

BB net profit soars 101pc in FY '05

STAR BUSINESS REPORT

The Bangladesh Bank posted a whopping 101 percent rise in net profit in the last fiscal year, thanks to its increased income from foreign sources.

The Bangladesh Bank's (BB) annual report released yesterday showed that in FY '05 the BB made a profit of Tk 18.9 billion, which was Tk 9.4 billion in the previous year.

In FY '05, the BB's total income stood at Tk 24.9 billion, up by 18.6 percent from that in the previous year. The bank's income from foreign sources rose by 76 percent while the income from domestic sources saw a 25 percent rise during the period.

Regarding the increased income from foreign resources, the BB report identified rise in foreign investment as well as rate of interest thereon. Again, decline in the BB's expenditure that came down by 48.3 percent from the previous year also contributed to the BB's swollen profit.

"The decrease in expenditure was mainly due to decline in provision for loan losses," the report

said.

The report also showed how the BB profit was distributed. Of the profit, Tk 10.9 billion and Tk 0.4 billion were transferred to foreign exchange revaluation reserve and gold and silver revaluation reserve respectively, while the surplus amount of Tk 7.6 billion was transferred to the government account.

Analysing the overall banking situation in the country as of end 2004, the BB ranked the commercial banks according to which 12 banks were rated 'strong', 15 banks 'satisfactory', 10 banks 'fair', 8 'marginal' and 4 'unsatisfactory'. All the four nationalised commercial banks (NCBs) were ranked 'marginal'.

The report also said expenses per employee of the NCBs were Tk 182,300 and the development financial institutions (DFIs) Tk 201,600 in 2004. The NCBs and DFIs incurred loss in 2004 and their losses per employee were Tk 15,600 and Tk 12,600.

The profit of private commercial banks (PCBs) per employee was Tk 270,800 against expenses of Tk 48,400. The expenses of foreign commercial banks (FCBs) per

employees were as high as Tk 2 million against per employee profit of Tk 2.5 million in 2004, the report said.

The BB report also said operating expenses of NCBs in 2004 increased by Tk 0.5 billion from the previous year. In case of PCBs, the operating expenses rose by Tk 2.2 billion during the same period with the increase in number of their branches by 40.

Expenses of the DFIs also increased from Tk 2.9 billion in 2003 to Tk 3.2 billion in 2004. Expenses of FCBs increased in 2004 by Tk 0.1 billion over 2003, it added.

Bank assoc meets governor
Meanwhile, a delegation of Bangladesh Association of Banks (BAB) led by its President Syed Manzur Elahi met the BB governor and placed different demands.

The BAB leaders urged the governor to rationalise the BB's latest decision with regard to reporting of cash transaction of Tk 5 lakh and above to the central bank.

According to sources, the central bank governor did not agree to their demand.

Dhaka int'l trade fair ends today

STAR BUSINESS REPORT

Dhaka International Trade Fair (DITF) yesterday witnessed a huge number of visitors as the month-long fair ends today.

Participants said many visitors were busy doing their last-minute shopping at the exhibition. However, they expressed mixed reaction over sales.

Although a few participants said their sales volumes were satisfactory, many said their business at the country's premier trade exhibition was below expectations.

Stalls displaying household products, garments, food items, and cosmetics received good response. But electronics products and machinery failed to attract a good number of visitors like the previous years.

"We have spent nearly Tk 25 lakh on the stall but our profits will not match our investment," said an official of Walton stall.

"We had a target to sell products worth Tk 14.5 million but we have achieved hardly 60 percent of the target," said Afzal Hossain, sales manager of Navana Furniture.



Visitors throng the venue of the month-long Dhaka International Trade Fair (DITF) at Sher-e-Bangla Nagar in the capital yesterday. The 11th version of the show comes to a close today.

Call money rate hits 30pc ahead of Eid

STAR BUSINESS REPORT

Interest rate in money market yesterday reached 30 percent as a large number of clients thronged banks to withdraw cash ahead of the Eid-ul-Azha.

Most banks were forced to borrow from the money market to tackle the increased demand for cash. The commercial banks go on a five-day holiday from tomorrow.

Interest rate in the call money market last week was around 20 percent. The bankers predicted call money rate will go up further today, the last working day of banks before the vacation.

Long queues were seen in almost all branches of banks, both government and private ones, in the capital yesterday.

Many clients had to wait up to two hours in the queues to withdraw money. Many branches were

compelled to continue transaction beyond regular hours.

Motijheel branch of a foreign bank saw a long queue at noon, which is unusual on other days.

An official of Sonali Bank said, "Usually per day withdrawal of money by clients at his Motijheel branch stands at Tk 30 crore to Tk 35 crore. "But clients withdrew about Tk 75 crore yesterday from his branch," he said.

GP subscribers send record 8.5m SMS during New Year

GrameenPhone subscribers sent a record 8.5 million text messages during the New Year 2006 celebrations.

This is more than four times the number of SMS (short message service) sent during New Year's Eve and New Year's Day last year, says a press release.

SMS usage increased significantly after GP reduced the on-net tariff for SMS from Tk 2 to Tk 1.5 for GP-to-GP SMS in October 2005. GP also offers 50 free SMS with each Djuice SIM (subscriber identity module).

In addition, GP also provides various SMS-based Push-Pull Services for its subscribers through which they can receive news update, sports update, download ring-tones and obtain other useful information. GP offers several services for different segments of the market: beauty tips for the female segment, entertainment and sports update for the youth segment and other useful information for corporate clients.

At present, GP is running an SMS-based campaign where the five highest SMS senders will be offered a trip to Shillong, India along with one of their friends. GP's MMS and Voice SMS are becoming popular and it will soon launch more innovative services for its subscribers.

GP has introduced many innovative services such as EDGE that allows GP subscribers to access the Internet all over the country where GP has coverage, MMS that allows users to send pictures and video clips, Voice SMS that allows users to send personalised voice message in any language, and Ring-tones and Logos, which can be downloaded via EDGE or SMS.

Citigroup named best cash management bank

Citigroup has been awarded Best Cash Management Bank of the year 2005 by Finance Asia - one of Asia's leading monthly capital markets magazines, says a press release.

Citigroup, the largest financial services company in the world, has once again won this distinguished award for differentiating itself in the services, making significant deals round the year, delivering on complex regional mandates and for innovative product developments.

With its understanding of local markets, Citigroup had successfully offered global companies most innovative cash management solutions that made Citigroup won over 1,850 new mandates along with close to 1,000 incremental mandates from existing customers over the course of the year.

Complex major deals won in 2005 included business for customers such as Apple iTunes, Fonterra, AXA, Thai Airways and Lenovo. New product developments included the rollout of TreasuryVision, which is designed to help treasurers better manage their cashflows.

Jetro to help footwear industry expand market

UNB, Dhaka

Japan External Trade Organisation (Jetro) has taken an initiative to assist Bangladesh footwear industry in expanding its market to Japan.

Under a short-term assistance programme, Jetro has offered to provide Bangladesh with technical assistance for 10 footwear factories to enhance their competitiveness in terms of quality production.

The Japanese external trade wing made the offer in a letter addressed to the Export Promotion Bureau (EPB) recently, seeking a list of top 10 footwear manufacturers and their annual turnover through export.

Following the overtures, the

EPB wrote to 13 top footwear companies requesting them to send in the requisite information.

Of the 13 companies, eight replied accordingly to the EPB to receive the assistance from Japan that has got improved technology of footwear industry.

The companies are Apex Footwear Limited, Jennies Shoes Limited, Pickard Bangladesh Limited, Tropical Shoe Industries Limited, Lalmai Footwear Limited, Latherex Footwear Industries Limited, Surma Leather and Footwear Industries Limited and Toras Hued and Skin Limited.

Sources in the EPB said they would forward the list of the foot-

wear companies to the Jetro shortly.

When contacted, a Jetro official said Japan wants to promote Bangladeshi footwear industry as the country can produce price-competitive and quality finished products.

"The proposed project will be a completely short-term project that may be extended or not. Under the project, technical assistance will be provided to the local industries," he said.

Bangladesh crossed the foreign currency exchange-earning target of US\$ 86 million through export of footwear items in 2004-2005 fiscal year fetching 87.55 million dollars.

NON-PAYMENT OF DIVIDEND

SEC fines two officials of Meghna Shrimp

UNB, Dhaka

Securities and Exchange Commission (SEC) has fined two officials of Meghna Shrimp Ltd Tk one lakh each for non payment of declared dividend within the stipulated time.

After receiving complaint from a shareholder of the company the SEC looked into the matter and found it as fact.

The fines were imposed on the managing director and secretary of the company.

"It (Meghna Shrimp) declared the dividend a year ago but did not pay the dividend to shareholders and for that reason they have been fined," said SEC Executive Director Monsur Alam.

A total of eight shares of the company were traded yesterday at the rate of Tk 15.25 - 37.75 in last 52 weeks.

The SEC also issued showcause-cum-hearing notice on Meghna Condensed Milk's directors, managing director and company secretary in connection with non-compliance with the provisions of the securities laws.

Pakistan to ratify Safta deal at next cabinet meeting

DIPLOMATIC CORRESPONDENT

Pakistan, which is yet to ratify the South Asia Free Trade Area (Safta) agreement, has announced to endorse it at the next cabinet meeting after the Eid-ul-Azha.

The Daily Times quoting Commerce Ministry official yesterday reported the ministry of commerce submitted a summary to this effect to the cabinet secretariat, and it is likely to be taken up at the next cabinet meeting and that could be a special cabinet meeting for its approval.

Pakistan is required to ratify the agreement and submit its ratification instrument to the Saarc secretariat for formal notification well before June 30, 2006.

Saarc members are aiming to enforce the trade agreement from July 1, 2006.

The Saarc agreement has four annexes that is, a list of sensitive items, rules of origin, technical assistance to least developed countries of Saarc and revenue compensation mechanism for these countries. It was decided

Emirates offers internet check-in facility in Dhaka

Dubai-based airline Emirates has introduced a new and convenient option for its Bangladeshi customers to check in for their flights via internet.

Emirates' passengers departing from Dhaka can now select and secure their preferred seats online and check in for their flights from the comfort of their homes, hotels or offices by logging on to www.emirates.com, says a press release.

The airline's online check-in facility is available between 12 hours and two hours prior to flight departure. Passengers can check in for groups of up to nine persons travelling together as well as for onward flights, providing the travel commences on Emirates.

with consensus that the first tariff reduction will be undertaken by all member countries on July 1, 2006. Nepal, however, will do so in August 2006.

Besides, the revenue compensation mechanism will be available to the LDCs of Saarc not before July 1, 2007. Accordingly, before July 2006 only the annex

relating to technical assistance to the LDCs can become operational.

Meanwhile, Federal Minister for Commerce of Pakistan Humayun Akhtar Khan Saturday said Safta agreement had been sent to cabinet committee and hoped that it would be approved in the current year.