

Forex reserve hits record \$3.6b on strong remittance, exports

UNB, Dhaka

Country's foreign exchange reserve maintained upward trend rising to US\$3.605 billion today (Sunday) after hitting record high last week, on strong remittance and export earnings.

The official international reserve stood at US\$3.557 billion on Wednesday last, according to Bangladesh Bank figures.

"The reserve will again drop by around US\$300 million next week due to a scheduled bimonthly payment of Asian Clearing Union (ACU)," a senior central bank official said.

He, however, expected the upward trend to continue "due to robust exports and remittances against restrained imports."

The reserve was around US\$3 billion at the end of June 1995, but started to plunge below \$1 billion in 2001. The reserve was hovering

just over US\$3 billion during the fiscal 2005-06.

A short-term outlook by a central bank official suggested that the reserve position could be maintained despite continued pressure on petroleum price.

He said the present momentum in exports and remittance would continue during the current fiscal year to maintain the level of reserve while a US\$330 million Rupali Bank deal would further contribute to it.

The buyer of the Rupali Bank is expected to inject further capital to strengthen their operation here, he added.

"Increased receipts of export proceeds, lower import payments and repayments of foreign currency loans by commercial banks simultaneously contributed to swell the reserve position," a senior Bangladesh Bank official told the news agency.

He said deferred payments

against exports were coming at this time against low import-payment pressure while the commercial banks started repaying on their foreign currency loans from the central bank two years back amid supply shortage of foreign exchange in the money market.

"The repayments by commercial banks were due to liquidity improvements in the inter-bank money market," he added.

Exports grew about 22 percent against a lower import growth of 11 percent during the fiscal 2005-06 while remittance grew at 24 percent.

The central bank official sees the reserve position "nominally encouraging" despite some pressures the country experienced during the last two years, mainly from the increased prices of petroleum products.

The reserve increased benefiting from the free-float of exchange rate, he said, adding: "It would not

have happened if we kept the US Dollar pegged at Tk60."

The free floatation might have put some pressure on the inflation rate, the official said, but hastened to add that 7 percent inflation is not too much compared to some other countries who are suffering from much higher inflation.

Replying to a question, the official said foreign aid remained more or less at the same level. Rather, it is now a bit lower at this period of high reserve than they were in the last fiscal.

Total aid disbursement during FY 2005-06 stood at US\$1241.21 million compared to US\$1260.00 million during the same period of the preceding year, according to the Bangladesh Bank figures.

Net foreign aid during FY 2005-06 stood at US\$752.21 million compared to US\$811.00 million during the same period of the last fiscal.

NRBs in UAE remit \$512.6m in FY06

UNB, Dhaka

Remittances sent to Bangladesh from expatriate workers in the United Arab Emirates (UAE) rose by 15.9 percent in the last financial year, reaching a total of US\$512.6 million, according to figures released by the Bangladesh Bank and cited by Gulf News.

The statistics reveal on average, each of the 400,000 non-resident Bangladeshis (NRBs) in the UAE sent around \$1,280 per annum back home. Bangladeshis make up about 10 percent of the UAE's 4.1 million population.

HSBC introduces evening banking at Dhanmondi, Gulshan branches

The Hongkong and Shanghai Banking Corporation (HSBC) Ltd in Bangladesh yesterday introduced evening banking services for the customers at its Dhanmondi and Gulshan branches.

Steve Banner, chief executive officer of HSBC Bangladesh, inaugurated the services at a function on the bank's Gulshan branch premises, says a press release.

Evening banking services will be available at the two branches from 5pm to 8pm and customers can avail of various banking facilities during that time.

In addition, customer service representatives will be available at the branches to help customers with any queries.

Speaking at the function, Steve Banner said the introduction of the evening banking services is a continuation of the bank's effort to offer customers more choices to serve their banking needs.

Mamoon M Shah, head of Personal Financial Services, Mustafizur R Khan, head of Marketing and Public Relations, and other officials of the bank were also present.

Malaysia Airlines raises fuel surcharges on int'l routes

AFP, Kuala Lumpur

Malaysia Airlines, which is trying to revive its fortunes, has announced an increase in fuel surcharges on a number of international routes.

The changes, effective from Monday, will see a rise of between two and 20 US dollars for flights on Malaysia Airlines as well as those operated by its code share partners, the carrier said in a statement received by AFP Sunday.

"Fuel cost continues to remain the single largest expense item for all carriers," it said.

Federal Ins declares 10pc stock dividend

Federal Insurance Co Ltd has declared a 10 per cent stock dividend for the year 2005.

The dividend was approved at the 18th annual general meeting (AGM) of the company held on Thursday in Dhaka, says a press release.

Chairman of the company Jashim Uddin presided over the AGM, which was attended, among others, by directors and other senior officials.

Petroleum distributors threaten indefinite strike from tomorrow

Pump owners oppose

STAR BUSINESS REPORT

Tank-lorry owners and workers as well as petroleum distributors have threatened to go for indefinite strike from tomorrow if their demand for smooth supply of petroleum is not met by today.

On the other hand, the petrol pump owners are opposed to such an agitation programme saying that the motive behind it is to raise fuel price through creating an artificial shortage.

Bangladesh Tank-lorry Owners Association (BTOA), Bangladesh Petroleum Distribution Association (BPDA) and Bangladesh Tank-lorry Workers Union (BTWU) in a joint press conference in Dhaka yesterday threatened the strike.

They said the petroleum supplier companies under the Bangladesh Petroleum Corporation now provide only 17 lakh litres against the demand for 32 lakh litres of petroleum in Dhaka division, resulting in a shortage of around 40 percent.

They also demanded of the government to pay their due commission as per the government's gazette issued early this year and establish a tank-lorry terminal at Godnail and Fatulla depots.

"If the government does not implement our demands by Monday (today), we will not be pumping out petroleum from Godnail and Fatulla

depots for indefinite time from Tuesday, even we will stop delivery of fuel for Biman," said Fazlul Haque, general secretary of BTOA, while reading a joint statement at the press conference.

He said although the government has increased supply of diesel in the northern region, it still continues rationing in supplying petroleum in Dhaka division. Lamenting that the reality does not reflect the government's version, the BTOA executive said, "While we are facing a crisis in petroleum in the Dhaka region, the energy advisor, BPC and petroleum companies are saying that there is no shortage of petroleum."

Among others, BPDA President Abdur Rahman and BTWU President Abdul Matin were present at the press conference.

Meanwhile, the anti-strike group, Bangladesh Petrol Pump Owners Association (BPPOA), alleged that a vested quarter has threatened to call strike aiming to create a panic among the people.

The BPPOA leaders have voiced determination of the petrol pump owners to continue their service as they consider the agitation programme unnecessary.

They, however, sought support from the law enforcement agencies in discharging their duties fearing that the strikers can resort to un-

ward activities to make their strike a success by hook or by crook.

"When a little bit shortage of petroleum is prevailing in the northern region, what is the significance of calling strike in Dhaka?" Nazmul Haque, the BPPOA president, expressed his wonder at a separate press conference at a city hotel.

He alleged that calling such strike they want to raise fuel price through creating an artificial shortage and also want to gain windfall profit by selling the petroleum they have stocked earlier in an illegal way.

"Smuggling is a major factor that contributed to the present petroleum shortage in the country and the strikers themselves are involved with the smuggling," Nazmul said.

He also informed the press that the law enforcers has recently seized illegal oil depots and a stock of 18,000 litres of petroleum inside the residence of Sazzatul Karim Kabul, former secretary general of BPDA, which called a similar strike in May this year.

Warid Telecom reaches interconnectivity deals with 5 operators

UNB, Dhaka

Warid Telecom Bangladesh, which is set to start its launching in October, Saturday signed interconnectivity agreements with five more PSTN/WLL telephone operators.

Warid Telecom Bangladesh Operation, 6th GSM cellular mobile service provider in the country, is a subsidiary of Warid Telecom International LLC, a concern of Dhabi Group of UAE.

Chief Executive Officer Muneer Farooqui signed on behalf of Warid

Telecom while CEO of OneTel Communications SA Saber, Chairman and CEO of Westec Ltd (BayPhone) MA Hashem, Managing Director of Jalalabad Telecom (BijoyPhone) Zakaria Ahmed, Chairman and CEO of National Telecom Muhammed Jahangir and General Manager of Dhaka Telecom Haroon Al Atahar inked on behalf of their companies.

With the signing of the interconnect agreement, the subscribers of all these operators will be able to communicate and access with Warid network across the country.

Ethiad Airways launches reward scheme

Ethiad Airways, the national airline of the United Arab Emirates, recently launched its guest programme, which revolutionises airline loyalty initiatives and echoes personalised and customer-focused approach to travel.

The initiative is being rolled out throughout the airline's global network of 35 passenger destinations simultaneously, says a press release.

Jill R Errington, area manager of Ethiad Airways, Bangladesh, said, "We are pleased to introduce this unique programme, which is flexible, easy to use and will be of great benefit to frequent flying guests."

Exporters eye \$1.5b frozen food export by 2010

STAFF CORRESPONDENT, Ctg

Following a record earning last fiscal year, frozen food exporters now eye \$1.5 billion export by 2010 and sought government support to achieve the target.

Leaders of Bangladesh Frozen Foods Exporters Association (BFFEA) at a meeting here on Saturday said the export target is achievable if the processors get assistance.

The exporters also urged the government to allocate 'khas land' in Noakhali and other coastal areas to genuine shrimp farmers and exporters.

BFFEA President Maqsoodur Rahman presided over the meeting, which was also attended by other members of the association.

New chairman, vice chairman of UCB



Younus Ahmed and Aziz Al-Mahmood have been elected chairman and vice chairman of United Commercial Bank (UCB) Ltd.

They were elected at the 240th Board Meeting of the bank recently, says a press release.

A sponsor director of UCB, Younus Ahmed is the chairman and managing director of Yunusco Group and managing director of Shore to Shore BD Ltd and AdaptBD Ltd.

Al-Mahmood is the managing director of Danish Condensed Milk Bangladesh Ltd, Danish Milk Bangladesh Ltd, Danish Foods Ltd, Danish Distribution Network Ltd and director of Partex Group and Phoenix Insurance Co Ltd.

IMF reforms force Europe to rethink its role, say experts

AFP, Brussels

Pressure is building on European countries to seriously consider forming a single voice within the IMF after the financial institution decided to give more say to emerging economic powers, experts said.

Advocates of reform have long noted that small European countries like Belgium, the Netherlands and Sweden enjoy a proportionately much bigger say than large developing countries like Brazil, China and India.

Economist Jean Pisani-Ferry, the head of the Brussels-based think-tank BRUEGEL, said that European countries would do better by accepting to pool their votes in the International Monetary Fund now, rather than having a more difficult deal forced on them later.

"If the Europeans try to buy time, reform will be imposed on them," he said.

"Instead, they should seize the

initiative and try to get a good bargain from the others," Pisani-Ferry added.

IMF directors recently agreed to overhaul the institution to give more influence to developing countries, reflecting the shifting balance of power in the global economy.

Under the plan, China, South Korea, Turkey and Mexico will see immediate increases in their voting rights as part of a broader two-year program of reform, IMF managing director Rodrigo Rato said Friday in Tokyo.

Despite its growing stature as a global economic powerhouse, China has less voting power than Belgium and the Netherlands combined.

Rato announced a new formula for quotas in Tokyo on Friday which would be based on the size of a country's economy and its openness, although the exact parameters have yet to be decided.

The quotas determine how much a member contributes to the

Fund, its voting rights and access to financing, which currently totals 28 billion dollars in loans outstanding to 74 countries.

"Europe is potentially very strong but it's divided and in reality has little weight," a source close to the Belgian central bank said on condition of anonymity.

Likewise, Pisani-Ferry said that unlike the United States, "Europe stands out for its lack of leadership and its incapacity to take on global responsibility".

The Belgian source said that current pressure on some small countries to surrender influence had eclipsed the real problem of "how the IMF functions, its board of directors, the power of the G7 (richest countries) and one particular dominating country", referring to the United States.

Although decisions rarely have to be made by vote at the IMF, when it comes to that, the United States enjoys a veto.

Ocean Jeans to invest \$2.6m in Ctg EPZ

UNB, Dhaka

A Bangladeshi company, Ocean Jeans Limited (OJL), will invest US\$ 2.6 million to establish a readymade garment factory in Chittagong Export Processing Zone.

To this effect, Bangladesh Export Processing Zones Authority (Bepza) and the OJL signed an agreement yesterday in Dhaka.

OJL Chairman M Zahid Hossain Miah and Bepza Member (Investment Promotion) M Masud Ahmed signed the lease agreement on behalf of their respective organisations, said a Bepza release.

This fully locally owned company will annually manufacture 2.5 million pieces of RMG products, including men's, ladies' and kids' jeans and casual wear. The venture will create employment opportunities for 2,631 Bangladeshi people.

Among others, Bepza Executive Chairman Ashraf Abdullah Yussuf and Member (Finance) AKM Mahbubur Rahman and General Manager in charge of Investment Promotion M Fazlur Rahman Bhuiyan and Public Relations Manager Nazma Binte Alamgir were present at the signing ceremony.



Steve Banner (C), chief executive officer of HSBC in Bangladesh, inaugurates evening banking services on the bank's Gulshan branch premises yesterday. Mamoon M Shah (2-L), head of Personal Financial Services, and Mustafizur R Khan (2-R), head of Marketing and Public Relations of the bank, are also seen.



The 18th annual general meeting (AGM) of Federal Insurance Co Ltd was held on Thursday in Dhaka. Chairman of the company Jashim Uddin presided over the AGM, which was also attended by directors and other senior officials.