

## Remittance clocks 22pc growth in six months

### \$413.63 million received alone in December

**MONJUR MAHMUD**

Remittance inflow hit a record high in December as it grew by over 22 percent in the first half of the current financial year.

Non-resident Bangladeshis (NRBs) sent US\$2,170.5 million during July-December period of 2005-06 fiscal year, which was \$1,777 during the same period of last financial year.

In December, remittance amounted to \$413.63 million, which is an all time high in a single month.

Remittance inflow has so far been able to see a strong growth as the central bank is continuing its

efforts to encourage NRBs to send money through the banking channels.

According to sources, NRBs send over US\$ 7 billion a year and a significant portion of the total amount is still coming through hundi, an illegal way of transferring money.

Bankers observed there are further scopes to increase remittance through banking channels.

Private commercial banks (PCBs) are now more aggressive in providing quick and reliable service and attracting the NRBs to send their money through banks.

"Some of the private banks are taking services of the globally

renowned money transfer companies that have networks around the world and have extended their services to village level," said a top executive of the PCB.

Strong networks at home and abroad helped some PCBs to see a huge growth in remittance business and it has become a major source of their incomes, he explained.

Remittance inflow was \$3,848.29 million in the last financial year.

The government was under pressure to meet increased expenditure for petroleum products, which pushed the payment of import bill significantly up.

However, increased remittance inflow in the first half and export growth, which was 12.47 percent, during July-October period of FY06 helped the government to offset the pressure.

According to central bank statistics, import payments in July-October period of FY06 amounted to \$4.49 billion against \$4.03 billion during the same period of the last financial year.

Foreign exchange reserve crossed three billion marks at the end of June last year. But later it came down to \$2.6 billion. The reserve is again showing an upward trend as it reached \$2.82 billion as on yesterday.

## Khulna chamber gets new president

**STAFF CORRESPONDENT, Khulna**

Shaharuzzaman Martuza, also a BNP leader of Khulna, has been elected unopposed the president of Khulna Chamber of Commerce and Industry (KCCI).

Sultan Hossain Khan and Shabbir Hossain Babu have also been elected unopposed vice-presidents.

The biennial election of the board of directors of KCCI was held in Khulna on Monday where a total of 29 candidates contested for 12 posts of directors from general category and 14 vied for six directorship posts from association category.

Earlier, two were elected directors unopposed from the trade group.

As per the chamber rules, the directors elected a president and two vice-presidents for a two-year term.

**DHAKA- HANOI MEET**

## Saifur to lead Bangladesh team

**UNB, Dhaka**

Finance and Planning Minister M Saifur Rahman will lead Bangladesh delegation in the first Bangladesh-Vietnam Joint Commission meeting in Hanoi early next month.

This was discussed at a meeting between the minister and Vietnamese Ambassador to Bangladesh Ngo Van Hoa in Dhaka yesterday.

Issues like trade and development cooperation will be discussed in the Hanoi meet.

## Banks' operating profits grow 48pc in 2005

**REJAUL KARIM BYRON**

The Nationalised Commercial Banks (NCBs) and Private Commercial Banks (PCBs) registered 48 percent growth in operating profits in 2005.

The NCBs clocked 228 percent growth while the PCBs registered 24 percent growth in profits.

According to preliminary information gathered from the banks, the 33 banks made a profit of Tk 3,844 crore in 2005. In 2004, the profit stood at Tk 2,604 crore.

Four NCBs made a profit of Tk 1,011 crore and 29 PCBs Tk 2,833 crore in 2005, while in 2004 the NCBs profited Tk 308 crore and PCBs Tk 2296 crore.

Sonali, Agrani, Pubali, Brac, Southeast Bank and Al Arafah Islami Banks performed best in terms of growth performance. Sonali Bank made a profit of Tk 382 crore in 2005, up by 257 percent from the previous year.

Agrani bank made a profit of Tk 234 crore in 2005 while the bank incurred Tk 75 crore loss in previous year. Pubali Bank made

a profit of Tk 152 crore, up by 102 percent from the previous year.

Brac Bank's profit rose by 181 percent from the previous year and stood at Tk 60 crore. Southeast Bank's profit increased by 76 percent from the previous year and amounted to Tk 154 crore, which was Tk 88 crore in 2004. Al Arafah Bank's profit increased by 66 percent from the previous year.

Janata and Rupali banks also made substantial profits in 2005. Janata profited Tk 315 crore in 2005, up by 40 percent. Rupali Bank's profit increased by 57 percent from the previous year and stood at Tk 80 crore.

Among the other PCBs, Exim Bank's profit growth was 45 percent, Arab Bangladesh Bank's 46 percent, National Credit and Commerce Bank's 48 percent, Dutch Bangla Bank's 48 percent, City Bank's 42 percent, United Commercial Bank's 39 percent.

Among the private banks, Islami Bank Bangladesh made highest profit of Tk 289 crore in

terms of volume.

Bank officials said the rise in import and export, remittance, credit as well as high money market resulted in the banks' hefty profit in 2005. Sonali Bank in 2005 earned Tk 400 crore from the money market alone, which was double compared to the income made in the previous year.

The reform programmes taken up for the NCBs yielded results in helping the NCBs make good profits. However, the new management in the different NCBs also worked with a new spirit to make good profits.

However, a senior banker said as the NCBs have a huge shortfall in capital and provision, their net profit will not be hefty.

Shareholders of the PCBs can however expect to get some share of the profits as the PCBs do not have such shortfalls. Even after paying off taxes the profit amount of the PCBs will remain quite healthy, the senior bank official said.

## SEC asks DSE to delist Eagle Box

**UNB, Dhaka**

The Securities and Exchange Commission (SEC) yesterday directed the Dhaka Stock Exchange (DSE) to delist Eagle Box and Carson Manufacturing Company within two months.

The directive was made upon application by the company Chairman and Sponsor Director MA Matin on the grounds of closure of commercial operation of the issue since October 31, 2003, according to an SEC

announcement.

The stock market watchdog also directed the chairman and sponsor directors to ensure immediate payment of money to the public and institutional shareholders willing to sell their shares to them at Tk 25.90 per share.

In this regard, they have been asked to notify shareholders at least in three widely circulated newspapers and send letters to the shareholders.

The SEC announcement said

Eagle Box faced closure due to heavy losses and having no income resulting in termination of all the employees with benefits.

Under the circumstances, the company declared their intention to purchase all shares at a price claimed to be more than twice the face value of the shares.

Trading of the Eagle Box shares remained suspended for a long period.

## Air Sahara offers Delhi-London return trip at Rs10,000

**PALLAB BHATTACHARYA, New Delhi**

Imagine flying to London from Delhi and back in just Rs 10,000 (about 250 US dollars).

India's leading private air carrier Air Sahara has made it possible by announcing the lowest ever fare for Delhi-London return trip at Rs 10,000 (excluding taxes of around Rs 8,000) for the first 2006 tickets whose sale began yesterday through its website.

Economy class fares charged by other airlines on this route range between Rs 17,000 and Rs 22,000 excluding taxes.

Announcing the new fare here on Tuesday, Air Sahara President Ronojoy Dutta said, "We will offer 2006 tickets for Rs 10,000 return fare and they will remain valid for travel for one year."

The first Air Sahara flight on Delhi-London route with the lowest fare takes off on January 6.

The announcement by Air Sahara came at the peak season and at a time when the price of aviation turbine fuel went up by seven percent because of hardening international crude oil prices.

Indian civil aviation industry sources said the promotional fare announced by Air Sahara was aimed at creating a hype and increasing load factor as was done by low-cost domestic carrier Air Deccan and Spicejet which offer 25 percent and 10 percent of their seats through promotional fares.

While Air Deccan and Spicejet have load factor of over 90 percent, Air Sahara has 82 percent.

In the domestic Indian market, introductory promotional fares from Air Deccan was Rupee one and Spicejet from Rs 99 to Rs 999 and sold through the internet evoked a good response.

The announcement of Delhi-London-Delhi promotional fare might trigger another fare war by putting pressure on other airlines, especially Europe and Gulf-based airlines and India's biggest carrier Jet Airways, to bring down their fares, the sources said.

## Japan seeks free trade pacts with India, Australia, China: Report

**AFP, Tokyo**

Japan plans to begin talks on a free trade agreement (FTA) with India and Australia in 2007 and with China in 2009, in a bid to play a leading role in bringing about a proposed East Asian economic grouping, a report said Tuesday.

A government plan through 2010 envisages FTAs with resource-rich and food-exporting countries as part of efforts to both bolster national security and promote economic integration in East Asia, the Mainichi Shimbun newspaper said, without citing sources.

Japan supports the inclusion of Australia and India in the East Asian Community, which was proposed at the inaugural East Asian Summit in December in Kuala Lumpur.

That meeting, which came on the heels of the annual Association of Southeast Asian Nations (ASEAN) summit, saw bickering between Japan and China over their wartime past, and disagreement over the inclusion of non-Asian nations like Australia and New Zealand.



Visiting World Bank Vice President Praful Patel meets Prime Minister Khaleda Zia at her office in Dhaka yesterday.

## Sliding law and order hurts Bangladesh's FDI

### Bangladesh-born Britons say

**STAR BUSINESS REPORT**

A high-level team of Bangladesh-born members of UK's Tower Hamlets Council yesterday said deteriorating law and order is hindering Bangladesh's foreign direct investment growth.

They said some UK companies feel reluctant to invest in Bangladesh due to recent deterioration in law and order.

The delegates led by Tower Hamlets Council Mayor Doros Ullah were talking to reporters in Dhaka yesterday after they met

Commerce Minister Altaf Hossain Choudhury.

The delegates are now visiting Bangladesh at the invitation of Dhaka City Corporation.

The Tower Hamlets Council members discussed investment and trade-related issues with the commerce minister.

They also urged the minister to take initiatives so that third generation Bangladesh origin UK citizens feel interest to play role in the country's development.

The minister told the team that he would take initiatives so

that the government appoints Bangladesh origin UK citizens in different government projects.

Deputy Leader of Tower Hamlets Council Abdus Shukur and Councilor Ohid Ahmed are the other members of the team.

They will also meet officials of Board of Investment, Bangladesh Export Processing Zones Authority, Civil Aviation Authority of Bangladesh and Finance Ministry during their stay in Bangladesh.

## Dhaka should aspire to be mid-income nation in 15-20 years

### World Bank publication says

**STAR BUSINESS REPORT**

Bangladesh should aspire to become a middle income nation in the next 15 to 20 years, said a World Bank publication launched yesterday.

This requires an overall growth rate of around seven percent, implying per capita growth rate of around 5.5 percent, it added.

Between 1972 and 2003, Bangladesh raised its per capita income fourfold, reduced poverty by more than a third, increased life expectancy by more than 40 percent, and enhanced gross primary enrollment by over 80 percent, it explained.

Sadiq Ahmed, director of the poverty reduction and economic management unit in the South Asia region of the World Bank, edited the book titled "Transforming Bangladesh into a Middle Income Economy". Macmillan India Ltd published the book.

Eminent economist Professor Wahiduddin Mahmud chaired the launching programme while Dr Fakhruddin Ahmed, former governor of the central bank, and eminent economist Dr Hossain Zillur Rahman pinpointed different topics included in the book.

Speaking at the programme,

## Oil prices up

**REUTERS, Singapore**

Oil prices rose Tuesday, extending year-end gains after a brief cut in Russian natural gas supplies to Europe rattled traders and threatened to drive up demand for oil-based heating fuels.

US February light crude was up 28 cents at \$61.32 a barrel, building on the three-day rally that lifted prices 5 percent at the end of last year. Oil averaged \$56.70 a barrel in 2005, 37 percent more than the year before.

Prof Mahmud Bangladesh is now outperforming most countries of similar level. "Still, we have to go a long way."

Presenting highlights, Sadiq said more often than not Bangladesh tends to get a very negative press in the world.

Starting with the famous basket-case label in early 1970s to the title of the most corrupt nation in the early 2000, the country is now regarded as a hotbed of Islamic fundamentalism, he added.

Unfortunately, the positive story of this young and democratic nation's notable development performance is not appreciated, Sadiq said at the launching programme of the book at Dhaka Sheraton Hotel.

Commenting on the book, Dr Fakhruddin said performance has been good despite all difficulties.

Hossain Zillur Rahman said poverty must be made number one priority.