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Bangladesh Economic Outlook

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Bangladesh Economic Outlook

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Developed and Published by

MTB Group R&D

Please Send Feedback to: mtbiz@mutualtrustbank.com

Design & Printing

Nymphea

BANGLADESH ECONOMIC OUTLOOK

Bangladesh, the earth of colossal opportunities and developing market based economy, has been ranked as the 43rd largest economy in the world in 2010 in PPP terms by IMF even after substantial distortions of both political and economic in the years 1947 (partition of South Asia) and 1971 (the war of independence from Pakistan). Over last forty (40) years the war-devastated country has grown registering its name among the directory of Next Eleven or N-11 of Goldman Sachs and D-8 economies. It has been growing on an average (6-7)% per annum with a GDP of USD 282.5 bn (ppp, 2011 est.) in recent years. The country has also been reaffirmed its sovereign rating with stable outlook (BB-, Ba3) by both Standard & Poor's and Moody's for 2012 very recently in view of growth prospects and ongoing donor support. The country is rated the second highest in South Asia behind India (BBB), and ahead of Sri Lanka (B+) and Pakistan (B-). Bangladesh Economic Update for May 2012 by World Bank (WB) finds that GDP growth has moderated from 6.7% in FY11 to 6.3% in FY 2012. At the same time, this 6.3% GDP growth in FY12 is higher than the developing country average (5.5%), it is lower than the South Asia average (6.5%). Bangladesh has maintained this average growth over the last three years through strong manufacturing and remittance growth. Besides, transport and financial intermediation have led growth in services.

Global growth prospects in 2012 remain highly uncertain in key trading partner countries, particularly in Europe due to the unfolding sovereign debt crisis in several countries and the increasing related risk of a global recession. The United States is showing fledgling signs of recovery but overall the growth prospects for 2012 in advanced economies remain weak and there have also been downward growth adjustments for developing countries (from 6% in 2011 to 5.4% in 2012) including India and China. Global commodity prices remain volatile. Current oil prices are close to the 2011 peak. While overall global food prices have been on a downward path over the past six months, the benchmark international (Thai) rice price rose by 30% between May and November 2011. As a consequence of this stance, and other pro-active measures, the Bangladesh economy emerged largely unscathed from this global crisis, averaging over 6% growth between FY2009 and FY2011. In FY12 the economy faces a different set of challenges related to both global and domestic factors. Keeping that in mind the key goals of the economy

Glimpse of Economy

GDP growth has moderated from 6.7 percent in FY11 to 6.3 percent in FY12 due to unfavorable external economics and internal supply constraints.

Inflationary pressure, particularly from an increase in non-food prices, continues to be volatile, touching double digits.

Monetary policy remained accommodative but with the high fiscal deficit and domestic borrowing by Government, monetary policy is now bearing the brunt of macroeconomic policy adjustment. The Bangladesh Bank's (BB's) monetary policy statement for the second half of fiscal 2012 aims for further tightening to tame inflation, with a focus on achieving "single digit levels" of inflation.

Banking system stability is ensured through close surveillance and therefore, the flow of credit to the private sector is crucial. There are continued liquidity shortages in the banking system, evident from the banks' persistent use of the repo window of the central bank.

Tax revenue continues to register robust growth. NBR revenue increased by 19.2 percent during July-April, 2012 compared to 27.1 percent in the period a year earlier, with the slowdown reflecting the large increase in FY11.

Balance of Payments (BoP) is on a deteriorating track, with reserves falling to below three months of imports and export growth turning negative in March 2012.

Public spending and finance composition needs correction. Recurrent expenditures are likely to overshoot the original 2012 budget target, driven by larger-than-budgeted growth in subsidies and transfers. The central government budget deficit increased by more than 2.5 times from July to January compared to the same period the previous year.

Recent Economic Developments

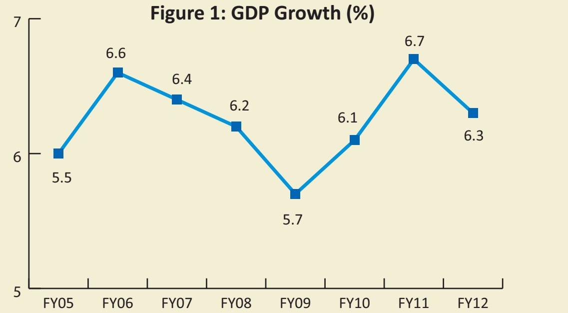
Economic growth in fiscal 2012 is estimated at 6.3 percent

Bangladesh's growth performance has been improving in recent years (Figure 1). Successive bumper crop harvests, strong manufacturing growth, continued recovery in construction, and sustained robust growth in services contributed to this improvement. Growth has slowed to an estimated 6.3 percent in FY12, according to Bangladesh Bureau of Statistic's preliminary estimate. A slowdown in growth in FY12 had been on the cards even before the Euro debt crisis unraveled. Successive bumper harvests in the crops sector reduced room for further strong growth despite good harvests (base effects), thus reducing agricultural growth. Additional factors that led to slower growth in FY12 include recent macroeconomic policy tightening measures and financial-sector restraints.

Double-digit inflation persists

Inflation continues to be volatile around double digits, with international food prices and expansionary fiscal and monetary policies at home playing a part. The inflationary upturn started

Figure 1: GDP Growth (%)



Source: Bangladesh Bureau of Statistics

in Q2 10, reaching 11.6 percent (y-o-y) in November 2011 before starting to decline; it was 9.9 percent in April 2012. Food price pressure has declined, from 13.8 percent in September 2011 to 8.1 percent in April 2012.

Monetary tightening in recent months

Monetary policy remained accommodative for the most part of 2011 but gradual tightening is occurring. The Bangladesh Bank (BB) undertook tightening measures in the face of prevailing loose credit conditions and high inflation. However, by March 2012, tightening measures had succeeded in reducing reserve money growth to 11.9 percent, compared with its 21.7 percent peak in December 2011.

Banking system stability is crucial

The banking system has had to borrow constantly from BB. Continuation of the liquidity shortage in the banking system is evident from the banks' persistent use of the repo window of the central bank. This has arisen from the need to make payments for petroleum imports and to facilitate the major increase in government borrowing. The licensing of 9 new banks will add to competition for deposits and challenge the supervisory capacity of BB. Exposure of banks to the capital market was around 4 percent of their total liabilities at the end of 2011 and it was well below the exposure at the end of 2010, when the stock market surge began to subside.

Capital market recovery & regulatory reform

The general index had a bumpy ride with a generally declining trend through 2011, with a recovery apparent since February 2012. The most recent period of decline was in mid-January 2012 in anticipation of further tightening by the central bank. The market reached its lowest level on February 6, 2012. Since then the market has been on a generally upward trend, crossing the 5,000 mark in the last week of March 2012. Regulatory reforms to ensure a stable trading environment are underway, but timely implantation is critical.

The composition of public spending and finances needs correction

Rapidly rising subsidies may cause the fiscal deficit to overshoot the original budget target for FY12. Growth in subsidies and payment for food-import liabilities as well as clearance of pre-audit checks from the previous year has resulted in larger than anticipated public expenditures in the first half of FY12 with recurrent expenditure growth in the first seven months of FY12 was 36.8 percent, compared to a target of 12.4 percent for the entire year. ADP implementation has not improved. In the first ten months of FY12, 49.4 percent of ADP allocation was spent compared to 54.3 percent in the corresponding period of the previous year. Tax revenue growth has been robust, even though it is growing slower than last year, largely reflecting base effects. NBR revenue increased by 19.2 percent during July-April, 2012 compared to 27.1 percent in the period a year earlier. Non-tax revenue collection has spiked up. Non-tax revenue collection accounts for about 14 percent of total revenue, and rose by 64.8 percent in the first six months of the fiscal year. Fiscal pressures appear in heavy bank borrowing, and raise concerns about crowding out of credit to the private sector. The central government budget deficit increased by more than 1.6 times, to BDT 258.2 billion during July-March, FY12 compared with BDT162.9 billion in the same period of fiscal 2011.

External imbalances are growing, placing pressure on the exchange rate

The balance of payments (BoP) is on a deteriorating track, with reserves falling to below three months of imports and export growth turning negative in March 2012. The current account surplus during July-March, FY12 was US USD 456 million, compared to nearly USD 710 million during same period the previous year. The biggest reasons for this 36 percent reduction in the current account surplus in the first three quarters were a 39.2 percent rise in petroleum-product imports to feed the liquid fuel-based power plants, and a slowdown in export growth to 10.1 percent.

The exchange rate has come under pressure. From end-June, 2011 to end-May 2012, the taka depreciated by about 10 percent. Gross official reserves declined to USD 9.5 billion as of mid-May, 2012.

Outlook and Risks

High unemployment, low business- and consumer-confidence, and volatility in financial sectors remain major threats to Bangladesh's two major export markets, Europe and the US. Recent data suggest that the Euro zone is already in a mild recession with economic activity falling much faster in March 2012 than in February. Fiscal austerity and tight credit conditions continue to harm economic activity in the zone. In contrast, the US economy continues to show signs of strengthening: unemployment claims continue to fall and US industrial production in the three months leading to February 2012 has accelerated. Bangladesh's export growth could slow to 9 percent in FY12. The latest World Bank projections anticipate Euro zone growth to decline to -0.3 percent in 2012 and rise slightly to 1.1 percent in 2013, compared with 1.7 percent in 2010 and an estimated 1.6 percent in 2011. The initial major impact on Bangladesh would be a decline in EU imports and trade finance, with a lesser impact from the US.

The state of **inflation, fiscal deficit, and reserves** all conspire to give Bangladesh very little policy space currently to respond to the crisis, as it did during last global economic and financial crises.

The government should continue to build on the policies taken to ease pressures on the Bangladesh economy. The government has allowed increased **interest-rate and exchange-rate flexibility**, which has improved the availability of taka and US dollar liquidity, adjusted retail petroleum and electricity prices to contain the losses of the BPC and BPDB, and tightened monetary policy.

Energy supply uncertainties pose as much of a risk to growth in Bangladesh as do global uncertainties. Gas supply has increased only marginally relative to demand growth during the last three years. The maximum actual generation of power in calendar year 2012 till now reached 6,066 MW, compared to a maximum generation of 5,174 MW in 2011 and 4,698.5 MW in 2010.

Further progress on policy adjustments and **structural reforms is expected** under the government's IMF-supported program. IMF's USD 987 million three-year arrangement for Bangladesh under the Extended Credit Facility, approved on April 11, 2012, will support the government's program to restore macroeconomic stability, strengthen the external position, and sustain higher, more inclusive growth. The government has committed to take actions to help create fiscal space, rejuvenate the financial sector, catalyze additional revenues to boost social and investment spending, and tackle power shortages and the infrastructure deficit.

Overall Macroeconomic Impact

Bangladesh economy in the FY12 is facing the following major challenges:

- Implications of the new wave of global economic crisis
- Deepening stresses in public finance management
- Unabated price inflation, and
- Increasing pressure on the balance of payment

Firstly, Bangladesh has very little room for maneuver. Bangladesh cannot afford to see reserves depleting further; it cannot allow more subsidies because the deficit is being financed domestically and is crowding out the private sector, and monetary financing of the deficit has already been over-used.

Secondly, the impact on inflation in Bangladesh will depend on the extent to which global commodity prices soften as a result of recession in the Euro zone. Given the time lag in the transmission of international commodity price changes to changes in domestic prices, the impact is more likely to be visible in FY13. If a deep recession in Europe were to spill over to slow growth in China and India then international commodity prices could decline noticeably, leading to a decline in inflation in Bangladesh in ways similar to that experienced in 2009.

Thirdly, Quantitative adjustment is needed in macro policy measures on the following fronts: a tightening of monetary policy, increased exchange-rate and interest-rate flexibility, scaling back of energy subsidies, and measures to contain risks to financial-sector stability. These will restore investor and consumer confidence leading to higher consumption growth and investment growth. It will also contain the decline in the export growth rate, thus enabling the economy to maintain 6 percent-plus growth.

[Part I of II]

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FINANCE AND ECONOMY

BANGLADESH: A ROLE MODEL IN POVERTY BATTLE

Bangladesh is a role model for the least developing countries (LDCs) in reducing poverty through increased global trade under the rules of the multilateral forum, World Trade Organisation, its Director General Pascal Lamy said.

He particularly mentioned the growth of Bangladesh's readymade garment, which created more than three million jobs, and enhanced growth of the pharmaceutical industry.

The future challenge, however, is extending the progress to other sectors so that economic shocks like the one the world has experienced do not negatively affect Bangladesh's trade and development outlook, he said.

Lamy was the convocation speaker of Dhaka University's 46th convocation ceremony held at the university's playground. The university conferred him honorary Doctor of Laws degree.

Addressing the huge gathering, Lamy said the garment sector is a source of more than 75 percent exports and today accounts for roughly 10 percent of gross national product.

Phasing out of quota in world textile and clothing trade in 2005 created apprehension that the sector in Bangladesh would not survive. But the reality has been profoundly different, said Lamy, also political adviser and honorary president of Paris-based think tank — Notre Europe.

The sector has not just survived but thrived, he said.

"Removing the quotas revealed Bangladesh's comparative advantage. Simplification of rules of origin governing the duty and quota-free market access to the EU has led to another surge in Bangladesh's garment export."

Bangladesh's pharmaceutical industry also saw its growth consolidated by the flexibilities of the two LDCs under WTO rules on intellectual property, he added.

"Here again Bangladesh is a model for other LDCs in using the flexibilities of the multilateral trading system to achieve concrete development outcomes," Lamy said.

Impacts of these developments have been evident, Lamy said, noting last year's household poverty survey that showed drop in 8.5 percent in absolute poverty.

"Few countries of the planet have recorded 8.5 percent drop in absolute poverty over a five-year period. Progressive trade opening has helped Bangladesh reduce poverty," he observed.

Lamy, a twice elected director general of the WTO, lauded Bangladesh's vision 2021, saying it provides a compelling image of how Bangladesh is going forward. "I believe the government is well on track to meet many of the time-bound targets including achieving the middle income status by 2021.

He said Bangladesh is a natural leader, but if Bangladesh is to continue its leadership, it needs leaders. He negated protectionism in trade, saying its very nature is a source of conflict and deprives others of the benefits of their talents and comparative advantage.

"And, in doing so it raises the cost of all — producers and consumers alike, while creating economic inefficiency," he said, adding that nationalistic and protectionist policies earlier contributed to the national violent and aggression in the 1930s and 1940s. (01, April 2012, The Daily Star)

SIX MORE NEW BANKS GET BB APPROVAL

The central bank has approved six more private commercial banks (PCBs), aiming to help strengthen the ongoing financial inclusion programmes through bringing unbanked people under the banking network, Bangladesh Bank (BB) officials said.

The decision came at a meeting of the BB's board of directors, held at its central office, with BB Governor Dr. Atiur Rahman in the chair.

The six approved PCBs are: Union Bank Limited, Modhumoti Bank Limited, the Farmers Bank Limited, Meghna Bank Limited, Midland Bank Limited and South Bangla Agriculture and Commerce Bank Limited.

"The board has approved the six PCBs after a thorough scrutiny of all 16 short-listed applications one by one," Deputy Governor of the BB SK Sur Chowdhury told reporters after the meeting.

He also said the board has also decided to issue Letters of Intent (LoI) to the approved six PCBs, giving them a period of six months to comply with the existing rules and regulations for setting up new commercial banks.

"We'll issue licenses to the PCBs after their proper compliance with all conditionalities," Mr. Sur said, adding that loan defaulters and tax evaders would not be allowed to be the directors of new banks.

The proposed chief executive officers (CEO) of the approved PCBs will have to present their business plan before the board, he said while explaining the conditionalities for the new banks.

The authorities concerned of the approved PCBs will have to deposit the amount of their paid-up capital worth BDT 4.0 billion with the central bank, before starting their operation, the BB deputy governor added.

"All the applicants are Bangladeshi citizens. The BB board has considered those who were found eligible, based on their qualifications," he said replying to a query if the approvals were given only to Awami League (AL)-affiliated people.

The proposed chairmen of newly-approved banks are: Union Bank Limited — Shahidul Alam, Modhumoti Bank — Humayun Kabir, Farmers Bank — Dr. Mohiuddin Khan Alamgir, Meghna Bank — AHN Ashiqur Rahman MP, Midland Bank — Moniruzzaman Khandker and South Bangla Agriculture and Commerce Bank — SM Amjad Hossain.

The central bank also approved three new commercial banks sponsored by non-resident Bangladeshis (NRBs) to help boost the inflow of foreign exchange. Currently, a total of 47 commercial banks are in operation in Bangladesh. (09, April 2012, The Financial Express)

WORLD BANK REPORT: FINANCIAL ACCESS WIDENS FOR POOR

Bangladesh stands second in financial inclusion in South Asia

Bangladesh stands second after Sri Lanka in financial inclusion indicators among the South Asian countries, according to a World Bank report released.

The report — Global Financial Inclusion Database or Global Findex — shows 40 percent of Bangladesh's adults have accounts in formal financial institutions, which is 35 percent in India and only 10 percent in Pakistan.

Sri Lanka is well ahead of its South Asian peers with 69 percent of its adults having bank accounts. Findex provides the most comprehensive picture of how people around the world save, borrow, make payments and manage risks.

The first set of indicators focuses on formal accounts, the mechanics and the purpose of the use of these accounts and receipt of payments from work.

The second set of indicators focuses on savings behaviour. This relates to the use of accounts, as people often save at formal financial institutions. Other indicators explore the use of community-based savings methods and the prevalence of savings goals.

The third set focuses on sources of borrowing and purposes of borrowing (mortgage, emergency or health purposes, and the like). The fourth stresses use of insurance products for healthcare and agriculture.

The report shows 33 percent of Bangladesh's poorest-income people and 35 percent women have an account at formal financial institutions. It is 21 percent and 26 percent respectively in India. Only 5 percent poorest income quintile and 3 percent women have accounts in Pakistan.

Fifty-two percent of poorest people and 67 percent women in Sri Lanka have accounts in formal financial institutions.

Seventeen percent adults in Bangladesh saved in the past one year using a formal account, which is 12 percent in India, just 1 percent in Pakistan and 28 percent in Sri Lanka.

Financial inclusion started to get momentum when central bank Governor Dr. Atiur Rahman took charge in May 2009. His efforts helped nearly one crore (10 million) farmers to open accounts in banks. Rahman has also brought the sharecroppers and the poorest segment into the banking services for loans and subsidy distributions.

The data was collected by Gallup, Inc using the Gallup World Poll Survey. The Bank's Development Research Group is building the database with a 10-year grant from the Bill & Melinda Gates Foundation.

The Global Findex fills a major gap in the financial inclusion data landscape and is the first public database of demand-side indicators that consistently measures individuals' usage of financial products across countries and over time. (20, April 2012, The Daily Star)

BB CLAIMS NEW BANKS TO HEIGHTEN SERVICE QUALITY

Coming up with a detailed explanation of allowing new banks, Bangladesh Bank said entry of the new banks would heighten the quality of financial services by increasing competition in the banking sector.

Explaining the economic context and rationale behind issuing new bank licences, the central bank said the economy had grown and the banking system had become more competitive when there were a large number of under-banked people in Bangladesh.

The BB said while the economy had grown and the banking system had become more competitive, 45 percent of the population still remained unbanked.

The population per branch (21,065) and the ratio of loan accounts per 1,000 adults (42) suggests that the outreach of the formal financial sector is lower than in India (14,485 and 124 respectively) and Pakistan (20,340 population per branch and 47 loan accounts per 1,000).

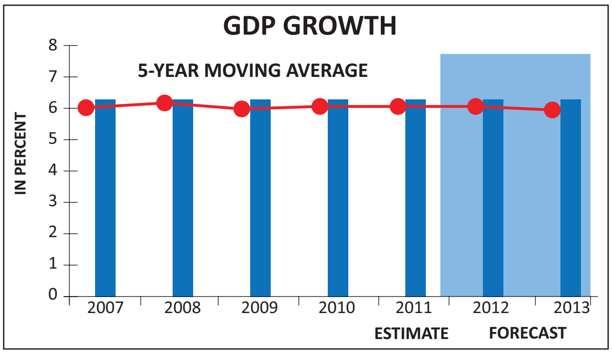
It said the capital infusion by these new banks would augment the banking system's capacity to meet the credit needs of the expanding corporate sector. Currently, because of limitations on large exposures, large corporations must approach many banks simultaneously with their credit needs, which then have to be stitched together in syndicate or participation loans.

'The entrance of the new banks will add to the aggregate capital base of these existing syndications, allowing for larger loans to be granted for productive investment and job-creation,' the central bank said.

According to the BB, since bank licences were last issued in 2000-01, there have been many significant developments in the Bangladesh economy in the past one decade. These include GDP increased by BDT 1,690 billion to BDT 3,850 billion in 2011 from BDT 2,160 billion in 2001, per capita income to USD 818 from USD 374, foreign exchange reserves to USD 10.91 billion from USD 1.30 billion, export income to USD 22.92 billion from USD 6.47 billion, import payment to USD 33.66 billion from USD 9.33 billion and remittance to USD 11.65 billion from USD 2.50.

Against the backdrop, the BB expects that the new banks would also be able to meet the unfulfilled credit demand of the private sector whose needs have grown in line with the fast-expanding economy. (10, April 2012, The New Age)

ECONOMY TO TAKE HIT FROM GLOBAL HEADWINDS: ADB



The agency says GDP may slow to 6.2pc this fiscal year, 6pc next

Bangladesh's economic growth may slow in two back-to-back years due to falling exports and a hike in interest rates, the Asian Development Bank (ADB) said.

The ADB projected the country's GDP growth at 6.2 percent for fiscal 2012, down from 6.7 percent a year ago. The government, however, expects this fiscal year's GDP to be 7 percent.

The GDP growth this fiscal year is expected to slow with a slowdown in exports — the country's main growth driver — as the year progresses, ADB Country Director Teresa Kho told reporters in Dhaka.

In the next fiscal year, the growth will further decrease as interest rates are raised to bring down inflation and export growth is slowing further, ADB Senior Country Economist Zahid Hossain said in his presentation on the economy.

Kho said the external economic environment for the developing countries, including Bangladesh, remains unfavourable as the eurozone fell into a prolonged period of debt adjustments, and the US recovery still remains weak.

She also said domestic demand has also weakened with rising interest rates, following the adoption of credit tightening measures to rein in inflation.

Industrial growth will be lower because of the weakening in domestic and external demand conditions, Kho said, adding that agriculture growth will slow mainly because of the high base in the previous year.

Citing a number of risks to the economy, Kho said macroeconomic management, however, began to come under pressure, as the current fiscal year unfolded. Inflation rose rapidly.

Kho said the balance of payments came under strain from higher oil imports for power generation, in the face of weakened exports.

Reserves fell and the taka depreciated significantly, she said, adding that the external current account is expected to move into a deficit, the first time in more than half a decade.

Bangladesh needs to reduce its growing fiscal and external imbalances and cut subsidies by adjusting fuel and electricity prices, she said.

To mobilise resources for closing the large infrastructure gaps, greater private participation in infrastructure development, including public-private partnership, is needed, Hossain said.

Bangladesh has several strategic advantages, including low-cost labour and location in a fast-growing region, which can help attract large FDI into light industry, he said.

In several Asian countries, labour costs are fast rising, opening up prospects for foreign investors to relocate investment to Bangladesh, he said.

To attract greater FDI flows, it is essential to remove infrastructure bottlenecks, make land more readily available, upgrade skills of the labour force and remove administrative delays and impediments, he said. (12, April 2012, The Daily Star)

MUHITH FIRM ABOUT 7pc GROWTH THIS FISCAL

Finance Minister AMA Muhith is upbeat about a 7.0 percent growth rate of the country's gross domestic product (GDP) for the current fiscal amid a lower projection (6.2 percent) made by the Asian Development Bank (ADB) in its latest regional development review.

The minister said that Bangladesh would become one of the countries among 15 developed ones in the world within 2050 if the present population growth rate remained in place with its current level of economic activities continuing unharmed.

"Our economic knowledge is better than that of the ADB economists because their forecast proved wrong most of the time," the minister told reporters after a pre-budget consultation with the secretaries to the government, held at the conference room of the National Economic Council (NEC).

Mr Muhith said the country's economy had been integrated with the global economy during the present government's tenure. "Only 39 percent of the economy was integrated with the world economy in 2008 and this has now increased by 60 percent," he said.

He suggested for rationalisation of product-pricing, upgrading of technical skill and other qualities to respond to the needs for an enhanced level of global integration.

The meeting reviewed the overall economic performance of the government during the last three years and set plans for the next two years' national budgets.

The minister said the economy had advanced much ahead of growth than the general people believed but the quality of governance did not improve as had been expected.

He said the secretaries had suggested improvements in law and order, introduction of the multimodal transport system, and speeding up of digitalisation. (16, April 2012, The Financial Express)

NEXT BUDGET TO BE 17pc BIGGER

It's Not Ambitious Target, Says Muhith; Economists for Proper Aid Utilisation, Streamlining Taxation

The national budget of 2012-13 will be about 17 percent bigger than the current one, Finance Minister AMA Muhith said.

The next fiscal year's allocation will be nearly BDT 1, 90,000 crore, up from BDT 1, 63,000 crore budget of this fiscal year, he said.

The minister also said his target is to keep the budget deficit below 5 percent in the upcoming FY.

"The BDT 1, 90,000 crore budget is not an ambitious one," Muhith said while briefing journalists after a pre-budget meeting with economists at the state guesthouse Padma in Dhaka.

"The next budget should be more than BDT 2, 00,000 crore to provide citizens with the necessary facilities."

In the next budget, he said, the government will mainly focus on institutional reforms and productivity of the investment. The government will seek to increase income from non-NBR (National Board of Revenue) revenue sources to meet its expenditure.

The minister said economists at the meeting suggested proper utilisation of foreign aids so that economy gets the proper boost.

A group of economists belonging to different think tanks also suggested the minister fix a minimum tax for Tax Identification Number holders as many of the TIN owners evade taxes.

Muhith said currently the number of TIN holders could be around 50 lakh, but only 8 lakh people pay taxes regularly. Many eligible persons dodge taxes by using loopholes in the TIN system.

He said the economists did not discuss anything on black money in the meeting. But they recommended formulating a coal policy and rationalising subsidies in sectors like education, food and export.

The economists suggested the minister devise a unified subsidy policy as the government does not have specific estimate of subsidies that make a big dent in its yearly spending.

At the meet, they also spoke for strengthening foreign trades, which generate 60 percent income of the country.

The experts stressed the need for education reforms through bringing changes in curricula and teaching methods, the finance minister said.

He added in the next budget the government will lay emphasis on housing for the low-income people and introducing a viable transport system.

Muhith also said the economists suggested rationalising the property taxes as the prices of land increased manifold over the last few decades.

As an example, Muhith said, many people bought a piece of land at the capital's posh area at BDT 20,000 years ago, but they are paying the property tax at the earlier rate, although land prices have already crossed crores.

"So, we have a plan to rationalise the wealth tax in the next budget."

When his attention was drawn to giving licence to new banks, Muhith said the government did not issue any licence to any new bank yet, although the central bank has already recommended three.

"Bangladesh Bank suggests a lot to the finance ministry, but all suggestions are not considered. A total of 49 applications were submitted to the finance ministry for new banks," he said.

Economists from different organisations including Policy Research Institute, Bangladesh Institute of Development Studies and Bangladesh Economic Association attended the meeting. (07, April 2012, The Daily Star)

EXPORTS FALTER ON EURO DEBT CRISIS

Exports grew at a slow pace at 0.15 percent to USD 1.99 billion in March from a month ago for the ongoing debt crisis in the Eurozone.

The country's export figure has been showing a slow growth over the last few months due to a drop in demand for the main export earner, readymade garments (both woven and knitwear), in the debt-ridden Eurozone.

Exports fell short of the monthly target by 15.38 percent in March, while such shortfall was 7.97 percent in February, according to data released by state-owned Export Promotion Bureau. The monthly target for March was USD 2.34 billion.

Earnings fell by 7.23 percent in March, compared to the same month a year ago. This is the first time that the monthly earnings have gone in the negative territory in the current fiscal year.

Exports in July-March registered a 10.36 percent growth to reach USD 17.89 billion compared to the same time last fiscal year, data shows.

Bangladesh's knitwear exports rose by 5.92 percent to USD 7 billion and woven by 19.24 percent to USD 7.10 billion in July-March from the same period a year ago.

Monoj Kumar Roy, an additional secretary (export) of the commerce ministry, said the prolonged debt crisis in the EU is the main reason behind slowed growth in exports.

"We might not achieve export targets at the end of the year. But we will be able to achieve more than 12 percent growth at the year-end," he said.

Exports might make a rebound in the next few months as orders are shifting to Bangladesh from other countries, he said.

The commerce ministry set the export target at USD 26.50 billion at the beginning of the current fiscal year, which is 14.50 percent higher than the amount exported in fiscal 2010-11.

"The target was not an ambitious one. We set the target considering all the factors."

Nasir Uddin Chowdhury, first vice president of Bangladesh Garment Manufacturers and Exporters Association, said the target might not be achieved at the end of the year for sluggish apparel export.

In addition, orders in the EU fell for the ongoing debt crisis, he said. "But I am hopeful about the new export destinations as exports to those countries are increasing," he added.

AKM Salim Osman, president of Bangladesh Knitwear Manufacturers and Exporters Association, said productivity in the factories is not increasing despite rising costs of production.

"We could use only 40 percent of our capacity due to an inadequate supply of gas and electricity," he said. (10, April 2012, The Daily Star)

LATIFUR RAHMAN AWARDED 'OSLO BUSINESS FOR PEACE AWARD'

Latifur Rahman, a prominent businessman and chairman of the Transcom Group, has been selected as one of the awardees of the prestigious 'Oslo Business for Peace Award, 2012'.

The Business for Peace Foundation Oslo, Norway selected seven out of 90 business personalities from 60 countries for the prestigious award.

The six other recipients of the prestigious award are: Ibrahim Abouleish (Egypt), Anil Agarwal (India), Eduardo Eurnekian (Argentina), Vladas Lasas (Lithuania), David W Mac Lennan (USA) and Reginal A Mengi (Tanzania).

The award, the highest distinction, is given to a businessperson by the Oslo-based foundation for outstanding accomplishments in the business domain.

"I am overwhelmed, proud and honoured and I just can't say how happy I am", said Latifur Rahman at the press conference. He said, "I don't know whether I deserve it or not... but I am very grateful to the Business for Peace Foundation and my friends and colleagues."

Latifur Rahman, also the vice-president of ICC, B, expressed the hope that more Bangladeshis would receive this award in the future.

The selected awardees are "businesspersons who, through their own actions and commitments, promote socially responsible and ethical business practices in an outstanding way, and stand out as examples to others."

The award presented in Oslo on May 7 as part of the Oslo Peace through Trade Summit in Oslo City Hall, Norway. The Oslo-based 'Business for Peace Foundation' introduced the award in 2009. (18, April 2012, The Financial Express)

BB Circulars/Circular Letters

Publish Date	Name of Department	Reference	Title
2-Apr-12	Agricultural Credit and Financial Inclusion Department	ACFID Circular Letter No. 02	Disbursement of Agricultural Credit in Apiculture
17-Apr-12	Banking Regulation and Policy Department	BRPD Circular No. 05	Increase in Credit flow in productive sector
17-Apr-12	Banking Regulation and Policy Department	BRPD Circular Letter No. 04	Rate of Interest/Profit on Fixed/Term Deposit
25-Apr-12	Department of Financial Institutions and Markets	DFIM Circular Letter No. 04	Financial Institutions remain closed on the occasion of "Buddha Purnima"
25-Apr-12	Foreign Exchange Policy Department	FEPD Circular No. 04	Term lending in Taka to foreign owned/ controlled companies
25-Apr-12	Foreign Exchange Policy Department	FEPD Circular No. 05	Modification of schedule E-5/P-5 and schedule A-3/O-3 under border trade arrangement between Bangladesh and Myanmar
29-Apr-12	Department of Off-Site Supervision	DOS Circular Letter No. 05	Bank Holiday on "Buddha Purnima (Baishakhi Purnima)"

INTERNATIONAL NEWS

ZOELLICK THROWS SUPPORT BEHIND BRICS BANK

Robert Zoellick, the outgoing president of the World Bank, has backed the creation of a BRICs bank, saying the need for such an institution highlights the dangers of existing multilateral organisations failing to mobilise sufficient resources to support large developing countries. Mr Zoellick warned that pushing middle-income countries, such as China and Brazil, out of the World Bank system and forcing them to look for resources elsewhere would be a "mistake of historic proportions".

He told the Financial Times in an interview that the World Bank would support a BRICs bank, formally proposed last week at a summit in New Delhi, as it had done with the Islamic Development Bank and the Opec Fund to build financing and analytical capabilities.

Mr Zoellick's endorsement will be a boost to a proposal that top Indian officials described as one of the best opportunities for the diverse five-nation grouping to show that it had substance and shared vision.

An aide to Mr Singh said India was not fearful of China mobilising its reserves to help other emerging markets, including its own, and had strongly encouraged Beijing's participation in the BRICs bank.

Mr Zoellick said the desire by India, China, Brazil and Russia for a new financing vehicle was a stark reminder of the consequences of the World Bank reducing its engagement with middle-income countries in preference for poorer nations.

"If the World Bank cannot continue on the path I've tried to [take it] to be a good partner for India [and the middle-income countries], they will go elsewhere," he warned.

On a visit to New Delhi, Mr Zoellick met Indian officials to "stretch the envelope" by extending more credit at concessional rates to the World Bank's largest borrower. In total, India has loans worth about USD 42bn from the World Bank group.

He said he was trying to ensure that momentum to finance India's infrastructure was not lost during a race between US nominee Jim Yong Kim, Ngozi Okonjo-Iweala, Nigeria's finance minister, and José Antonio Ocampo, Colombia's finance minister, to be the new World Bank chief.

"I had to fight this fight and my successor will have to fight. If we make progress with middle income countries we will make progress with the poorest countries," Mr Zoellick said. (3, April 2012, The FT.com)

UN MOVES TO CURB FARMLAND GRABS

The UN has proposed that countries set limits on the size of agriculture land sales to regulate the growing trend of so-called farmland grabs.

The new voluntary guidelines won the consensus of nearly 100 countries this month after three years of negotiations and are now set to be ratified in May at a special session in Rome of the UN's Food and Agriculture Organisation.

The guidelines, which officials say are largely pro-business, nonetheless state that countries should "provide safeguards" to protect tenure rights.

"Such safeguards could include introducing ceilings on permissible land transactions and regulation over how transfers exceeding a certain scale should be approved, such as by parliamentary approval."

The FAO said earlier this month that the 'Voluntary Guidelines on the Responsible Governance of Tenure of Land' had won the consensus of countries, nongovernmental groups and farmers, but did not release the content of the guidelines.

The voluntary code is the first attempt to regulate investment in farmland deals, which often involve rich countries such as Saudi Arabia and South Korea investing in overseas farming in Africa and Latin America to boost their own food security.

The trend gained prominence after an attempt by South Korea's Daewoo Logistics in 2008 to secure a large chunk of agricultural land in Madagascar contributed to the collapse of the African country's government.

Critics, including prominent international non-governmental organisations like Oxfam believe the deals are a form of neo-colonialism. But supporters argue that investment in farmland could contribute to economic growth in the host countries and improve global food security.

The World Bank last year urged voluntary regulation of farmland investments, painting a poor picture of some of the deals already signed. In a report, the bank said that "land acquisition often deprived local people, in particular the vulnerable".

Brazil, a large recipient of investment in agricultural land, has lobbied strongly for a pro-business document, officials said.

The voluntary guidelines discourage the larger deals, not only suggesting that countries set limits, but also saying that countries should encourage "investment models that do not result in the large-scale transfer of tenure rights to investors".

When Daewoo Logistics attempted to buy land in Madagascar, it signed a 99-year lease for 1.3m hectares – an area half the size of Belgium. The World Bank has documented deals in South Sudan and Ethiopia totalling 3.9m and 1.2m respectively between 2004 and 2009. (1, April 2012, The FT.com)

IMF CHIEF CALLS FOR 'USD 400 BILLION PLUS' IN NEW FUNDING

The Head of the International Monetary Fund (IMF) urged members to lend more than USD 400 billion to the global body ahead of a crunch meeting to debate crisis financing.

Asked by German daily Frankfurter Allgemeine Zeitung how much the IMF would need in additional firepower should more eurozone countries require a bailout, Christine Lagarde said, "400 billion dollars plus" (€305 billion). "My hope is that we will get a critical mass this week," added Lagarde in comments published in German.

She had previously called for an additional 500 billion dollars to boost the Fund's war chest in case more debt-ridden eurozone states fall victim to the crisis. "We are determined to do whatever is in our power, and I'm open to leaving the issue opens for a few weeks, as some countries need more time to get approval through parliamentary procedures," Lagarde said in a separate interview published by the Italian daily Il Sole 24 Ore.

At a meeting of finance ministers and central bank chiefs from the IMF in Washington starting April 20, officials will discuss the extra financing the Fund needs to combat the debt crisis.

The eurozone had appealed to the IMF to bolster its financial firewall against the crisis but emerging economies and the United States demanded the 17-nation bloc first put its hand in its own pocket.

After a month of wrangling and some German resistance, the eurozone last month clinched a deal it claimed was worth more than one trillion dollars, even though 300 billion euros of that was in loans already pledged.

Lagarde said last week that this action, as well as the European Central Bank offering more than one trillion euros to banks at ultra-cheap rates, had reduced the Fund's financing needs.

"Italy has undergone an enormous chapter of change under (Prime Minister) Mario Monti and there are more on the way. This is very positive. There are improvements in Spain as well. They have to continue this way. The markets want stability, she said.

"Governments have to lay out not just the budget for this year and next year, but their future objectives."

She also called on the European Central Bank to reduce its interest rates to give a boost to the struggling eurozone.

"We see very good reasons for a monetary policy loosening in economies that have inflation under control. There is room for manoeuvre," she said.

And she also appealed for "common fiscal responsibility" within the euro area, hinting at support for so-called eurobonds, or a pooling of borrowing. (18, April 2012, The Financial Express)

US ADDS 120,000 JOBS IN MARCH

The US economy added 120,000 jobs during March, lower than estimates suggested, while the unemployment rate fell slightly to 8.2 percent.

Analysts had predicted a fourth straight month with job growth of more than 200,000.

President Barack Obama's electoral prospects are widely seen as linked to the economy and the jobs market.

Employment has been rising for the past six months, but the jobless rate has been stuck above 8 percent since early 2009. The Department of Labor's data shows the smallest growth in employment since October 2011.

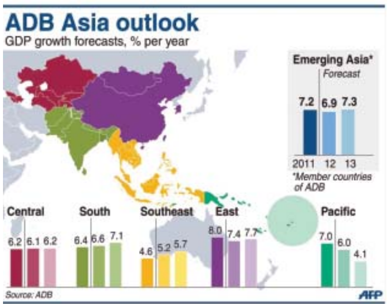
Manufacturing, the food and beverage industry and healthcare showed gains in March, but retail was down.

Analysts say the slow-down in March hiring comes as the US emerges from an unseasonably mild winter that spurred job numbers.

Many experts had expected that the unemployment rate would hold at 8.3 percent. But joblessness dropped by one-tenth of a percent as the number of people actively looking for work went down.

The US saw two consecutive months of robust jobs growth in January and February, with increases of well over 200,000 jobs in both months. (8, April 2012, The Financial Express)

ASIA TO MAINTAIN GROWTH DESPITE GLOBAL CRISIS: ADB



Emerging Asian economies will experience flat growth this year before recovering in 2013, the Asian Development Bank (ADB) said in a regional report released.

The Asian Development Outlook report for 2012 said the region was shifting toward a "more sustainable long-run growth path" based on strong domestic demand instead of exports, which have been hit by wobbly Western demand.

But the study also warned that the region's rising wealth was fuelling inequality and income disparities, with the underprivileged at risk of being sucked into a "vicious circle" of poverty and neglect.

The vast region's gross domestic product (GDP) growth will "cool somewhat" to 6.9 percent in 2012, down from 7.2 percent last year, before edging higher again to 7.3 percent in 2013.

Even with a slowdown this year, developing Asian economies would easily outshine Europe, the United States and Japan where output is forecast to grow only 1.1 percent this year and 1.7 percent in 2013, the report said.

The stronger trend in domestic consumption - in a group of countries known for high savings rates - could be seen in the region's current account surplus, which fell to 2.6 percent of GDP from four percent in 2010.

The report covers most economies in Asia except Hong Kong, Japan, Singapore, South Korea and Taiwan. The countries account for more than 80 percent of Asia's population.

Inflation was a concern for the region last year until the eurozone debt crisis and the patchy recovery in the United States sapped demand for exports, forcing policy-makers to worry more about growth.

The ADB said prices had eased but remained a "potential threat", especially given the volatility of food and fuel costs.

China, the world's second biggest economy, would see growth moderate to 8.5 percent this year and 8.7 percent in 2013, compared with 9.2 percent in 2011.

The region's other emerging giant, India, would post 7.5 percent growth in 2012.

Southeast Asia's GDP would expand 5.2 percent this year from just 4.6 percent in 2011, thanks largely to Thailand's recovery from last year's devastating floods.

The report said Asia had "lifted people out of poverty at an unprecedented rate" over the past few decades, but its recent growth had been characterized by widening income disparities between the super-rich and the rest.

If the spoils of growth had been more evenly shared and inequality rates had remained stable, another 240 million people — or 6.5 percent of developing Asia's population — would have moved out of poverty between 1990 to 2010.

The ADB recommended measures including greater spending on health and education, cutting fuel subsidies and broadening the sources of tax revenues to address rising inequality. (12, April 2012, The Daily Star)

ASEAN, CHINA TO BECOME TOP TRADE PARTNERS

The members of the Association of Southeast Asian Nations will together become China's top trading partners within the next three years, a trade organisation predicted on April 18.

During that time, trade between China and the association, also known as Asean, will increase at a faster rate than that between any two other major economies, said the China Council for the Promotion of International Trade.

"Thanks to zero tariffs, preferential trade policies and geographic advantages, both the increasing speed and scale of that trade will be in the forefront globally and Asean will become China's No 1 trading partner by 2015," Zhang Wei, vice-chairman of the trade organisation, told China Daily during the Sixth Chinese Enterprises Outbound Investment Conference held by the council.

Driven by soaring market demand, the value of trade between China and Asean countries is expected to exceed the goal of USD 500 billion by 2015, Zhang said.

Asean is made up of Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.

China has a free trade agreement with Asean. Taking effect in January 2010, it established the third-largest free trade area in the world, just behind the European Union and the North American Free Trade Area.

Last year, Asean overtook Japan to become China's third-largest trading partner, having USD 362.3 billion in trade with the country, up 24 percent from a year earlier.

China had USD 446.6 billion in trade with the United States in 2011 and USD 567.2 billion with the EU in the same year.

China's trade is increasing rapidly with emerging economies at a time that it is slowing down with developed countries.

Data from the Ministry of Commerce show that the value of trade between China and the EU increased by 2.6 percent year-on-year in the first quarter of 2012, and trade with Japan declined by 1.6 percent in the same period. Trade between China and Asean increased by 9.2 percent in the first quarter.

He attributed the trade momentum between China and Asean to the country's increasing imports from the Southeast Asian bloc.

Zhang of CCPIT said the Chinese market has a strong demand for farm produce, mechanical processing and marine products, and those make up the bulk of Asean's exports to China. (21, April 2012, The Financial Express)

WORLD'S RICHEST LOSE USD 9b AS EUROPEAN CRISIS HURTS MKTS

The 20 wealthiest people on earth lost a combined USD 9.1 billion this week as renewed concerns that Europe's debt crisis might worsen drove the Standard & Poor's 500 Index to its largest decline of 2012.

Mexican Carlos Slim's fortune fell by USD 1.5 billion during the week as shares of his telecom operator, America Movil SAB, dropped 2.2 percent through April 4. The 72-year-old remains the richest person in the world, with a net worth of USD 69.2 billion, according to the Bloomberg Billionaires Index.

"This is a little bit of a reality check," Leo Grohowski, chief investment officer for New York-based BNY Mellon Wealth Management, said in a telephone interview. "The super wealthy are among the most cautious investors in the world. Skepticism is still high, and they are feeling very, very nervous."

Microsoft Corp. co-founder Bill Gates (56), is second on the index with a net worth of USD 63.2 billion, down USD 558.1 million for the week. Warren Buffett (81), is third with USD 45.2 billion.

Stefan Persson (64), chairman of Swedish clothing giant Hennes & Mauritz AB, fell four spots to rank 17th on the Bloomberg index as his fortune fell USD 1.4 billion to USD 23.2 billion. H&M shares declined by 3.8 percent during the four-day week.

Li Ka-Shing, Asia's second-richest person, lost USD 144 million during the week. Shares of his port operator, Hutchison Whampoa Ltd., dropped 1.1 percent in Hong Kong trading, leading the Hang Seng Index to its fifth decline in six days. Li, 83, ranks 15th on the index with a USD 23.8 billion fortune.

Brazilian Eike Batista's net worth fell USD 574.4 million this week as shares of OGX Petroleo & Gas Participacoes SA dropped 3 percent during the week. On April 4, International Business Machines Corp., the world's largest computer-services provider, bought a 20 percent stake in Batista's technology unit, SIX Automacao. The two companies will set up a technology center to serve customers in Brazil, Chile, Colombia and Peru. (08 April 2012, The Financial Express)

US EXPORTERS FACE TRADE BARRIERS FROM INDIA

Despite India's ongoing economic reform efforts, US exporters continue to encounter tariff and non-tariff barriers that impede imports of Americans products to India, an official report has said.

In its report 2012 National Trade Estimate Report on Foreign Trade Barriers, the US Trade Representatives (USTR) said the US has actively sought bilateral and multilateral opportunities to open India's market.

"The structure of India's customs tariff and fees system is complex and characterised by a lack of transparency in determining net effective rates of customs tariff, excise duty and other duties and charges on imports into India," said the India section of the report.

US goods trade deficit with India was USD 14.5 billion in 2011, up USD 4.3 billion from 2010, it said.

US goods exports in 2011 were USD 21.6 billion, up 12.4 percent from the previous year. Corresponding US imports from India were USD 36.2 billion, up 22.5 percent.

Noting that India is currently the 17th largest export market for US goods, the report said US exports of private commercial services (excluding military and government) to India were USD 10.3 billion in 2010 (latest data available), and US imports were USD 13.7 billion.

Sales of services in India by majority US-owned affiliates were USD 13.1 billion in 2009 (latest data available), while sales of services in the US by majority India-owned firms were USD 7.2 billion.

The stock of US foreign direct investment (FDI) in India was USD 27.1 billion in 2010, up from USD 20.9 billion in 2009, it said adding, that US FDI in India is led by the information, professional, scientific, and technical services, and manufacturing sectors.

In its report, USTR said India's procurement practices and procedures are often not transparent.

Foreign firms also rarely win Indian government contracts due to the preference afforded to Indian state-owned enterprises and the prevalence of such enterprises.

USTR said India's tax exemption for profits from export earnings has been completely phased out, but tax holidays continue for certain export-oriented enterprises and exporters in Special Economic Zones.

"In addition to these programmes, India continues to maintain several other export subsidy programmes, including duty drawback programmes that appear to allow for drawback in excess of duties levied on imported inputs," it said, adding that India also provides pre-shipment and post-shipment financing to exporters at a preferential rate. (4, April 2012, The Financial Express)

GLOBAL ISLAMIC FINANCE ASSETS HIT USD 1.3 TRILLION

Islamic financial assets around the world hit USD 1.3 trillion (Dh4.78 trillion) in 2011, a 150 percent increase over five years as the industry expands into new country's beyond core markets in the Middle East and Malaysia, a report estimated.

Developed markets in Malaysia, Iran and the Gulf remain fertile ground for future growth, but considerable potential also exists for expansion as more countries look to cultivate Islamic banking operations, including Australia, Azerbaijan, Nigeria and Russia, the report by lobby group TheCity UK's UK Islamic Finance Secretariat (UKIFS) said.

The figures were based on UKIFS growth estimates projected on end-2010 figures from a survey of the top 500 Islamic Financial Institutions conducted by The Banker publication.

"Considerable potential exists for expansion of the industry worldwide, although appropriate legal and regulatory structures are crucial for its development in individual countries," the report noted.

Morocco is also looking to launch its first fully-fledged Islamic bank in 2013, Reuters reported. A lack of global standardisation among Islamic institutions has been one of the main challenges for the Islamic finance industry. While regulatory bodies such as AAOIFI in Bahrain and IFSB in Malaysia have attempted to provide standards for sharia-compliant transactions, they are guidelines rather than enforceable rules.

The long-term impact of the Arab Spring uprisings as new countries open up to Islamic finance remains to be seen and any further spread of political unrest could negatively affect prospects in some Middle Eastern countries, the report said. Egypt, for instance, has raised the possibility of issuing a sovereign sukuk, while Tunisia has set up a working group that will study how to develop Islamic finance in the country. (02, April 2012, The Financial Express)

G-20 WANTS ALL NATIONS TO SIGN CONVENTION ON MONEY LAUNDERING

To combat money laundering and financing of terrorism, the G-20 Finance Ministers has called upon all nations to sign the global convention for comprehensive exchange of information.

"We call upon all countries to join the Global Forum on transparency and to sign on the Multilateral Convention on Mutual Assistance...to combat money laundering and the financing of terrorism and proliferation of weapons of mass destruction," said the communique issued after G-20 meeting of Finance Ministers and Central Bank Governors.

G-20 is a grouping of rich and developing countries. The Multilateral Convention on Mutual Administrative Assistance facilitates sharing of tax information among the member countries.

India for long has been pressing for automatic exchange of information among the countries to deal with the menace of money laundering and terror financing.

"India believes that Automatic Exchange of Information is one of the most effective ways to improve voluntary tax compliance and decrease tax evasion and there is a need to make it obligatory," Finance Minister Pranab Mukherjee had earlier said at the ministerial meeting.

The G-20 also supported the renewal of the mandate of Financial Action Task Force (FATF), which is an inter- governmental body formed to frame policies to combat money laundering and terror financing.

The Communique said protecting investment was crucial for the global recovery and reaffirmed commitment to avoid protectionism.

It said the growth expectations for 2012 remain moderate on the back of constrained consumption and investment growth and volatility in financial markets.

The recent economic developments point to the continuation of a modest global recovery followed by some significant policy action, the Communique said, adding that the risk to global economic growth has started to recede.

"High levels of public and private indebtedness, the need for structural reforms, insufficient global rebalancing, and persistent unemployment and development gaps continue to weigh on medium-term global growth prospects," it said.

In the context of high unemployment and indebtedness in many countries, Communique said "supporting growth and job creation, structural reforms, restoring medium-term fiscal sustainability and promoting global rebalancing remain at the core of our commitments".

It said: "We remain committed to take the necessary actions to secure global financial stability. This effort... shows the commitment of the international community to safeguard global financial stability and put the global economic recovery on a sounder footing." (23, April 2012, The Financial Express)

UN CALLS FOR DOUBLING RENEWABLE ENERGY BY 2030

UN chief Ban Ki-moon made a call to double global consumption of renewable energy over the next two decades in order to ensure sustainable economic development.

"It's possible if we show political leadership," Ban said about the goal that falls under a sustainable energy initiative aiming to have universal access to power by 2030. Currently, renewable energy accounts for about 16 percent of world consumption.

"We have to be very austere in using energy... We have to completely change our behavior, at home, at the office," the UN secretary-general added at an event hosted by the Center for Global Development think-tank in Washington.

About 1.3 billion people on Earth-a fifth of the global population-lacks access to electricity, while 2.7 billion do not have clean fuel to cook their food and heat their homes, relying instead on open fires or furnaces that burn coal, wood or animal waste.

"Energy is central to jobs, transport, water, sanitation climate," Ban said after meeting with finance ministers from the G20 most powerful economies.

The United Nations is expecting some 120 heads of state and government to attend the Rio+20 meeting on sustainable development in Brazil in June, with a focus on developing a plan for implementation and action.

The European Union vowed fresh funds to help developing nations provide sustainable energy to 500 million people by 2030.

European Commission president Jose Manuel Barroso pledged 50 million euros (USD 65 million) over two years for technical assistance and said EU nations would seek hundreds of millions of euros more to support investments in sustainable energy for developing countries.

Speaking at the Center for Global Development event, Danish Development Cooperation Minister Christian Friis Bach noted that fossil fuels received four to five times more subsidies worldwide than renewable energy.

The think-tank issued a report coinciding with the event saying the US government should play a key role in helping meet the UN targets.

"The United States is the logical country to lead an effort to address these problems, given the size of its venture capital and investment community, the prominence of its financial markets and exchanges, and its tradition of support for business-oriented agencies," it said in a statement. (22, April 2012, The Financial Express)

MTB'S 100th "MTB 24/7 ATM" OPENING MILESTONE

Inaugurated by: Syed Manzur Elahi, Founding Chairman, MTB & Dr. Arif Dowla, Chairman, MTB.

MTB Directors M.A. Rouf JP, Md. Abdul Malek, Anjan Chowdhury, Md. Hedayetullah Ron, Md. Wakiluddin, Khwaja Nargis Hossain and Managing Director & CEO Anis A. Khan and dignitaries also attended the event.

Date: May 17, 2012
Venue: MTB Centre, Gulshan 1, Dhaka 1212

MTB OPENS 92nd & 93rd "MTB 24/7 ATM" AT ABC HERITAGE IN UTTARA

Inaugurated by: S.C. Ghosh, Managing Director of Associated Builders Ltd. (ABC Group).

Special Guests: Rashed A. Chowdhury, MTB Vice Chairman; Akhter M Chaudhury, Chairman, Nuvista Pharma Ltd.; Y. U. Lal Udagedara, Senior Vice President, Li & Fung (BD) Ltd.; Roger Rene Hubert, Vice President, Li & Fung (BD) Ltd.; Abdul Khaleque, Finance Director, Berger Paints; A.B.A. Siraj Uddowlah, Managing Director, Petrochem (BD) Ltd. and dignitaries also attended the event.

Date: April 19, 2012
Venue: ABC Heritage building, Jashimuddin Avenue, Uttara, Dhaka 1230

INAUGURATION OF "MTB 24/7 ATM" AT INDEPENDENT UNIVERSITY, BANGLADESH (IUB)

Inaugurated by: Towhid Samad, Chairman, Board of Trustees, IUB.

Special Guests: Professor M Omar Rahman, Vice Chancellor, IUB & Dr. Arif Dowla, Chairman, MTB.

Rashed A. Chowdhury, MTB Vice Chairman, also attended the program.

Date: April 05, 2012
Venue: IUB, Plot 16 Block B, Aftabuddin Ahmed Road, Bashundhara R/A, Dhaka 1229

SENIOR MTB MANAGEMENT TEAM VISITS MEGHNAGHAT MEGHNA GROUP (MGI) INDUSTRIAL ESTATE

Mostafa Kamal, Chairman & Managing Director, Meghna Group is seen in the photograph along with Senior MTB Management Team.

Date: April 03, 2012
Venue: Meghnaghat, Sonargaon, Narayanganj 1441

3rd JOINING ANNIVERSARY OF MTB MD & CEO

MTB Group Vice Chairman Rashed A. Choudhury and Director M A Malek greet MTB Managing Director & CEO on his 3rd joining anniversary and commencement of 2nd three year term.

Date: April 15, 2012
Venue: Sun floor, MTB Centre, Gulshan 1, Dhaka 1212

MTB DONATION TO THE FAMILY OF LATE HAZRAT ALI FOR HIS ACT OF BRAVERY

MTB paid homage to the memory of late Hazrat Ali, who lost his life while bravely trying to save two lady pedestrians a attacked by muggers in Mirpur, in the early hours of April 6. Salma Sultana, the widow of Late Hazrat Ali, son Md. Tanvir Hassan Prince and daughter Cynthia Anjum Preeti were handed over a cheque of Taka Two Lacs, A memorial certificate and a plaque at a simple ceremony.

MTB is also bearing all the educational costs of the children.

Date: April 15, 2012
Venue: Sun floor, MTB Centre, Gulshan 1, Dhaka 1212

MTB SIGNS MEMORANDUM OF UNDERSTANDING WITH HAAB

Signed by: Alhaj Jamal Uddin Ahmed, President, HAAB (Hajj Agencies Association on of Bangladesh) and Md. Ahsan-uz Zaman, Additional Managing Director, MTB.

MTB DMD Quamrul Islam Chowdhury and DMD Md. Hashem Chowdhury were also present at the event.

Date: April 25, 2012
Venue: Sun floor, MTB Centre, Gulshan 1, Dhaka 1212

MTB SIGNS BILL COLLECTION AGREEMENT WITH BANGLALION COMMUNICATIONS

Signed by: Neil Graham, CEO, Banglalion Communication Ltd. and Md. Ahsan-uz Zaman, Additional Managing Director, MTB.

Date: April 04, 2012
Venue: Sun floor, MTB Centre, Gulshan 1, Dhaka 1212

NATIONAL ECONOMIC INDICATORS

NATIONAL ECONOMIC INDICATORS

Total Tax Revenue

Total tax revenue collection in January 2012 increased by BDT 1151.44 crore or 17.26 per cent to BDT 7823.31 crore.

NBR tax revenue collection in March 2012 was 19.88 percent higher than March 2011. Total NBR tax revenue collection during July-March, 2011-12 increased by BDT 9630.25 crore or 18.13 percent to BDT 62737.29 crore against collection of BDT 53107.04 crore during July-March, 2010-11. The target for NBR tax revenue collection for FY 2011-12 is fixed at BDT 91870.00 crore.

Liquidity Position of the Scheduled Banks

Total liquid assets of the scheduled banks stands higher at BDT 114790.84 crore as of end March, 2012 against BDT 100564.96 crore as of end June, 2011. Required liquidity of the scheduled banks also stands higher at BDT 76126.16 crore as of end March, 2012 against BDT 66493.75 crore as of end June, 2011.

Scheduled banks holding of liquid assets as of end March, 2012 in the form of cash in tills & balances with Sonali bank, balances with Bangladesh Bank and unencumbered approved securities are 5.89 percent, 31.30 percent and 62.81 percent respectively of total liquid assets.

Bank Group	As on end June, 2011 (BDT in crore)		As of end March, 2012 P	
	Total Liquid Asset	Required Liquidity (SLR)	Total Liquid Asset	Required Liquidity (SLR)
State Owned Banks	30146.85	19228.08	35832.92	21650.11
Private Banks	47857.65	34591.75	55518.10	38170.08
Private Islamic Banks	13418.07	6386.33	10794.02	8591.28
Foreign Banks	7969.63	5273.29	9949.05	5615.20
Specialized Banks	1172.76	1014.30	2696.75	2099.49
Total	100564.96	66493.75	114790.84	76126.16

Imports

Import payments in March 2012 stood lower by USD 108.60 million or 3.82 percent to USD 2846.50 million, against USD 2955.10 million in February 2012. This was also lower by USD 339.60 million or 10.66 percent than USD 3186.10 million in March 2011.

Of the total import payments during July-March, 2011-12 imports under Cash and for EPZ stood at USD 25446.70 million, import under Loans/Grants USD 207.50 million, import under direct investment USD 81.50 million and short term loan by BPC USD 1208.80 million. The falling trend in cumulative import payment, consequential effect of BB's monetary policy stance, is contributing to ease pressure on gross foreign exchange reserve.

Exports

Merchandise export shipments in March, 2012 stood higher by USD 2.93 million or 0.15 percent at USD 1982.26 million as compared to USD 1979.33 million in February, 2012 according to EPB data. However, this was lower than USD 2136.86 million of March, 2011.

Remittances

Remittances in April 2012 stood lower at USD 1082.28million against USD 1109.14 million of March 2012. However, this was higher by USD 80.31 million against USD 1001.97 million of April 2011.

Total remittances receipts during July-April, 2011-12 increased by USD 1001.15 million or 10.41 percent to USD 10614.14 million against USD 9612.99 million during July-April, 2010-11. Strong growth in remittances stabilized gross reserves and helped local currency be stronger against USD.

Foreign Exchange Reserve (Gross)

The gross foreign exchange reserves of the BB stood higher at USD 10193.04 million (with ACU liability of USD 732.39 million) as of end April 2012, against USD 9579.43 million (with ACU liability of USD 391.11 million) by end March 2012. The gross foreign exchange reserves, without ACU liability is equivalent to import payments of 3.12 months according to imports of USD 3031.33 million per month based on the previous 12 months average (April-March, 2011-12).

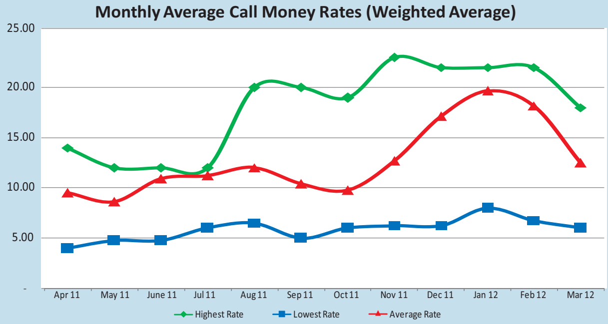
The gross foreign exchange balances held abroad by commercial banks stood higher at USD 1164.04 million by end April 2012 against USD 1124.50 million by end March 2012. This was also higher than the balance of USD 943.01 million by end April 2011.

Exchange Rate Movements

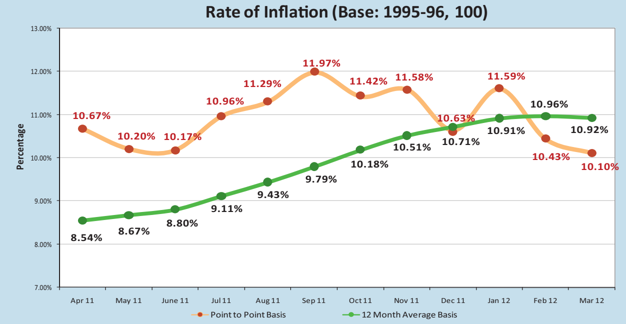
Exchange rate of Taka per USD appreciated about 3.28%in the month of February and has since stabilized. This resulted from higher remittances and aid, lower import pressures and changed exchange rate expectations. Overall during the course of FY12 the Taka has depreciated by 9.35 percent between early July-End March.

(Source: Major Economic Indicators: Monthly Update, April 2012)

Monthly Average Call Money Rates (Weighted Average)



Rate of Inflation (Base: 1995-96, 100)



Rate of Inflation on CPI for National (Base: 1995-96, 100)	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12
Point to Point Basis	10.67%	10.20%	10.17%	10.96%	11.29%	11.97%	11.42%	11.58%	10.63%	11.59%	10.43%	10.10%
12 Month Average Basis	8.54%	8.67%	8.80%	9.11%	9.43%	9.79%	10.18%	10.51%	10.71%	10.91%	10.96%	10.92%

Source: Major Economic Indicators

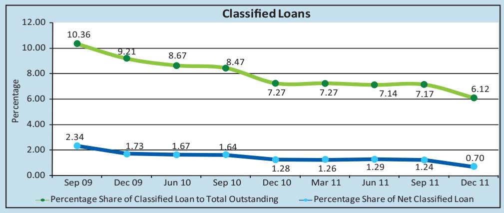
Monthly Average Call Money Market Rates (wt avg)	Apr 11	May 11	Jun 11	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12
Highest Rate	14.00	12.00	12.00	12.00	20.00	20.00	19.00	23.00	22.00	22.00	22.00	18.00
Lowest Rate	4.00	4.75	4.75	6.00	6.50	5.00	6.00	6.25	6.25	8.00	6.75	6.00
Average Rate	9.50	8.64	10.93	11.21	12.03	10.41	9.77	12.70	17.15	19.66	18.18	12.51

Source: Economic Trends Table XVIII (Call Money)

BANKING AND FINANCIAL INDICATORS

Classified Loans	Sep 09	Dec 09	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11	Sep 11	Dec 11
Percentage Share of Classified Loan to Total Outstanding	10.36	9.21	8.67	8.47	7.27	7.27	7.14	7.17	6.12
Percentage Share of Net Classified Loan	2.34	1.73	1.67	1.64	1.28	1.26	1.29	1.24	0.70

Monetary Survey	February, 2011	June, 2011	February, 2012 P	Percentage Change (%) Feb.12 over Feb.11	FY 2010-2011 P
Reserve Money (BDT crore)	82553.70	97500.90	91401.00	10.72%	21.09%
Broad Money (BDT crore)	406784.90	440,520.00	480799.20	18.19%	21.34%
Net Credit to Government Sector (BDT crore)	56072.90	73436.10	89669.60	59.92%	34.89%
Credit to Other Public Sector (BDT crore)	19866.70	19377.10	19173.00	-3.49%	28.72%
Credit to Private Sector (BDT crore)	318281.80	340712.70	380511.60	19.55%	25.84%
Total Domestic Credit (BDT crore)	394221.40	433525.90	489354.20	24.13%	27.41%



L/C Opening and Settlement Statement (USD million)	July-February, 2010-11		July-February, 2011-12		Percentage Change (%) Year over Year	
	Open	Sett.	Open	Sett.	Open	Sett.
Food Grains (Rice & Wheat)	1875.39	1114.4	514.00	704.01	-72.59%	-36.83%
Capital Machinery	1983.61	1326.17	1450.62	1588.97	-26.87%	19.82%
Petroleum	1699.12	2005.31	3355.84	3000.5	97.50%	49.63%
Industrial Raw Materials	10508.87	8183.88	9600.73	9215.99	-8.64%	12.61%
Others	4911.73	3827.87	2959.77	3057.47	-39.74%	-20.13%
Total	26142.08	16457.63	17880.96	17566.94	-31.60%	6.74%

YEARLY INTEREST RATES

End of Period	Bank Rate	Call Money Market's Weighted Average Interest Rates on		Schedule Banks' Weighted Average Interest Rates on		Spread
		Borrowing	Lending	Deposits	Advances	
2012*	5.00	13.98	13.98	....	....	....
2011	5.00	17.15	17.15	....	....	....
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

**: data upto month of April, 2012.*

Interest Rate Development *1/

Period	Treasury Bills			BGTB				Repo	Rev. Repo	Avg Call Money Rate	Lending Rate	Deposit Rate
	91-Day	182-Day	364-Day	5-Year	10-Year	15-Year	20-Year	1-3 Day	1-3 Day			
2009-10												
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
2010-11 *r												
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	13.39	8.85
2011-12 *p												
July	7.04	7.28	7.60	8.26	9.45	....	10.00	6.75	4.75	11.21	13.74	9.09
August	7.40	7.65	7.90	8.30	9.50	9.65	10.25	6.75	4.75	12.02	13.61	9.33
September	7.73	8.30	8.65	8.35	9.53	10.30	10.85	7.75	5.25	10.41	13.71	9.45
October	8.12	8.40	8.65	8.50	9.55	10.99	11.50	7.75	5.25	9.77	13.94	9.35
September	8.73	8.90	9.13	8.50	9.55	11.00	11.50	7.75	5.25	12.70	14.00	10.32
December	9.50	9.18	10.00	8.50	9.55	11.00	11.50	7.25	5.25	17.75	13.87	10.56
January	10.50	10.63	10.88	9.00	11.25	11.50	11.95	7.75	5.75	19.67	14.56	10.28
February	11.00	11.23	11.31	11.25	11.35	11.60	12.00	7.75	5.75	18.18	14.62	10.35
March	11.00	11.20	11.25	11.30	11.40	11.65	12.03	7.75	5.75	12.51	....	....
April	11.21	11.29	11.33	11.37	11.50	11.70	12.07	7.75	5.75	14.18	....	....

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

CAPITAL MARKET – DSE
(For the Month of April, 2012)

Weekly Summary Comparison:

	April 22 - 26, 2012	April 01 - 05, 2012	% Change
Total Turnover in mn BDT	38,079	36,385	4.65
Daily Average Turnover in mn BDT	7,616	7,277	4.65

Category-wise Turnover

Category	April 22 - 26, 2012	April 01 - 05, 2012	% Change
A	94.32%	95.25%	(0.009)
B	0.44%	0.94%	(0.005)
G	0.00%	0.00%	0.000
N	4.05%	1.26%	0.028
Z	1.18%	2.55%	(0.014)

Scrip Performance in the Week

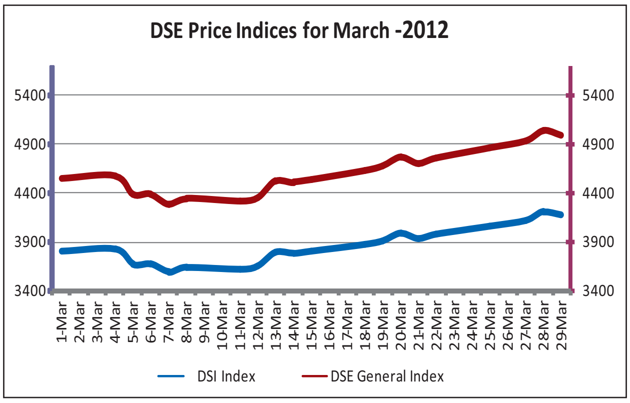
	April 22 - 26, 2012	April 01 - 05, 2012	% Change
Advanced	47	146	(67.81)
Declined	227	118	92.37
Unchanged	1	7	(85.71)
Not Traded	3	4	(25.00)
Total No. of Issues	278	275	1.09

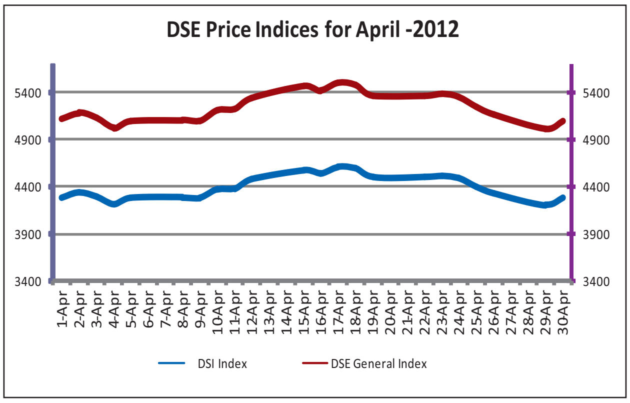
Top 10 Gainer Companies by Closing Prices, April, 2012

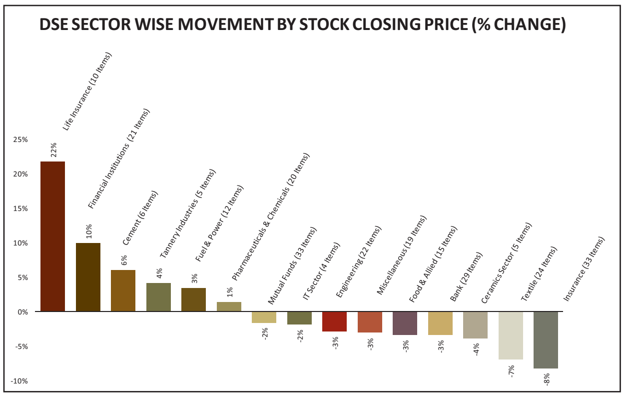
Sl	Names	Category	% of Change	Deviation % (High & Low)
1	ACI Formulations Ltd.	A	27.79	35.59
2	GPH Ispat Ltd.	N	15.78	18.60
3	Active Fine Chemicals Ltd.	A	12.72	18.40
4	Islamic Finance	A	7.87	19.84
5	Renwick Jajneswar & Co. (BD) Ltd.	A	5.82	10.81
6	Square Pharma	A	5.72	8.53
7	Eastern Cables	A	5.46	10
8	BSRM Steels Ltd.	A	5.19	10.92
9	ACI Ltd.	A	5.12	16.93
10	Gemini Sea Food	A	4.43	7.27

Top 10 Loser Companies by Closing Prices, April, 2012

Sl	Names	Category	% of Change	Deviation % (High & Low)
1	Peoples Insurance	A	-30.08	45.59
2	Phoenix Finance	A	-23.82	11.82
3	Northern General Insurance Company Ltd.	A	-22.98	14.86
4	National Life Insurance	A	-22.70	21.81
5	Bd.Thai Aluminium	A	-22.02	34.73
6	Pragati Insurance	A	-21.16	14.67
7	Islami Bank Ltd.	A	-20.67	33.49
8	Union Capital	A	-20.11	19.46
9	FAS Finance & Investment Ltd.	A	-19.77	33.41
10	BD Welding Electrodes	A	-17.47	23.62







Dhaka stocks fell heavily last week (April 22-26, 2012) ending a six-week bull run as fear gripped investors due to fear of possible political unrest.

DGEN, the benchmark general index of the Dhaka Stock Exchange, lost 3.80 percent, or 204.09 points, in the last week to close at 5,163.43 points. The DGEN gained by 1,022 points in the previous six weeks after a year-long depression in the capital market.

Market operators said the latest political turmoil, marked by three dawn-to-dusk General strikes enforced by opposition BNP made the investors nervous. Investors feared that another round of depression might hit the market as the issue surrounding Elias Ali remained unresolved. While BNP announced to go for tough movement from this week (April 29-May 03, 2012), the ruling party declared to resist the opposition, raising fear among investors about a potential showdown.

Also the rumors surrounding the outcome of a legal battle over a regulator's order on the minimum shareholding listed company directors also made investors nervous. Among the five trading sessions, stocks gained in only one session while declined in four sessions.

Meanwhile, the DSE authorities demanded that the government gives tax rebate for dividend income up to BDT 25,000 in the upcoming national budget in an effort to restore stability in the stock market. They also proposed a special income tax incentive for the stock market investors.

DOMESTIC CAPITAL MARKETS

CAPITAL MARKET – CSE
(For the Month of April, 2012)

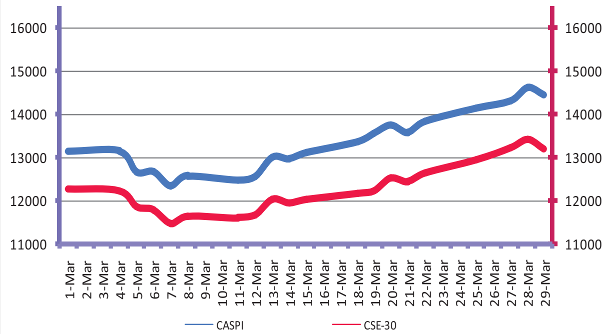
Top 10 Gainer Companies by Closing Price, April, 2012

Sl	Names	Category	Week Difference	Opening	Closing	Turnover (BDT)
1	ACI Formulations Ltd.	A	27.45	117.30	149.50	8,244,270.00
2	GPH Ispat Ltd.	N	15.52	72.80	84.10	147,816,850.00
3	Investment Corp of Bangladesh	A	15.00	2,052.00	2,360.00	118,000.00
4	Active Fine Chemicals Ltd.	A	10.89	67.90	75.30	20,080,177.50
5	Islamic Finance and Investment Ltd.	A	9.35	37.40	40.90	16,121,273.00
6	Information Services Network	A	8.94	30.20	32.90	4,712,215.00
7	Pragati Life Insurance Ltd.	A	8.48	207.40	225.00	112,500.00
8	Advanced Chemical Industries	A	7.01	235.30	251.80	2,824,265.00
9	Prime Islami Life Insurance Ltd.	Z	6.84	190.00	203.00	318,470.00
10	Square Pharmaceuticals Ltd.	A	4.55	261.40	273.30	35,882,093.00

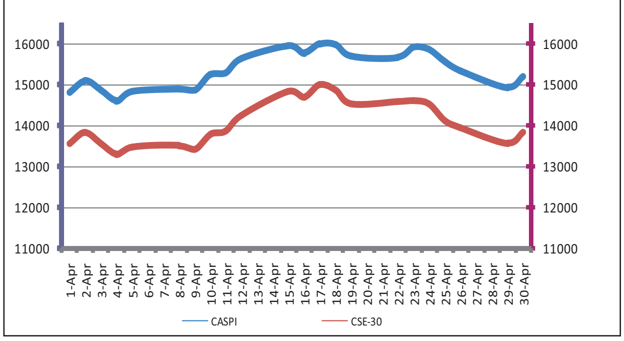
Top 10 Loser Companies by Closing Price, April, 2012

Sl	Names	Category	Week Difference	Opening	Closing	Turnover (BDT)
1	Peoples Insurance Company Ltd.	A	-30.26	38.00	26.50	7,069,712.50
2	Uttara Finance& Investment Ltd.	A	-30.17	179.30	125.20	11,607,199.00
3	National Life Insurance Co.Ltd.	A	-23.29	460.20	353.00	2,478,500.00
4	Islami Bank Bangladesh Ltd.	A	-21.41	56.50	44.40	34,608,363.00
5	BD.Thai Aluminium Ltd.	A	-21.24	59.30	46.70	28,802,455.00
6	Union Capital Ltd.	A	-19.43	56.60	45.60	19,336,044.40
7	Fas Finance & Investment Ltd.	A	-18.90	52.90	42.90	7,074,140.00
8	Asia Pacific General Insurance	A	-16.18	37.70	31.60	3,381,400.00
9	IBBL Mudaraba Perpetual Bond	A	-15.95	1,059.00	890.00	373,440.00
10	Pragati Insurance Ltd.	A	-15.80	90.50	76.20	964,930.00

CSE Price Indices for March -2012



CSE Price Indices for April -2012



INTERNATIONAL CAPITAL MARKETS

SELECTED GLOBAL INDICES

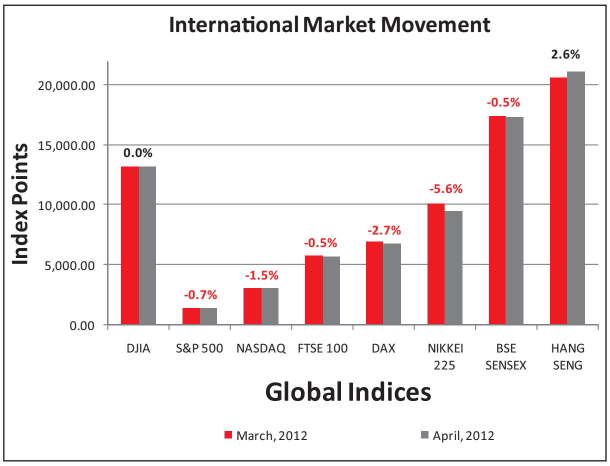
GLOBAL INDICES ROUND-UP FOR THE MONTH OF APRIL, 2012

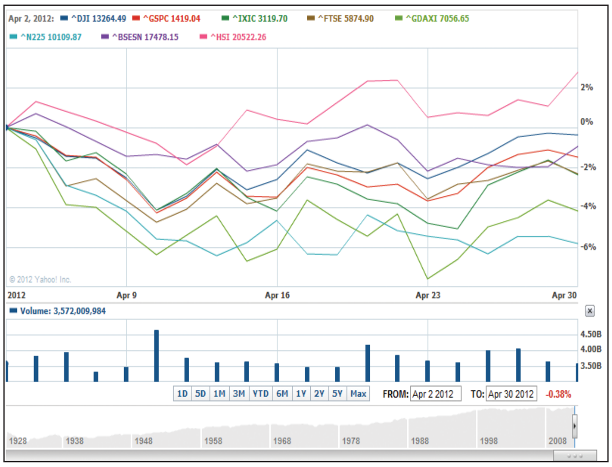
US stocks finished in the red in April 2012, ending a mostly sour month on a weak note. The Wall Street adage of “sell in May and go away” got an early start in 2012. Following three months of solid gains, all three major indexes posted their worst monthly returns of the year. The Dow finished flat in April, while the S&P 500 posted a 0.7% loss and the Nasdaq dropped 1.5%. For the first three months of the year, the major indexes had posted an increase of at least 2% each month. Stocks hit a rough patch in April as investors faced a series of US economic reports suggesting a stalled recovery, including a lousy March jobs report at the start of the month and more worrying signs out of Europe. Investors will likely be cautious this week (1st week of May 2012) amid of slew of economic data that’s leading up to the all-important jobs report for April. Economists are expecting that 162,000 jobs were added in April, which is an improvement from March. But that pace is still slow compared to job gains in December, January and February - which exceeded 200,000.

European stocks finished on a low note. Britain’s FTSE 100 dipped slightly 0.5%, while the DAX in Germany shed 2.7%. Asian major markets ended mixed. The HANG SENG rose 2.6%, Japan’s Nikkei (NIKKEI 225) dropped 5.6% and BSE Sensex lost 0.5%.

International Market Movements:				
INDEX	VALUE (As of April 30, 2012)	VALUE (As of March 31, 2012)	CHANGE	% CHANGE
DJIA	13,213.63	13,212.04	1.59	0.0%
S&P 500	1,397.91	1,408.47	-10.56	-0.7%
NASDAQ	3,046.36	3,091.57	-45.21	-1.5%
FTSE 100	5,737.80	5,768.50	-30.7	-0.5%
DAX	6,761.19	6,946.83	-185.64	-2.7%
NIKKEI 225	9,520.89	10,083.56	-562.67	-5.6%
BSE SENSEX	17,318.81	17,404.20	-85.39	-0.5%
HANG SENG	21,094.21	20,555.58	538.63	2.6%
Arithmetic Mean				-1.1%

DOUBLE VIEW





(Compiled from Yahoo! Finance)

INTERNATIONAL ECONOMIC FORECASTS

International Economic Forecasts: Wells Fargo Securities Economics Group™ Monthly Outlook (May, 2012)

WELLS FARGO SECURITIES

US OVERVIEW

Sustained Growth: Not Enough to Satisfy?

“Growth in the coming year will remain modest,” so we stated on the cover of our annual Outlook back in December. “There is no double-dip or V-shaped recovery. Every economic recovery is a new normal.” This economic expansion has indeed lived down to our modest expectations.

After a gain of 2.2 percent in the first quarter, we expect growth to come in at 2 percent rate for the second quarter, with contributions from personal consumption, equipment and software spending, residential construction and inventory rebuilding. Structures and federal and local spending will subtract from growth. Consumption spending will benefit from job gains and thereby real income gains, although at a pace below that of 2010/2011, as the inflation rate has risen. While our headline GDP forecast remains near the lower end of the consensus, the economy retains forward momentum with continued gains in jobs for consumption, credit and cash available for investment spending and low mortgage rates and high affordability helping the housing sector. So the real side and financial fundamentals remain positive for growth—but neither boom nor bust.

We expect inflation, as benchmarked by the FOMC’s target PCE deflator, will remain just above the Fed’s 2 percent target rate and thereby keep monetary policy on hold for this year. We expect 10-year benchmark Treasury rates to remain in the 2.0 percent to 2.3 percent range. Finally, we expect corporate profit growth will remain positive but slow in typical cyclical fashion, as productivity gains slow as well.

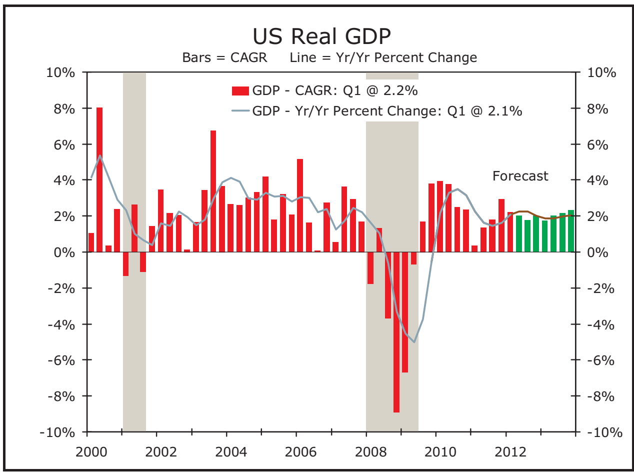
INTERNATIONAL OVERVIEW

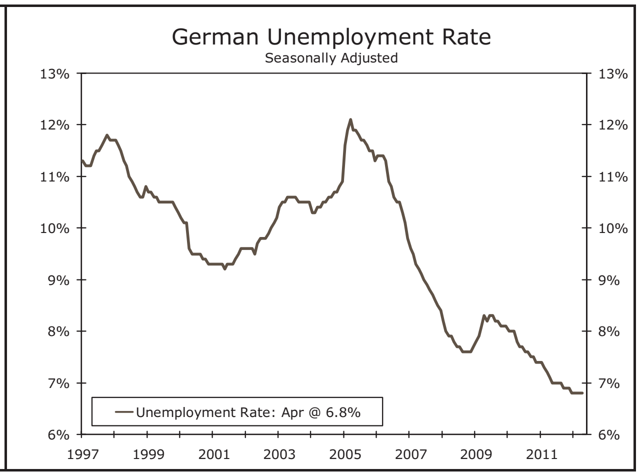
Economic Growth Remains Sluggish

Global economic growth has remained soft as the second quarter has gotten underway. A much hoped for second quarter growth revival in the Eurozone has not yet materialized, at least according to the April economic releases so far. In contrast, Germany’s economy continues to power ahead, shrugging off the deepening recession around it. Low levels of unemployment in Germany—the unemployment rate is currently 6.8 percent, the lowest on record going back to 1991—is helping German domestic demand weather the economic and financial storms brewing around it.

Yet, more core European countries seem to be catching the recession bug that is going around the Eurozone. France’s services PMI slipped to 45.2 in April from 50.2. If that were not enough to give one pause about the future course of the global economy, France’s election of Socialist Francois Hollande as president, heralds a sea-change in Europe’s approach to its economic and financial crisis. France’s electorate appears to be rapidly losing its stomach for going further down the fiscal austerity path, as has been the mantra of Eurozone partner governments since the outbreak of the financial crisis. This at best signals a rift in Eurozone economic policy to date and could be the early signs of a schism among Europe’s most important core economic powers.

Not all is dire around the globe, however. Asian economies appear to be stabilizing after a weak Q4 2011 and Q1 2012. Central bank easing in China and other Asian countries seems to be helping stabilize regional activity.





Source: US Department of Commerce, Bloomberg LP and Wells Fargo Securities, LLC

COMMODITY MARKETS

COMMODITY MARKETS REVIEW

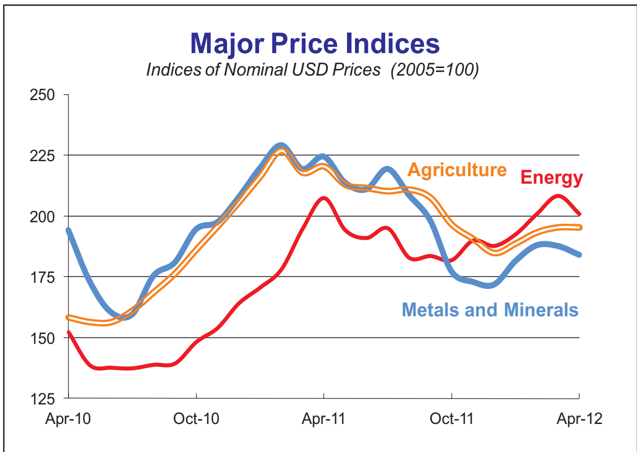
Non-energy commodity prices fell by 0.4 percent in April, led by declines in most metals, on concerns about the global economy. Agriculture prices were flat overall, with strong increases in fats & oils offsetting declines elsewhere. The soybean complex continued to record strong gains on further supply losses in South America. Crude oil prices slid on improving supply conditions, while US natural gas prices continued to plummet due to large oversupply. Fertilizer prices rose sharply on strong demand in the Americas and emerging demand in Asia.

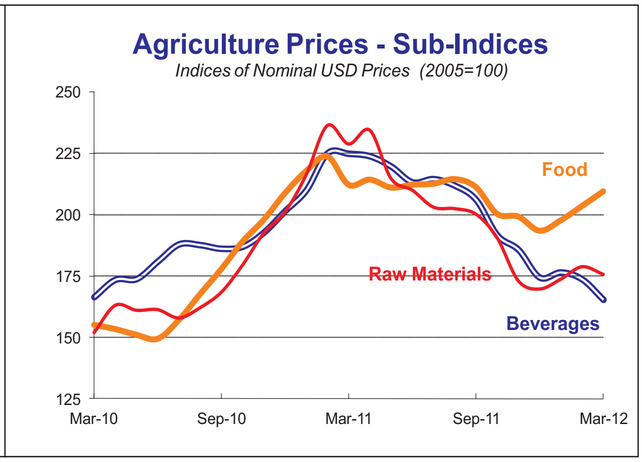
Crude oil prices (World Bank average) fell 3.5 percent in April to USD 113.7/bbl, and dropped below USD 106/bbl in early May, on easing supply conditions and bearish economic news. Despite supply disruptions—notably South Sudan, Syria and Yemen—crude availability remains ample and global oil stocks are increasing. Iranian crude exports are declining sharply because of sanctions, and up to 1 mb/d of exports may be eliminated by this summer. However, OPEC production continues to climb, with total liquids output at the highest ever. Iraq production has topped 3 mb/d and exports are expanding through a new offshore loading terminal that will add 0.4-0.5 mb/d of Iraqi exports. Several non-OPEC producers are also raising output, particularly in the US with surging shale-liquids production. The price spread between Brent and WTI has shrunk below USD 15/bbl, as reversal of the Seaway pipeline has been brought forward to May 17th which will send 0.15 mb/d of crude from Cushing to the Gulf coast. Other pipeline projects and reversals are planned to alleviate the bottleneck in the US mid-continent, but WTI will continue to be discounted to reflect the costs of moving surplus oil to refineries by rail, barge and truck.

Natural gas prices in the US plunged 10.1 percent in April to USD 1.95/mmbtu—a 10th straight monthly drop and lowest level in 13 years—as rising gas production and mild weather contributed to record high inventories. Prices rose in early May on lower-than-expected storage injection due to sharp gains in gas-fired power generation at the expense of coal, and continued decline in gas-directed drilling.

Agricultural prices were unchanged in April, with strong increases in fats and oils prices essentially offsetting declines in most other groups. The largest increase was for tea (up 13 percent) on the seasonal arrival of new teas in India. Soybean meal and soybeans prices rose 10 and 6 percent, respectively, on further supply shortfalls in South America and reduced planting intentions in the US Leading the declines were sorghum prices, down 7 percent, on news of increased US planting intentions. Wheat prices fell 6 percent due to a larger than expected US winter crop and better grain prospects in Australia. Sugar prices declined 6 percent following India's announcement to allow exports of raw sugar. Arabica coffee prices fell 5 percent amid weak demand and substitution to lower-priced robusta beans, and favorable production prospects in Brazil.

Metals and minerals prices fell 1.9 percent in April, with declines in most base metals, on concerns about weakening global demand and high and rising stocks for most metals. The largest decrease was for aluminum on record high stocks and continued concerns about the strong rise in Chinese production. Nickel prices fell 4 percent on rising inventories, slowing demand, and imminent large supply growth. Also declining were silver and gold prices due to lower investment demand. Indonesia banned exports of 14 raw minerals effective May 6th, including copper, lead, nickel, zinc, iron ore, gold and silver. Exceptions will be given for miners that plan to build local processing facilities and add value. Those miners will be taxed 20 percent on ore shipments.





Prepared by Shane Streifel, John Baffes and Betty Dow, The World Bank.

CENTRAL DEPOSITORY BANGLADESH LIMITED

Syed Manzur Elahi
Chairman, CDBL

Central Depository Bangladesh Limited (CDBL) was incorporated on August 20, 2000 sponsored by the country's Nationalized Commercial Banks (NCBs), Investment Corporation of Bangladesh (ICB), Private Commercial Banks (PCBs), Foreign Banks, Merchant Banks, Publicly listed Companies, Insurance Companies and Dhaka & Chittagong Stock Exchanges with the collaboration of the Asian Development Bank (ADB). Legal basis for CDBL's operations is set out in the Depositories Act 1999, Depositories Regulations 2000, Depository (User) Regulations 2003, and the CDBL by-laws.

CDBL's core services cover the efficient delivery, settlement and transfer of securities through computerized book entry system i.e. recording and maintaining securities accounts and registering transfer of securities; changing the ownership without any physical movement or endorsement of certificates and execution of transfer instruments. The Central Depository System (CDS) operated by CDBL has proved to be a convenient and reliable means to settle securities transaction. The investor has been freed from the hassles of physical handling of certificates, errors in paper work and the risks associated with damaged, lost and forged certificates.

Since 14th February 2003 CDBL has been acting as National Numbering Agency for International Securities Identification Number (ISIN) as partner in Bangladesh of Association of National Numbering Agencies (ANNA) based in Germany. CDBL is a member of Asia Pacific CSD Group (ACG) and an associate member of South Asian Federation of Exchanges (SAFE).

Vision

Central Depository Bangladesh Limited (CDBL) shall be a dynamic, forward looking institution committed to adding value to the business of its clients. It will be equipped with up-to-date Information Technology to ensure prompt customer response and provide innovative solutions to the needs of the capital market playing a pivotal role in Bangladesh's financial services sector.

Mission

CDBL will have a sound management team with carefully-chosen, highly-motivated staff fostering a spirit of enthusiasm balanced with prudent policies to achieve a high level of sophistication and expertise in the performance of its personnel by consistently striving to provide high quality services that are reliable, transparent and efficient by:

- Emphasizing the importance of the customer,
- Unleashing employee initiative by empowering them,
- Viewing activities of the business as processes and the goal of continuous improvement.

Management's leadership endeavor is to forge a passionate, inspired, motivated and cohesive team to operate from a fully common bottom line, sharing the same agenda, driven by the same vision to achieve the best possible results, not only for the shareholders and the employees but also to boost public confidence in CDBL's growing strength as an independent, professionally managed institution.

Services

CDBL's core services cover the efficient delivery, settlement and transfer of securities through computerized book entry system i.e. recording and maintaining securities accounts and registering transfer of securities; changing the ownership without any physical movement or endorsement of certificates and execution of transfer instruments. The Central Depository System (CDS) operated by CDBL has proved to be a convenient and reliable means to settle securities transaction. The investor has been freed from the hassles of physical handling of certificates, errors in paper work and the risks associated with damaged, lost and forged certificates.

Operation

CDBL's operations are carried out in its Main Data Centre which is linked to a remote Disaster Recovery Centre operating as a backup with data update taking place simultaneously. Network connectivity to Depository Participants, Issuers, Banks, Stock Exchanges and Bangladesh Bank is through Front End interfaces accessed by WAN link and dial-up telephone lines.

Method of Operation

1. The investor opens a depository account with a participant or CDBL.
2. Certificates are 'dematerialized' by lodging them at the issuer.
3. The issuer updates the register and moves the holding to the depository portion of the register.
4. The investor sells on a stock exchange through a stock broker and another investor buys.
5. The stock exchange advises CDBL to update its records.
6. CDBL debits the sellers account.
7. CDBL credits the buyers account.
8. Investors may rematerialize if they wish.

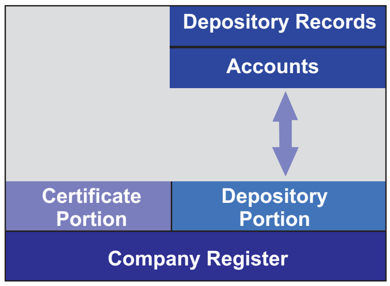
Few Recent CDBL Milestones

December 2009 CDBL signs agreement with Bangladesh Online Ltd (BOL) for enhancement of the company website using open source technologies.

November 2009: CDBL adds CCTV cameras and Access Control Systems as a first step to security measure responding to increasing terrorism related threats and accidents.

July 2009: CDBL hosts 11th ACG Cross Training Seminar at Pan-Pacific Sonargaon Hotel, Dhaka, Bangladesh on July 3-4, 2009.

May 2009: On May 28, 2009 CDBL establishes a permanent base for Customer Service and Technical Support (CSTS) at the Disaster Recovery Center.



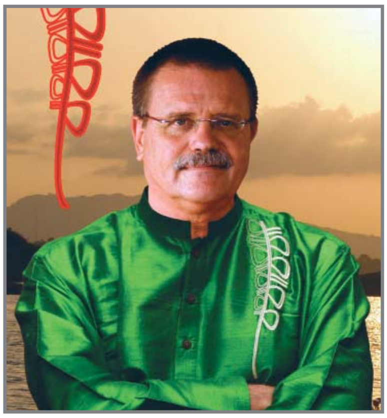
May 2009: Activation of our Data & Disaster Recovery Center (DDRC) at Topekhana Road, Dhaka for live production functions on May 28, 2009.

April 2009: CDBL signs agreement with E.B. Solutions Ltd for SMS Alert Services for BO's on April 23, 2009.

January 2009: BO Account setup in CDBL surpasses two million.

Contact

Central Depository Bangladesh Ltd.
(CDBL), BDBL Bhaban (18th Floor)
12 Kawran Bazar, Dhaka - 1215
Phone: +88-02-8125402; +88-01199 883425-7
Fax: +88-02-8124630
Email: cdbl@bol-online.com
Website: www.cdbl.com.bd



Michael Kuehner
Managing Director / CEO, Robi Axiata Ltd.

Robi Axiata Limited

About Robi

Robi Axiata Limited is a joint venture company between Axiata Group Berhad, Malaysia and NTT DOCOMO INC, Japan. It was formerly known as Telekom Malaysia International (Bangladesh) which commenced operations in Bangladesh in 1997 with the brand name AKTEL. On 28th March 2010, the service name was rebranded as 'Robi' and the company came to be known as Robi Axiata Limited.

Robi is truly a people-oriented brand of Bangladesh. Robi, the people's champion, is there for the people of Bangladesh, where they want and the way they want. Having the local tradition at its core, Robi marches ahead with innovation and creativity.

To ensure leading-edge technology, Robi draws from the international expertise of Axiata and NTT DOCOMO INC. It supports 2G voice, CAMEL Phase II & III and GPRS/EDGE service with high speed internet connectivity. Its GSM service is based on a robust network architecture and cutting edge technology such as Intelligent Network (IN), which provides peace-of-mind solutions in terms of voice clarity, extensive nationwide network coverage and multiple global partners for international roaming. It has the widest International Roaming coverage in Bangladesh connecting 600 operators across more than 200 countries. Its customer centric solution includes value added services (VAS), quality customer care, easy access call centers, digital network security and flexible tariff rates.

Principle & Purpose

Empowering You: We are there for you, where you want and in the way you want, in order to help you develop, grow and make the most of your lives through our services.

Principles:

Robi Axiata Limited employees hold themselves accountable to the following guiding Principles for the organization.

Emotional: Passionate, Creative, Respectful, Open

Functional: Simple, Ethical, Transparent, Ownership

No matter what we do in order to realize our purpose, we hold ourselves accountable to the following overarching guiding Principles for our organization:

1. Being respectful towards everyone.
2. Being trustworthy by action. Being passionate and creative in all we do.
3. Keeping things simple in the way we do things.
4. Being ethical and transparent.
5. Demonstrating individual and collective ownership.
6. Practicing an open culture in communication and interaction.

Achievements in 2011 and 2010

- Robi Axiata Limited, the leading mobile phone operator of the nation, has received "Star News HR EXCELLENCE AWARDS FOR INNOVATION IN HR".
- Leading mobile phone service provider Robi has been re-assessed and rewarded with ISO 9001:2008 certification. Robi received this internationally renowned Management Standard after complying with all requirements.
- Robi has been conferred the prestigious Frost & Sullivan Asia Pacific ICT Award 2010 for "Emerging Market Service Provider of the Year".

Past Achievements

- Awarded the prestigious fund grant from GSMA MMU (Mobile Money for the Unbanked) in 2009.
- Crossing 10 million subscribers mark in 2009.
- Ranked within top 6 global comparable telcos in A.T. Kearney benchmarking exercise in 2009.
- Cost optimization project saved 2 times of what was projected.
- Bangladesh Mobile Phone Businessmen Association (BMBA) Award 2008-2009 as the best service provider in Bangladesh
- The Weekly Financial Mirror –Samsung Mobile & Robintex Business Award 2008-2009 as the best Telecommunication Company.
- TeleLink Telecommunication Award 2007 TeleLink Telecommunication Award 2007" for its excellence in service, corporate social responsibilities and dealership management for the year 2006 in commemoration of WORLD Telecommunication Day 2007.
- Arthakantha Business Award Given by the national fortnightly business magazine of Bangladesh for its excellence in service in telecom sector.
- Financial Mirror Businessmen Award Given by the national weekly Tabloid business magazine.
- Deshbandhu C. R. Das Gold Medal For contribution to telecom sector in Bangladesh.
- Beatification Award for exceptional contribution to the Dhaka Metropolitan city from Prime Minister Office on 13th SAARC Summit.
- Standard Chartered - Financial Express Corporate Social Responsibility (CSR) Awards 2006 For contribution in Education, Primary Health, poverty alleviation and ecological impact.
- Arthokontho Business Award 2006 for better telecom service provider in Bangladesh.
- Financial Mirror & Robintex Business award 2006 for its excellence in service, corporate social responsibilities activities throughout Bangladesh.
- Desher Kagoj Business Award 2006 For Corporate Social Responsibilities activities.
- TeleLink Telecommunication Award 2005 for its excellence in service for the year 2005.

Corporate Responsibility

Robi dreams of a prosperous and strong nation and thus Robi's commitment to the society is an integral part of its business. Robi intends to build a better Bangladesh by empowering people and by providing support towards the sustainable development of the community.

In line with Government's development plan as well as its own Corporate Responsibility (CR) philosophy, Robi engages itself in various types of Corporate Responsibility (CR) programs. Through its CR initiatives, Robi intends to contribute towards the development of socio economic and ecological condition of the country through enriching people's lives focusing on their primary needs as well as conserving the unique culture & Heritage of Bangladesh.

Robi endorses its enabling and positive impact on the society, primarily, through its 'core operations' or business footprint and secondly, through its ability to reach out to national development goals by 'Empowering People'.

Contact

Robi Corporate Centre
53 Gulshan South Avenue, Gulshan 1
Phone: +88 02 9887146-52
Fax: +88 02 9885463
Dhaka-1212, Bangladesh.

CSR ACTIVITIES

DR. ATIUR SPURS BANKS ON CSR

Commercial banks and financial institutions should increase their activities for corporate social responsibilities to develop the country, said Dr. Atiur Rahman, governor of Bangladesh Bank.

He spoke at a programme on "CSR for banks and financial institutions" at the city hotel. The CSR Centre in collaboration with Bangladesh Association of Banks and Association of Bankers' Bangladesh organised the event.

CSR entails voluntary observance of non-binding 'soft law' social and environmental obligations, beyond compliance compulsions with binding laws and regulations, according to Rahman.

The governor said the 'ISO-26000' published by the International Standards Organisation codifies a set of common guidance on concepts, definitions and evaluation methods for the social responsibility obligations of organisational entities.

"BB's 2008 CSR guidance circular aimed at positioning our banks and financial institutions as pioneers in ingraining and internalising CSR in corporate goals and objectives, becoming role models for their borrower non-financial businesses to emulate."

He said reported direct expenditure of banks on CSR initiatives have grown tenfold in 2010 compared to 2007. He said the country's banks can join hands in collective initiatives taking up larger scale, higher impact CSR initiatives not affordable by individual banks.

"Most of our non-bank financial institutions are yet to join the mainstream of CSR initiatives and they can begin with CSR engagements of their own, or join hands with banks in collective efforts." (20, April 2012, The Daily Star)

DBBL DONATES 320 NET BOOKS

Smiling Sun (Surjer Hashi) hosted the inaugural ceremony of the Smiling Sun online Managemment Information System (MIS) at Rangamati recently.

Dutch-Bangla Bank donated 320 Net Books, valued BDT 7.25 million, which will enable all 320 Smiling Sun locations to connect to the Smiling Sun online MIS system. The MIS system ensures improved management, accountability and transparency using real-time data for the affordable healthcare of the rural masses.

Present at the ceremony were Dipankar Talukder, State Minister, Ministry of Chittagong Hill Tracts Affairs, (chief guest), Dan W. Mozena, US Ambassador to Bangladesh (guest of honour), and Sayem Ahmed, Chairman of the Executive Committee of the Board of Dutch-Bangla Bank (guest of honour). (05, April 2012, The Daily Star)

AB BANK HOLDS BLOOD DONATION PROGRAMME

AB Bank has arranged a blood donation programme on the occasion of its 30th founding anniversary. Social Welfare Minister Enamul Haq Mostafa Shahid formerly inaugurated the programme at the bank's head office, said a press release.

Lawmaker Nasrul Hamid Bipu also attended the function as special guest. M Wahidul Haque, chairman and M Fazlur Rahman, managing director of the bank and a large number of officers and staffs were present on the occasion. (08, April 2012, Daily Sun)

JAMUNA BANK FOUNDATION HANDOVER AMBULANCE

Jamuna Bank Foundation Chairman Nur Mohammed, directors AKM Mosharraf Hussain and Md Atiqur Rahman and Managing Director Md Motior Rahman of Jamuna Bank Limited seen at the handing over ceremony recently of an ambulance for serving the pregnant women of Kazipur upazila under Sirajgonj district. (10, April 2012, The Daily Star)

STANCHART, BRCS ARRANGE BLOOD DONATION DRIVE

As part of ongoing employee volunteering initiatives, Standard Chartered Bank has recently organized a blood donation program along with Bangladesh Red Crescent Society at the Bank's Head Office. A total of 179 bags of bloods were collected in a single day with par ticipation from employees almost all departments including female employees of the Bank. (10, April 2012, The Financial Express)

CITIBANK OBSERVES COMMUNITY DAY

Citibank, NA Banglad- esh has observed the seventh 'Global Community Day' to mark citi's 200th anniversary with a commitment to serve the society. Bangladesh is the first country out of the 18 markets where Citi operates in the Asia Pacific region to start Citi's volunteer initiatives this year, said a press release.

In this regard, Citi Bangladesh volunteers lashed out their initiatives by organising a movie show for more than 200 underprivileged children. (05, April 2012, The Daily Sun)

New Appointments During April, 2012

BANKS, FINANCIAL & OTHER INSTITUTIONS

Name	Current Position	Current Organization	Previous Position	Previous Organization
Sayeed H. Chowdhury	Chairman	One Bank Ltd.	Director	One Bank Ltd.
A Rouf Chowdhury	Chairman (re-elected)	Bank Asia Ltd.	Chairman	Bank Asia Ltd.
Md. Abdul Jalil, M.P.	Chairman (re-elected)	Mercantile Bank Ltd.	Chairman	Mercantile Bank Ltd.
Hafiz Ahmed Mazumder	Chairman (re-elected)	Pubali Bank Ltd.	Chairman	Pubali Bank Ltd.
A S M Feroz Alam	Chairman (re-elected)	Premier Leasing Securities Ltd.	Chairman	Premier Leasing Securities Ltd.
Hafizur Rahman Khan	President	International Business Forum of Bangladesh (IBFB)	N/A	N/A
Sheikh Nasiruddin Ahmed	Managing Director & Chief Executive Officer (Acting)	Biman Bangladesh Airlines	Director	Biman Bangladesh Airlines
Dina Ahsan	Deputy Managing Director	Bangladesh Development Bank	General Manager	Investment Corporation of Bangladesh

Leadership today:

AN INWARD JOURNEY

by Shellie Karabell

Executive training may not make a leader out of a follower, but it certainly can make a promising leader better.

According to years of research by two of INSEAD's leading experts on leadership, is what makes a good leader is not necessarily bred, but born. And leadership training capitalizes on that.

Leadership begins at home

"A lot of leadership skills you learn at home. There is no leadership without a context," says Professor of Leadership Development and Organizational Change Manfred Kets de Vries.

It doesn't have to be a parent it can be a grandparent or uncle or aunt or even a teacher or friend who sees something in the child and supports it. But a good portion of what leadership is all about stems from childhood experiences and the environment in which we grew up.

There's another type of childhood experience that can define a leader: discouragement. Kets de Vries adds "They say 'I'll show the bastards. I'll show them I can do it.' But even so, there is usually someone somewhere who cares."

INSEAD Professor of Organizational Behavior Michael Jarrett concurs. "Leadership success has to do with the way people think, the way they feel, the way they behave. This is more than charisma; this is our "default behavior". The way we see ourselves, the way we act personality is a good indicator of leadership success."

Jarrett postulates a "bright side" and a "dark side" to every manager. The "bright side is captured by the five big personality factors: emotional stability, extroversion, openness to experiences, emotional sensitivity, and the degree to which we are conscientious or driven to achieve." Successful leaders scored high on openness, emotional intelligence and drive. On the dark side, explains Jarrett, "There are psychological fault lines which I would describe as being withdrawn psychologically, having a sense of aggrandizement – everything is all about them – and also micromanagement: being obsessive. These are things that we also know lead to poor management."

Personalities are infectious

Given the above, it should come as no surprise that a leader's personality affects the workplace and consequently the company's performance. "Research suggests that if we have a leader who is positive and outgoing and can see the world as a beautiful place, well this tends to infuse people around them. They become enthusiastic and that leads to high performance," says Jarrett. "Whereas if leaders come in and say 'Oh my gosh, I don't want to be here today, isn't the world awful?' and they see the world as very dark then, hey, guess what happens? This has a direct impact on the team members and on the performance of the organization."

Shifts in the global business environment strongly suggest today's executive is more of a lonesome cowboy than his corporate predecessors. You have to manage your own career,

"In the past, coaching was for people who were dysfunctional. If you were dysfunctional, you were sent to a leadership coach and something would happen, hopefully," remembers Kets de Vries. "But with the breaking of the psychological contract between organizations and individuals, you have to manage your own career." That is changing leadership training.

How it all works

Individual executive coaching takes an investment of time (6-12 months) and the desire to change, claims Jarrett. It is not "therapy", but it does focus on who you are and how to carry out your role effectively within the organization. "The research suggests that for the right candidate, getting the right coaching approach, it does seem to have an impact."

"Kets de Vries developed a series of "360-degree" feedback instruments which measures responses and impact up and down the corporate hierarchy, to help leadership coaches better understand – and therefore teach - their executive students.

Groups, says Kets de Vries, are always about the same things – things which occur in the workplace as well as in the executive classroom: rivalry, narcissism, loneliness, the need for belonging. "We have a tendency to fool ourselves," he opines, "to see ourselves through rose-colored glasses... that are why I use 360-degree instruments. To receive feedback from others helps people to have a more accurate look at themselves – superiors, subordinates, friends, family members, whatever - to get things on the way."

Kets de Vries believes many principles of leadership are very basic ("the leadership style of Alexander the Great and Ghengis Khan have many similarities"), and Jarrett contends that even though today's business world is more global and more culturally diverse, there are commonalities: having vision, being able to coach, empowering people.

Challenges for the future

What's different about leadership today is the kind of employees out there in the workplace waiting to be managed. Traditional management texts are aimed at employees in the Western industrialized countries who are typically white males with a high school education, working in traditional manufacturing – car workers, for example. Various think tanks predict that in the next decade that worker will be replaced by the knowledge-based worker.

"It is going to be much more challenging going forward," agrees Jarrett. "How do we manage creativity? If you think about the creative types, they are highly independent, self-motivated; What we are going to have to be is much more empowering: have some clarity of what the goal is. How you get there will be down to those individual workers."

In the end leadership is really all about talent management and culture management. That is what makes the difference in creating the best places to work.

Manfred Kets De Vries is Clinical Professor of Leadership and Organizational Change and the Raoul de Vitry d'Avaucourt Chaired Professor of Leadership Development at INSEAD. His latest book is The Hedgehog Effect: The Secrets of Building High Performance Teams, published in November 2011 by John Wiley and Sons, UK.

Michael Jarrett is Professor of Organizational Behavior at INSEAD. He co-directs the Strategy Execution Program, part of INSEAD's portfolio of executive education programs.

MTB NETWORK

Corporate Head Office
MTB Centre, 26 Gulshan Avenue, Dhaka 1212
Tel : 880 (2) 882 6966, 882 2429, Fax : 880 (2) 882 4303

MTB Dhaka

Aganagar Branch
Babu Bazar Branch
Banani Branch
Baridhara Branch
Bashundhara Branch
Bashundhara City Branch
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Chawk Moghaltuli Branch
Dhanmondi Branch
Dholaikhal Branch
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Kapasia Branch
Madaripur Branch
Mohammadpur Branch
MTB Centre Corporate Branch
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Principal Branch
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Savar Branch
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Shanir Akhra Branch
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Sreenagar Branch
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MTB Securities Ltd.

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- Departure Lounge

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Rangpur Branch
Thakurgaon Branch

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Rangpur Office

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Corporate Head Office

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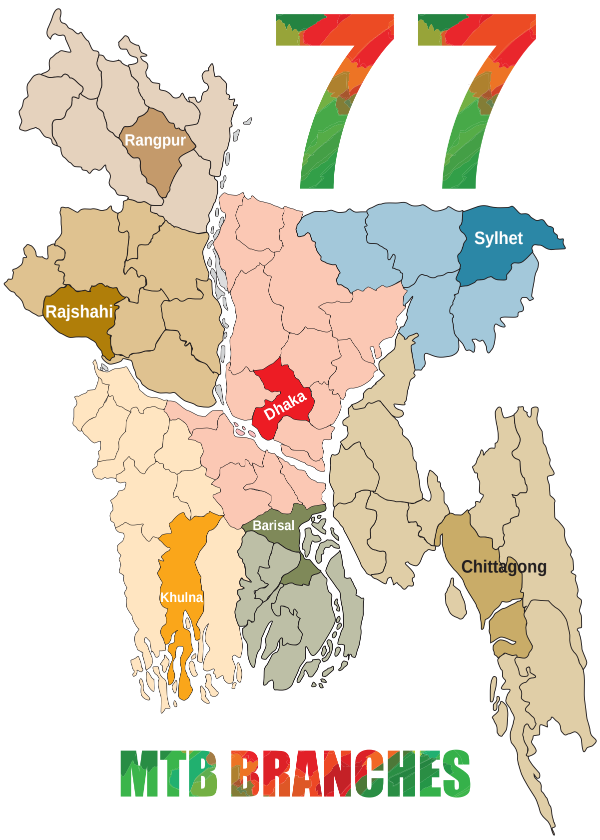

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25 Whitechapel,London E1 1DU
United Kingdom
Tel: +02086162214
Fax: +02073779759
Web: www.mtbexchangebd.com

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MTB Securities Ltd.

Rajshahi Office

MTB Sylhet

Habigonj Branch
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Haidergonj
Laksham
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MTB Securities Ltd.

Agrabad Office
Alankar Mor Office
CDA Avenue Office

MTB Booth

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