

Rupali Bank 'road show' today in Dhaka to woo buyers

3 local firms show interest to buy the state-run bank

REJAUL KARIM BYRON

Three local companies have expressed interest to purchase Rupali Bank as the Privatisation Commission holds a 'road show' in Dhaka today to woo potential buyers of the bank.

In the 'road show', the Privatisation Commission will describe the present status of the state-run bank, the government's role in sale process, and the banking and financial system in Bangladesh.

The three local companies likely to show their formal interests in the 'road show' include Industrial and Infrastructure Development Finance Company Limited (IIDFC),

Paradise Cables Ltd and A & A Investment Limited.

Abdul Awal Mintoo of A & A Investment and M Matiul Islam of IIDFC will represent their companies in the 'road show' in Privatisation Commission headquarters.

Sources at the Privatisation Commission said a UK-Bangladesh joint venture, JJ Finance, which participated in the London 'road show', is trying to buy Rupali Bank. An MP from the BNP is involved with the joint venture.

Buyers including foreigners and locals will have to submit their detail proposals to buy the bank by April 9. The commission held 'road shows' in Mumbai, Karachi, Kuala

Lumpur, Dubai and London from March 13 to 25 to find prospective buyers for the bank. Commission Chairman Enam Ahmed Chowdhury led the delegation at the 'road shows'.

Around 15 buyers showed interest in buying the bank. They include Alliance Bank, Malaysia, Melewar Group Berhad, Malaysia, United Bank Ltd of Pakistan, India's ICICI Bank, Sabre Capital Ltd and State Bank of India, Prince Bandar of Saudi Arabia, Muscat Finance Limited of Oman and JJ Finance, UK/Bangladesh.

Enam Ahmed Chowdhury yesterday said the 'road shows' achieved huge success as it helped build confidence in prospective

buyers about the bank.

According to the commission plan, the government is working out the privatisation process to complete it by September through signing sale and purchase agreement.

The prospective buyers will have to collect tender documents between April 30 and May 4 by depositing non-refundable \$ 2,000.

As per the privatisation timetable, the buyers will have to submit tender proposals with a deposit of \$100,000 by July 6.

The Privatisation Commission will announce the selected bidder on August 31.

SEC warns five firms

STAR BUSINESS REPORT

The Securities and Exchange Commission (SEC) yesterday warned five companies for non-compliance of various securities rules, official sources said.

The SEC issued the warning letters to Al-Amin Chemical Industries Ltd, Beach Hatchery Ltd, Eagle Star Textile Mills Ltd, Himadri Ltd and Bangladesh Thai Aluminium Ltd.

AL-Amin Chemical and Beach Hatchery warned for not distributing dividends in due time to the shareholders while Bangladesh Thai Aluminium warned for not submitting half yearly financial statements to the SEC in time.

Besides, Himadri warned for not mentioning book closure date as a pricing sensitive issue in the annual general meeting report, which was submitted to the commission, while Eagle Star Textile warned for not submitting unedited audio-visual recording of annual general meetings for the year 2001, 2002, 2003 and 2004 to the SEC.

Central bank continues withdrawing money

Call money rate hits 38pc

STAR BUSINESS REPORT

Bangladesh Bank (BB) continued withdrawing money from the market through reverse Repo (repurchase agreement) as it received Tk 1,271 crore yesterday, although the banks were facing liquidity crisis.

The central bank sources said the BB withdrew the amount yesterday from a nationalised commercial bank (NCB) as a security against an overdraft in dollar. The overdraft was issued to the NCB to import petroleum products.

BB withdrew Tk 444 crore from the cash-starved market through reverse Repo on Thursday.

Meanwhile, call money rate hit highest 38 percent yesterday. However, banking sources said the

central bank made indirect interventions to keep the call money rate lower.

The inter-bank call money rate on Thursday skyrocketed to an all-time high of 150 percent, forcing the BB to ride roughshod over its own norms and enforce a 40 percent rate cap for the day to stabilise the volatile market, warning the banks of punishment if the cap was violated.

According to BB's Major Economic Indicators: Monthly Update (March edition), excess liquidity of the scheduled banks stood at Tk 5,536.69 crore at the end of January 2006 compared to Tk 10,941.61 crore at the end of June 2005.

Sources in banks said the

excess liquidity dropped further in the recent times.

Usually, the call money rate does not exceed 10 percent. But, as the BB since early March has more frequently been using reverse Repo to withdraw money from the market, a liquidity crisis emerged, pushing the call money rate up to a range between 15 and 40 percent in the recent days.

Bankers said present trend of facing liquidity crunch will not go shortly rather it will linger.

Central bank officials explained the money market is being dried up as part of a tight monetary policy to check the rising inflation and lessen pressure on balance of payment.

Single country knit expo in Germany in June

UNB, Dhaka

A single country exposition of Bangladeshi knitwear products will be held in Germany in June next, aiming at making the knitwear export base in the European country wider.

Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) is organising the fair as part of its drive to cross US\$ 1 billion mark in export earning from the single largest destination by the next fiscal year.

The three-day fair will begin June 7, sources in the BKMEA said. The date of the fair has been deferred twice due to unavoidable circumstances.

Earlier it was scheduled for March and rescheduled for May.



PHOTO: BJSA

Textiles and Jute Minister Shajahan Siraj (2nd from left) speaks at the 27th annual general meeting of the Bangladesh Jute Spinners Association (BJSA) held in Dhaka on Wednesday. BJSA Chairman Shabbir Yusuf (2nd from right) and Secretary Shahidul Karim (left) are also seen.

Five-day fair of cyber services to start April 25

STAR BUSINESS REPORT

A five-day fair of cyber services will begin on April 25 at Bhashani Novo Theatre in Dhaka.

A total of 100 local companies apart from some foreign firms will participate in the fair to exhibit solution and services through internet.

Web developers, job portals, BPO companies, mobile content developers, mobile operators, ICT education institutions, application developers, business portals, internet service providers and ICT consultants will showcase their products and services in the fair.

Cyber Café Owners Association of Bangladesh (CCOAB) is organising the show in association with the Ministry of Science and Information and Communication Technology.

Bangladesh Computer Samity (BCS), Bangladesh Association of Software and Information Services (Basis), Internet Service Provider Association of Bangladesh (ISPBA) and Bangladesh Computer Society (BCS) are the co-organisers of the fair.

The fair will remain open from 10am to 9pm every day. Entry fee of the fair has been fixed at Tk 10.

Entrepreneurs fair starts at NSU

A two-day entrepreneurs fair began in North South University (NSU) premises in Dhaka yesterday.

NSU Foundation Chairman Iftekharul Alam and Concord Group Chairman SM Kamaluddin, also a member of NSU Foundation, jointly inaugurated the NSU Entrepreneurs Fair 2006, organised by the Young Entrepreneurs Society of NSU, says a press release.

A total of 17 student entrepreneurs are participating in the fair, which remains open from 10:30am to 6:00pm until today.

NSU Vice-chancellor Dr Hafiz GA Siddiqi, Pro Vice-chancellor Dr SAM Khairul Bashar and Dean Dr ANM Meshquat Uddin were also present at the inaugural function.

Fair & Lovely cream safe for use: Unilever

Unilever Bangladesh Limited, the manufacturer of the Fair & Lovely brand skin cream, has said Fair & Lovely does not contain any quantity of hydroquinone or steroids in any form whatsoever and all the ingredients contained in the cream are absolutely safe for its intended use, says a press release.

The company release came following a press report that implies that Fair & Lovely contains unsafe and harmful ingredients such as hydroquinone or steroids, leading to skin disorders.

Unilever Bangladesh also said Fair & Lovely's formulation contains a unique fairness system that combines its active ingredient, Niacinamide with sunscreens.

It is a patented formulation and has been in the market for over 25 years, added the release.

PROPOSALS FOR CO-OP IN JOINT VENTURES

Regional grouping to form expert groups

PALLAB BHATTACHARYA, New Delhi

The Forum for Regional Economic Cooperation among Bangladesh, China, India and Myanmar (BCIM) has decided to form expert groups to draw up its proposals for cooperation in joint ventures based on value addition, transport connectivity, investment policies and facilitation of cross-border formalities and transit trade.

"These proposals can be submitted to governments and other authorities for consideration where necessary. It was emphasised that urgent attention to transport connectivity was crucial for the economic exchanges," a statement issued by the Track Two grouping of foreign policy think-tanks of the four countries at the end of their sixth three-day meeting here said.

Agreeing to expanding cooperation in a calibrated manner, the BCIM grouping suggested concerned institutions in the four countries cooperate with one another in a working group to prepare a feasibility study of multi-modal transport links from Kunming in China to Kolkata in India through Bangladesh and Myanmar for consideration by governments.

Multinational financial institutions could be approached for the multi-modal transport links, the statement said. It also proposed improved air links between the four countries by introducing flights between Dhaka, Guwahati, Kolkata, Kunming and Mandalay (Myanmar) as well as other cities of the region.

It was agreed that the lead

country for each subject would change every two years. For the next meeting, Bangladesh will be responsible for trade, Myanmar for tourism, India for organization and China for transport, it said.

According to the statement, each country shall designate a liaison institution and a specific liaison officer to ensure effective implementation of the suggestions made in the statement. Such details are to be communicated by the four sides within two months from March 31 it added.

Noting there was abundant potential for development of tourism sector in the four countries, the statement said specific steps should be planned to make this known to tourists and tour and travel operators in Bangladesh, India, China and Myanmar. The Indian side to arrange a meeting of four operations in the region, it added.

The Forum agreed to organise a car rally from Kunming to Kolkata in the next one year and the lead in this regard will be taken by the Chinese side. Member-countries of the grouping decided to help secure necessary clearance and requisite support from governments and other organizations.

Bangladesh will host the next meeting of the BCIM, according to the statement.

The Centre for Policy Research in India, the Centre for Policy Dialogue in Dhaka and the Institute for Chinese Studies are among the members of the BCIM.

China's GDP growth to lose marginal momentum in 2006

CEIS, Beijing

China's economy will lose momentum marginally, with the gross domestic product (GDP) projected to grow at a rate of about 8 percent in 2006, according to the Economic and Social Commission for Asia and the Pacific (ESCAP).

ESCAP predicted in its Economic and Social Survey of Asia and the Pacific 2006, which was published on March 30, that robust growth in China has been sustained by three broad factors: surging net exports, domestic investment and, increasingly, domestic consumption.

The survey said that China's export growth is expected to taper off slightly in 2006. Electronics exports are likely to maintain their recovery, which began late in 2005. Textile and clothing exports will be constrained by limits agreed with the United States and the European Union.

According to the survey, the 2.1 percent revaluation of renminbi against US dollar last year could theoretically hurt China's exports, employment and GDP growth, but any negative impact is likely to be negligible in view of the strong competitive advantage China enjoys.

Owing to China's progressively market-based financial system and the increased autonomy enjoyed by companies and local authorities, investment demand, whether for real estate or manufacturing, could continue to increase in 2006 despite administrative controls, said the survey.

China's industrial sector has undergone a massive transformation in the recent past.

DHL expands time definite delivery service

DHL, a world leading express and logistics company, yesterday expanded the geographical reach of its time definite delivery (TDD) service to include Bangladesh.

It will help customers in Bangladesh to send their urgent, time-sensitive documents and parcels to 156 cities in 34 countries in Asia Pacific, Europe and the Middle East, says a press release.

TDD comprises StartDay Express and MidDay Express, which offer customers the latest possible collection times for pre-noon and pre-noon deliveries on the next day of the day after, depending on the destinations.

Scandent Solutions launches SWIFT Service Bureau

Scandent Solutions, a broad-based IT and BPO (business process outsourcing) services company, has commissioned the first-ever 'SWIFT Service Bureau' for the Saarc region with the approval from the board of directors of SWIFT, Belgium.

The service bureau has evinced interest from SWIFT users (banks and securities houses) in Saarc and is already live with banks spread over five countries in the region including Bangladesh, says a press release.

SWIFT Service Bureau services is being sold in Bangladesh through a local IT company Syscom Information Systems Limited, which has been appointed by Scandent Solutions as its local business partner.

Scandent Solutions is a business and service partner for SWIFT (Society for Worldwide Interbank Financial Telecommunication) in South Asia including Bangladesh and has been providing sales, support and education services for SWIFT products to over 150 banks in the region since 1997.

Charles Legrand, regional head of SWIFT, UK, along with Arun Tiwari, assistant vice-president-SWIFT, and Sharath Nair, assistant account manager-SWIFT of Scandent Solutions, recently visited Bangladesh to meet SWIFT user banks in Bangladesh.

KL faces tough task to achieve developed status by 2020

AFP, Kuala Lumpur

Malaysia has a difficult task in achieving its goal of becoming a developed nation by 2020, in the face of a continuing divide between its rich and poor, and inequality between the races, experts say.

Prime Minister Abdullah Ahmad Badawi on Friday unveiled a new five-year development plan worth 54 billion dollars aimed at tackling poverty and spurring economic growth.

The Ninth Malaysia Plan targets economic growth of 6.0 percent until 2010 and is aimed at succeeding where eight others have failed -- to bridge a chasm between rich urbanites and poor rural villagers.

"It'll be a tough one. It's not going to be a smooth ride," warned AmSecurities economist Suhaimi Said.

"At the end of the day it's all about managing human capital, and also equitable distribution of opportunity, which is not happening at the moment," he said.

The government-linked New Straits Times newspaper predicted

on Saturday that the final 15 years leading up to 2020 "may turn out to be the toughest race Malaysians will ever run."

While Kuala Lumpur and other major cities are enjoying the fruits of development, Abdullah admitted that hundreds of rural schools lack even basic facilities such as piped water and electricity.

In a marked shift from previous plans which emphasised infrastructure mega-projects, Abdullah's spending priorities are education and training, to boost Malaysia's competitiveness for fear of losing out to China and India.

"If Malaysia is going to achieve its targets in terms of reducing hardcore poverty and reducing the poverty rate, the focus must be on the rural areas... and on the indigenous communities in Sabah and Sarawak," said United Nations Development Program representative Richard Leete.

"I think there is a firm commitment now not to leave parts of Malaysia behind," he said.

The government also wants to curb the continuing income disparity

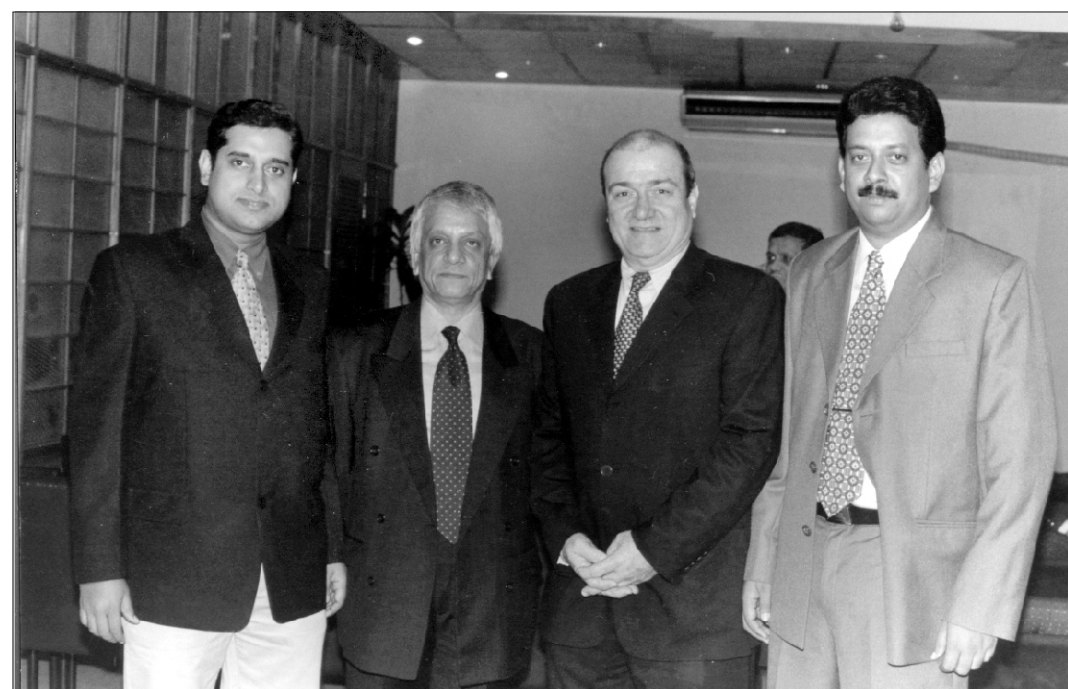
between the majority ethnic Malays and the minority ethnic Chinese who control much of the business sector, as part of its long-running preferential race policy.

Abdullah pointed to 1960s civil strife between Malays and Chinese which he said was the result of "strained relations between different ethnic groups caused by inequitable distribution of the country's economic cake."

"If unaddressed, these disparities can threaten the harmony and stability we enjoy and consequently thwart the country's economic development," he warned.

He introduced new strategies to lift the share of corporate equity held by Malays, known as "bumiputera" or sons of the soil, from 18.9 percent presently to 30 percent by 2020 -- a deadline that has been extended three times.

But there is a growing sense that Malaysia's plan to become the world's first developed Muslim nation by 2020 is unattainable, after economic growth averaged just 4.5 percent between 2001 and 2005,



(From left) Arun Tiwari, assistant vice-president-SWIFT of Scandent Solutions, Shahudul Haque, managing director of Syscom, Charles Legrand, regional head of SWIFT, UK, and Sharath Nair, assistant account manager-SWIFT of Scandent Solutions, pose for photographs during a recent reception for SWIFT user banks in Bangladesh.