

Dutch-Bangla Bank Ltd recommends 25pc dividend

The board of directors of Dutch-Bangla Bank Ltd yesterday recommended a 25 percent cash dividend for the year 2005, says a press release.

The recommendation will be placed before the 10th annual general meeting (AGM) of the bank to be held on April 30.

The bank earned an operating profit of Tk 939.58 million in 2005, while net profit before tax was Tk 687.82 million, the press release added.

Oil prices continue lower in Asian trade

AFP, Singapore

Oil prices in Asian trade continued lower to test the key 60 dollar support level Tuesday as expectations of a build in US crude stockpiles this week depressed prices further, dealers said.

At 11:13 am (0313 GMT) New York's main contract, light sweet crude for delivery in April, was down 42 cents to 60 dollars a barrel from its close of 60.42 dollars in the United States on Monday.

Crude futures closed sharply lower in New York Monday, losing more than two dollars despite fresh unrest in Nigeria, Africa's largest crude producer.

"The fundamentals are bearish (negative for prices) and I guess this is the only explanation for the sharp losses we saw (Monday)," said Dariusz Kowalczyk a Hong Kong-based senior investment strategist with CFC Seymour.

Last week US crude inventories rose 4.8 million barrels in the week to March 10 to stand at 339.9 million -- the highest level since April 1999.

Office bearers of ICAB's Dhaka regional body



Chairman Secretary

Md Anisur Rahman and Harun-ur-Rashid have been elected chairman and secretary of the Dhaka Regional Committee (DRC) of Institute of Chartered Accountants of Bangladesh (ICAB).

The new office bearers were elected at the annual general meeting, presided over by Raghib Ahsan, the outgoing president of DRC.

Anisur Rahman is deputy manager (accounts and MIS) of Bangladesh Consumer Supplies Company Ltd.

Harun-ur-Rashid is controller of accounts, audit and share of Quasem Group, Dhaka.

Other members of the DRC are Raghib Ahsan, Md Abdul Momen Khan Lohani and Md Shahadat Hossain.

i-mobile TV 901 set hits local market by May

i-mobile international, a Thailand-based mobile set manufacturer, is going to launch its 'i-mobile TV 901' handset in Bangladesh market by May, officials announced yesterday in Dhaka.

Customers of i-mobile TV 901 will get e-lifest le facilities including TV tuner, MP3 player, video and digital camera, says a press release.

Maple International Ltd, a local marketing company, will market the handsets. Maple International Ltd Managing Director Shawkat Azim, i-infomedia Managing Director Tarique Sujat and i-mobile international's regional manager were also present the function, organised on the sidelines of Thai Trade Fair at Bashundhara City shopping mall.

Bank holiday March 26

UNB, Dhaka

Bangladesh Bank and all scheduled banks will remain closed on Sunday (March 26) on the occasion of Independence and National Day, said a press release.

Call money rate jumps to 43pc

STAR BUSINESS REPORT

When the foreign exchange market seems to be stable, interest rate in call money market has started rising as the rate jumped to 43 percent yesterday from the previous day's 30 percent.

The rate ranged between 8 percent and 12 percent in recent past. It however began rising from this week.

Banking sources said in the last couple of days the central bank withdrew a large amount of money -- Tk 980 crore on Sunday and Tk 488

crore on Monday -- through reverse repo. While the banks yesterday demanded about Tk 700 crore through repo from the BB, but the central bank did not respond to this demand, causing liquidity crisis, the sources added.

The sources also said as the dollar market is rather stable now, many of the banks are holding dollars in their reserves.

The nationalised commercial banks are major players in the money market. But as they are not getting their payments from Bangladesh Petroleum Corporation

(BPC), the banks are suffering from liquidity crisis.

BPC owes about Tk 6,000 crore to Sonali Bank. But the BPC has not been making payment since December last year, forcing the cash-hungry Sonali Bank to borrow money from the call money market. Sonali Bank yesterday borrowed about Tk 110 crore.

BPC also owes about Tk 5,000 crore to Agrani and Janata banks.

Dollar was selling at Tk 72.35 in case of opening Letter of Credit (LC) and Tk 69.15 in the inter-bank foreign exchange market yesterday.

Joint ventures can cut Dhaka-Bangkok trade imbalance

Seminar observes

STAR BUSINESS REPORT

Business leaders and policy makers of Thailand and Bangladesh have underscored the need for taking steps to form joint venture projects to reduce growing trade imbalance between the two countries.

Bangladesh has been suffering from a persistent trade imbalance with Thailand although the total bilateral trade volume has been increasing every year, they noted at a seminar.

The Export Promotion Bureau (EPB) and Bangladesh-Thai Chamber of Commerce and Industry (BTCCI) organised the seminar on 'How to Effectively Export to Thailand' at conference hall of Bangladesh Institute of International and Strategic Studies (BISS) in Dhaka.

Speaking at the seminar, Altaf Hossain Choudhury, commerce minister, said Bangladesh's trade deficit rose to \$215.21 million in 2004-05 from \$171.94 million in 2000-01.

The demand for consumer products has increased significantly in Bangladesh due to the initiatives taken by Thai business community

in promoting their products, which caused the trade imbalance in favour of Thailand, he mentioned.

He said, "Many new products are not on the duty free list offered by Thailand, but we can pursue the matter with the Thai government to consider these items for duty free access."

Thailand has been able to develop its economy at a steady pace and has now achieved the per capita income at US\$8,300, Altaf said, adding that its exports have risen to \$105.8 billion from the beginning of this millennium.

Suphat Chitranukroh, Thai ambassador in Dhaka, hoped it will be possible to increase Bangladesh export to Thailand to \$150 million in the next two years as efforts are on to improve cargo facility.

He urged Bangladeshi entrepreneurs to establish joint venture projects with the Thai business people.

Dr Surapong Ambhanwong, advisor to Thai Bangladesh Business Council (TBBC), said a bilateral free trade deal may help Bangladesh to increase its export to Thailand.

He urged Bangladeshi entrepre-

neurs to take special privilege of export quota.

In his keynote presentation, AHM Moazzem Hossain, editor of The Financial Express, said while the operational framework for widening bilateral cooperation between Bangladesh and Thailand does already exist, the result-oriented actions are still awaited.

Mingpant Chaya, president of TBBC, urged Bangladeshi exporters to be more aggressive in the Thai market.

Rashed Maksud Khan, president of BTCCI, said EPB and BTCCI will organise a single country trade fair in Bangkok in October.

He requested local manufacturers and exporters to participate in the fair for pursuing the Thai traders to import in large volume.

EPB Vice-Chairman Mir Shahabuddin Mohammad said Bangladesh is now exporting 72 items in the Thai market and many of them are new.

Bangladesh can be a springboard for Thai entrepreneurs who can invest here and export to other countries, he felt.



Officials pose for photographs at a function in Dhaka yesterday to announce the launch of 'i-mobile TV 901' handset in Bangladesh.

INNOVATIVE FINANCING FOR DEVELOPMENT

France to impose solidarity levy on air tickets from July 1

STAR BUSINESS REPORT

France will impose international solidarity levy on air tickets from July 1, 2006 to generate 200 million euros annually in a bid to increase its contribution to official development assistance for developing countries.

"We all know that the millennium development goals (MDGs) of 2015 will not be achieved in many developing countries through the present level of the traditional aid flows," Jacques-Andre Costilhes, French ambassador in Dhaka, told newsmen at his residence on Monday.

New ideas and new instruments are therefore needed so that official development assistance (ODA) is increased and does not fluctuate, he said, adding what is needed is additional, stable and predictable new resources for ODA. Brainstorming on the matter

initiated by France in 2003 has gained momentum and earned support from many, including in Bangladesh, Costilhes said. "But poverty does not wait, so it is urgent to go ahead."

The first step can be an international solidarity levy on air tickets based on a small contribution levied on plane tickets issued to passengers departing from participating countries, he explained.

"With this new initiative, it is expected up to 200 million euros per year in France alone," Costilhes said.

France particularly welcomed the decision of Bangladesh, which was already amongst the 79 countries which signed the Declaration on Innovative Sources of Financing for Development in September 2005 in New York, to become a member of the Leading Group on Solidarity Levies to fund develop-

ment created during this conference.

"Bangladesh is obviously directly concerned," he noted. In order to generate the significant amounts needed to reach the MDGs, it is important that as many countries as possible participate in this initiative.

The international ministerial conference on 'Innovative Financing for Development' held in Paris on February 28 and March 1, 2006, which was inaugurated by French President Jacques Chirac, worked towards that goal.

The conference marked a new step towards rallying the support of the international community for innovative financing for development, Costilhes said mentioning that Bangladesh health and family welfare minister also attended the conference.

Toyota launches Yaris car

STAR BUSINESS REPORT

Toyota, the world's leading car maker, yesterday introduced a new generation car, Yaris, in local market.

Toyota Yaris, built of 1300cc engine with VVT-I (variable valve timing intelligent) technology, is an environment friendly longer wheel-base car with the facilities of power window, power door monitor, wireless door lock, ABS, air bag, electric power steering and air conditioning system.

The car will be available at Tk17.5 lakh, officials of Navana Ltd, the sole distributor of Toyota vehicles in Bangladesh, told a press briefing in Dhaka yesterday.

Toyota Tsusho Corporation General Manager S Ito and Chief Representative in Bangladesh Takeshi Abe, Toyota Motor Corporation General Manager H Sakaguchi and Navana Ltd Director Saiful Islam Shumon were present at the press briefing.

ADB to double investments in Asia water projects

AFP, Mexico City

The Asian Development Bank (ADB) intends to double annual investment in Asian water projects to two billion dollars over the next five years, a senior ADB official said here Monday.

"The Pacific region really needs this program, there are as many underserved people in China as in the whole of Africa," ADB vice president, Geert van der Linden, told a press conference.

Van der Linden said ADB investment would help provide drinking water to 200 million people, improve water irrigation and drainage to some 40 million others and reduce the risks of floods which could threaten some 100 million people in the Asia Pacific region.

The investments are likely to focus on China, India, Indonesia, Pakistan and Vietnam.

The "Water Financement Programme (WFP)" will also mobilize co-financing and additional investment from governments, the private sector and multi and bilateral partners," said Wout Lincklaen Arriens, an ADB water resources specialist.

"An initial target of 100 million dollars in bilateral grants has been proposed to support the implementation of the WFP," Arriens said.

Some 700 million people across Asia Pacific did not have access to quality water in 2002, according to UN estimates.

Indian central bank appoints panel to prepare rupee float

AFP, New Delhi

India's central bank has appointed an expert panel to create a fully convertible rupee, a move which is expected to boost much needed foreign investment in the fast growing economy.

The statement by the Reserve Bank of India late Monday came after the country's Finance Minister Palaniappan Chidambaram told business leaders the central bank will take steps on floating the rupee in the next few days.

"Given the changes that have taken place over the last two decades ... there is merit in moving towards fuller capital account convertibility within a transparent framework," the bank said in a statement posted on its website.

"There is, thus, a need to revisit the subject and come out with a roadmap towards fuller Capital Account Convertibility based on current realities."

The six-member committee will submit a framework by end-July after exploring the implications of a rupee float on monetary and exchange rate management, the financial markets and the financial system.

The rupee, which currently trades at almost 45 to the dollar, is now convertible on the current account which allows companies and individuals to buy foreign currencies for offshore goods and services.

First Safta ministerial meet likely in Dhaka next month

UNB, Dhaka

The first meeting of Safta Ministerial Council of Commerce Ministers is proposed to be held here on April 20 to take measures for making operational the South Asian Free Trade Area that has been given legal effect since this January.

For the council meeting the spade-work will be done by the Safta Committee of Experts (COE), meeting on April 18-19.

The Ministry of Foreign Affairs has requested the member-states of the South Asian Free Trade Area

(Safta) to confirm their participation with composition of their respective delegation by March 27.

Officials said the ministry has served the request letter, for the second time, to all Bangladesh Missions in Saarc capitals and all Saarc diplomatic missions in Dhaka, seeking their confirmation.

They said India, the Maldives and Bhutan have already confirmed their participation, responding to the first call having March 10 deadline.

"The meeting is to take stock of the progress in implementation of Safta," a senior official told the news

agency yesterday. Although Pakistan has not yet ratified the agreement, it became effective since January 1st this year while tariff concessions under the agreement are scheduled to be effective from July 1.

Besides the stocktaking of progress, the officials said, other regional trade-related issues, including arbitration council, promotion and protection of investment, and customs cooperation would also be discussed at the meeting.



Officials of Toyota and Navana Ltd are seen with the newly launched Toyota Yaris car in Dhaka yesterday.

Nitol Motors, Indian firm to set up tractor plant in Bangladesh

OUR CORRESPONDENT, New Delhi

Nitol Motors Limited of Bangladesh and Escorts India Ltd of India yesterday signed a memorandum of understanding (MoU) to set up a joint venture tractor manufacturing facility in Bangladesh at a cost of US\$10 million.

After signing the MoU here, Abdul Matlub Ahmad of Nitol Motors, a concern of Nitol-Niloy Group, said the plant, to be set up in Kishoreganj, will go into production by the end of this year and the majority of the share in the project will be held by his company.

He said 1,000 tractors will be manufactured in the first year of production, which is 50 percent of the total demand in Bangladesh.

Later, the production capacity will be upgraded as there is a plan to export the tractors manufactured in Bangladesh to Myanmar and north-eastern Indian states.

Nitol-Niloy Group's deal with Escorts will be the fourth joint venture with Indian companies. Earlier, Nitol-Niloy signed deals with Tatas, Birlas and Woplast for automobile, cement and plastic projects.

Google launches financial news

REUTERS, San Francisco

Google Inc. is introducing a financial news, stock quote and chat service that seeks to shake up the online finance information market now dominated by Internet media rivals and online brokers.

The Web search leader said late on Monday that it has begun offering a trial version of the service called Google Finance that uses a keyword search system to help consumers target information on public and private companies and mutual funds.

Google Finance primarily provides financial news, stock quotes, charts and data. In its trial form, the site is far less comprehensive than established financial sites such as those from Yahoo Inc., Microsoft Corp.'s MSN, America Online's Money & Finance and TheStreet.com.

However, it is not fully convertible on the capital account, which includes fund and investment flows that are now restricted.

India had earlier abandoned a move towards a fully floating rupee after the Asian financial crisis in 1996-97.

Citing foreign currency reserves of more than 144 billion dollars, Chidambaram said allowing the currency to trade freely would enable easier repatriation of earnings and so boost foreign investment.

Analysts say the move would make it easier for foreign funds to invest here which would help India bridge chronic budget deficits and lead to lower inflation as competition increased.

India's economy is expected to grow 8.1 percent in the year ending March 31, up from 7.5 percent the previous year, with foreign direct investment (FDI) put at around 7.0 billion dollars.

In 2005, India notched a record 10.7 billion dollars in foreign portfolio investment, mainly in its stock market, and has chalked up 3.4 billion dollars in new investments since the start of 2006.

India's exports are, however, hindered because the country needs a massive infusion of FDI to build ports, roads, power plants and other infrastructure.