

India can grow at 10pc with reforms: ADB

AFP, New Delhi

India's economy could achieve growth of 10 percent if the government keeps up reforms and improves the nation's rickety infrastructure, the Asian Development Bank (ADB) said Friday.

Asia's third-largest economy is growing now at around 8 percent.

"Eight per cent growth is sustainable in the coming five years or more," ADB president Haruhiko Kuroda said, according to the Press Trust of India.

"If infrastructure is improved and economic reforms are continued, the rate of growth can be accelerated to nine to 10 per

cent," he told reporters in the Indian capital.

The bank president was in India to hold talks with officials and discuss preparations for the ADB's annual meeting in May to be held in the Indian southern high-tech city of Hyderabad.

The Philippines-based multilateral institution said it planned to step up lending to India because of its high growth prospects and increasing funding needs.

Kuroda said the bank's assistance to India would total around 2.25 billion dollars in 2006, which would rise to 2.45 billion dollars next year and increase to 2.65 billion dollars in

2008.

In September, the ADB had announced it was ready to raise its lending to India to more than 6.5 billion dollars over the next three years.

The Indian government has said it is aiming for 10 percent growth in the next few years.

But experts say that the country's potholed roads, congested ports and frequent power outages are major hurdles to achieving double-digit growth.

Double-digit growth is seen as vital to boost the fortunes of the around 300 million people in India who live below the poverty line.

US, Malaysia to launch FTA talks

XINHUA, Washington

The United States and Malaysia have agreed to launch negotiations for a free trade deal to eliminate trade barriers between the two nations, US Trade Representative Rob Portman and his Malaysian counterpart announced here on Wednesday.

"This is a great agreement for us," Portman said at a press conference with Malaysian Trade Minister Rafidah Aziz.

The announcement came one day after Malaysia decided to reopen its market to US beef, ending a ban imposed in late 2003 after mad cow disease was found in the United States.

According to US government figures, trade between the United States and Malaysia totalled 44.2 billion dollars last year, with the Asian country enjoying a surplus of 23.2 billion dollars.

Earlier this year, the Bush administration said that it was starting free trade talks with South Korea, Malaysia and South Korea will join a list of 11 other countries with which the United States is currently negotiating a free trade agreement.

HSBC plans to expand in Pakistan

APP, London

The HSBC, one of the world's largest banking and finance services organisations, is planning to expand its operations in Pakistan owing to the positive economic policies and reforms undertaken in the financial sector in the country.

The Group's Chief Executive Stephen K Green, who called on Prime Minister Shaukat Aziz here, appreciated Pakistan's economic reforms. He praised Pakistan's growing economy and said far reaching reforms had made a positive impact, particularly in the financial sector.

He said the reforms could lead to more investment and improvement in the financial services being provided in the country. The reforms have created a very good environment and more attraction for foreign investment, he added.



PHOTO: NORTHERN GENERAL INS

The 'Branch Managers' Conference-2006 of Northern General Insurance Co Ltd was held recently in Dhaka. Chairman of the company Hamidul Haq inaugurated the conference, which was also attended by Managing Director Md Mujibur Rahman and other senior officials.

World largest tourism fair begins in Berlin

XINHUA, Berlin

More than 11,000 exhibitors from 183 countries and regions arrived in the German capital on Wednesday to attend the world's largest tourism fair, which marks its 40th anniversary this year.

China is represented by 144 firms and institutions at the fair with an area of more than 400 square metres.

German Chancellor Angela Merkel also visited the five-day fair.

The fair, or International Tourism Exchange (ITB), is a forum for establishing new customer contacts and conducting business. Organisers say the event guarantees high-quality customer contacts.

In recent years, the ITB Berlin has evolved from simply renting out display space to become a modern centre for the travel industry.

German Economics Minister Michael Glos said his country expected a turnover of 27 billion euros (about 32 billion US dollars) from tourism this year.

"In recent weeks the signs of an economic recovery have become more evident and the mood among consumers continues to improve. This gives a boost to the ITB Berlin 2006 and will no doubt be reflected by positive commercial results," said Dr Christian Goeke, an official of Messe Berlin.

The entire Messe Berlin exhibition site is occupied, forcing more exhibitors to increase the height of their displays, and there has been a 25 percent increase in the number

of two-storey stands at the fair.

Among the countries requiring more space this year is India, which is occupying an entire hall for the first time, covering an area of 2,000 square metres.

The Arab states are using 35 percent more display space, while the increase in the case of South America is around 40 percent.

Timor Leste, formerly known as East Timor, and Afghanistan were present at the fair for the first time, and following a long absence Macedonia, and the Democratic People's Republic of Korea (DPRK) returned as exhibitors.

Nepal lowers GDP forecast to 3.5pc

XINHUA, Kathmandu

Dragged down by poor performance of agriculture sector along with the sluggish pace of non-agriculture sector, the Nepali government has scaled down the estimated GDP growth rate to 3.5 percent for the current fiscal year (July 16, 2005 to July 15, 2006), the Ministry of Finance (MoF) said here on Thursday.

The government in its budget for the current fiscal year had vowed to achieve 4.5 percent economic growth, the mid-term review of the budget issued by the MoF said.



PHOTO: UCB

Hamidul Haq, managing director of United Commercial Bank (UCB) Ltd, speaks at a conference of the in-charges of AD branches on 'Prevention of Fraudulent Import Payments' recently in Dhaka. Other senior officials of the bank are also seen.

Weekly Currency Roundup

Mar 05-Mar 09, 2006

Local FX Market

Demand for US dollar was high in this week and USD remained bullish against Bangladeshi taka.

Money Market

In the Treasury bill auction held on Sunday, bid for BDT 8,437.00 million was accepted, compared with total of BDT 4,818.00 million in the previous week's bid. Weighted average yields did not change much from previous week.

Overnight call money rate was flat and range-bound throughout the week. Most of the time, overnight call money rate ranged between 10.00 and 12.00 percent.

International FX Market

The yen hit one-week lows versus the dollar and euro in the beginning of the week as expectations grew that Japan's interest rates would stay near zero even after the Bank of Japan ends its ultra-easy monetary policy, as early as this week. The European single currency drew broad support as investors have warned to the view that euro zone interest rates might rise further. The Swiss franc was up around 0.2 percent against the dollar and hit a one-week high versus the euro ahead of an expected 25 basis point interest rate increase by the Swiss National Bank on Thursday. Some analysts said that investors were also cautious about buying the dollar ahead of a meeting of the UN's atomic watchdog later in the day to discuss Iran's nuclear ambitions.

During the middle of the week, the yen recovered slightly from the previous day's two-week lows against the dollar, as investors awaited a potential end to the Bank of Japan's ultra-loose monetary policy on Thursday. The dollar had rallied over the past two days as Federal Reserve officials signaled the central bank will keep lifting US short-term rates to prevent inflation from flaring up. But all eyes are on the BOJ, especially since investors are divided about whether the central bank will scrap its five-year-old quantitative easing policy after a two-day meeting and, if so, what kind of policy target would follow. On the other hand, markets now see the Fed lifting rates to 5 percent or 5.25 percent from the current 4.5 percent after upbeat comments from Fed officials this week. In the euro zone, markets are starting to see the possibility of rates rising to 3.25 percent by the end of the year. The Australian dollar hit a two-month low against the US dollar after the Reserve Bank of Australia kept rates unchanged at 5.5 percent, as widely expected, the 12th straight month of steady rates.

The yen rose sharply on Thursday from an earlier two-week low against the dollar and firmed versus the euro after the Bank of Japan scrapped its five-year-old ultra-easy monetary policy and said the economy is recovering steadily. The yen initially fell, Tokyo stocks rallied and Japanese government bonds eased a touch as the BOJ said it would keep short-term interest rates near zero. But the yen reversed course in European trade as investors warned to the view that the decision represents a first step towards an eventual interest rate rise, which money markets expect sometime late this year. The euro was down 0.25 percent against yen, while the single currency was steady on the day against US dollar.

- Standard Chartered Bank



PHOTO: EAST WEST SEED (BANGLADESH)

The annual dealer conference for the year 2006 of East West Seed (Bangladesh) Ltd was held recently in Tangail. Abdul Awal Mintoo, chairman of the company and former FBCCI president, was present at the conference, which was attended by other senior officials.

অঞ্চল ও কর্পোরেট শাখা প্রধান সম্মেলন - ২০০৬

রূপালী ব্যাংক লিমিটেড

প্রধান অতিথি : **জনাব মোঃ শফিকুল ইসলাম**, সিনিয়র চেয়ারম্যান, পরিচালনা পর্ষদ, রূপালী ব্যাংক লিমিটেড ও

সচিব, যোগাযোগ মন্ত্রণালয়।

স্থান : **সীমা শ্রী ব্লক রুম, হোটেল রাজমহি সিপা শ্রী, কাকরাইল, ঢাকা।**

তারিখ : **মার্চ - ০৮, ২০০৬**

PHOTO: RUPALI BANK

Chairman of Rupali Bank Ltd Md Shafiqul Islam speaks at the bank's 'Zonal Heads & Heads of Corporate Branches Conference-2006' on Wednesday in Dhaka. Directors, managing director and other senior officials are also seen.

STOCK