

NCC Bank to spend 1pc of pre-tax operating profit on social work

STAR BUSINESS REPORT

National Credit and Commerce (NCC) Bank will spend 1 per cent of its pre-tax operating profit each year on social development work.

Chairman of the bank M Wazhullah Bhuiyan announced the decision at a function in Dhaka yesterday to mark the bank's 14th year of operations.

"The objective of the bank is not only to make profits but to serve the society," Bhuiyan said. NCC Bank will form a NCC Bank Foundation for the purpose and the bank will deposit 1 per cent of its profit each year with the foundation, he added.

NCC Bank Foundation will contribute to social activities such as helping the flood-affected people.

The bank's Managing Director Nurul Amin presented the bank's performance at the function. In 2003, the bank made a profit to the tune of Tk 62.49 crore, Tk 72.04 crore in 2004, Tk 101.83 crore in 2005.

Opec says high oil prices begin to bite

AFP, Vienna

Opec cut its estimate for growth of world demand for oil slightly on Wednesday, saying that high oil prices were slowing demand in developed countries although Chinese demand remained dynamic.

Opec also sought to reassure about the availability of supplies, and of spare production capacity.

The Organization of Petroleum Exporting Countries said in a monthly report that world oil demand would grow in 2006 by 1.4 million barrels per day (bpd) or by 1.7 percent to total 84.6 million bpd, a "marginal downward revision" by 60,000 bpd from its previous estimate.

"High oil prices have contributed to a slowing of incremental demand mainly in the Developed Countries, especially for those countries where product subsidies have been reduced," the OPEC report said.

It said "oil demand growth in North America is expected to ease by 200,000 bpd".

Demand growth "is expected to come mainly from China, increasing by 500,000 bpd", the report said.

But despite the slight slowing in the growth in the world's thirst for oil, demand for OPEC oil was expected to average 28.6 million barrels per day (bpd) in 2006, an upward revision of 100,000 bpd in the estimate, the 11-nation cartel said.

OPEC said it expected to increase its overall production capacity to "around 33 million bpd by year-end".

Honda unveils big expansion with new US, Japanese plants

AFP, Tokyo

Honda Motor unveiled plans Wednesday for a big expansion with new factories in Japan and North America to meet record sales as Asian automakers step up the pressure on embattled US rivals.

Honda said it would spend at least 1.34 billion dollars on new plants and development facilities by 2010 to advance its fuel-efficient vehicles which are growing in popularity as high petrol (gasoline) prices dent demand for gas-guzzlers.

The group plans to boost annual global sales to more than 4.5 million automobiles by 2010, up from a record 3.4 million in the financial year just ended, chief executive Takeo Fukui said in a speech.

Honda will build a new plant in Saitama prefecture, just north of Tokyo, at a cost of about 70 billion yen (640 million dollars), he announced.

The new plant with 2,200 workers will begin producing engines and finished automobiles from 2010, lifting Honda's total annual production capacity in Japan to 1.5 million vehicles from 1.3 million previously.

Honda will also renovate an existing plant nearby and build a new research and development center in central Tochigi Prefecture at a cost of some 17 billion yen (155 million dollars).

Gold keeps soaring

21 carat sells at Tk18,300; 22 carat at Tk19,175 a bhoori

KAWSAR KHAN

As gold prices in local market keep soaring, guinea (21 carat) was selling at Tk18,300 and 22 carat at Tk19,175 a bhoori yesterday.

21 carat gold, known as guinea gold, was selling at Tk17,600 and 22 carat at Tk18,475 a bhoori (11.66 grams) last month.

At the same time, Bangladesh Jewellery Manufacturers and Exporters Association (BJMEA) also raised the prices of silver, known as sister metal of gold, by Tk100 a bhoori.

Now silver is selling at Tk550 a bhoori in the local market against Tk450.

Metal prices fluctuate everyday in the world market everyday but we

reshuffle prices of the precious metal from time to time, Anwar Hossain, president of BJMEA, said.

He also attributed the price hike to the volatile world market that has witnessed the highest gold price since 1981.

Gold prices yesterday reached US \$ 716.20 per ounce (31.1 gram) in international market, which is the highest since 1981.

The precious metal is shining because of weakening US dollar as well as high oil prices, jewelers said.

They also said gold is regarded as an alternative investment in times of rising inflation and political uncertainty.

Big economies are also reserving gold as an alternative to US dollar, the jewelers mentioned.

The gold prices have been witnessing continuous rise since the 9/11 incident as many countries especially Gulf states have resorted to gold reserves instead of US dollar, a jewellery shop owner said.

The price of guinea or 21 carat gold was only Tk 6,700 and the price of 22 carat was Tk 7,000 per bhoori in January 2002.

The BJMEA chief said total demand for gold in the domestic market decreased to 30 tons this year from 50 tons in 2001, thanks to high prices.

At the same time, the total workers involved with jewellery industry decreased to 1.5 million from 2 million in 2002-03, the BJMEA chief added.

Asian businesses stoking US economic growth: Poll

AFP, Washington

Asian businesses have emerged as key players in the US economy, chalking up an annual combined revenue of 326 billion dollars, the US Census Bureau said Tuesday.

"The robust revenues of Asian-owned firms and the growth in the number of businesses provide yet another indicator that minority entrepreneurs are at the forefront as engines for growth in our economy," said Census Bureau Director Louis Kincannon.

According to the bureau's latest survey of business owners, the number of Asian businesses jumped 24 percent between 1997 and 2002, "approximately twice the national average for all businesses".

The 1.1 million businesses generated more than 326 billion dollars in revenues, up eight percent from 1997, according to the "Survey of Business Owners: Asian-Owned Firms" released Tuesday.

Nearly half of all Asian firms were Chinese and Indian-owned. Korean firms were the third largest followed by Vietnamese, Filipino and Japanese firms.

India's Oil and Natural Gas signs services deal with Haliburton

AFP, Guwahati

India's state-run Oil and Natural Gas Corp. has hired US-based Haliburton to help boost crude oil output in the rebel-hit state of Assam, the company chairman said Wednesday.

The contract, part of a 25-billion-rupee (555-million-dollar) investment plan by ONGC to upgrade its operations, was signed last week, chairman Subir Raha told AFP in Guwahati.

"Haliburton will be using their skills and technologies to redevelop three main oilfields in Assam and we expect to increase production by about 50 percent in the next three years," Raha said.

ONGC now produces about 1.2 million tonnes annually of crude in Assam, located in northeast India, while Oil India Ltd, another state-run exploration firm, produces about 3.6 million tonnes.

More than 10,000 people have lost their lives in a separatist campaign in the tea and oil-rich state during the past two decades.

The three oilfields, Geleki, Lakwa and Lakhmani, outlined in the contract with Haliburton have stopped yielding oil in recent years after about 40-years of successful operation, Raha said.

"We know the three oilfields still have plenty of reserves and hence the decision to utilize the services of Haliburton to rediscover and optimize production," Raha said.

Assam has over 1.3 billion tonnes of proven crude oil and 156 billion cubic metres of natural gas reserves of which about an estimated 58 percent are yet to be explored, Raha said.

Gas pipelines crucial to global energy supplies

AFP, London

With energy prices riding high and global demand remaining strong, analysts argue that oil and gas producing nations have a key weapon -- the control of pipelines to transport their precious natural resources.

The world's energy producers are rushing to expand their pipe networks to feed the voracious global appetite for gas and petroleum, particularly from emerging economic giants China, India and Brazil.

Exporters favour pipelines to transport gas, while they are used to supply around one-third of global crude supplies -- with two-thirds transported in tankers.

Enormous new gas pipeline projects are currently on the drawing board in South America, Russia, Asia and the Middle East, as exporters scramble to improve access amid limited global supplies.

However, energy producing countries wield considerable political power when choosing which consumer countries to forge alliances with -- and supply with their valuable resources, according to analysts.

The construction of new pipelines can therefore be a bone of contention amongst the international community.

FOREIGN EXCHANGE VOLATILITY

ICC-B urges BB to ensure safeguard mechanism

STAR BUSINESS REPORT

International Chamber of Commerce-Bangladesh (ICC-B) yesterday urged the central bank to ensure adequate safeguard mechanism and adopt sound monetary policy to avoid possible loss from foreign exchange volatility.

Credibility of a central bank depends on keeping both money market and foreign exchange market stable simultaneously, said ICC-B President Mahbubur Rahman.

Rahman was speaking at a two-day workshop on treasury management at Bangladesh-China Friendship Conference Centre organised by the International Chamber of Commerce Bangladesh (ICC-B), according to a press statement.

He advised the businesses to be well acquainted with the ever-changing techniques of dealing operations to interpret and develop trading strategies in money, capital and equity markets.

The ICC-B chief said all business transactions in overseas as well as



Mahbubur Rahman

domestic markets will have some exposure to exchange rate movements either directly or indirectly. Whilst exposure to exchange rate movements may be an inevitable part of everyday activity, the risk arising from such exposure can be also controlled, he said.

To avoid the losses he suggested for a close monitoring, supervision and adequate control mechanism set-up by the management of the respective institution.

Rahman also observed the

commercial banks and other financial institutions are yet to adopt dynamic mechanism for efficient and cost-effective management of assets and liabilities.

He said, "We strongly believe that the central bank has a big role to play to ensure that financial institutions take appropriate mechanism in managing their assets and liabilities."

He suggested forming a high-powered body under the supervision of the regulatory authority comprising of members having proven experience in treasury business.

Prof Syed M Ahsan, World Bank Institute resident economic adviser, Policy Analysis Unit, Bangladesh Bank; David Yap Keng Kiong, vice president, Corporate Sales and Structure, Citigroup NA, Singapore; Mamun Rashid, CEO of Citibank, NA, Bangladesh; Dr Toufic A Chowdhury, professor, Bangladesh Institute of Bank Management; and Bashir M Tareq, country treasurer, Citibank NA, Bangladesh, are the resource persons of the two-day workshop.



PHOTO: MCCI

A delegation of Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) led by its President Latifur Rahman met Commerce and Water Resources Minister Hafiz Uddin Ahmed at his office yesterday.

Plastic goods makers again seek govt support

STAR BUSINESS REPORT

As the government's assurance of looking into the demands of plastic goods manufacturers remains unheeded, industry stakeholders yesterday once again sought government support to help the sector flourish.

They said plastic industry is growing rapidly and contributing to the national economy significantly but the government's attitude to this promising sector is not positive.

They also said the sector brings around Tk900 crore in foreign currency every year through direct and indirect exports.

They were speaking at a seminar titled "Plastic Industries in Bangladesh: Problems and Prospects" organised by

Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA) at the FBCCI conference room in Dhaka.

BPGMEA President Jashim Uddin presided over the seminar, which was also attended by President of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) Mir Nasir Hossain, Manirul Haq Chowdhury MP, Kazi Md Anwar Hossain MP, Kalimuddin Ahmed Milon MP, Shah Nurul Kabir Shaheen MP, Mashiur Rahman Ranga MP and BPGMEA General Secretary KM Iqbal Hossain.

Addressing the function, Jashim Uddin said the government in 2002 banned all kinds of plastic products measuring below 100 micron. And widely used polythene shopping

bags and all types of packing materials made of plastic also came under the purview of the law, he said.

"But there is no restriction on wrapping materials that are imported. It is a dual policy that is against the interest of local companies."

"The government should also withdraw the condition of showing 25 per cent bank guarantee to the customs department for importing raw materials," he said.

The BPGMEA president also urged the government to implement the decision of offering 10 per cent cash incentives to the export-oriented plastic units, reduce import duty on basic raw materials and bank interest rate, and formulate a policy on plastic waste management.



PHOTO: BGMEA

Shamsher Mobin Chowdhury, Bangladesh ambassador to US, Senator Jim DeMint (R-South Carolina), BGMEA President Tipu Munshi, former second vice-president of BGMEA Alamgir M Z Rahman, and Chairman of BGMEA Standing Committee on Foreign Mission Arshad Jamal pose for photographs. A three-member delegation of Bangladesh Garment Manufacturers and Exporters Association is now visiting US to lobby for duty free access of Bangladesh apparels to US market under Tariff Relief Assistance for Developing Economies (TRADE) Act.

'TRADE Act to herald socio-political changes in LDCs'

UNB, Dhaka

The proposed Tariff Relief Assistance for Developing Economies Act of 2005 (TRADE Act) will act as a harbinger of socio-political changes in LDCs, Bangladesh Ambassador to US Shamsher M Chowdhury said Tuesday.

"The Trade Act will not only offer economic benefits to countries like Bangladesh, it'll also act as a harbinger of socio-political changes in the LDCs," he said at a panel discussion titled 'Trade is Better Than Aid: Tariff Relief Assistance for Least Developed Economies' at the Heritage Foundation in Washington.

United States House of Representatives Jimm Kolbe (R-

AZ) was the keynote speaker in the panel discussion.

The Bangladesh ambassador drew the world attention to the fact that the more women empowerment a society achieves, the less space there remains scope for radicalism and extremism, according to a message received here yesterday.

Congressman Kolbe, one of the cosponsors of the TRADE Act, said the main purpose of TRADE Act was to offer the remaining LDCs a favourable term of trade so that they could participate in the international trade on equal terms.

The visiting BGMEA mission, led by its President Tipu Munshi, also participated in the discussion and placed their logic to get duty-free access of Bangladesh appar-

els to the US market.

As they kept lobbying to achieve their mission, the BGMEA team Tuesday met Senator Sam Brownback (R-KS), an influential member of the Congress and possible presidential candidate.

BGMEA President Tipu Munshi informed Brownback that it was essential for Bangladesh to get duty-free access to the USA market to survive in the quota-free market.

As he sought Brownback's all-out support to pass the TRADE bill, Brownback expressed his affirmative attitude in this regard, according to a BGMEA press release.

The BGMEA delegation also met Senator Jim DeMint (R-South Carolina).

Chaos in Al-Arafah Bank's EGM, AGM

26pc stock dividend okayed

STAR BUSINESS REPORT

Some three hundred people yesterday tried to foil the extraordinary general meeting (EGM) and annual general meeting (AGM) of Al-Arafah Islami Bank when the bank authorities did not elect two directors in the meetings on legal grounds.

The meeting sources said when a proposal for increasing the authorised capital of the bank from Tk100 crore to Tk250 crore was tabled in the EGM, the people, allegedly hired by a former director of the bank, demanded election of directors be held first. But the authorities informed the shouting crowd that the election could not be held due to legal complications.

Amid the chaos in the EGM, which approved the increase in the authorised capital, ended. As the

AGM began after the EGM, the supporters of the former director, who lost directorship as his loan with bank was defaulted, again raised the election issue. When the authorities again rejected their demand, they broke some furniture at the BDR Darbar Hall, the AGM venue.

When contacted, Managing Director of the bank MA Samad Sheikh, said, "A group of people who are not shareholders of the bank tried to foil the meetings when they came to know that the election could not be held."

However, the bank at the AGM has approved 26 per cent stock dividend for its shareholders for 2005.

GP receives TeleLink award

GrameenPhone Ltd has been awarded with 'TeleLink Telecommunication Award-2006', says a press release.

Bangladesh Mobile Phone Babosayee Association, an organisation of mobile phone businesses has introduced this award in observance of the World Telecommunication Day-2006.

GrameenPhone got the award for its quality customer services.

Abdul Moyeen Khan, minister for Science and Information and Communication Technology, handed over the award to Bidyut Kumar Basu, head of Customer Management Division of GrameenPhone.

Barkatullah Bulu, adviser to Ministry of Women and Children Affairs, and Syed Marghub Morshed, former chairman of BTRC, were also present.



PHOTO: GRAMEENPHONE

Abdul Moyeen Khan, minister for Science and Information and Communication Technology, gives away 'TeleLink Telecommunication Award-2006' to Bidyut Kumar Basu, head of Customer Management Division of GrameenPhone. Bangladesh Mobile Phone Babosayee Association, an organisation of mobile phone businesses has introduced this award in observance of the World Telecommunication Day-2006.