

Prime Finance approves 30pc stock dividend

Prime Finance and Investment Limited has approved 30 per cent stock dividend for its shareholders of the company.

The dividend was approved at the 10th annual general meeting of company in Dhaka recently, says a press release.

The meeting, presided over by Chairman of the company Md Aminul Haque, was informed that the company enjoyed 32.93 per cent profit growth over the last year while total investment of the company stood at Tk2.6 billion in the fiscal 2005 as against Tk2.2 billion in the fiscal 2004, showing an increase of 21.66 per cent. Besides, earning per share increased to Tk48.10 in 2005 as against Tk40 of the previous year.

Among others, members of the Board Muslima Shirin, KM Khaled, Kutubul Alam Chowdhury, Md Aminuzzaman, M Shahadat Hossain Kiron, Md Azizur Rahman and MA Khaleque, Managing Director AKM Nozmul Haque and Deputy Managing Director & Company Secretary Md Akter Hossain Sannamat were present at the meeting.

Emirates SkyCargo number 1 in German market

Emirates SkyCargo has been ranked as the top carrier on the German market, a study revealed.

The Aircargo Performance Study, conducted by German market research institute Emnid, surveyed 240 German air cargo forwarders on 55 leading international cargo airlines operating in Germany and ranked Emirates SkyCargo number 1, says a press release.

The results of the survey were published in early April by Logistic Inside, the leading trade publication for the logistics industry in Germany.

Emirates SkyCargo has over three per cent market share in Germany.

ADB volume of operations increases 30pc in 2005

XINHUA, Manila

The Asian Development Bank (ADB) said yesterday the volume of its operations in 2005 increased by 30 percent from the previous year to 7.4 billion US dollars.

The bank cited its Annual Report 2005, expected to be released at its 39th annual meeting scheduled for May 3 to 6 in Hyderabad, India, as saying that 5.8 billion US dollars of loans and grants were approved for 64 projects in 2005, with lending making up 78 percent of total operations.

Grants approved sharply increased from 104.4 million US dollars in 2004 to 1.2 billion in 2005, with almost half the amount from the Asian Tsunami Fund and another 80 million US dollars from the Pakistan Earthquake Fund, said ADB.

The 5.8 billion US dollars were divided into 72 loans for 64 projects in the public and private sectors in 2005, with average loan size in 2005 being 81 million US dollars as compared with 66 million US dollars in 2004.

The largest borrower in 2005 was China, which received 1.5 billion US dollars or 26 percent of the total, followed by Indonesia with 1.1 billion US dollars and Pakistan with 776 million US dollars, said ADB.

China's fixed asset investment up in Q1

AFP, Beijing

China's fixed asset investment increased 27.7 percent in the first three months of the year compared with the same period in 2005, state media said Wednesday.

The Securities Times newspaper, which reported the figure, gave no further details and did not provide a source.

This first quarter figure compares with growth of 22.8 percent in the first quarter of last year.

The newspaper cited unnamed experts as saying that based on the first-quarter figures announced so far, there were signs of overheating, with some suggesting it is time for measures to rein in the economy.

CLOSED CHITTAGONG STEEL MILLS SITE

Proposals for setting up steel plant rejected

JASIM UDDIN KHAN

A high-powered government committee has found unacceptable the proposals of three Chittagong-based steel industrial groups to establish a basic steel plant at the site of now-closed Chittagong Steel Mills.

The committee headed by Board of Investment (BoI) Executive Chairman Mahmudur Rahman examined the proposals and found them unjustified as Bangladesh Export Processing Zones Authority (Bepza) is establishing a full-fledged export processing zone at the site named Karnaphuli EPZ.

The steel industrial groups are Abul Khaer Group, PHP Group and Integral Industries Limited. They gave proposals separately to build a modern steel mill on 150 acres of land with an investment of \$1 billion.

Later, Abul Khaer Group and PHP

Group in two separate presentations described their plans but the Integral Industries did not participate in the presentation.

The committee finalised its report and placed it before the prime minister for her approval.

The report said a basic steel plant is essential for the development of the country and if investors want to establish such a plant the government should give support.

The report said the proposed steel plant requires a direct link with the Karnaphuli river to transport its raw materials but establishing a link is not possible as a cement factory is situated near the site.

It also said the Karnaphuli EPZ has already developed 100 plots.

The committee asked Abul Khaer group to set up a similar plant at Mongla but it refused the proposal.

Karnaphuli EPZ is the eighth

exclusive industrial zone in the country sprawling over 222.42 acres of land.

It is projected to receive an investment of Tk 360 crore and has an annual export target of Tk 250 crore.

The new EPZ will create employment opportunities for nearly 50,000 people.

Earlier in February 2005, Bangladesh Steel and Engineering Corporation handed over 74 acres of land of Chittagong Steel Mills to Bepza.

It handed over the remaining 148.42 acres of land to Bepza in December 2005.

The state-owned Chittagong Steel Mills was closed in 1999, as it was a losing concern.

Provide SMEs with access to finance

BB governor urges banks

UNB, Dhaka

Bangladesh Bank Governor Salehuddin Ahmed has urged commercial banks and other financial institutions to provide small and medium enterprises (SMEs) with access to finance for generating more employment.

"In a country like Bangladesh, creation of employment is more important and SMEs hold the potential to generate job opportunities," he said at a roundtable at the Bangladesh Bank conference room yesterday.

SME Cell of the industries ministry organised the roundtable on "SME Access to Finance" with the chairman of SME advisory panel Abdul Mueyed Chowdhury in the chair.

Deputy Governor of Bangladesh Bank Mohammad A Rumi Ali was the special guest at the roundtable,

where senior bankers, businessmen and officials of the industries ministry were also present.

Salehuddin said the process of access to finance should be quick. "If project preparation takes six months and sanctioning of loan another six months, then the SMEs could not afford the lengthy procedural system," he added.

The central bank governor urged the banks and other financial institutions to provide the SMEs with financial support "not evaluating the balance sheet, rather evaluating the cash flow and income index."

"You may also evaluate four things -- employment generation, profitability, market linkage and sustainability -- before sanctioning loans to the SMEs," he said.

Salehuddin said the policy makers of the country are also concerned over the poor funding to the SMEs.

There are 49 commercial banks and 28 other financial institutions in the country, he said, alleging some of them respond to funding the SMEs while others do not.

He underscored the need for creating more employment opportunities to achieve the targets set in the Poverty Reduction Strategy Paper (PRSP).

Abdul Mueyed Chowdhury alleged financing is not reaching the actual fund-hungry SMEs where it is most needed.

"Trading sector enjoys preference from the banking sector in terms of getting financial support, but it should be changed," he said adding that the SME sector can contribute more than the trading sector in generating employment opportunities.



A 10-member newly elected executive committee of Metropolitan Chamber of Commerce and Industry (MCCI) led by its President Latifur Rahman makes a courtesy call on Prime Minister Khaleda Zia at her office yesterday.

GP promotional tariff from today

GrameenPhone (GP) Ltd offers a special promotional tariff for its different products from today. It will be the lowest call charge ever offered in the mobile phone market of Bangladesh.

Under the offer, GP subscribers will enjoy a reduced tariff of Tk0.80 per minute while calling to My Easy, U&I and Friends & Family numbers. The promotional tariff will remain effective until June 20, says a press release.

Currently the tariffs for calling My Easy, U&I and Friends & Family numbers ranges from Tk1.5 to Tk3 per minute. However, during the promotional offer period, the call charge to these special pre-selected GP numbers will be only Tk0.80 per minute.

My Easy is one special GP number selected by the GP Easy pre-paid users to call at reduced tariff all day. U&I is one special GP or djuice number selected by the djuice users to call at reduced tariff all day. GP Post-paid subscribers can use the Friends and Family feature to select any three GP numbers which they can call at a reduced tariff.

Indian FDI jumps 41.5pc in 2005-06

AFP, New Delhi

Foreign direct investment in India leapt 41.5 percent in the financial year 2005-06, figures released Wednesday showed, but the sum was paltry compared with funds pumped into giant neighbour China.

Foreign direct investment (FDI) rose to 7.5 billion dollars in the 12 months ended March 2006 from 5.3 billion dollars a year earlier, Trade Minister Kamal Nath announced.

In contrast, China drew 60.3 billion dollars in FDI during calendar year 2005 and 14.25 billion in the first three months of 2006, according to figures released by its commerce ministry earlier this month.

Nath said, however, that further loosening of investment policy should boost foreign investment flows into India whose economy is growing at around eight percent, making it the second-fastest growing major economy in the world after China's.

Inflows during the fiscal year to March 2007 were expected to cross 10 billion, he said in a statement.

"Liberalisation of FDI policy is expected to attract large FDI inflows in development of infrastructure ... greenfield investment in manufacturing and in projects having potential for creating employment opportunities," he said.

India launched market reforms in 1991 but their implementation has been chequered.

India's communists, who offer crucial outside support to the Congress-led government, bitterly oppose foreign investment in the retail sector and oppose raising caps on foreign investment in areas such as insurance and banking.

A government document released earlier this year said India has the potential to absorb 150 billion dollars in FDI by 2010 in the infrastructure sector alone.

The meeting on how to deal with Iran's nuclear ambitions involves diplomats from United States, Russia, China, France and Britain and Germany, Canada joined the meeting Wednesday.

Digital divide creating imbalance in society

Policymakers say

STAR BUSINESS REPORT

Top policy makers yesterday termed digital divide dangerous for the country, saying it is creating imbalance in the society.

"Digital divide is already existing in Bangladesh and widening very fast. Majority of the people do not have access to computer and education...it is very dangerous," said Dr Kamal Uddin Siddiqui, principal secretary to the prime minister, speaking at a consultation meeting.

It will have an adverse impact on the society in the long run, he felt. "We are a homogeneous society. But lack of access to computer education is going to create imbalance in the society."

The principal secretary termed information and communication technology very important for improving governance and reducing poverty not only in Bangladesh but also the South Asia.

"We must use ICT in improving governance and alleviating poverty," said Kamal Uddin Siddiqui, adding that Bangladesh has problems in the ICT sector, although there have been some progress.

Bangladesh Friendship Education Society (BFES) is hosting the three-day 'The Association for Progressive Communications (APC) Regional Consultation Meeting on ICT Policy in South Asia' at Brac Inn in Dhaka.

Mian Mushtaque Ahmed, secretary of the Ministry of Science and ICT, spoke at the meeting as special guest while Dr Mizanur Rahman Shelly, advisor to BFES and chairperson of the Center for Development Research, Bangladesh, presided over.

Mian Mushtaque said Bangladesh is lagging behind in the ICT sector in many ways, seeking suggestions from the panels participating in the meeting how Bangladesh can reach out rural people in ICT use.

Willie Currie, communications and information policy manager, and Karen Banks, networking and advocacy manager of APC, also spoke at the inaugural session.

SEC awaits govt approval to reform proposals: Chairman

Bss, Chittagong

Chairman of Securities and Exchange Commission (SEC) Faruq Ahmed Siddiqi here yesterday said the SEC is waiting for the government's approval to its key reform proposals seeking real teeth to ensure corporate practice and financial transparency and protect investors' interests.

The SEC chairman said this while inaugurating a two-day training programme for authorised representatives of Chittagong Stock Exchange (CSE) in the CSE conference room.

The main features of the reform proposals include amendments to the 1969 ordinance, increasing the SEC's autonomy and constituting a special bench of the High Court,

Siddiqi told the function.

The commission is also working on revising of the Company Law, establishing auditor's oversight board, setting up a capital market institute and liquidation of delinquent companies, he added.

CSE President AKM Mohiuddin presided over the function while Abbas Uddin Khan addressed the function as the special guest.

AB Siddique, chief executive officer of CSE, Nasiruddin Ahmed Chowdhury, first vice president, AQL Chowdhury, Vice-president and Mirza Salman Isphani, director, among others, spoke at the function.

The new SEC chairman said the market has witnessed a significant improvement in corporate practices with a good number of listed compa-

nies defaulting on holding annual general meeting and submission of audited accounts going down gradually.

The listed companies that failed to hold AGMs and furnish audited accounts numbered 41 and 38 respectively in January 2004, while 24 and 32 in January this year, he said.

"We have brought many necessary changes in the regulation but there are other issues that should be addressed to have a sound capital market," Siddiqi said adding that the country's capital market has achieved remarkable growth in the last couple of years.

SAFTA MINISTERIAL IN DHAKA

India to press for tariff liberalisation

PALLAB BHATTACHARYA, New Delhi

As the Safta ministerial meeting begins in Dhaka tomorrow, India will press for tariff liberalisation programme and removal of restrictions on movement of goods in a bid to kick start the South Asian Free Trade Area (Safra) from July 1.

Minister of State for Commerce Jairam Ramesh, who will head the Indian delegation at the meeting, will also insist on having a select negative list of items meant to

mainly prevent cheap imports of sensitive items while opening up more items for free trade.

Under FTAs the world over, negative list approach is preferred as it throws open more trade opportunities while addressing sensitivities of participating countries.

Negative list under any Free Trade Agreement (FTA) is the list of items on which the tariff liberalisation programme (reduction of tariffs) is not applied.

Pakistan, which ratified the agreement recently, has been keen on the positive list approach, as followed under Saptta, and is yet to

clarify if it would go for negative list in Safta. Pakistan has so far stuck to selective trade liberalisation rather than opening up imports of all items when tariff cuts under Safta come into effect.

India has already mounted efforts to convince Pakistan to liberalise imports and stick to a negative list like all Saarc member-countries.

"We want tariff liberalisation to begin from July and all other import restrictions dismantled. Of course,

each country is free to have a negative list of sensitive items," Ramesh told reporters here on Tuesday.

There should be no artificial restriction on movement of goods, he said.

Ramesh will also hold bilateral meetings with Ministers from the six partner countries Sri Lanka, Pakistan, Bangladesh, Nepal, Bhutan and Maldives.

Oil prices hover around \$71

AFP, Singapore

Oil prices hovered around 71 dollars a barrel in Asian trade Wednesday after hitting record highs overnight on rising fears of a US military strike against Iran over its nuclear program and tighter US gasoline supplies, dealers said.

At 2:25 pm (0625 GMT), New York's main contract of light sweet crude for May delivery, was down 46 cents at 70.89 dollars a barrel from a record settlement price of 71.35 dollars in US trading Tuesday.

Dealers said the dip was part of a short-term correction after the contract hit a peak in intraday New York trade of 71.60 dollars.

"This market is ready to blow," said Tony Nunan, an energy risk manager with Mitsubishi Corp's

international petroleum business in Tokyo.

"It's still way above 70 dollars. Gasoline and geo-political risks are driving the market and they both don't have easy solutions."

"There is so much uncertainty with Iran and the real problem for the market is that Iran's real main weapon is oil and when push comes to shove they will do something about it," Nunan said.

Security analysts say that in case of a conflict, Iran could block the Strait of Hormuz, a strategic chokepoint for oil exports to Japan, the United States and Western Europe.

Nunan forecast prices to reach "around 75 to 80 (dollars) going into the driving season and if there is any sign of a hurricane season, this market is going to panic."

The Atlantic hurricane season runs from June to November, according to the US National Weather Service website. In late August 2005, Hurricane Katrina battered oil production platforms in the US Gulf of Mexico, sending crude prices to their previous record high.

Investors meanwhile are closely watching the outcome of a meeting in Moscow of the major powers which went into its second day Wednesday after failing to reach an agreement Tuesday.

The meeting on how to deal with Iran's nuclear ambitions involves diplomats from United States, Russia, China, France and Britain and Germany, Canada joined the meeting Wednesday.