent on improved crop prospects in Brazil and Colombia, while rubber prices decreased 4 percent on substitution to natural rubber. Partly offsetting these declines, sugar prices surged 15 percent on reports that Brazil's production will be lower than expected. Logs (Malaysia) prices rose 8 percent on strong Asian demand and rebuilding projects in Japan.

**Metals and minerals prices fell 1.2 percent in June**, on continued concerns about slowing global demand. Tin prices dropped 11 percent due to a sharp increase in production following a season of heavy rains. Nickel prices fell 7 percent due to weakening stainless steel demand, an increase in China's nickel pig iron production, and expected ramp-up of several new nickel mine projects. Iron ore prices slid 3 percent due to a slowing of steel production growth, particularly in Europe and China. Partly offsetting these decreases were gains in lead-zinc prices of 3-4 percent. Lead prices were supported by uncertainty surrounding the restart of the Magellan mine in Australia, while zinc prices were boosted as exchange inventories tied up in warehouse-financing deals tightened supply.



Prepared by Share Streifel, John Baffes and Betty Dow



# FINANCIAL INSTITUTE OF THE MONTH



## গ্রীন ডেল্টা ইন্স্যুরেন্স কোম্পানী লিমিটেড Green Delta Insurance Company Ltd.



A.Q.M. Nurul Absar  
Chairman, GDIC

### About GDIC

Green Delta Insurance Company Limited (GDIC) is one of the leading private non life insurance companies in Bangladesh. GDIC was incorporated in December 14, 1985 as public limited company under the companies' Act. 1913. But the actual operation of the company started on 1st January 1986, with a paid up capital of BDT 30.00 million only. The shares of the company are listed with both Dhaka and Chittagong stock exchanges as a publicly quoted company. In 1997, GDIC participated

in equity investment to establish Delta Brac Housing Ltd. In 2005, GDIC sponsored a joint venture consortium firm named Green Delta Aims Ltd. This year, the company also floated its very first subsidiary "Green Delta Financial Services Ltd." – a share brokerage firm. At present the company has been operating its business through 36 branches located at different strategically important areas of Bangladesh. Stepping at its 25th birthday, GDIC has now become a big family of 20 respected board members, 11 dedicated senior management members, 600+ committed staff, numerous valued clients and thousands of esteemed shareholders with a paid up capital of BDT 408.24 million.

### Vision

GDIC vision is to mature into a sustainable, coherent organization, raise competitiveness to the highest level in the insurance industry, maintain high profitability & balanced quantitative growth and exceed customer's expectations by offering legendary services, embrace a new corporate identity and creative corporate culture.

### Mission

GDIC mission is to create shareholders value through customer's satisfaction and employee's commitment to excellence.

### Core Values



Customer First Always - Give first priority to customer needs. Look to build enduring relationships with customers - internal and external. Differences should be communicated in the spirit of relationship building.

Organization Above Self - We believe that individual, team and department actions will be driven by organization goals.

Trust - We believe that there cannot be teamwork without mutual trust. Trust is fundamental to our business and will guide all internal and external interactions.

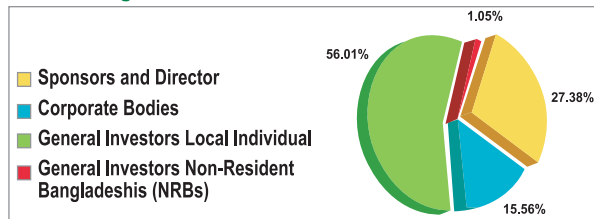
High Standards - We believe that excellence can be achieved only by setting benchmarks that challenge our full potential as an organization and as individuals.

Shared Ownership - We believe that ownership of success or failure in achieving organizational or team goals is shared by all.

Spirit of Adventure - Uncertainty is our business and we believe in continuous innovation and creativity to meet challenges head-on.

Respect for Diversity - We believe that diversity is our strength and it needs to be nurtured. We recognize that team members have varying backgrounds, competencies and ideas and constructive action results only when opinions are aired and understood.

### Shareholding Structure



### Products & Services

#### Corporate

- Risk Management
- Property All Risks Insurance including Business interruption
- Electronic Equipments and Computer insurance
- Corporate Hospitalization cover
- Corporate Overseas Health policy

#### Financial

- Portfolio cover
- Credit card Protection Insurance
- Bankers Blanket Insurance
- Money Insurance
- Ideality Bond

#### Conventional

- Fire & Allied Perils Insurance
- Marine Cargo & Hull Insurance
- All types of Aviation Insurance
- All types of Automobile Insurance
- All types of Accident, Miscellaneous & Liability Insurance
- All types of Engineering Insurance

#### Takaful (Islamic)

- All types of (non life) Takaful Products

#### Investment & Portfolio Management

- Underwriting
- Pre-IPO placement Syndicate
- Trusteeship

### Performance (2010)

- A record 24.95 % increase in gross premium to BDT 2001.31 million
- The underwriting profit at BDT 99.67 million
- Remarkable Investment income of BDT 577.10 million
- Increase in Profit after Tax reaching BDT 502.41 million
- 63.80% Growth in Available Solvency Margin
- Shareholders equity growth by 46.15% and stands at BDT 3127.20 million

### Social Responsibility

It has been another high priority for GDIC in order to ensure a sustainable acceptability in the society as a whole. Responsibility and community involvement at Green Delta span three levels of engagement: corporate, local and personal. They take very seriously their role in enhancing the quality of life in the communities where they live and work. They donate money to worthy causes, but perhaps more importantly, they like to act.

### Marching With Time

In 2011, their emphasis will remain on being flexible to meet the changing and competitive marketplace. They believe that their customer-focused strategy will continue to serve them well. GDIC is financially strong and strategically positioned to capitalize on marketplace opportunities, including international expansion. They will continue to carefully explore the opportunities that arise and will seize those that they believe will enhance their value. GDIC firmly believe that with so many supportive shareholders, trustworthy clients, committed workforce, strong brand image, sustainable financial footing – they will continue to march with time.

### Contact

Green Delta Insurance Co. Ltd.  
Hadi Mansion (4th Floor), 2 Dilkusha C/A, Dhaka - 1000  
Phone: +8809560005(PABX), 9557464, Fax: (880 2) 9562345  
E-mail: info@green-delta.com, Web: www.green-delta.com



# ENTERPRISE OF THE MONTH



## Otobi: World Class Furniture



**Animesh Kundu**  
Managing Director  
Otobi

### About the Company

From humble beginning in the corporate furniture realm to the spectacular escalation into the lifestyle giant that it is now, Otobi's story of success spans merely 36 years. Providing holistic space solutions catering to all spheres of daily life, Otobi is well on its way to rising to the ranks of Asia's top three brands by 2020. With creative reinvention pulsating through the entire organization, Otobi has set out to revolutionize the entire retail scenario starting off with Bangladesh.

### Market

Otobi controls about 80% of the country's branded furniture market at present. For the last three years, Otobi has been achieving a double-digit growth with an average of over 20% increase in year-on-year sales, despite the global economic downturn and great stagflation in FY 2007-08. In a market of over BDT 1,500 crores, the organised market is estimated to be close to BDT 500 crores. Otobi is marketing to and providing the price-sensitive customers with affordable solutions through its masstige value proposition (prestige for the mass). Otobi considers itself to be its most significant competitor, aiming to constantly break its own standards and raise the bar even higher. Otobi serves its customers and consumers through a nationwide distribution network, including over 400 retail outlets, exclusive dealers and franchises.

### Achievement

Over the years, Otobi's excellence has been recognized by the Bangladeshi community and has been awarded numerous accolades. Otobi was pronounced Enterprise of the Year at the Bangladesh Business Awards in 2001. At the Dhaka Export Fair, Otobi won the 1st Prize for its Stall in 1981, and 1st Prize for its Pavilion in 1982, 1983, and 1985. The National Industrial Fair awarded Otobi with 1st Prize for its Pavilion in 1990 and 1995. At the Dhaka International Trade Fair, Otobi won the 1st Prize for its Pavilion in 1996, 1998 and 2001, and the 2nd Prize for its Pavilion in 1997 and 2004. Finally, Bangladesh Brand Forum acknowledged Otobi's Excellence in Communication in 2009 with the Commward.

### Product



Otobi has a vision to develop into a complete lifestyle brand offering innovative and inspiring space solutions. Otobi's range of furniture, furnishings and appliances are developed and marketed to serve all ages and stages

of homes, industries, institutions, hospitals and offices. Otobi manufactures furniture from an assortment of materials, including laminated chip boards, wood, MDF, sheet metal, tubes, plastic, cane and many more. Our wide range of furniture and fittings are segmented category-wise and encompass areas such as bedrooms, children's rooms, dining rooms, living rooms, study rooms, kitchens, hospitals, educational institutions, corporate offices, industrial accents and decors and retail stores among others. Otobi boasts an assortment of about 1,100 generic stock

keeping units, and a total of over 5,000 stock keeping units. The company implements all possible global best practices in manufacturing supply chain management and retailing, ensuring all products and services offered are of supreme quality. For instance, Otobi's business research department conducts extensive surveys and interviews to determine customers' responses to Otobi's endeavors, and this feedback is incorporated to modify and diversify the existing product line and make it even more alluring to consumers. An additional interior department has been established to assist offices with implementing complete interior solutions to meet consumers' overall needs. Otobi is completely committed to the environment, and keeps solid wood furniture as low as 5% of the complete product range. The boards used are imported from quality board manufacturers who comply with environment-friendly policies.

### Brand Values

Embedded in day to day affairs is Otobi's aspiration to be a creative "we" organisation in every sense of the term. It is with teamwork and togetherness that challenges are met and overcome. Creation, perfection and dynamism are the core values of Otobi. Quality, durability, excellence and neat craftsmanship are not what Otobi strives to achieve, but features eminent in each Otobi design. The company maintains its belief of setting its own benchmark and breaking it time and time again. Embodying continuous innovation, Otobi is now an inspirational brand in homes and offices, which is explicitly expressed through its products and communication. At the heart of all activities in the company lies an innate need to constantly surprise; not just the consumers, but Otobians too! The company thrives on the unique "keep reinventing" proposition.

### Corporate Social Responsibility

Otobi is committed to giving back to the society it operates in, with an emphasis on a triple bottom line: people, planet, profit. The company has stepped forward to actively respond to the needs of the public on numerous occasions, and CSR policies centre on aiding people in need, victims of natural disasters, and supporting the development of meritorious students. A few incidents where Otobi came to the fore without hesitation include:

- A contribution worth BDT 5,00,000 as flood relief in 2007
- A contribution worth BDT 5,00,000 for victims of Cyclone Sidr in 2008
- A contribution worth BDT 9,66,238 to IBA in 2008
- A contribution worth BDT 10,05,000 to Shahjalal University of Science and Technology in Sylhet
- A contribution worth BDT 1,26,000 to the Bangladesh Shishu Kishore Mela
- A contribution worth BDT 10,00,000 to the Kidney Foundation

In addition to these, Otobi has launched a Go Green program under the leadership of freedom fighter Mr Abdul Khalek. As Go Green Ambassador, Mr Khalek has taken charge of the nationwide tree plantation program, starting with young students in the first phase, at various schools in Sylhet and Bogra, aiming for a cleaner, greener Bangladesh.

### Contact

Otobi Centre  
Plot 12, Block CWS (C), Gulshan South Avenue, Gulshan 1  
Dhaka 1212, Bangladesh.  
Tel: +880 2-8833151-60, +880 2-9863219-20, +880 2-9862370.  
Fax: 880 2 885207.  
Email: [contact@otobi.com](mailto:contact@otobi.com), Web: [www.otobi.com](http://www.otobi.com)





# KNOW YOUR CHAMBER



## Bangladesh German Chamber of Commerce & Industry



**Md. Saiful Islam**  
President & Executive Board Member BGCCI

### Background

The trade volume between Germany and Bangladesh amounts to almost USD 4 bn. Germany is Bangladesh's largest export market in Europe and second largest export destination worldwide. Germany is importing more than 11% of the total textiles and clothing export from Bangladesh. Initiated in 1998 as the "Bangladesh German Business Forum" with merely 10 members,

the Bangladesh German Chamber of Commerce & Industry became a chamber under local legislation in 2003. The BGCCI is a member of the "Federation of Bangladesh Chambers of Commerce and Industries". Today, the BGCCI provides high quality assistance and consultancy to more than 250 member companies from Bangladesh and Germany. The BGCCI is the largest bilateral European chamber in Bangladesh and a respected and reputed interlocutor of the Bangladesh Government and its business community. The BGCCI works closely together with the German Embassy as well as the German development organizations GIZ and KfW.

### Mission and Vision

The Bangladesh German Chamber of Commerce & Industry is committed to strengthen and promote the economic relations between Bangladesh and Germany, based on the entrepreneurial spirit, creativity and social responsibility of companies in both countries. The efforts of the BGCCI are guided by the understanding that economic growth goes hand in hand with social development and environmental protection. This understanding is reflected in the strong cooperation of the Chamber with the German development organizations GIZ and KfW. BGCCI is currently running a large scale media campaign in Germany under the headline "Branding Bangladesh". The campaign's objective is to end the predominance of negative headlines and direct the focus of German media on positive developments and potentials of Bangladesh. **BGCCI's goal is to improve the image of Bangladesh in Germany and Europe.**

### Achievements



In June 2011 the Honourable Minister of Commerce of Bangladesh, H.E. Md. Faruk Khan, has recognized BGCCI as the most effective and largest bilateral European chamber in Bangladesh endorsed by German Minister Dirk Niebel at his visit in

Bangladesh. One of the BGCCI's highlights is the **German Trade Show**. This three day-long event brings together companies and entrepreneurs from Germany and Bangladesh, offering a platform for networking and the presentation of goods and services. **From 27th - 29th October, 2011 BGCCI will hold the German Trade Show 2011** at the Bangabandhu International Convention Centre in Dhaka. Three months ahead of the actual event the German Trade Show 2011 is already sold out. BGCCI expects more than 25,000 visitors this year.

**Corporate Social Responsibility** is a key element of Germany's social market economy and value-guided foreign policy. The BGCCI promotes production and management processes which take into consideration the social as well as environmental dimension. This understanding found its prime expression in the "Global Social Responsibility Conference" of 2010, organized by the BGCCI. The conference provided an exceptional platform to discuss business strategies in the field of "Social Business" and "Corporate Social Responsibility" and addressed more than 300 top CEOs from Germany and Bangladesh.

### Overview of BGCCI's Major Activities

- Collect and disseminate knowledge and information
- Arrange lectures, seminars, discussions and conferences on economic activities of Bangladesh and Germany
- Establish and maintain contact with German and Bangladeshi scholars in trade, industry and commerce
- Facilitate exchange visits and business trips
- Facilitate German investment in Bangladesh
- Act as a focal point in networking between entrepreneurs in Bangladesh and Germany
- Mediate disputes arising from business transactions between Bangladesh and Germany
- Liaise with the Embassy of the Federal Republic of Germany in Bangladesh and the Bangladesh Embassy in Germany
- Organize annual German Trade Show in Bangladesh
- BGCCI is main sponsor of the annual German National Day celebrations and supports the German Embassy in organizing this event

### Service Spectrum of the BGCCI

Services include:

- Address research
- Tailor-made market research
- monthly networking lunches
- business match-making
- staff search and recruitment
- dispute resolution and mediation
- provision of research papers
- event organization
- organization of business trips
- legal support and consultancy by German lawyer in Bangladesh

### The Benefits of Becoming a Member

The Bangladesh German Chamber of Commerce & Industry understands the needs of German and Bangladeshi enterprises. Its expertise and knowledge of the cultural specifics and characteristics of the German and Bangladeshi markets makes it the number one contact for all companies who wish to do business in either Bangladesh or Germany.

- First-hand information for business people interested in commercial relationships between Germany and Bangladesh, e.g. events, fairs, exhibitions and projects.
- Benefit from BGCCI's network to other trade organizations, government institutions and companies in Bangladesh and Germany.
- Special rates for all services, including market research, matchmaking, support in establishing a new company, seminars and much more.
- Access to top business leaders both in Germany and Bangladesh.
- Opportunity to voice your interests to Bangladeshi and German decision-makers.
- Information about and opportunities to meet business delegations travelling to Bangladesh or Germany.
- Invitations to networking events such as luncheons, breakfast meetings and B2B meetings.
- Opportunity to join and contribute to BGCCI committees.

**With adoption of a new constitution BGCCI adapted its operational structure. This constitutional reform entails that companies from all over Europe are now invited to be represented by BGCCI.**

### Contact

Bangladesh German Chamber of Commerce & Industry (BGCCI)  
Md. Saiful Islam (President)  
Dipl.-Oec. Daniel Seidl (Executive Director)  
German House  
Road # 90, House # 10/C, Gulshan 2, Dhaka 1212, Bangladesh  
Tel: +88 (02) 8826480, Fax: +88 (02) 8824858  
E-Mail: info@bgcci.com, www.bgcci.com



## CSR ACTIVITIES

### EXIM BANK GRANTS SCHOLARSHIP TO 2000 STUDENTS



EXIM Bank Limited gave away scholarship cheques to a large number of brilliant students as part of its corporate social responsibility (CSR). The Bank under EXIM Bank Foundation Scholarship project granted scholarship to country's 2,000 brilliant and ultra poor students this year. Chairman of University Grants Commission (UGC) A K Azad Chowdhury and Bangladesh Bank (BB) Governor Atiur Rahman were present as the chief guest and the special guest respectively in the ceremony. The Bank launched this scholarship project in 2006. (1 June, The Financial Express)

### JBL PROVIDES SCHOLARSHIP TO MERITORIOUS STUDENTS



The reception and scholarship presentation ceremony to the underprivileged but meritorious students and the children of the executives and officers of Jamuna Bank Ltd (JBL) who have got GPA 5 in the SSC

examination of 2011 was held recently at IDEB, Kakrail in the city with the endeavor and finance of Jamuna Bank Foundation. In the ceremony, Chairman of Jamuna Bank Md. Belal Hossain was present as the Chief Guest. Chairman of Jamuna Bank Foundation Nur Mohammed presided over the programme. The Managing Director of Jamuna Bank Limited Md. Motior Rahman and the Deputy Managing Director Md. Abul Shahjahan were also present in the program as honourable guests. It should be mentioned that the executives and officers of JBL who have been serving in the bank for 10 years were honoured with crests and certificates in the same programme. (25 June, The New Nation)

### PRIME BANK DONATES BDT 5m TO OFFICERS' CLUB



Prime Bank Limited has donated BDT 5.0 million to the Officers' Club Dhaka to support the development of the latter's tennis complex, said a press release. Prime Bank Managing

Director M Ehsanul Haque handed over the cheque to Officers' Club Chairman and Cabinet Secretary M Abdul Aziz in the city recently. Mr. Haque said as part of the CSR, the bank always stands beside initiatives taken for the country's education, health and infrastructural development. He also assured the Officers' Club to continue the support in future. (27 June, The Financial Express)

### BRAC BANK HANDS COMPUTER TO MARK THE LAUNCH



Syed Mahbubur Rahman, managing director of BRAC Bank, hands a computer to Md Shafiqul Islam, headmaster of North Amirabad MB High School, to mark the launch of the bank's Lohagora branch in Chittagong recently. The bank donated another computer to

BG Senerhat High School in the area. (29 June, The Daily Star)

### SOCIAL ISLAMI BANK LTD HANDS A CHEQUE FOR THE UNDERPRIVILEGED CHILDREN



Kamaluddin Ahmed, chairman of Social Islami Bank Ltd, hands a cheque for BDT 50,000 to Nuruzzaman Firoz, founder of Ureka School, a school for the underprivileged children at Uttara in Dhaka, for the development of the

educational institution, at a programme in the capital recently. The bank will give BDT 9 lakh every year to the school. Muhammad Ali, managing director of the bank, was also present. (29 June, The Daily Star)

## NEW APPOINTMENTS DURING JUNE, 2011

### BANKS, FINANCIAL AND OTHER INSTITUTIONS

Name	Current Position	Current Organization	Previous Position	Previous Organization
Mohammad Aminul Haque	Chairman	Prime Bank Ltd.	N/A	N/A
Alhaj Nurun Newaz Salim	Chairman	NCC Bank Ltd.	N/A	N/A
Kamaluddin Ahmed	Chairman	Social Islami Bank Ltd.	N/A	N/A
A.Q.M. Nurul Absar	Chairman	Green Delta Insurance Company Ltd.	N/A	N/A
Engr AZM Akramul Haq	Chairman	Premier Leasing & Finance Ltd.	N/A	N/A
Feroz Alam	Chairman	Islamic Finance and Investment Ltd (IFIL)	N/A	N/A
Alhaj Anwar Hossain	Chairman	Bangladesh Finance And Investment Company Ltd.	N/A	N/A
Ferdous Amin	Chairman (re-elected)	Prime Insurance Company Ltd.	Chairman	Prime Insurance Company Ltd.
KM Khaled	Chairman (re-elected)	Prime Finance & Investment Ltd.	Chairman	Prime Finance & Investment Ltd.
Rokia A Rahman	Chairman (re-elected)	MIDAS Financing Ltd.	Chairman	MIDAS Financing Ltd.
Badiur Rahman	Chairman (re-elected)	Al-Arafah Islami Bank Ltd.	Chairman	Al-Arafah Islami Bank Ltd.
Abdul Haque	Chairman (re-elected)	Mercantile Insurance Company Ltd.	Chairman	Mercantile Insurance Company Ltd.
Iftekher Uddin Farhad	President	Bangladesh Ceramic Wares Manufacturers' Association	N/A	N/A
Abdul Matlub Ahmad	President	India-Bangladesh Chamber of Commerce and Industry (IBCCI)	N/A	N/A
Asad Khan	Managing Director (MD)	Prime Finance & Investment Ltd.	Managing Director (MD)	Fareast Finance & Investment Ltd.
Masihul Huq Chowdhury	Managing Director (MD)	Premier Bank Ltd.	Managing Director (MD)	ICB Islamic Bank Ltd.
Santanu Saha	Managing Director (MD)	Fareast Finance and Investment Ltd.	Deputy Managing Director	Fareast Finance and Investment Ltd.
Mamnoon Mahmood Shah	Chief Executive Officer (CEO)	ICB Islamic Bank Ltd.	Deputy Managing Director	Eastern Bank Ltd.
Wafi Shafique Menhaz Khan	Chief Executive Officer (CEO)	Green Delta Securities Ltd. (GDSL)	Vice President	The City Bank Ltd.



# সবার জন্য সব কিছু নয়

তাহলে সবার জন্য একই  
সেভিংস একাউন্ট কেন?

মিউচুয়াল ট্রাস্ট ব্যাংক নিয়ে এলো  
আপনার প্রয়োজন অনুযায়ী **MTB Savings solutions**

## MTB INSPIRE

সেভিংস একাউন্টের সুবর্ণ সুবিধা নিয়ে এমটিবি ইন্সপায়ার,  
প্রাপ্ত বয়স্কদের জন্য

## MTB RUBY

নারী তুমি তুলনাহীন। আর নারীদের জন্যই অতুলনীয় একটি  
সেভিংস একাউন্ট এমটিবি রুবী

## MTB SENIOR

গুরুজনদের সঞ্চয়ে সর্বোচ্চ সেবার নিশ্চয়তা নিয়ে  
এমটিবি সিনিয়র- শুধু ষাটোর্ধ্বদের জন্য

## MTB REGULAR SAVINGS

সঞ্চয়ের মূল সুবিধাগুলো নিয়ে একটি সেভিংস একাউন্ট

## MTB Graduate

বিশ্ববিদ্যালয় জীবনের ছোট ছোট আয়ের নিরাপত্তা,  
আর চলার পথের স্বাচ্ছন্দ্য নিয়ে এলো- এমটিবি গ্রাজুয়েট

## MTB Junior

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\* শর্ত প্রযোজ্য

কিস্তারিত জানতে যেকোনো শাখায় যোগাযোগ করুন, অথবা  
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**Bashundhara City Branch**  
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**Chandra Branch**  
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**Chawk Moghatalui Branch**  
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**Dhanmondi Branch**  
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**Dholaikhal Branch**  
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**Fulbaria Branch**  
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**Gulshan Branch**  
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**Madaripur Branch**  
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02-7551169, 02-7551195

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**Sreenagar Branch**  
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**Uttara Model Town Branch**  
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**Joypurhat Branch**  
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**Pabna Branch**  
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**Ishwardi**  
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**Moulvi Bazar Branch**  
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**Alankar Mour Branch**  
031-2772619, 031-2772620

**Aman Bazar Branch**  
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**CDA Avenue Branch**  
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**Chokoria Branch**  
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**Comilla Branch**  
01730080284, 081-76543

**Cox's Bazar Branch**  
0341-52257

**Dhorkora Bazar Branch**  
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**Feni Branch**  
0331-61984

**Jubilee Road Branch**  
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**Kerani Hat Branch**  
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**Nazirhat Branch**  
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**Oxygen Mor Branch**  
031-2583957

**Raipur Branch**  
0382-256495

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03323-79129, 01714-108862

**Haidergonj**  
01716-224206

**Laksham**  
01713304669

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031-2572841, 031-2572842

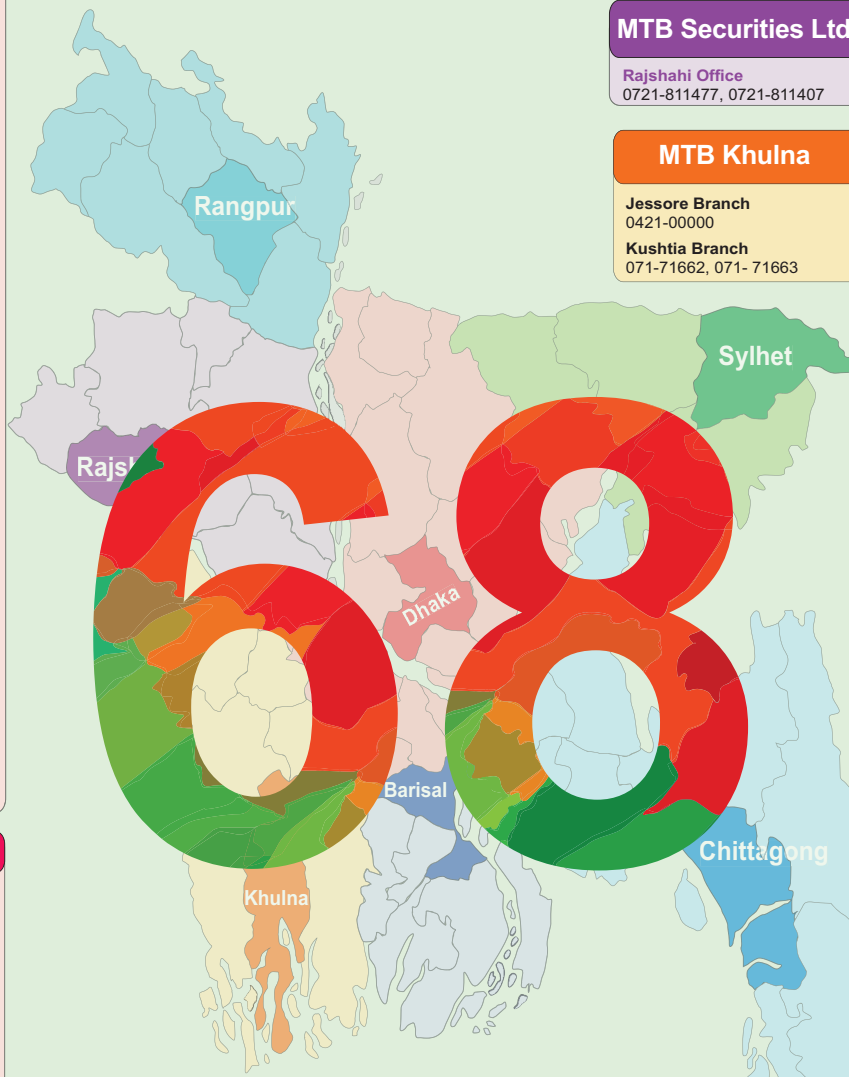
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**Agrabad Office**  
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**CDA Avenue Office**  
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<b>Dhaka</b>	<b>Rangpur</b>	<b>Barisal</b>	<b>Khulna</b>	<b>Rajshahi</b>	<b>Sylhet</b>	<b>Chittagong</b>
Division	Division	Division	Division	Division	Division	Division



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