

Star BUSINESS

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Only 8 out of 56 Biman routes make profit in FY06

UNB, Dhaka

Forty-eight of the 56 international and domestic routes operated by Biman Bangladesh Airlines failed to make any profit in the last fiscal year (2005-06), rather incurred a huge loss of over Tk 506 crore, Parliament was told yesterday.

Replying to a question of Kazi Salimul Haque, State Minister for Civil Aviation and Tourism Mirza Fakhrul Islam Alamgir said that only eight routes of the state-owned Biman made profit last year, which stood at about Tk 47 crore.

The worst performing route was Dhaka-London-Dhaka with a loss of Tk 161.33 crore, followed by Dhaka-New York-Dhaka route (loss Tk 93.13 crore) and Dhaka-Rome-Dhaka (loss of Tk 84.44 crore).

S'pore's minister mentor special adviser to Citigroup

Citigroup recently announced that Singapore's Minister Mentor Lee Kuan Yew has agreed to be its special adviser, says a press release.

In this role, the minister mentor will advise Citigroup on its strategic directions and global business. Minister Mentor Lee will provide counsel to Citigroup's senior management and its board on international developments that impact on economics and businesses globally.

Commenting on this appointment, Citigroup's Chairman and CEO Charles Prince said, "Minister Mentor Lee is a modern-day visionary and a unique statesman who is respected world-wide, and it is a privilege for Citigroup to benefit from his understanding, insights and experience."

Minister Mentor Lee is widely recognised as the architect of modern Singapore having transformed the island state from a small trading port into a city state that takes its place amongst the developed countries of the world. He led Singapore as its first prime minister from 1965 to 1990 developing the nation's constitutional system, governing institutions and the economic and political strategies that have propelled the nation into the international arena.

In 1990, Lee was appointed senior minister and in 2004, he became minister mentor to the Singapore government.

ROK strikes \$100m deals with Japan

AFP, Seoul

South Korea's trade promotion agency said Tuesday a presentation in Tokyo aimed at drumming up investment resulted in four deals worth 100 million dollars.

It said the deals, signed at the Korea Business Plaza event on Monday and Tuesday, included a 40 million dollar pledge by Japan's Hoya Corp. to expand its Liquid Crystal Display (LCD) photomask facility in South Korea.

The names of three other investors could not be released due to the need to maintain corporate secrecy.

But the firms involved were a chemical company, a semiconductor parts maker and a shipping parts maker, said the government-run Korea Trade Investment Promotion Agency.

The agency also helped 20 small- and mid-sized firms and seven local governments to hold one-on-one talks with 93 Japanese companies that have expressed interest in investing in South Korea.

At the event, Commerce Minister Chung Sye-Kyun urged Japanese companies to increase their investment in his country, the commerce ministry said separately.

"Japanese (annual) investment in South Korea accounts for a mere two percent of its total investment abroad," Chung was quoted as saying.

"The proportion should be raised to a higher level so that it may be on par with Japan's trade volume with South Korea."

BB REVIEW

Janata Bank fares badly in bad loan recovery

Growth in loans stands at 2.82pc in January-June

STAR BUSINESS REPORT

Janata Bank (JB) has fared badly in recovery and reduction of bad loans during the first half of the calendar year, though its performance in achieving other criteria set in a MoU with the central bank has been marked quite satisfactory, according to a Bangladesh Bank (BB) review.

The memorandum of understanding (MoU) signed between JB and Bangladesh Bank has made limited the growth in total outstanding loans and advances of JB to five percent. During the January-June period of 2006, such growth of the bank stood at 2.82 percent, the BB review found.

Describing the JB's cash recovery against default loans as disappointing, the BB said although the recovery rate for the nationalised commercial bank (NCB) was set at Tk 25 crore from the top 20 defaulters only by December 2006, the bank showed a 0.4 percent recovery in the first six months this year

realising only Tk 10 lakh bad loan.

As on June 2006, the total classified loan of the bank stood at Tk 1754 crore, of which the bank was supposed to recover Tk 150 crore in accordance with the MoU. But the bank has been able to recover only Tk 52 crore, showing a 35 percent success in its yearly target.

The central bank suggested that the JB should accelerate the pace of its recovery rate to achieve 100 percent target.

Janata Bank sources, however, said the bank's target would not be achieved overnight, expecting a near-future improvement in the situation with regard to compliance with the BB instruction.

Reduction in operation expenses by 5 percent on the JB's part was also agreed upon in the MoU. The central bank instructed this bank not to cross its total operation cost Tk 348.39 crore in 2006, but the bank in the six months spent 53 percent of its yearly target that stands at Tk 184.64 crore.

Janata Bank sources said the bank spent most of the operational

cost for staff salary. It is not possible to reduce the staff salary, though the bank is trying to cut other expenses gradually, the sources added.

The cost of deposit of the bank, however, increased. As on June 2006, the cost of deposit stood at 4.28 percent, which was 3.73 percent by the end of last year.

Janata Bank sources attributed the increase in loan and deposit interests to the central bank's tight monetary policy.

The NCB has been successful in achieving its target of collecting deposit in the first six months of the year. With the target of Tk 17582 crore, it collected Tk 17545.36 crore, which is almost cent percent (99.79) of its target.

In disbursing loans and advances, the bank achieved 98.78 percent of its target during the first six months of the year.

The bank's most glaring success in the last six months was that it made a Tk 198.03 crore profit, which is 54.25 percent of its target.

RanksTel, Bay Phones sign agreement on interconnectivity

Bangladesh's leading PSTN (Public Switched Telephone Network) operator Ranks Telecom Limited yesterday signed an interconnectivity agreement with zonal PSTN operator Westec Limited, which operators under the brand name of Bay Phones.

Under the deal, subscribers of the both RanksTel and Bay Phones will soon be able to make and receive calls to and from each other's network, says a press release.

RanksTel Chief Executive Office (CEO) Arouf Chowdhury and Westec Limited CEO MA Hashem signed the interconnectivity agreement at a function at RanksTel office.

Arouf Chowdhury said RanksTel will continue to sign interconnectivity deals with other PSTN operators.

Chowdhury also called upon telecom subscribers to use phone of local companies.

"We are delighted to be able to sign the deal with RanksTel to enable our subscribers to make and receive calls from RanksTel," Westec CEO MA Hashem said.

RanksTel, which commenced operations on May 14, 2005, currently operates in Chittagong, Sylhet, Feni, Noakhali, Comilla, Munshiganj, Narayanganj, Narsingdi, Manikganj, Gazipur, Tangail, Mymensingh, Moulvi Bazar, Khulna, Jessore, Faridpur, Magura and Cox's Bazar.

Zakaria Swapan, chief operating officer (COO) of RanksTel, Anwar Hossain, director, Mustak Hossain, manager corporate affairs, and Milu Chowdhury, manager corporate affairs of Bay Phones, among others, were present.

Indonesia to sell 10 SoEs next year

AFP, Jakarta

The Indonesian government is planning to float shares of 10 state-owned companies next year, the state enterprise ministry secretary said, according to a report Tuesday.

"About 10 state-owned companies are ready to go public, pending the approval of the privatisation committee," secretary Muhammad Said Didu, Bisnis Indonesia reported.

The daily cited Didu as saying that the ministry was in the process of establishing a privatisation committee to handle the initial public offering process.

Among the companies to be offered were Bank Tabungan Negara, Indonesia Power, Jasa Marga, Wijaya Karya, Krakatau Steel subsidiary KHI Pipe Industry, Pembangunan Jawa Bali, Commet Plus and Bank Syariah Mandiri.

Minister for State Enterprises Sugiharto said in January that the government planned to sell stakes in 20 unnamed state companies in the second quarter of this year. The pledge was not however fulfilled.

The minister said at the time that sectors to be opened for privatisation may include oil and gas, electricity and infrastructure.

France's Lafarge to build cement plant in India

AFP, Shimla

France's Lafarge is one of two firms to win approval to invest 170 million dollars each to build new cement plants in India's Himachal Pradesh state where demand is expected to soar as new dam projects get underway, a local official said Tuesday.

The proposed two-million-tonne capacity cement plant would boost the output of Lafarge, one of the world's biggest cement firms, in India by 40 percent to seven million tonnes, according to the latest industry figures.

The state cabinet approved the Lafarge project on Monday for Mandi district, located about 100 kilometres (64 miles) north of the capital Shimla, a state official, who declined to be named, said.

The cabinet also approved a cement plant of the same size and investment for domestic firm Broh Shind in the Chamba district, 450 kilometres northwest of the state capital.

More Norwegian investment sought

UNB, Dhaka

President Iajuddin Ahmed yesterday suggested that Norwegian businessmen could invest more in Bangladesh availing of the incentives offered to the foreign investors.

"The volume of trade between Bangladesh and Norway is very small and does not reflect the close political relations," he said, seeking Norway's cooperation in this regard.

The president made this remark when newly appointed Norwegian Ambassador Lnebjorg Stofring presented her credentials to him at Bangabhaban.

Iajuddin mentioned that both the countries share identical views on many issues and cooperate closely with each other in various international forums.

Despite its huge population burden, resource constraints and recurrent natural calamities, the

President said Bangladesh has achieved notable improvement in its human development sectors over the recent decade.

Ambassador Stofring said the relation between Norway and Bangladesh is excellent and praised the ongoing development in Bangladesh.

Earlier, on her arrival at Bangabhaban, the President's Guard Regiment (PGR) gave a guard of honour to the ambassador. She took salute and inspected the parade.

Foreign Secretary Hemayetuddin, Military Secretary to the President Maj Gen M Aminul Karim, Secretary to the President Jafar Ahmed Chowdhury, Press Secretary to the President M Mukhlesur Rahman Chowdhury and other senior officials of Foreign Ministry and Norwegian Embassy in Dhaka were also present.

AB Bank wants to sell its stakes in Lafarge Surma Cement

STAR BUSINESS REPORT

Arab Bangladesh (AB) Bank Ltd, one of the corporate directors of Lafarge Surma Cement Ltd, has announced to sell its entire holding stakes in the cement company.

The AB Bank made its intention to sell the shares at the market price through the block/odd lot market of the premier bourse within the next 30 working days by filing a letter with the Dhaka Stock Exchange (DSE) yesterday, DSE sources said.

AB Bank holds a total of 10,86,176 shares in the Lafarge Surma Cement.

Meanwhile, share price of Lafarge Surma Cement went down by Tk 11.75 or 3.88 percent to close at Tk 433.25 yesterday on the DSE. A total of 51,900 shares of Lafarge Surma Cement worth Tk 2.26 crore were traded on the DSE yesterday.

CEOs of two US-based firms in Dhaka



Michael Tessler Aziz Ahmad

The chief executives of US-based BroadSoft Inc and UTC Associates Inc are in Dhaka to roll out BroadSoft's Voice over Internet Protocol (VoIP) software applications in Bangladesh, says a press release.

BroadSoft creates VoIP application software that lets fixed and mobile service providers offer the most advanced calling features to their enterprise and residential customers.

UTC Associates, Inc (UTC) is a leading systems and network integration company focusing on all key aspects of complex network planning, design, testing and implementation.

BroadSoft President and CEO Michael Tessler and UTC Associates President and CEO Aziz Ahmad are hosting an event at Dhaka Sheraton today to launch BroadSoft's VoIP platform, called BroadWorks, in Bangladesh.

UTC Associates will act as a reseller and systems integrator for the BroadWorks VoIP application platform in Bangladesh.

Keppel wins billion-dollar contract in Qatar

AFP, Singapore

A unit of Singapore's Keppel Corp. has won a one-billion US dollar contract to build a waste management facility in the Gulf emirate of Qatar, the company said.

Keppel Integrated Engineering (KIE), the environmental technology and engineering arm of Keppel Corp., received notification of the tender award by the Qatar government, Keppel said in a statement issued late Monday.



PHOTO: RANKSTEL

RanksTel Chief Executive Office (CEO) Arouf Chowdhury and Westec Limited CEO MA Hashem shake hands after signing an interconnectivity agreement at a function in Dhaka yesterday.

Gold rises 1.3pc on higher oil, awaits US data

REUTERS, London

Gold advanced more than one percent on Tuesday tracking higher crude oil prices, but traders remained cautious in chasing prices higher ahead of the release of key U.S. data.

The dollar's sideways movement and gold's inability to break important price levels also made people nervous, dealers said.

"It looks like there is still some profit taking each time we move closer to \$600 an ounce. Should we be able to keep the upside momentum and break the level, then we would see renewed interest from investors and speculative buyers,"

said Frederic Panizzutti, analyst at MKS Finance.

"On the physical front, gold demand is very sound in various regions. It's still going on and we expect physical demand to remain sound for the coming days," he added.

Gold hit a high of \$593.75 an ounce, its highest in nearly two weeks, and was quoted at \$589.30/590.30 by 0954 GMT. That was higher than \$586.20/587.20 in New York late on Monday.

Bullion has rebounded nearly 4 percent since falling to a near three-month low of \$571.20 on September 15.

"The yellow metal is not out of the

woods yet though, particularly with gold's recent correlation with oil, and remains vulnerable to bouts of fund liquidation," said James Moore, analyst at TheBullionDesk.com.

Oil held above \$61 a barrel after rebounding from a six-month low as speculators fear a deepening fall could prompt OPEC to rein in output.

Higher oil prices often elevate gold's appeal as a hedge against inflation. Expectations among investors that the U.S. Federal Reserve will keep interest rates on hold also contributed to Tuesday's rebound in gold, dealers said.



PHOTO: BANK ASIA LIMITED

Syed Anisul Huq, president and managing director of Bank Asia, and other senior executives of the bank are seen with the newly-recruited probationary officers at the concluding ceremony of a week-long in-house foundation course held at the bank's corporate office in Dhaka on Sunday.