



IFIC BANK LIMITED
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Imports rise by 42pc in July-March of FY '11

The country's overall imports grew by nearly 42 per cent in the first nine months of the current fiscal. A jump by 122 per cent in import of food grains during the period was one of the main reasons for the surge in imports. Letters of credit (LCs) against imports worth US\$ 23.507 billion were settled during the July-March period of fiscal 2010-11 (FY11), compared to \$16.588 billion during the corresponding period of the last fiscal, according to the central bank statistics. The import of food grains stood at \$1.377 billion during the period against \$620.45 million in the corresponding period of the previous fiscal. Import of other consumer goods came down to \$1.279 billion during the period under review from \$1.387 billion in the corresponding period of FY '10. Import of petroleum products grew by nearly 43 per cent to \$2.298 billion during the period under report against \$1.607 billion of the corresponding period in the previous fiscal. Import of capital machinery -- industrial equipment used for production -- was up by nearly 44 per cent to \$1.526 billion, reflecting a rising level of confidence among the entrepreneurs about the country's future industrial prospects. The import of industrial raw materials grew by 52.43 per cent to \$9.236 billion during the period under review from \$6.059 billion in the corresponding period of the previous fiscal. Import of intermediate goods like coal, hard coke, clinker and scrap vessels declined by 6.40 per cent to \$1.432 billion during the period from \$1.529 billion in the corresponding period of the previous fiscal.

Fin. Exp: 01.05.2011

Dhaka Sheraton starts new journey as 'Ruposhi Bangla'

The Dhaka Sheraton Hotel has started its new journey with the name 'Ruposhi Bangla Hotel' from May 01(Sunday), under the management of the state-owned Bangladesh Services Ltd (BSL). It is a new corporation formed by the BSL and run by the hotel's present staffs, will remain as the operator of the hotel for a temporary period, until the government finds a world-class company to run it. Earlier, Starwood Hotels and Resorts operated the hotel under the brand name of Sheraton. The company had a 25-year-deal with BSL that expired on December 31, 2008. However, Starwood extended its contract nine times until now, with a three-month-span each time. Since 2009, Starwood had been pressing for a complete renovation of the hotel, whose total cost was estimated at \$20 million. The company also said a closure of 12-14 months was necessary for the facelift of the hotel. Initially, the government rejected the proposal for renovation, saying that the hotel was making profit without any renovation.

Fin Exp: 01.05.2011

Foreign assistance target for next ADP set at Tk 188.85b

The government has set the foreign assistance target for the next Annual Development Programme at Tk 188.85 billion, attaching top priority to infrastructure project development. Economic. The target was set last week based on the demands made by government ministries and agencies for implementing their ongoing projects as well as those in fiscal year 2011-12. The foreign assistance target for the next ADP is Tk 69.55

billion more than the revised Tk 119.30 billion target for the current ADP. Government bodies in communication and power sectors sought more foreign fund allocations in the upcoming budget for implementing their development projects. The government has allocated Tk 4.0 billion project aid for implementing the Padma bridge project in the next ADP. The total size of the next ADP would be finalised this month. The size of the next ADP would probably hover around Tk 460 billion, up by Tk 3.51 billion from the current ADP. Although the size of the ADP for the next fiscal year would be higher than that of the current one, foreign funds utilisation remains a challenge as the government agencies continue to fail to implement the development projects. In the wake of the failure to utilise foreign funds, the government reduced the foreign assistance target by Tk 3.7 billion to Tk 119.30 billion in the revised ADP for the current fiscal year.

New Age: 02.05.2011

Dhaka joins in seafood expo in Brussels

A three-day seafood fair titled 'European Seafood Exposition' begins in the Belgium capital of Brussels. Two-man delegation of the Export Promotion Bureau will participate in the exposition, the world's largest seafood show. Members of the Bangladesh Frozen Foods Exporters Association will display an array of sea fish especially known as black gold. Shrimp exporters eye \$60 million as spot order from the ESE as BFFEA president earlier told the media that they got positive response from the foreign buyers in the last year's exposition.

New Age: 02.05.2011

Banks not to increase capital market exposure

Senior officials of the private and state-owned banks which have merchant banking and brokerage operations said that the banks would not increase their stock market exposure due to liquidity crisis they are facing currently. They admitted of liquidity crisis at a meeting with the board of directors of the Dhaka Stock Exchange. Bankers informed the bourse that the price hike of food items and raw materials in the international market put the banks in a liquidity shortage. For an instance, as the price of cotton has increased in the international market, banks have to provide their clients with more funds for buying cotton. The bankers would go with a wait-and-see policy about the capital market because of the shortage of liquidity and uncertainty about the future course of the capital market.

New Age: 02.05.2011

World luxury market to grow 8pc

Global luxury sales should grow eight per cent this year to \$185 billion but Japan's market will contract, according to a study by research group Bain & Company released on 03.05.2011. The forecast was raised from an earlier estimate of growth of between three and five per cent but would still be lower than last year's result of 12-per cent growth in the luxury market, as the world recovered from the economic crisis. Bain said growth would average five to six per cent a year until 2014. Growth in the Chinese market will be 25 per cent this year, it said, adding that continental China without Hong Kong and Macao was set to become the third biggest luxury market after Japan and the United States within five years.

New Age: 04.05.2011

Banks' liquidity marks a rise



Banks' excess liquidity rose by Tk 3,000 crore within a month as they brought down their investment in the stockmarket and launched a drive to draw more deposits from clients. An increase in fund disbursement for the implementation of annual development programme (ADP) has also fuelled liquidity. The banks had excess liquidity of Tk 27,087 crore on March 30, up from Tk 24,082 crore in February, according to the latest Bangladesh Bank (BB) statistics. The rate of interest in the call money market has also marked a fall. The rate now hovers around 4 percent to 7 percent. In December last year, the rate reached almost 34 percent. According to the Banking Companies Act, a bank can hold up to 10 percent of its liabilities (deposit) in the capital market. As per BB statistics on February 28, the total holding by the banks was 3.72 percent or Tk 15,548 crore of their liabilities. Last month, the central bank governor, in a meeting with the chief executives of all commercial banks, warned that punitive measures will be taken if any bank was found excessively involved in the share market. Due to a rise in inflation the central bank has taken tight monetary measures so that private credit growth decreases. This move also helped create excess liquidity in the banks. In March, the amount of excess liquidity was Tk 11,212 crore in state banks, Tk 9,375 crore in private commercial banks, Tk 2,053 crore in Islamic banks and Tk 4,297 crore in foreign banks.

Daily Star: 05.05.2011

Steady devaluation of Taka as pressure on forex reserve mounts

The slowed-down remittance growth and higher import bills have built up pressure on foreign exchange reserve, leading to a steady devaluation of Bangladesh Taka (BDT) against the US dollar. Foreign exchange reserve has been facing pressure mainly due to lower inflow of remittance and higher import payments, particularly for fuel oils, food grains and power plant equipment. Letters of credit (LCs) against imports worth US\$ 23.507 billion were settled during the July-March period of fiscal 2010-11 (FY11), compared to \$16.588 billion during the corresponding period of the last fiscal, according to the central bank statistics. Bankers, however, said deposit growth in the banking system may decline due to lower inflow of remittance in the month of April. The Bangladeshi nationals working abroad sent US\$976.14 million in April 2011, recording a fall of \$126.84 million from the level of the previous month. In March, the remittance stood at \$1.103 billion, the BB data showed.

Fin.Exp:06.05.2011

Banks introduce new saving schemes to tackle liquidity crisis

Commercial banks have recently launched fund-collection campaigns by offering new saving schemes with higher interest rates in a bid to tackle the prevailing liquidity crisis. Funds are needed to ward off liquidity crisis the banks are currently facing. A collapse of the country's capital market has also pushed the banks to go for collecting more deposits. Bangladesh Association of Banks chairman said the banks had always been trying to support their clients. The new deposit schemes will boost the banks confidence and the clients will be benefited. The high deposit rate will create a pressure on the banks to increase their lending rates. The Bangladesh Bank's move to increase the banks' cash-reserve ratio compelled them to initiate more deposit programmes with higher interests. According to the statistics of Bangladesh Bank, liquidity crisis in the banking sector began at the end of 2010. It has been becoming severe since January this year. The banks are allowed to disburse 81 per cent of their liquidity as loans and have keep 19 per cent in reserve. At present the central bank's foreign exchange reserve stands at \$11,370 million. The remittance inflow in the July-April period of the current fiscal year has declined to \$9,587 million from \$10,973 million in the corresponding period of FY2009-10. The liquidity crisis has also deepened due to country's increased import cost. The country's total import cost in the five nine months of the current fiscal year amounted to \$24.17 billion against \$17.19 billion in the same period of the previous fiscal year.

New Age: 06.05.2011

Export of manufactured goods, commodities exceeds targets

Buoyed by the robust RMG and jute sectors, export of manufactured goods maintained their edge over primary commodities in the first eight months (July-February) of the current fiscal. Overall export earning during the period reached \$14 billion, a 40 per cent increase over the corresponding figure from the last fiscal, and comfortably exceeding its target of \$11.7 billion. Of the overall export earnings, manufactured commodities fetched \$13.4 billion, according to latest figures from the Export Promotion Bureau. However, export of primary commodities also rose to some \$645 million, registering growth just under 40 per cent, and also exceeding its own target of \$455 million. The export of primary commodities in the first eight months of the last fiscal (2009-10) amounted to around \$462 million. Overall export earnings in the 2009-10 fiscal, at \$16.2 billion, marked growth of around per cent from 2008-9, but fell 8 per cent short of the targeted \$17.6 billion. Primary commodities accounted for nearly \$700 million, while manufactured commodities \$15.5 billion. During July-Feb of the current fiscal, export of manufactured goods surpassed the strategic target of \$11.3 billion. Jute and jute made goods, knitwear, woven garment, leather, other manufactured products, footwear, home textiles, specialized textiles, plastic products and cotton fabrics showed good performance.

New Age: 06.05.2011

Exporters in trouble over banks' liquidity crisis

The exporters of the country are facing considerable trouble in maintaining cash flow due to the shortage of liquidity in the country's banks. Most of the bankers are refusing to give funds to exporters as advance against exports bills. Almost every exporter had become used to receive advance funds for meeting the diverse costs of operating businesses. Liquidity crisis in the banks is hindering smooth operation of business for hundreds of exporters. Severe liquidity crisis is a much-talked-about issue now, with at least half a dozen private sector banks running short of money. The garment and textile sectors earned about 85 per cent of the country \$16.2 billion export proceeds in the July-March period of the 2010-11 fiscal years. Industry people say that export-oriented garment and textile industries are responsible for nearly half of the corporate clients' transactions in all local banks on an average. The chief executive of a private sector bank admitted that the tight liquidity situation had made many banks unable to satisfy their clients in the export business. The situation has been very bad in many banks in the past few months, especially after the stock market debacle started in mid-December. However, the situation has improved significantly in the recent weeks — this is partly indicated by the declining rates on call money.

New Age: 08.05.2011

Florida bank fails, 40th shuttered in 2011

Regulators on 06.05.2011 shut down a small Florida bank, bringing the number of US bank failures this year to 40. The pace of closures has slowed, however, as the economy improves and banks work their way through piles of bad debt. By this time last year, regulators had closed 68 banks. The Federal Deposit Insurance Corp seized Coastal Bank of Cocoa Beach, with about \$129.4 million in assets and \$123.9 million in deposits as of March 31. Premier American Bank NA, based in Miami, agreed to assume the deposits and buy the assets of the failed bank. It also agreed to share losses on \$108.2 million of Coastal Bank's assets with the FDIC. The failure of Coastal Bank is expected to cost the deposit insurance fund \$13.4 million. Coastal Bank's two branches will reopen on 02.05.2011 as branches of Florida Community Bank, a division of Premier American. Florida has been among the hardest-hit states for bank failures. Regulators shuttered 29 banks in the state last year. Coastal Bank is the fifth Florida lender shut down by the FDIC this year. In 2010, authorities seized 157 banks that succumbed to mounting soured loans and the hobbled economy. It was the most in a year since the savings-and-loan crisis two decades ago. The FDIC has said that 2010 likely would mark the peak for bank failures. There were 140 bank failures in 2009, costing the insurance fund about \$36 billion. The failures last year cost around \$21 billion, a lower price tag because the banks that failed in 2010 were smaller on average. Twenty-five banks failed in 2008, the year the financial crisis struck with force; only three were closed in 2007.

New Age: 08.05.2011

Export earnings cross \$18b in 10 months

Exports grew by 40.81 percent in 10 months of the current fiscal year, compared to the same period a year ago. A report of the Export Promotion Bureau shows the country exported goods worth \$18,243 million during July-April of the current 2010-11 fiscal, up from \$12,949 million in the same period of 2009-10. The government data shows that in April alone, exports grew by 45.56 percent, compared to the same month of the previous year, to \$2.04 billion. Shipment of major items including knitwear, woven or cut and sew garments, jute and jute goods, home textiles, frozen food, shrimp and leather goods increased significantly during the July-April period. The EPB report says knitwear sector earned \$7.13 billion, which is a 45.89 percent rise from the same period in the previous year while woven garment exports grew to \$6.61 billion, up 38.59 percent compared to the same period last year. The EPB report also shows that jute and jute goods export rose to \$925 million in July-April 2010-11, growing 42 percent year-on-year, home textile exports rose to \$636 million, growing 98 percent, frozen foods to \$511 million, up 54 percent and footwear export grew by 49 percent to \$243 million. Despite most major items showed significant rise in shipment, some items suffered negative growths in exports. Among such significant items, export earning from terry towels declined by 11 percent to \$102 million, bicycle 13 percent to \$81 million and tea 52 percent to \$2.6 million. EPB had set an export target to earn \$18.5 billion for the current fiscal year, which is 14.16 percent more than the actual earnings last year.

New Age: 09.05.2011

Greenbanking

A green bank is a bank that promotes environmental and social responsibility but operates as a traditional community bank and provides excellent services to investors and clients. Its progressive approach to the community and the earth makes it different from the crowd. Green banking involves pursuing of financial and business policies that are not hazardous to environment rather help conserve environment. The broad objective of green banking is to use resources with responsibility and giving priority to environment and society. It is more about focusing on 'mother planet and its sustainability', shifting from a traditional approach on 'profit' or even 'people'. Green banking is not just another corporate social responsibility (CSR) activity; it is all about going beyond to keep this world livable without much damage. As more consumers look at whether their

lifestyle is sustainable, different areas of their lives come under scrutiny. Green banking is a general term, which can cover a multitude of areas from a bank being environmentally friendly to how and also where their money is invested. Green banking, which considers all the social and environmental factors, is also called 'ethical banking'. Ethical banks started with the aim of protecting the environment. These banks are like normal banks that aim to protect the environment and are controlled by the same authorities. Green banking, compared to normal banking, attaches more importance to environmental factors. Its aim is to provide good environmental and social business practices. It checks all the factors before considering a loan -- whether the project is environment-friendly and has any implications on the future of people and planet. One would be awarded a loan only when all environmental safety standards are followed. Basically, green banking avoids as much as paper work as possible -- from go-green credit cards and go-green mortgages to all transactions done online. It creates awareness around business people about environmental and social responsibility, enabling them to adopt environment friendly business practices, and follows environmental standards for lending. When a person is awarded a loan, the interest is less than normal banks because ethical banks give more importance to environment-friendly factors -- they do not operate with high interest rates only. Overall, green banking is a good way of making people aware of global warming. Each businessman will contribute to the environment and make this earth a better place to live and enjoy. In March 2009, Congressman Chris Van Hollen in USA introduced a Green Bank Act with the aim of establishing a green bank under the ownership of the US government. Its objective was to offer financial support to efforts to increase efficient energy usage, and reduce carbon emissions and environmental pollution resulting from energy creation. As mentioned above, there is a growing awareness among banks and financial institutions to protect the environment and thereby save 'mother planet'. Big banks are committing large funds on a sustainable basis in responsible banking, creating more values for our next generation. They are shifting forward from 'profit' to 'people' and now more importantly, to create a better future for all. The sooner this philosophy of 'green banking' is embraced, the better it is for all.

Fin.Exp:10.05.2011

State banks disburse Tk 67cr crop loans in 10 months

The public sector banks in the first ten months of the current fiscal year achieved 71 percent of their target of distributing crop loans at 2 percent interest rate. According to Bangladesh Bank statistics, during July to April period they disbursed Tk 67 crore crop loans against a target of Tk 96 crore. Of the distributed amount, Tk 2.07 crore went to pulse, Tk 6.69 crore to oil seed, Tk 51.65 crore to spice and Tk 7.66 crore to maize. Loans have been given to the farmers under special programmes through the public sector banks including Sonali, Janata, Agrani, Rupali, Bangladesh Krishi Bank and Rajshahi Krishi Unnayan Bank.

Daily Star: 10.05.2011

BB warns banks against uneven competition for deposit

The Bangladesh Bank warned the commercial against certain irregularities, including an uneven competition for attracting deposits and credit disbursement beyond the ceiling. The BB also urged the banks to create a product jointly to support the returnees from the war-torn Libya. There is a pressure on liquidity in the money market triggered by import growth but some of the banks are suffering from a cash crunch, which has given rise to the liquidity crisis myth. A number of banks do not have the right credit-deposit ratio. They have two ways to deal with situation. Either they have to reduce investment or they should increase deposit. These banks have failed to invest their money, a situation which is being considered incorrectly as a liquidity crisis. BB warned the commercial banks against the ad campaign, terming some new products launched recently at high interest rates lucrative, to attract deposits. The central bank urged depositors to exercise caution in investing in such scheme.

New Age: 11.05.2011

Anomalies found in BASIC Bank's Tk 255cr loan disbursement

A Bangladesh Bank audit team found massive irregularities and corruption in providing Tk 255 crore loans by the state-owned Bangladesh Small Industries and Commerce Bank, also known as BASIC Bank. The BB audit team submitted its report to the governor last month, citing different irregularities in the BASIC bank. The report said that the bank did not follow Bangladesh Bank rules and the banking system for loan sanction, loan approval and loan disbursement between 2004 and 2010. The BB inspection report said that implementation of stress testing guidelines was not satisfactory. The responsibility of the board of directors of the bank came under question for lack of governance. Bangladesh Bank found different irregularities and corruption in three branches of the bank in Dhaka and also at its head office. The report identified irregularities in providing loans worth of Tk 254.62 crore. Those branches gave more loans than the limit and they sanctioned loans against trust receipt (LTR) without prior approval of the head office of the bank. The report said, 'Classified loan amount increased by Tk 83 crore in 2010 from the previous year and the rate of loan increased by 59.21 per cent and the deposit rate increased only by 44 per cent. Loan-deposit ratio of the bank is also alarming said Bangladesh Bank in the inspection report.

New Age: 11.05.2011

Visa to launch digital wallet for US banks

Visa Inc, the world's largest credit and debit card processing network, is building a digital wallet that people can use to pay for things online or with their phones instead of with traditional cards. The network said it is working with several large US and international banks to develop the wallet. Its partners include US Bancorp, PNC Financial Services, Regions Financial, BB&T Corp, Toronto Dominion's TD Bank and the US arm of Barclays PLC. The 'digital wallet' will store the banks' customers' credit and debit card account information, both for Visa cards and other cards. People can use the wallet to pay for things online or in stores. The network will also have to convince merchants to put a new 'one-click' button on their websites, so that potential customers can use their Visa digital wallets to buy things by clicking the button instead of by manually entering all of their account information every time they want to make an online purchase. Banks, mobile phone operators and networks like Visa are all trying to gain a foothold in the small but high-potential market for US mobile payments.

New Age: 12.05.2011

BB warns banks against anomalies

HIGHLIGHTS

- ▶ Banks to build a special product for expatriate Bangladeshis who returned from Libya
- ▶ Excess liquidity in banks Tk 28,000 crore
- ▶ Now 9 banks' credit-deposit ratio above limit
- ▶ Fresh loans being sanctioned to adjust old ones
- ▶ Banks waive principal amount of loans which is a major irregularity

The Bangladesh Bank (BB) has detected various irregularities in commercial banks, including waiver of the principal amount of loans, and warned the banks against such malpractices. The irregularities were projected on the basis of the central bank's inspection to bank branches at different times. The banks normally exempt the interest on loans but cannot forego the principal amount. The BB inspection also found incidents of waiving the principal amount. Though the classified loans were not recovered; the banks were putting those as recovered to show a big amount of profit. Besides, the irregularities detected by the BB included granting

loans to defaulters, and rescheduling classified loans without down payment. The central bank also found that after giving fresh loans, the banks adjust the old loans, which is a big malpractice, The BB deputy governor said fresh money is being injected into the money market every day as the government's development expenditure is increasing now. The government has already released Tk 1,500 crore development funds, which gave a rise to liquidity in the banks.

Daily Star: 12.05.2011

Visa to launch digital wallet for US banks

Visa Inc, the world's largest credit and debit card processing network, is building a digital wallet that people can use to pay for things online or with their phones instead of with traditional cards. The network said it is working with several large US and international banks to develop the wallet. The "digital wallet" will store the banks' customers' credit and debit card account information, both for Visa cards and other cards. People can use the wallet to pay for things online or in stores, Visa said. The network will also have to convince merchants to put a new "one-click" button on their websites, so that potential customers can use their Visa digital wallets to buy things by clicking the button instead of by manually entering all of their account information every time they want to make an online purchase. Banks, mobile phone operators and networks like Visa are all trying to gain a foothold in the small but high-potential market for US mobile payments. But Visa and its rivals, including MasterCard Inc, American Express Co and Discover Financial Services, are also trying to figure out ways for people to buy things with their phones in physical stores.

Daily Star: 13.05.2011

Postal Savings Bank expansion in limbo

The Postal Savings Bank, a financial arm of the Bangladesh Post Office, is facing problems in expanding services to the grassroots level, despite the high demand for savings schemes, because of fund and manpower shortage. Only 1,550 of more than 10,000 post offices in the country have the financial facility. Most of the people are not getting the facility as most of the offices, particularly in rural areas, have no savings bank services. If the remaining post offices include the financial facility, the government can increase its revenue and boost savings in the rural areas. According to the BPO's data, in the last eight months of the current fiscal year (July-February) the number of the ordinary savings account depositors was 4,98,073 and the total deposits amounted to Tk 846 crore. About 2,82,441 depositors withdrew Tk 737 crore in total from their savings accounts in the same period. The number of people with term deposits was 3,99,721 and their total deposits amounted to Tk 2,564 crore, and 2,22,913 depositors withdrew Tk 2,795 crore from their accounts in the eight months of the current fiscal year. The BPO's data showed that the withdrawal of deposits decreased in February — 39,326 depositors withdrew funds from their general saving accounts in January and the number fell to 34,833 in February. About 34,699 people withdrew funds from their fixed deposit accounts in January and 28,311 in February. There are two types of savings accounts in post offices — ordinary savings bank account and fixed deposit. The rate of interest is 7.5 per cent for ordinary savings. A person can deposit a maximum amount of Tk 30 lakh under one name and Tk 60 lakh under a joint account. The account holder can mention one or more persons as nominees. The flat rate of interest is 10 per cent for fixed deposit, but at the end of the first year the depositor will get 8 per cent and after 2 years 9 per cent and in the third year 10 per cent. If a depositor withdraws profit after every 6 months, the interest rate will be 7.5 per cent at the end of the first year, 7.75 after 2 years and 8 per cent after three years. The maximum limit of deposit for one person is Tk 30 lakh and Tk 60 lakh for the joint account.

New Age: 15.05.2011

Yarn price reduction yet to benefit RMG exporters

Though the price of yarn has fallen sharply in the last few weeks, Bangladeshi garment exporters are yet to be benefited. Garment manufacturers, who could not settle many orders in the previous two or three months due

to the record and continuous rise of the price of yarn, are seeing that their buyers are waiting for a further fall of the price before placing their orders. The prices of cotton and yarn greatly influence the business of Bangladeshi garment exporters whose annual shipments, of which over 80 per cent are cotton clothes, amount to over \$16 billion. Major importers had curtailed around 20 per cent of their seasonal procurements from Bangladesh in the previous couple of months as the record rise in the price of cotton pushed up the price of yarn to an unusually high level. Price of 30S category yarn rose to \$7 per kilogram in February-March this year. Due to record rise on yarn price Bangladeshi exporters lost good numbers of orders, which had been scheduled for coming winter sales. Price of this category of yarn, which is used for producing T-Shirts and other categories of basic knitwear, had increased at least 50 per cent within six months.

New Age: 15.05.2011

Q1 profits of banks down

Most of the private commercial banks' profit fell in the first quarter of the current year from the previous quarter mainly because of withdrawal of investment from the capital market and the ongoing bear run of stocks. According to Bangladesh Bank, banks cut down their investment in the capital market to 10 percent or below of their liabilities in the January-March period in 2011 after they had over invested in the share market in the fourth quarter of 2010 (October-December, 2010). As a result, profits of the banks which had soared in Q4 in 2010, decreased in Q1 in 2011. 'Apart from the withdrawal of funds from stock market and plunge in share prices, the banks' profit also decreased because of lower amount of deposits and lower lending rates. Among the 30 banks listed with the Dhaka and Chittagong stock exchanges, the National Bank earned a profit of Tk 134 crore in the Q1 against Tk 346 crore in Q4, Pubali bank earned Tk 58 crore against Tk 75 crore and Southeast Bank earned Tk 57 crore against Tk 163 crore, according to the un-audited balance sheet of Q1 and balance sheet of 2010. The profit of NCC Bank came down to Tk 16 crore in Q1 from Tk 108 crore, Dutch Bangla Bank came down to Tk 52 crore in Q1 from Tk 59 crore in Q4, Mutual Trust Bank to Tk 11 crore from Tk 27 crore, Shahjalal Islami Bank Tk 37 crore from Tk 43 crore, Brac Bank Tk 36 crore from Tk 123 crore, Eastern Bank Ltd Tk 48 crore from Tk 57 crore, Mercantile Bank Tk 38 crore from Tk 102 crore, Prime Bank Tk 48 crore from Tk 210 crore, AB Bank Tk 35 crore from Tk 136 crore, Dhaka Bank Tk 41 crore from Tk 68 crore and Jamuna Bank Tk 33 crore from Tk 87 crore.

New Age: 16.05.2011

N.B: IFIC Bank earned a profit of Tk 84.94 crore in the Q1 of 2011 against Tk 93.62 crore in Q4 of 2010

BB asks PCBs to up farm loan

Bangladesh Bank asked all private commercial and foreign banks to disburse at least 2.5 per cent of their total loans and advances for agriculture and rural sectors. The central bank in a circular said that the new rule would come into effect from July 1, the beginning of the new fiscal year. Any bank failing to follow the central bank directive will have to deposit to BB an amount equal to the shortfall in loans and advances for one year, the circular said. 'But if the bank's total farm lending is above 2.5 per cent of the total loans, there will be no penalty even if the target is higher,' it said. The central bank directive, however, will not be applicable for the state-owned banks as these banks have already been disbursing more than 2.5 per cent of their respective loans for the agriculture and rural sectors. The central bank also advised all private and foreign commercial banks to monitor the farm lending operation regularly in every three months making sure that the targeted amount is disbursed accordingly. The circular said the decision was taken in a bid to boost the country's food security and help faster the economic growth. According to the circular, the banks will fix their target for agriculture considering their own capacity, demand from their clients and the trend in advances and recovery in the past, but the targeted amount should be at par of higher than 2.5 per cent of their total credit portfolio.

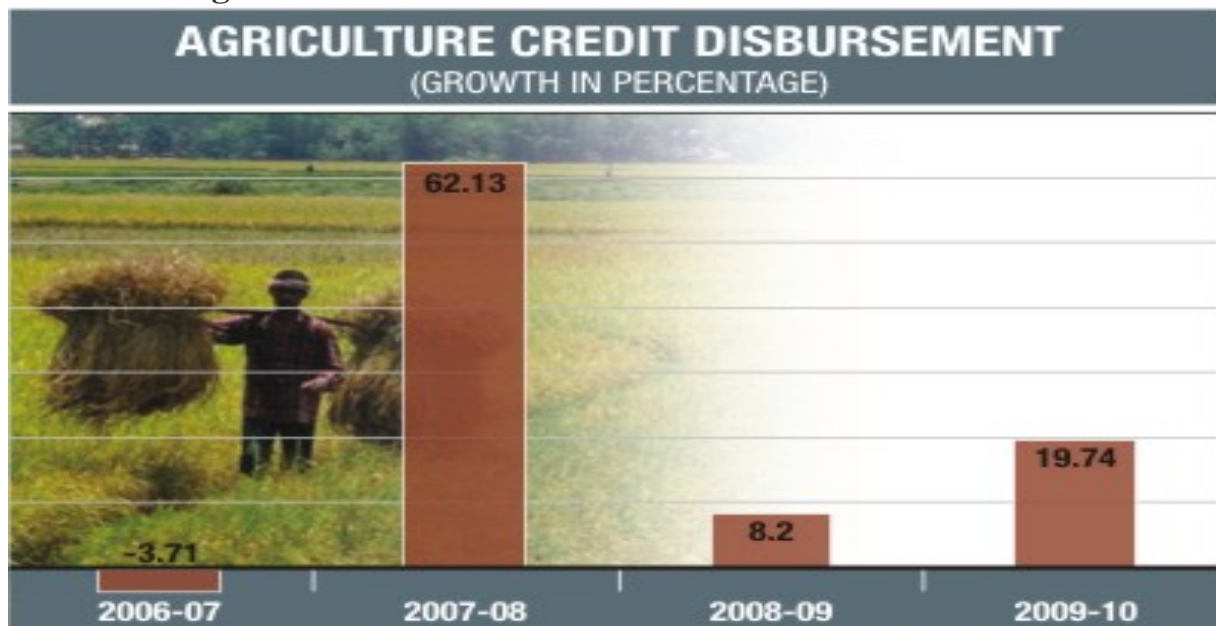
New Age: 16.05.2011

Emerging markets reshaping landscape

Growth in emerging-market countries is outpacing developed countries so greatly that the global economic landscape will be wholly altered over the next 15 years, a World Bank study predicted. By 2025, six major emerging economies—Brazil, China, India, Indonesia, South Korea and Russia—will account for more than half of all global growth, and the international monetary system will likely no longer be dominated by a single currency, the study said. Currently, the US dollar serves as the world's reserve currency but the study said there has been 'a slow decline in its role since the late 1990s' that was likely to continue. 'The most likely global currency scenario in 2025 will be a multi-currency one centred on the dollar, the euro and the renminbi. The World Bank said it expects a sharp divergence in growth to continue between the emerging-market nations and old-line rich powers like the United States and other Group of Seven members: Britain, Canada, France, Germany, Italy and Japan. The study estimated that emerging economies will grow on average by 4.7 per cent a year between 2011 and 2025, twice the 2.3 per cent growth rate likely to occur in advanced countries. By 2025, the United States, the euro area and China will constitute the world's three major 'growth poles.

New Age: 16.05.2011

BB takes tough line on farm loan



Bangladesh Bank (BB) has taken a tough stance against private and foreign banks who will fail to reach their targets of farm loan disbursement. If it fails to meet the target, the unfulfilled portion of the target will have to be deposited with the central bank for one year. The BB issued a circular in this regard. The BB circular said that the private and foreign banks will have to fix a target of distributing agriculture or rural loans to the tune of 2.5 percent of their total loans disbursed till March 31 of the previous fiscal year and the bank concerned will review in every quarter whether the loans have been disbursed in line with the target. The central bank will give interest at 5 percent on the deposited amount. The BB asked both public and private banks to contribute equally to the farm sector. The central bank said all banks should participate with a logical level of investment in giving agriculture and rural loans. It is also said that, in the current fiscal year a bank set 16 percent as its target of disbursing agriculture loans, but another bank's target was at 0.4 percent.

Daily Star: 17.05.2011

Commonwealth Business Forum launched

Commonwealth Business Council (CBC) in partnership with Bangladesh Enterprise Institute launched its business forum in Bangladesh on May 17 to generate awareness on the event among businesspeople. The CBC, the Australian government and private-sector representatives will co-organise the Commonwealth Business Forum 2011.

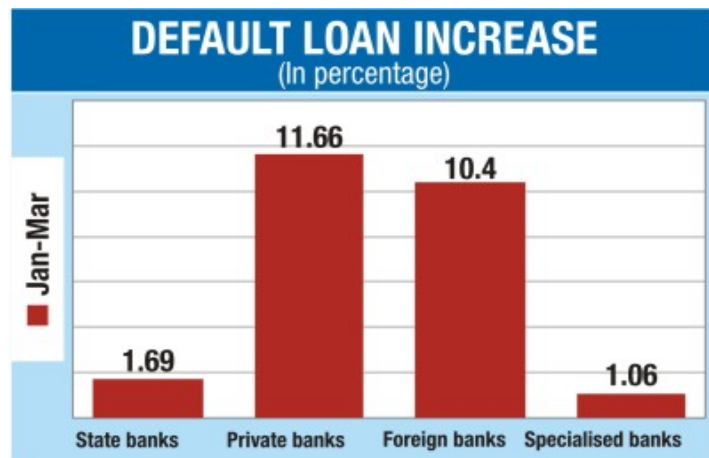
Daily Star: 18.05.2011

Dollar to cede dominance as euro, yuan rise

The rise of the euro and China's yuan will likely spell the end of the US dollar's dominance of the global financial system by 2025, a World Bank study released on 17th May. But it also said the the International Monetary Fund's basket-based pseudo-currency, the SDR or special drawing right, could also gain weight as countries and businesses seek to reduce the risk of foreign-exchange shifts. The study says China will have to internationalize the yuan, officially known as the renminbi, to better support its industrial and trade development, and that within just over a decade the currency will become a powerful alternative to the euro and the dollar.

Daily Star: 18.05.2011

Default loans mark a rise



The amount of default loans increased by Tk 1,043 crore or 4.59 percent in the first quarter of 2011, mainly in the private sector banks. According to Bangladesh Bank (BB) statistics, on March 30, 2011 banks had default loans of Tk 23,752 crore or 7.27 percent of their outstanding loans, which was Tk 22,709 crore or 7.27 percent on December 31, 2010. Of the total default loans, those of 30 private commercial banks increased by 11.66 percent or Tk 750 crore. Default loans of four state-owned commercial banks rose by Tk 182 crore or 1.69 percent. Nine foreign commercial banks registered an increase of 10.40 percent or Tk 58 crore. Though the default loans of foreign commercial banks rose in percentage, the amount of their default loan is significantly low -- Tk 611 crore at the end of March, which was Tk 553 crore at the end of December. It is said that there was a tendency among the private commercial banks to make more profit by showing classified loans as declassified. A recent BB inspection also found some instances of such practices. The central bank has started strict monitoring of the banks to check the tendency. This also may have caused a rise in the amount of classified loans in the private sector. Another reason is that the banks in recent times gave big amount of loans to the SME sector. Some of these loans taken for the SME sector may have been used in other sectors, which may have been defaulted.

Daily Star: 20.05.2011

Call money rate on the rise again

The inter-bank call money rate rose to 12 percent on 19.05.2011 due to liquidity shortage in different banks. The Bangladesh Bank injected Tk 2,068 core in the money market under a repurchase agreement (Repo) on 19.05.2011. BB also provided Tk. 6470.72 crore as liquidity support facility to the primary dealers. The call money rate or the interest rate which a bank charges on other banks for lending money for a short period, ranged between 10 percent and 12 percent on the previous day, although the call money rate eased in the last four months after an abnormal rise in December last year. The liquidity pressure was created as Bangladesh Bank (BB) did not provide the required amount of liquidity support to the commercial banks. BB data shows the weighted average rate of call money was 8.16 percent on 16 May and 6.69 percent on 28 April. The call money rate has increased slightly due to inadequate liquidity support through repurchase agreement auction by the central bank. The inter-bank call money rate recorded an unprecedented rise at 190 percent on 19th December last year due to the enforcement of the new cash reserve requirement (CRR) rules for the commercial banks to contain inflation. Earlier, the call money rate increased up to 150 percent in 2006.

New Age: 20.05.2011

GDP growth to lag behind govt target for 2nd year

The government is set to miss for the second financial year its target to achieve the growth of the gross domestic product as it failed to ensure adequate infrastructure and implementation of other development projects. The government in the current budget set the GDP growth target at 6.7 per cent but economists and lending agencies such as the Asian Development Bank and the World Bank said that the GDP growth this financial year would hover around 6.2 per cent to 6.5 per cent. The government in the 2009–10 financial year had set a growth target of 6 per cent but achieved 5.83 per cent of growth. Government's failure to develop infrastructures such as power and energy and to implement properly other development activities in line with the GDP growth target had resulted in the failure to achieve the GDP growth. Government was going to announce its third budget in the parliament in June targeting a 6.9–7 per cent GDP growth. But economists are skeptical about whether the government could achieve the target again as the pace of infrastructure development is still slow. It is not possible to attain the desired GDP growth without proper infrastructure and investment. Achieving the growth target in keeping with the Sixth Five Year Plan would be a major challenge for the government. The SFYP has already set GDP target for the next financial year at 6.9 per cent and 7.2 per cent in 2012–13, 7.6 per cent in 2013–14 and finally 8 per cent in the 2014–15 financial years.

New Age: 21.05.2011

BB finds three banks charging extra interest for agri loan

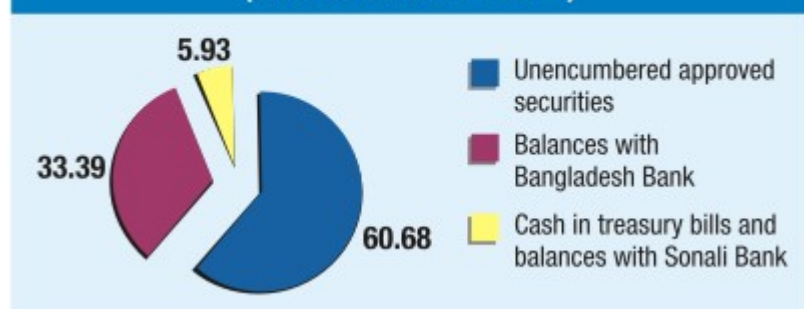
Some private commercial banks are charging extra interest from the farmers for agriculture loans violating the rules. Although the central bank has set the ceiling of the interest rate for agriculture loan at 13 percent, some banks are charging up to 18 percent interest. Officials of BB had identified at least three errant banks, of which BRAC Bank was found charging 17.31 percent to 18.2 percent interest, Premier Bank 15.5 percent and Mutual Trust Bank Limited 15 percent. The matter of extra interest rate for agricultural loan was discussed at a bankers meeting on May 11. The banks were asked to strictly follow the interest rate as per the rule. A BB document presented at the meeting showed that BRAC Bank and Premier Bank charged extra interest while disbursing loans through their own branches while MTBL charged extra interest in distributing loans through different microfinance institutes. The interest rate for agriculture loan is in some cases higher than that of the commercial loans. The central bank governor at the meeting on May 11 warned the banks against charging extra interest for agriculture loans. BRAC Bank managing director told on 23.05.2011 that their interest rate sometimes went up to 18 percent as they provide loans to different sectors including crop cultivation, poultry and dairy under the banner of agricultural loan. The central bank, meanwhile, asked all banks to disburse at

least 2.5 percent of the total loans to agriculture sector. This is mandatory from the next fiscal year for all the private and foreign banks. If any bank fails to comply with the guideline, the bank has to deposit the amounts to BB for one year which is not disbursed. State-owned banks are exempted from this as they have already disbursed huge amount of agricultural loans.

New Age: 24.05.2011

Cash crunch continues

**Sectoral distribution of total liquid assets in percentage
(As on end-March 2011)**



Money markets remain volatile to the growing demand of banks' for liquidity, bolstered by an increase in government borrowing through treasury bills and bonds. The inter-bank call money rate reached 12 percent on 25th May. The ongoing liquidity crisis has affected not only the banks, also the stockmarket, industries and importers. Many banks are now unable to pay against a large or a mid-sized LC (letter of credit). Some 6-7 banks that have lent beyond their capacities are in severe liquidity crunch following the BB directive on bringing down the loan-deposit ratio to 85 percent by June. The central bank, however, holds differing views on the pressure in the money market. It says the liquidity crisis was due to the inefficiency of the PCBs' fund management. But the bankers find other reasons for the current pressure in the money market. They said the growing government borrowing from the banking sector and a huge demand for money arising from the soaring prices of commodities on international markets led to the crisis.

Daily star: 26.05.2011

Banks get 4 months more to cut limit

Bangladesh Bank on 26.05.2011 extended the deadline for banks and financial institutes to adjust their excess loans they had provided to their merchant banking or brokerage wings from August 31 to December 31 in a bid to increase liquidity supply in the volatile capital market. The central bank in a circular said that the banks and FIs, which had been given different deadlines between June 30 and August 31, would have to bring down their loans that exceeded single borrower exposure limit for their subsidiary merchant banks and brokerage wings by December 31. At present, the single borrower exposure limit for banks and FIs is 15 percent of their Tier-1 capital (core capital). Most of the subsidiaries of banks and FIs had borrowed funds much higher than that limit. The BB circular said that after the banks and FIs separated their merchant banking wings and brokerage houses in recent times, the fund the banks provided to these subsidiaries turned into loans. It said that in most of the cases the banks and FIs exceeded the single borrower exposure limit. The BB move to extend the deadline came following a meeting on 25.05.2011 night chaired by finance minister on the current crisis in the capital market. The pressure of selling shares by the merchant banks and brokerage houses to repay the loans of the banks and FIs contributed to the recent bear run at the stock exchanges. The banks and FIs had been under tremendous pressure because of the central bank's directive on single exposure limit.

New Age: 27.05.2011

BEA backs mandatory TINs for BO account holders

Beneficiary owners' (BO) account holders must mention their tax identification numbers (TINs) to bring transparency in the capital market, Bangladesh Economic Association (BEA), a forum of local economists, at a pre-budget discussion with the media at its city office. However, the BEA opposed the levying of gain tax on individual investors at source. It said the government borrowing from the banks should be minimised to raise investment in the private sector. It observed that savings rate was much higher than that of investment. It said this disequilibrium leads to investment in the speculative market like real estate, secondary stock market and in gold.

Fin Exp: 29.05.2011

Shrimp export booms on value addition, access to new markets

The country's shrimp export has been booming in recent months, with exporters getting increased unit price as supply from other sources to the global market has shrunk. More value addition and getting access to new markets are two other key factors that have brought about the export boost. The market promotion and production diversification efforts made by the exporters, who had to struggle much during the last global economic recession, are finally started to pay off, with the demand for Bangladeshi shrimp products expanding a lot. But, shrimp production in the Aila-affected coastal areas still being unable to make a full rebound has resulted in an inadequate supply of raw shrimps, which is preventing exporters from making the most of the market potential. The country's shrimp export earnings in 2009-10 fiscal was recorded at \$375 million, posting a more than 7 per cent negative growth. But, in the first 10 months [July-April] of the current fiscal year, export earnings from raw and valued-added frozen shrimps amounted to \$386 million, up by 52 per cent year on year.

New Age: 29.05.2011

BB changes HTM securities rules

Primary dealer banks will now be able to show 50 percent of HTM (held to maturity) securities, up from 25 percent, as tradable assets, according to a new decision by Bangladesh Bank. HTM securities are debt securities purchased by banks with intent to hold them until they mature. On the other hand, HFT (held for trading) securities can be traded anytime. Now, banks can sell up to 50 percent of HTM securities anytime. Bankers said the move will not ease the liquidity crisis but help minimise accounting losses, not actual losses. The banks suggested that up to 50 percent of HTM securities, up from 25 percent, should be shown as the statutory liquidity ratio (liquid assets).

Daily star: 31.05.2011

EPZs exports grow 30pc

Overseas merchandise shipment from Bangladesh's export processing zones grew by 30 percent in the first 10 months of the current fiscal year. The country's eight EPZs together sold goods worth \$3 billion up to April in 2010-2011, which was \$2.26 billion in the same period a year ago, according to Bangladesh Export Processing Zones Authority. The EPZs fetched \$194.02 million in investment, a 22.71 percent rise from the same period of the last fiscal year. Proposed investment jumped 78 percent to \$511 million in the first 10 months of 2010-11, up from \$287 million in the same period a year ago. The EPZs employ three lakh Bangladeshi nationals directly and two lakh indirectly, with women accounting for 64 percent of them. As of April 2011, the total amount of investment in BEPZA stood at \$2 billion and the special economic zones exported goods worth \$21 billion.

Daily star: 31.05.2011

BB receives 2 applications for NRB bank license

The Bangladesh Bank has received two applications for the license to set up a commercial bank sponsored by non-resident Bangladeshis. The central bank expects to receive more applications by 31.05.2011 deadline, said BB Banking Regulation and Policy Department General Manager. A working group comprising BB officials will scrutinise the applications and then a technical committee will scrutinise them further and forward the eligible ones to the higher authorities. The proposed bank is envisaged to offer diversified and innovative financial products with effective utilisation of remittance and savings of the Bangladeshis abroad. According to the Guidelines for Establishment of NRB Bank issued by the central bank a few weeks ago, the bank would be a public limited company incorporated in Bangladesh, having a Tk 4,000 million paid-up capital. Regarding capital formation and shareholdings, the guidelines say NRB sponsors will own 50 per cent of the bank's share. The guidelines read, 'The minimum stake of a sponsor will be Tk 100 million and the maximum will be 10 per cent of the proposed bank's total share capital.' According to the guidelines, the bank will make an initial public offering within two years from the date of commencement of its operations to raise the remaining amount of its paid-up capital.

New Age: 31.05.2011

Bangladesh bank Circulars during May, 2011

Date	Circular Number	Subject
04/05/11	CIB Circular No. 02	Registration fee for CIB online services, imposition and realization of service charges for CIB reports generated through CIB online system, penalties imposed on banks and FIs failed to contribute batch monthly contribution in time and for disclosure of credit information contained in CIB reports and exaction of money as penalties for these from banks/FIs concerned.
04/05/11	FEPD Circular No. 05	Cash incentive against export of leather and leather goods
16/05/11	ACD Circular No. 01	Target setting of agri/rural credit & its implementation by the private and foreign banks
29/05/11	DOS Circular Letter No. 09	Marking to market based revaluation of treasury bill and bond held by the banking company
30/05/11	ACD Circular No. 02	Re-fixation of concessional interest rate at 4% from 2% on agricultural credit to be disbursed for the purpose of cultivation of pulses, oil seeds, spices and maize from 2011-2012 fiscal year
30/05/11	FEPD Circular No. 06	Inward remittances for providing Business Process Outsourcing (BPO) services

Source: BB Website.

Information on Economy

	Amount	Previous year's/ month's Position
1. Foreign Trade:	Million US\$	Million US\$
a. Exports (2009-10)	16204.70	16204.70
b. Exports (February-2011)	1886.00	1920.60
c. Imports (2009-10)	23738.00	23738.00
d. Imports (February-2011)	2752.20	3047.50
2. Workers' Remittance (February -2011)	986.97	970.54
3. Inflation: point to point (February-2011)	9.79	9.04

Export= FOB Value, Import = CFR Value
Economic Trends: April 2011

Banking Sector and Economic Information:

	Amount (TK in Cr.)	Amount (TK in Cr.)
	January-2011	December-2010
1. Bank Deposit (excluding inter bank)	371294.90	368390.90
2. Bank Credit (excluding inter bank)	387080.80	379843.90
3. Money Supply		
a. Currency Outside Banks	52083.90	52917.60
b. Demand Deposit	46017.10	46777.60
c. Deposit with BB other than DMBs	187.80	223.70
d. Narrow Money (a+b+c)	98288.80	99918.90
e. Time Deposit	303551.70	299360.10
02. Broad money (d+e)	401840.50	399279.00
4. Excess Reserve (Liquidity)	5387.20	7182.90
5. Weighted average rate of Deposits of Schedule Banks(Quarterly)	6.39	6.08
6. Weighted average rate of Advances of Schedule Banks(Quarterly)	11.34	11.31
7. Ratio of DMBs Credit to Deposits (%)	104.25	103.11
8. DMBs Total Assets/Liabilities	980871.60	959326.70
9. F.E. Reserve (million \$US)	10381.70	11174.40
10. Cash Base of the Economy	85380.90	87429.40

- **Narrow Money (M1)** = Currency outside Banks+ Demand Deposits +Deposit with Bangladesh Bank
- **Broad Money (M2)** = M1 + Time Deposit
- **DMBs** = Deposit Money Banks
- **Cash Base of the Economy** = Currency in Circulation+ Balances with Bangladesh Bank
- Monthly Economic Trends: April 2011
- (p)= Provisional

Academic Activities in May - 2011:

- I. A half day long Workshop on "**Improvement of Audit Culture in our Bank and Checking and rectification of common irregularities / lapses in Bangladesh Bank and Internal Audit & Inspection.**" was held on May 05, 2011 at IFIC Bank Academy at Chamber Building 8th floor, 122-124, Motijheel C/A., Dhaka. The main speakers of the workshop were honorable Director and Convenor of the Audit Committee Mr. Mahmudul Haque Bhuiyan, honorable Director and Member of the audit Committee Mr. Syed Monjurul Islam and honorable Director & Member of the audit committee Mr. Tanim Noman Sattar. Managing Director of the Bank Mr. Mohammad Abdullah, Deputy Managing Directors and other senior Executives also contributed in the workshop. 34 Relationship Managers working at different Branches have attended the workshop. It may be mentioned here that, it was the 15th programme of IFIC Bank Academy in the year 2011.
- II. IFIC Bank Ltd. conducted a day long Course on "**Prevention of Money Laundering**" & "**Combating Financing of Terrorism**" on 07 May, 2011 at its Academy at Chamber Building (8th floor), 122-124, Motijheel C/A., Dhaka. A total number of 28 Executives and Officers from Head Office of the bank attended the course. Mr. Md. Sirajul Islam, Joint Director, Anti-Money Laundering Department of Bangladesh Bank, Head Office, Dhaka was the main speakers in the course. Salient features of the "Prevention of Money Laundering Act.-2009" along with Anti Terrorism Act.-2009 and the course of actions to be taken by the bank in the light of the Acts were discussed in the course. Mr. S. M. Abdul Hamid, CFO, SEVP & Head of F&A and CAMLCO of IFIC Bank Ltd. was present on the occasion and delivered his inaugural speech before the participants. It may be mentioned here that this was the 16th programme of IFIC Bank Academy in the year 2011.
- III. A one day long Workshop on "**Inward Foreign Remittance Distribution**" was inaugurated by Mr. Mohammad Abdullah, The Managing Director, of the Bank on May 12, 2011 at IFIC Bank Academy at Chamber Building 8th floor, 122-124, Motijheel C/A., Dhaka. 46 Officers working at different branches have attended the workshop. It may be mentioned here that, it was the 17th programme of IFIC Bank Academy in the year 2011.
- IV. A week long course on "**Credit Risk Management**" was inaugurated by The Deputy Managing Director (Risk Management), Ms. Zaitun Sayef of the Bank on May 22, 2011 at IFIC Bank Academy at Chamber Building 8th floor, 122-124, Motijheel C/A., Dhaka. 37 Officers working at different Branches and Head Office have attended the course. It may be mentioned here that, it was the 18st programme of IFIC Bank Academy in the year 2011.
- V. Two day long Comprehensive course on "**Accounting For Banker**" was inaugurated by The Deputy Managing Director (Risk Management) of the Bank Ms. Zaitun Sayef on May 28, 2011 at IFIC Bank Academy at Chamber Building 8th floor, 122-124, Motijheel C/A., Dhaka. 30 Executive & Officers working at different Branches and Head Office have attended the course. The facilitator of the course was Mr. Atul Chandra Pandit, Asstt. Profossor, BIBM. It may be mentioned here that, it was the 19nd programme of IFIC Bank Academy in the year 2011.

Readers please: Please mention how many audits are there in Banking Financial Institution.

Match our answer with yours: Knowledge Update: 145

Answer: First Credit Rating Agency was the Mercantile Credit Agency, established in 1841 in New York.

We can be reached at: tnr@ificbankbd.com

Supervisory Executive

Ms. Zaitun Sayef, DMD (Risk Management)

Team Members

Mr. A. K. Mojibur Rahman, FAVP

Mr. Benjir Rahman, OG - I

Mr. Jayanta Sutradhar, OG – I

Ms. Barni Saha, PO

Revisiting Basics

Economy

Contributed by: Mr. Gazi Mohammad Saidul Hoque, PO

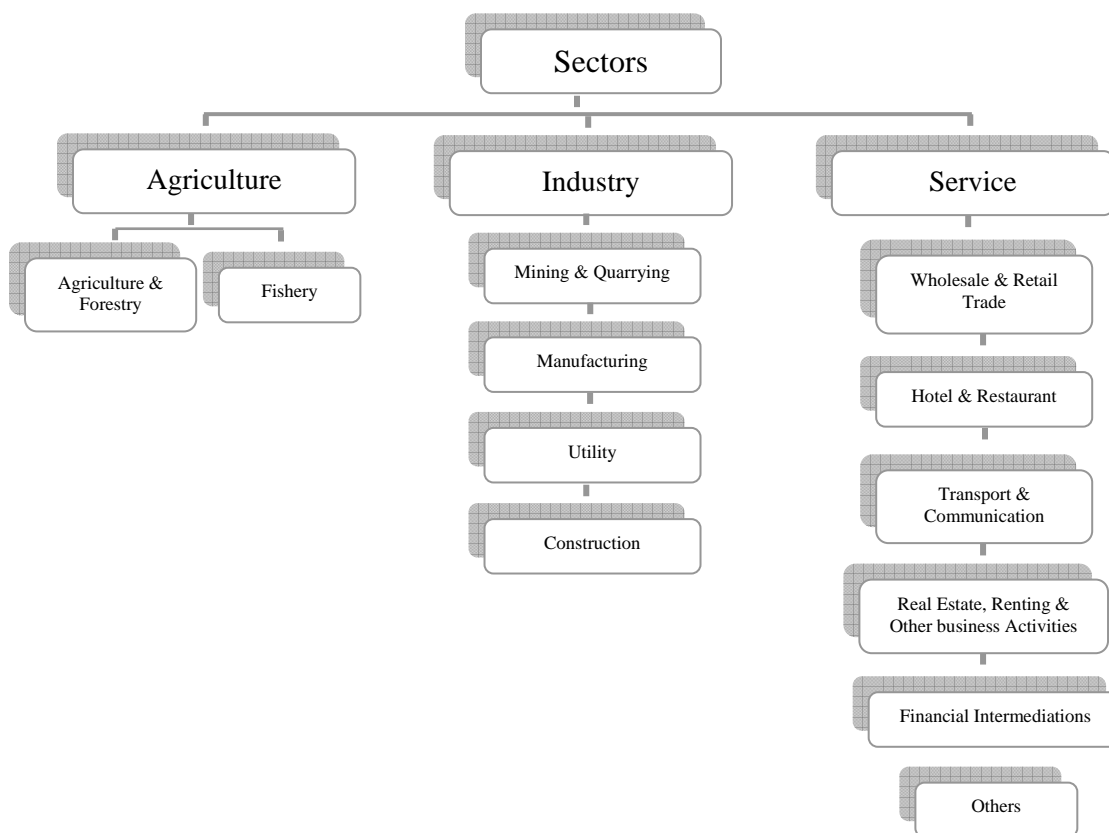
Economics is the study of how societies use their scarce resources to produce valuable commodities and distribute them among different people.¹

There are mainly two branches in Economics. (i) Microeconomics (ii) Macroeconomics

Microeconomics is the study of the behavior of individual entities such as markets, firms and households.²

Macroeconomics is the study of broad economic issues such as fluctuations and growth of national income- Gross National Product (GNP), unemployment, inflation and external debt etc.³

Sectors in an Economy



¹ Paul A. Samuelson and William D. Nordhaus, *Economics* (17th ed.; New York: McGraw-Hill, 2001), P. 4

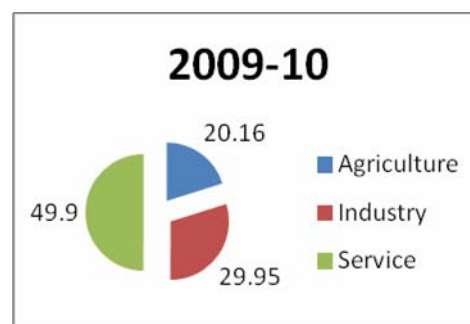
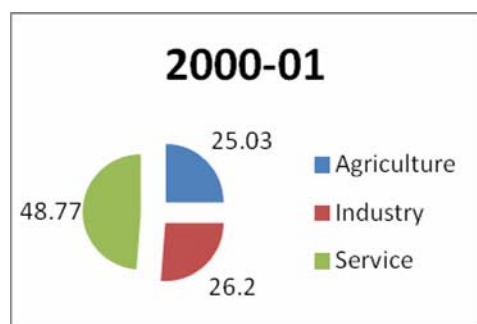
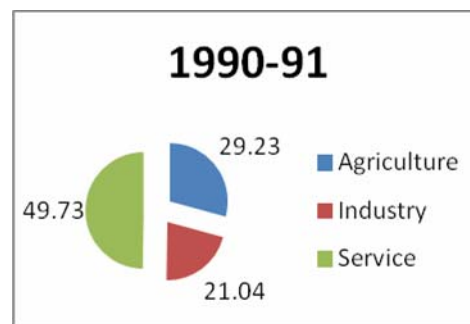
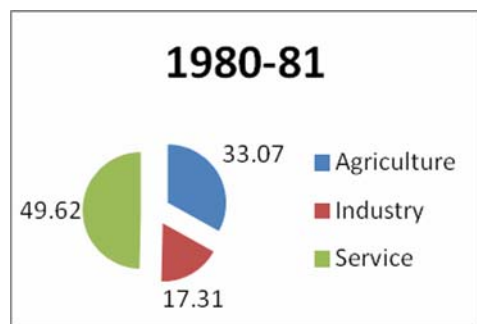
² Ibid, P.5

³ M.A. Taslim and A. Chowdhury, *Macroeconomic Analysis* (Sydney: Prentice Hall, 1995), P.6

**Trend of Structural Transformation of Broad Sectoral Shares in GDP
at Constant prices (Base year 1995-96)⁴**

Share (in percent)						
Sector	1980-81	1990-91	2000-01	2007-08	2008-09	2009-10
Agriculture	33.07	29.23	25.03	20.83	20.48	20.16
Industry	17.31	21.04	26.20	29.70	29.86	29.95
Service	49.62	49.73	48.77	49.47	49.66	49.90
Total	100.00	100.00	100.00	100.00	100.00	100.00

Graphs: Broad Sectors Contribution in GDP



Earning from Major Sub-Sectors (2009-10)⁵

Name of the Sub-Sectors	Earnings (USD in Billion)	Remarks
1. Remittance (Up to April 2010)	9.19	Money sent to our country by Expatriate.
2. Ready Made Garments (Manufacturing Industry) (Up to March 2010)	4.33	Export Earnings
3. Knit Wear (Manufacturing Industry) (Up to March 2010)	4.58	Export Earnings
4. Jute & Jute Products (Manufacturing Industry) (Up to March 2010)	0.32	Export Earnings
5. Frozen Foods (Agriculture) (Up to March 2010)	0.30	Export Earnings

⁴ Ministry of Finance, Bangladesh Government, Bangladesh Economic Review 2010 (Dhaka: Bangladesh Government Press, 2010) p.25

⁵ Ibid, P.