

Eastland Insurance okays 30pc dividend

Eastland Insurance Company Ltd has declared a 10 per cent cash dividend and a 20 per cent stock dividend for the year 2005.

The dividend was okayed at the 19th annual general meeting (AGM) of the company held on Thursday in Dhaka, says a press release.

Chairman of the company Mahabubur Rahman presided over the AGM, which was also attended by directors, shareholders and senior officials.

Lanka eyes 8pc growth

AFP, Colombo

Sri Lanka's central bank forecast Friday the economy would grow by eight percent this year, up from six percent in 2005, despite high oil prices and fears of a return to a bloody civil war.

Nivad Cabraal, who takes over as governor of the Central Bank of Sri Lanka on Saturday, said strong 8.1 percent growth in the first quarter made the bank optimistic about achieving eight percent in 2006.

"It's a tough call but we can see growth rates increasing in all sectors," Cabraal said. "In the first quarter we've seen very encouraging indicators and I'm confident eight percent growth can be achieved this year."

Sri Lanka's economic growth last topped 8.0 percent in 1978 when it rose 8.2 percent, a year after becoming the first nation in South Asia to liberalise its economy from socialist prescriptions.

High oil prices and a worsening security situation were the two biggest challenges faced by the tropical island nation as it seeks to achieve eight percent growth, Cabraal said.

"The oil price increase is by far the biggest challenge," Cabraal said. "The negative impact felt in the economy because of the security situation is the other but our development must take place whatever challenges we face."

Fighting between government forces and Tamil Tiger rebels has escalated since December and official figures show at least 820 people have been killed in the past seven months despite a truce that is now virtually confined to paper.

International ratings agencies Fitch and Standard and Poor's downgraded the island's credit outlook to negative from stable in April, citing fears of a slide back to full-scale civil war.

Dubai group to buy 40pc stake in Malaysia's Bank Islam

AFP, Kuala Lumpur

The Dubai Investment Group will acquire a 40 per cent stake worth some one billion ringgit (277 million dollars) in Bank Islam Malaysia Bhd, officials said Friday.

"We believe in the Malaysian market and this acquisition provides an excellent opportunity for Dubai Financial to add one of the oldest Islamic institutions to our portfolio," Soud Ba'alawy, chief executive officer of the Dubai-based group, said in a statement.

Dubai Financial is a subsidiary of the Dubai Investment Group. BIMB Holdings, parent company of Bank Islam, would remain the majority shareholder with 51 per cent.

Three agreements related to the take-up of the shares were inked in Malaysia Friday.

"At the subscription price of 1.20 ringgit per share, the deal when completed is worth over one billion ringgit," Bank Islam said.

RHB Sakura Merchant Bankers and Citigroup are the advisers for BIMB Holdings and Dubai Financial respectively.

Green Delta Ins declares 40pc bonus share

Green Delta Insurance Company Ltd has declared a 40 per cent bonus share for its shareholders for the year 2005.

The bonus share was announced at the 20th annual general meeting (AGM) of the company held on Thursday in Dhaka, says a press release.

Chairman of the company AZ Mohammad Hossain presided over the AGM, which was attended, among others, by members of the Board of Directors and Managing Director and CEO Nasir A Choudhury.

DSE plans roadshows abroad to woo NRBs

SARWAR A CHOWDHURY

The country's premier bourse plans to organise a series of roadshows abroad to woo non-resident Bangladeshis (NRBs) into the capital market.

Dhaka Stock Exchange (DSE) may organise the roadshows in the US, UK and UAE, where most of the NRBs live, DSE officials said.

Increased investments from Bangladesh expatriates can be a way to make the capital market more vibrant, said DSE Chief

Executive Officer Salahuddin Ahmed Khan.

"Pakistani stock markets are vibrant as they attract huge investments from the expatriate Pakistanis," he said while giving an example.

"So, we are planning to hold some roadshows to encourage the NRBs to invest in the country's capital market," the DSE CEO said.

He further said a web server will be developed in stock exchanges to help the NRBs participate in the capital market.

Under the present automated system, investors can take part in share trading from any corner of the country through wide area network (WAN) connectivity.

The DSE has recently embarked on a roadshow campaign across the country to attract investors to the market. The first show of the programme was held in Chittagong on June 24.

The next roadshow, to be jointly organised by the DSE and Chittagong Stock Exchange, will be held in Sylhet soon.

HSBC plans to acquire Pak bank

XINHUA, Islamabad

The Hongkong and Shanghai Banking Corporation (HSBC) has decided to expand its operation in Pakistan and started negotiation to acquire Pakistani Prime Commercial Bank (PCB), a Pakistani newspaper reported Friday.

Negotiations have started between experts of HSBC and PCB's high-level officials, and PCB has shown willingness to sell out its whole operations, the leading Pakistani newspaper Dawn quoting banking sources reported.

HSBC has only four branches in Pakistan now, two in southern port city Karachi, one each in the capital of Islamabad and major eastern city Lahore, and its sudden interests in Pakistan have surprised financial analysts, Dawn said.

As per March 31, 2006 quarterly report, PCB is operating with 62 branches, having deposits of 40.6 billion rupees (about 676.67 million US dollars), and in 2005, it posted a profit after tax of 495 million rupees (about 8.25 million US dollars), registering a growth of 43 percent over last year's 345 million rupees (about 5.77 million dollars).

Established in 1991, PCB has increased its total asset at an annual compound rate of about 23 percent during the period from December 1992 to December 2005, to 53.8 billion rupees.

The acquisition of PCB, if succeed, will make HSBC the second biggest foreign bank in Pakistan, able to reach all corners of the country, the newspaper said.

This will be the second acquisition of the local bank by a foreign financial institution. Earlier, Standard Chartered Bank negotiated the deal to buy Union Bank and completed due diligence last week, and the agreement is expected to be completed next month, according to Dawn.

Citibank NA workshop on Islamic banking products

Citibank NA Bangladesh organised a workshop on 'Islamic Banking Products' on Wednesday.

The objective of the workshop was to discuss with the Islamic banking practitioners the recent product trends and inform them of various Islamic banking products and services that have gained popularity in the global market, says a press release.

JC Goh, director (Business Development) of Asia Pacific Emerging Markets Sales and Trading of Citigroup, the owning company of Citibank NA, conducted the workshop.

Shah Abdul Hannan, chairman of Institute of Islamic Thought and a former secretary, Bashir M Tareq, country treasurer of Citibank NA, Mahabubur Rahman, head of Financial Institutions, Sajad ul Islam, head of Treasury Marketing, among others, were present.

Citigroup is also a leading player in Islamic financing and the Citigroup Islamic banking vehicle—Citi Islamic Investment Bank EC -- aims to strengthen its position in the global Islamic banking business, the release added.

Thailand proposes oil joint ventures with Russia

AFP, Bangkok

Thailand has proposed setting up oil joint ventures with Russia in a deal that could turn the country into an energy hub in Southeast Asia, Prime Minister Thaksin Shinawatra said Friday.

Thaksin said he had discussed the energy proposal with Russian President Vladimir Putin during the second summit of the Conference on Interaction and Confidence-Building Measures in Asia (CICA), held in Kazakhstan this month.

"Russia is willing to help Thailand become a regional energy hub and Thailand has already made a proposal to Russia," Thaksin said in a speech at a business forum.

Russia, the world's second-largest crude exporter after Saudi Arabia, could set up joint ventures with Thai petroleum giant PTT Plc for oil depots and refinery plants, the premier said, but gave no further details.

Coal import from India thru' Sylhet border stops today

UNB, Sylhet

Import of coal from India through all border points of Sylhet will be stopped from today at the directive of the government for non-availability of coal with approved sulphur content.

The environment ministry during the rule of the previous government banned import of coal containing over one percent sulphur to protect the environment. But the traders were importing coal having nearly two percent sulphur content following a stay of the order for two years.

Recently when the coal traders went to the ministry for renewing their permission, they were informed that import of coal with excessive sulphur content would not be allowed after June 30 of the current year.

Commerce ministry sources said coal containing excessive sulphur content is harmful to environment.

Local coal traders said if import of coal is stopped, more firewood will be needed for brick kilns, resulting in increased felling of trees, which is a threat to environment.

President of Sylhet Coal Importers Group Abdal Miah said the government decision to stop import of Indian coal will be harmful to all.

If coal with only one percent sulphur content is to be imported from elsewhere, it will have to be done by sea route and this will render the land ports idle, he added.

Customs sources said the country earns over Tk 100 crore revenue from coal import through the land ports every year.

More than 7,000 tons of coal is imported through Barachhara, Tamabil and Sutarkandi land ports on an average per day.

Besides the brick fields and steel mills depend on imported coal.

Ericsson wins transmission deals from Telenor

ABU SAEED KHAN

Norwegian state-owned telecoms service provider Telenor has engaged Ericsson for a two-year global frame agreement to supply microwave transmission solutions covering all its majority-owned subsidiaries worldwide, which also includes GrameenPhone's network - the largest of its kind in Bangladesh.

Under this deal, Ericsson will supply its in-house brand of MINI-LINK point-to-point microwave links as well as its newly acquired Marconi-branded LH point-to-point SDH microwave products, including high-capacity radios, smart traffic nodes, and both long- and short-haul systems.

The solution will enable Telenor to deliver cost-efficient coverage, high capacity for fixed and mobile broadband, and highly competitive 'second mile' backhaul solutions. Official announcement of this deal, however, says nothing about its financial value.

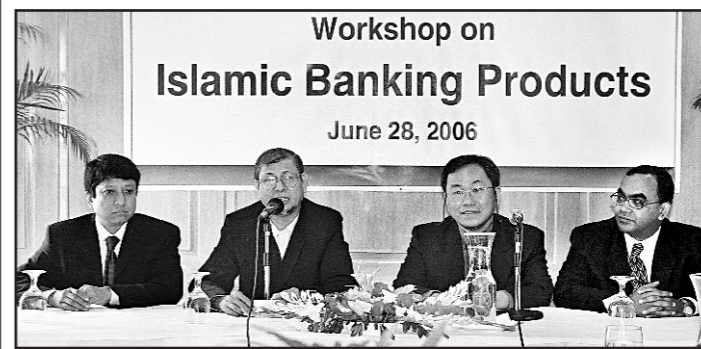
Sivert Bergman, Head of Broadband Networks at Ericsson, says, "This new agreement confirms our position as a major partner to Telenor globally, and takes our business relationship a step forward. With our strong product portfolio and our market and customer knowledge,

we can meet any capacity and reliability requirements, quickly and efficiently."

This is the very first sizable sales announcement made by Ericsson about Marconi products after acquiring this iconic UK technology company in late 2005. It has enabled the Swedish vendor to build up a complete portfolio of transmission systems for fixed and mobile broadband networks.

Ericsson is the sole provider of GrameenPhone's core and radio access network products. The Swedish company will, however, face stiff competition in the transmission segment as it has only 15 percent market share in the PDH radio in GP's network. Siemens of Germany and Japanese NEC respectively meet 50 percent and 35 percent requirements of GP's PDH radio. The German vendor has also supplied 80 percent SDH radio to GP while NEC has provided the remaining 20 percent, according to sources.

Siemens has recently announced a merger with Nokia's network division and starting from January 1, 2007, the new entity will operate globally. Sources believe that might make Ericsson's entry a bit more difficult in GP unless the Swedish vendor comes up with a commercial miracle.



Shah Abdul Hannan, chairman of Institute of Islamic Thought and a former secretary, speaks at a workshop on 'Islamic Banking Products' organised by Citibank NA Bangladesh on Wednesday. JC Goh, director (Business Development) of Asia Pacific Emerging Markets Sales and Trading of Citigroup, the owning company of Citibank NA, among others, was present.

China electricity prices up

AFP, Shanghai

China on Friday raised retail electricity prices for the first time in over a year to offset increased costs, the government's economic planning body said.

The average cost of electricity was increased by 0.025 yuan (.003 US cents) per kilowatt hour from June 30, the National Development and Reform Commission said in a statement on its website.

The commission did not say what the percentage increase was but the average price for electricity in urban areas is about 0.48 yuan, which would make for about a 5.0 percent hike in China's cities.

"The adjustment is aimed at solving the conflicts arising from increases in coal prices, develop-

ment of renewable energy, installation of desulphurisation equipment and the lack of funds for power grid expansion," the commission said.

The average electricity price at which power plants sell to power grid companies has increased by 0.0117 yuan per kilowatt hour although the actual increases vary widely in each province.

China last increased power prices in May last year when it introduced coal-electricity price adjustments after power producers complained bitterly about surging coal prices and sharp demand by coal-fired power plants.

Authorities are however wary of raising prices too sharply amid concerns the increased financial burden could spark public discontent and hit state company profits.

India's Videocon inks oil deal with Oman

PTI, Dubai

A consortium led by India's Videocon Industries has signed USD 340 million worth exploration and production sharing agreements (EPSA) with Oman, seeking to enhance overseas oil reserves that can be earmarked for refining in India.

Oman's minister of oil and gas, Mohammed bin Hamad bin Saif Al Romhi signed seven EPSAs worth around USD 340 million with various companies Thursday.

"The initial investment will be USD 30 million and we are planning to drill a minimum of eleven wells. We've estimated about 150 million to 160 million barrels of oil in the block and there is some potential for gas condensates," S Padmanabhan Director, Videocon Industries Ltd said.

The consortium comprise Videocon Industries (25 percent), Gas Authority of India (25 percent), Hindustan Petroleum Corp Ltd (12.5 percent) and Bharat Petroleum Corp Ltd (12.5 percent) and Australia's Oilex (25 percent) is the operator.

For Videocon with a 25 percent interest in India's largest private sector and producing 50,000 barrels per day at RAJVA in Andhra Pradesh, this is the first oil block abroad, though the company is into agreements for blocks in Australia.

The Indian consumer durables major has said it intends to pursue oil exploration proposals in Yemen and Libya too.

Work on Block 56, located onshore adjacent to producing fields operated by Petroleum Development Oman (PDO) in the South Oman Salt Basin, will commence in July, a statement by Videocon Industries said.

Videocon already has manufacturing facility for air conditioners in Oman and can provide immediate infrastructure required by operator Oilex to establish a joint venture in Oman to take up exploration work expeditiously," it said.

China lifts ban on US beef

AFP, Beijing

China has lifted a ban on imports of selected cuts of US beef that was put in place in 2003 after an outbreak of mad cow disease in the United States, the agriculture ministry said Friday.

Only boneless cuts of beef from cows under 30 months of age would be allowed into the country, the ministry said in a joint decision made with the General Administration of Quality Supervision, Inspection and Quarantine.

Imports of other parts of US cattle, including the backbone, head, eyes and offal would not be allowed, it said.

During trade talks in Washington in April, China agreed to lift the ban, but needed to finalize a technical protocol on the details of the resumed imports, earlier reports said.

China was an important market for US beef exports, taking 100 million dollars worth before the 2003 ban, according to a US official at the time.

Volvo Cars to invest in hybrid technology

AFP, Stockholm

Volvo Cars, a subsidiary of the Ford Motor Company, said on Friday it would invest 10 billion kronor (1.4 billion dollars, 1.1 billion euros) in research and development for environmentally-friendly hybrid technology.

The research would focus on developing more efficient diesel, hybrid and alternative engines, as well as lighter body frames to reduce its cars' fuel consumption and exhaust emissions.

Volvo parent Ford said meanwhile it would create a development centre for hybrid systems for Volvo's fleet and for Ford's European customers.

The centre, staffed by 20 engineers, would oversee the application of hybrid systems into Volvo cars globally, and help Ford apply core hybrid systems into its own product plans.

The centre is part of a global Ford initiative to speed up the introduction of more fuel-efficient vehicles and was building on Volvo's experience with advanced environmental technology systems, it said.



Chairman of Eastland Insurance Company Ltd Mahabubur Rahman (C) speaks at the 19th annual general meeting (AGM) of the company on Thursday in Dhaka. Directors, shareholders and senior officials of the company were also present at the AGM.

Indian market surges 4pc on optimism over US rates

AFP, Mumbai

Indian shares prices rose by as much as four percent in early trade Friday along with firmer Asian markets after the US Federal Reserve signaled it may pause in its rate hiking cycle, dealers said.

The US Federal Reserve lifted its benchmark rate Thursday for the 17th straight time by a quarter point to 5.25 percent but ealers said markets interpreted its policy statement as a hint the Fed may

pause in its credit tightening campaign and that any further hikes would depend on economic data.

Mumbai's benchmark 30-share Sensex index rose 4.04 percent to an intraday high of 10,573.5 at the open, before retracing to 10,551.18, up 389.02 points or 3.83 percent at 0535 GMT.

Retail investors and overseas funds bought index and mid-cap stocks while metal and engineering stocks were actively traded.

"This is a knee-jerk reaction to signals the Fed may not hike interest rates (again) immediately," said Soumeel Chakravarty, dealer at equity research firm Ambit Capital, cautioning "the markets may not sustain at these levels and could correct."

India's Sensex index has been seessawing since May 10, caught up in worldwide turmoil over fears rising interest rates will slow global growth.

US gives Japan high marks on economic reforms

AFP, Washington

The United States on Thursday gave Japan high marks for progress in economic reforms but called for more effort as the leaders of the world's two biggest economies met in a final Washington summit.

An annual US-Japan report card brought trade issues to the fore during the first day of Japanese Prime Minister Junichiro Koizumi's meeting with President George W. Bush.

The review shows Japan's progress in economic reform, which has contributed to its recent economic growth and forged closer US-Japanese business ties. US Trade Representative (USTR) Susan Schwab said.

"Under the stewardship of Prime Minister Koizumi, Japan has made important progress in reforming its regulatory environment," she said.

"These reforms have achieved real results, and I urge Japan to continue on this path of reform in light of the benefits it has brought to

Japan's economy," she said. The 76-page "Fifth Report to the Leaders" illustrates Japan's progress in tackling a raft of issues ranging from distribution and transportation to medical devices and pharmaceuticals and telecommunications.

The report is the culmination of high-level meetings and consultations between the two governments, presented annually to their leaders. In fact it was Bush and Koizumi who launched the report by the two governments in 2001 as part of a joint initiative to boost economic growth by tackling regulatory and trade reform.

The two leaders have forged close personal ties, and in a symbolic joint statement Thursday said the US-Japan political, economic and military partnership is "one of the most accomplished bilateral relationships in history."

Covering the arcane -- from rules on quasi-foreign companies and medical device classification -- to front-page issues such as biometric

identification for immigration control, privacy rights and spam, the report highlights the intricate meshing of the two economies.

However, it does not touch on the issue of Japan's ban on US beef imports, which Tokyo decided to lift this month amid threats of trade sanctions from its closest ally.

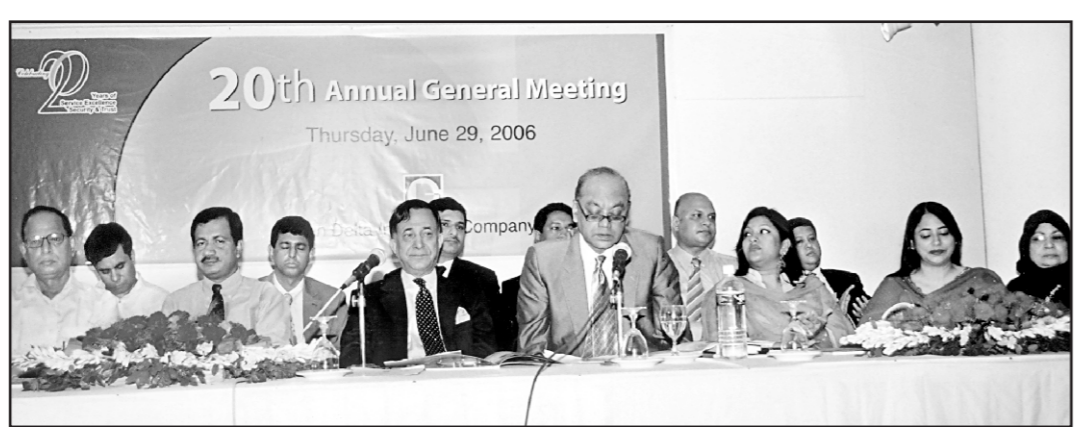
Koizumi stands down in September, raising the question of how the joint initiative will fare under his successor.

"I look forward to strengthening our work in this area," Schwab said.

A senior US trade official said the United States expects the review to continue with Koizumi's successor, but there may be an opportunity to "refocus" on issues.

"We feel that it has had great benefits for both of our countries," the official, who requested anonymity, said in a conference call.

"Particularly relevant this year" was a resolve to "combat counterfeiting and piracy of intellectual property rights," he said.



AZ Mohammad Hossain, chairman of Green Delta Insurance Company Ltd, speaks at the 20th annual general meeting (AGM) of the company on Thursday in Dhaka. Members of the Board of Directors and Managing Director and CEO Nasir A Choudhury were also present at the AGM.