

IBBL declares 25pc cash dividend

Islami Bank Bangladesh Limited has declared a 25 per cent cash dividend for the shareholders for the year 2001, says a press release.

The dividend was approved at the 19th annual general meeting of the bank held in the city on Thursday.

Shah Abdul Hannan, chairman of the bank, presided over the meeting.

The bank earned a net profit of Tk 57.61 crore in 2001 as against Tk 33.02 crore in the preceding year, registering a growth rate of 74.4 per cent, the AGM was told. During the year, the bank earned income of Tk 425.96 crore as against Tk 320.78 crore in the preceding year.

The deposit of the bank increased to Tk 4,164.09 crore as on 31-12-2001 from Tk 3,211.30 crore as on 31-12-2000, showing a growth rate of 30 per cent.

Investment of the bank stood at Tk 3,764.87 crore as on 31-12-2001 as against Tk 2,956.32 crore as on 31-12-2000, showing a growth rate of 28 per cent.

The bank handled foreign exchange business to the tune of Tk 5,186.80 crore in 2001 as against Tk 4,986 crore in the preceding year, registering the growth rate of 4 per cent.

In the 19th annual general meeting Moulana Mohammad Kutubuddin, representative of Baitus Sharaf Foundation, Engineer Mostafa Anwar, Nazir Ahmed, Abu Nasser Muhammad Abdus Zaher, representative of Ibn Sina Pharmaceuticals Industry Ltd, Yousif Abdullah Al-Rajhi, representative of Al-Rajhi Company for Industry & Trade, KSA and Hamad Al-Hageri, representative of The Public Institution for Social Security, Kuwait were re-elected and Mominul Islam Patwary, representative of Maruf Foundation was elected directors.

US manufacturers pick up activity

AFP, Philadelphia

Business activity picked up markedly in the Mid-Atlantic region this month, the Philadelphia Federal Reserve Bank said Thursday. Activity in most of Pennsylvania and southern New Jersey rose for the sixth consecutive month, with the diffusion index surging to 22.2 points in June from 9.1 in May, it said in a monthly report. "Regional manufacturing activity improved for the sixth consecutive month," it said in a statement. "Manufacturing executives in the region remain optimistic that business will continue to improve over the next six months."

The future general activity index - indicating the net proportion of companies expecting an increase in activity - rose to 60.9 points from 51.3, it said.

The index of new orders increased to 20.1 points in June from 10.2 in May while the shipments index eased to 14.7 points from 17.3.

A barometer of demand for labor, however, fell to minus 2.0 points in June from 5.1 in May. "The demand for labor continues to be weak despite the improvement in activity," the statement said.

Indonesia plans to import 250,000 MT of Chinese rice

AFP, Jakarta

Indonesia plans to import 250,000 tonnes of rice from China to secure supplies in case of harvest failure created by the El Nino weather phenomenon, a report said Friday.

Wijanarko Puspoyo, head of the state food agency Bulog, was quoted by the Jakarta Post as saying a memorandum of understanding was expected to be signed next month for delivery in November.

He said a preliminary agreement was reached during President Megawati Sukarnoputri's visit to China this year.

It had not yet been decided whether Indonesia would pay in cash or counter-trade.

"China is basically okay with a countertrade scheme and they have asked for crude palm oil in return for their rice. But this can be changed," Puspoyo was quoted as saying.

An agriculture ministry said last month the country's rice imports this year would not exceed 1.3 million tonnes, even if El Nino - which can create droughts - returned.

The official said indications from the national meteorological agency showed there was a strong chance El Nino would not occur this year.

Indonesia reached self-sufficiency in rice in 1984 under former strongman Suharto. It resumed imports a decade later as more and more farmland was lost to development.

BAIRA vents concern over closure of mission in Brazil

Move to dash job prospect for Bangladeshis in Latin America

RAFIQ HASAN

Bangladesh Association of International Recruiting Agencies (BAIRA) has expressed its concern over the decision to close down the country's mission in Brazil as the association observes the move will dash job prospect for Bangladeshis in Latin America.

BAIRA sees immense prospect of migration of Bangladeshi workers in many Latin American countries and the process can be coordinated from Brazil where the country has the lone mission for covering whole South American region.

BAIRA President MAH Salim is going to submit a letter to the state minister for expatriate welfare and overseas employment requesting him to take an initiative so that the government defers the closure decision at least for next two years.

According to recruiters, presently there are many Bangladeshis in Argentina, Brazil, Bolivia, Venezuela and Paraguay. The Bangladeshis entered those countries with visas and many of them obtained citizenship by continuous residency or marriage.

The Latin American nations are progressing fast as industrialisation is replacing predominantly agrobased economies. Currently, the per capita income of those countries ranges between \$1,500 and 3,500. On the other hand, per capita income in Bangladesh is still below \$400.

Oil-rich Venezuela is taking manpower from Vietnam, some recruiters said.

The BAIRA president underscored the need for taking drive to explore manpower market in Latin America.

Job market is opening up gradu-

ally in Latin America as Taiwan, one of the economic giants in the world, is investing there and Bangladesh should explore the market as early as possible, Salim said.

Otherwise, the country will face severe difficulties when several lakh workers will come back from Malaysia and Middle Eastern countries, he feared.

He also observes Bangladeshi workers have bright prospect in Latin America, as immigration rules of the countries are not rigid.

Recruiters said in late sixties and early seventies a few Latin American countries had given advertisement in local dailies inviting settlers in their agricultural sectors. The governments of those countries offered allocation of vast agricultural lands for interested settlers.

The recruiters believe the situation has not changed much. The demand for agricultural laborers in

those countries is still high, they said.

The foreign ministry sources confirmed that the mission in Brasilia is being closed down and the Bangladesh flag will be lowered there on August 31 this year.

The mission was opened around two decades ago. The government officials, however, did not spell out any definite reason for the closure.

But sources attributed it to fund crisis.

Brazil was one of the first Latin American countries to recognise Bangladesh. It had opened a resident mission in Dhaka in 1974, which was closed down in 1998.

In 1998, Bangladesh exported leather and other traditional items worth 50 million US dollars to Brazil and imported goods worth 70 million US dollars.

Himadri Limited declares 10pc dividend

Himadri Limited, a sister concern of Ejab Group, has declared a 10 per cent dividend for the shareholders for the year ending December 31, 2001.

The dividend was confirmed at the 28th annual general meeting of the company held at its head office in the city on Monday, says a press release.

Mushtaq Ahmed and Wally Ahmed who retired at the 28th AGM were also re-elected as directors of the company.

Uruguayan peso slips as govt floats currency

AFP, Montevideo

Pressured by financial instability in neighboring Argentina and nearby Brazil, Uruguay fully floated its currency Thursday, sending the value of its peso down 16.8 per cent against the dollar.

Until Thursday the peso had traded within a 12-per cent band against the dollar, with the band limits regularly altered by the central bank to allow a controlled devaluation of the currency.

The bands were "conspiring against the credibility of our exchange rate system," Economy Minister Alberto Bension said. "This is not a devaluation, but a flotation in which exchange rates are not predetermined."

As he made the announcement Bension noted that Argentina and Brazil's free-floating currencies were having an adverse effect on the stability of the Uruguayan currency market.

"We run the risk of a depreciation in the first days, but later it can go up or down," Bension said.

By close of business Thursday, the US dollar was being sold at a 19.3 per cent increase over the previous day, in part because officials were expecting a run on the greenback.

Bension denied that market pressure was behind the decision, but said that the measure allows Uruguayan exports to be more competitive in the world market.

Bension said the country's foreign currency reserves had been significantly run down - down 40 per cent on the year - but were still "three times the size of the monetary base" and robust enough to weather the flotation.



Pineapples are arriving in city markets in large quantities from Rangamati. The fruit sells between Tk 300 and 500 per one hundred pieces in wholesale market.

Britain calls for radical reform in Nepal

2-day donor confce ends

AFP, London

Britain called Friday for "radical reform" to assist Nepal's poorest after hosting a two-day donors conference in London on ways to help the Himalayan kingdom combat an increasingly violent Maoist insurgency.

Representatives of UN agencies, the World Bank and 14 countries discussed the financial woes faced by Nepal, whose tourism-dependent economy has been battered since the rebels stepped up their armed campaign to topple the monarchy last year.

"Nepal is in crisis, and we fully support the struggle against the Maoist insurgency," said Britain's Minister for International Development Clare Short.

"But there is also an urgent need to address the underlying issues of corruption, discrimination and weak governance that have allowed the crisis to develop. Radical reform is needed to prioritise delivery of services to poor people," Short said in a statement.

Britain has pledged more than 30 million pounds (45 million dollars, 47 million euros) in development and military aid to Nepal for the fiscal year, said Mike O'Brien, the British Foreign Office's minister for Asia.

"It is imperative that we help the government of Nepal in its struggle against terrorism. We cannot allow the terrorists to win. Nepal must not be allowed to become a failed state," O'Brien said.

The conference "noted that military assistance should be considered as part of the comprehensive approach to resolution of the conflict," a British government statement said.

It also called for Nepal's November 13 general elections, called two years ahead of schedule, to be "free and fair."

The Maoists broke a four-month ceasefire in November and launched an intense wave of attacks, devastating the tourism industry, which employs some 250,000 people and is the impoverished country's chief source of foreign currency.

Arrival of foreign tourists plunged some 46 per cent in the first quarter of 2002 compared with the same period last year, according to hotel and tour operators' figures.

Nepal's government says it has also incurred 250 million dollars in damages and revenue loss from attacks to civilian infrastructure, a frequent Maoist tactic.

More than 4,300 people have died since the Maoists launched their "people's war" in 1996 to topple the constitutional monarchy, according to the official count. About two-thirds of the deaths have come since the end of the truce.

Nepal was represented at the meeting by officials from the foreign and finance ministries, the army and the national planning commission, along with Arjoo Deuba, wife of the country's caretaker prime minister Sher Bahadur Deuba.

Also in attendance were representatives from Nepal's neighbours India and China, its largest donor country, Australia, Russia, the United States and seven European countries.

Taiwan export orders rise to 18-month high

AFP, Taipei

Taiwan's export orders jumped to an 18-month-high of 13.14 billion US dollars in May on strong demand for information technology goods, official data showed Friday.

Orders in May were 14.3 per cent higher from a year earlier, compared with an 11.45 per cent rise in April, the economics ministry said in a statement.

The May figure reflected particularly strong demand growth for information technology and communications products, it said.

"Export orders in May were better than we had expected," said Chang Yaw-tzong, director of the ministry's statistics department.

Chang said June export orders may rise 13-14 per cent from a year earlier, leading to a double-digit year-on-year growth in second quarter export orders.

He added the global economic recovery and a bottoming out in the slump in the electronics industry should help export orders during the current quarter.

In the five months to May, export orders increased 6.33 per cent from a year earlier to 60.25 billion dollars.

Taiwan's industrial output in May grew 10.11 per cent year-on-year and was up 4.26 per cent from April, the ministry said.

In the five-month period, industrial output rose 4.06 per cent from a year earlier.

The government statistics agency projected the island's exports for the full year to grow 3.4 per cent.

Active trade in Asia and a low base of comparison may see second-quarter manufacturing output in the island rise about 10 per cent from the previous quarter.

India's Infosys buys US-based firm's Trade IQ division

AFP, Bombay

India's leading software exporter Infosys Technologies Thursday said it has acquired the Trade IQ banking software division of US-based IQ Financial Systems Inc for four million dollars.

It said the acquisition included offices in Tokyo and London and brought in new clients, including some of the top commercial and investment banks in Europe, Japan and the United States.

Infosys shares closed over three per cent or 98.60 rupees higher at 3,249.30 on the Bombay Stock Exchange Thursday after the announcement.

"This acquisition has helped us to emerge as an end to end player in the banking software market with state of the art offerings to retail, corporate and wholesale banks," Infosys banking business head Girish Vaidya said.

Infosys associate vice president Merwin Fernandes said the acquisition of Trade IQ consists of three main products - integrated treasury system, IQ limits management system and desktop risk system.

"These products are advanced system packages and acquiring them would give Infosys an entry into the advanced banking software market," Fernandes said.

He said the acquisition would provide Infosys the strategic advantage of targeting the wholesale and investment banking segment and also offer a superior treasury system.

"Trade IQ is an integrated front, middle and back office system that provides full straight-thought-processing and covers a full breadth of money market, foreign exchange, fixed income and their entire range of derivatives," he added.

Fernandes said Infosys would continue to be on the look-out for further acquisitions in the banking software area.

Weekly Currency Roundup

June 15-20, 2002

Local foreign exchange market operated in full swing. Demand for dollar was high.

In the weekly Treasury bill auction held on Sunday, Bangladesh Bank accepted treasury bills worth of BDT 6.135 billion. The government accepted BDT 5565 million at 4.54 per cent for 28-day t-bills, BDT 400 million at 5.09 per cent for 91-day t-bills, BDT 60 million at 5.8 per cent for 364-day t-bills and BDT 110 million at 6.83 per cent for 2-year t-bills. Demand for BDT for overnight borrowing at call was higher at the beginning of the week and the call money ranged between 6 and 14 per cent.

In the beginning of the week, dollar was traded in a narrow range; giving up the gains made last week.

In the middle of the week, euro made modest gains against the dollar and yen. The dollar struggled despite a Wall Street rally, as the traders remained wary about the future of the US stock. The greenback posted a modest gain against yen amid intervention fear by BOJ, while yen was broadly weaker against major currencies.

Later in the week, dollar continued to lose ground against most of the currencies especially euro and Swiss franc. Continuous weakness of the Wall Street, expected widening of current account deficit of US economy and security fears continued to weakened the dollar. The greenback hit a 17-month low against euro and GBP and two and a half years low against Swiss franc. Even the intervention fear by BOJ could not prevent dollar from trading at below 124 level against the yen.

At 1515 hours on Thursday, Euro traded at 0.9582/86 against dollar, pound sterling at 1.4906/12 and yen traded at 124.72/74 against US dollar.

--Standard



PHOTO: IBBL

The 19th annual general meeting of Islami Bank Bangladesh Limited was held at the Bangladesh-China Friendship Conference Centre at Sher-e-Bangla Nagar in the city on Thursday with Shah Abdul Hannan, chairman of the bank, in the chair.

G8 to view dollar-euro parity as positive

AFP, Berlin

The United States and its Group of Eight (G8) partners would consider the euro reaching parity with the dollar as a positive development, a senior German government source said Thursday.

"The euro is moving towards parity and this is viewed by both sides as completely OK," the source said.

"I can clearly say that the Americans would view that simply as a market development."

The source said profit warnings and "uncertainties" at US companies were putting pressure on the

value of the dollar.

"Naturally the trade deficit plays a role," the source added.

The dollar fell against other leading currencies Thursday after data showed the US trade deficit had hit a record high point, boosting the euro to its highest level in two years against the greenback.

The euro rose to 0.9615 dollars from 0.9594 shortly before the release of the data, which also showed a big increase in the US balance of payments current account deficit.

Figures released by the US Commerce Department showed the trade deficit rose to a record 35.9

billion dollars (37.3 billion euros) in April from 32.5 billion dollars in March, higher than economists had expected.

US Treasury Secretary Paul O'Neill reiterated that Washington still maintains a strong dollar policy and does not plan to change its stance, during a television appearance Tuesday.

However, some analysts have begun to question whether the United States may secretly favor a weaker dollar in order to stem losses it has suffered in foreign markets during periods of dollar strength.

Britain steps up telecom market liberalisation

AFP, London

Britain announced Thursday a package of measures to boost competition in the fixed-line telecommunications market in a move that could lure in foreign firms.

Among the changes to be introduced by regulator OfTel, price controls imposed on former state-owned operator BT Group are to be eased.

But in return, the former state-owned operator will have to provide a new wholesale line rental product to its competitors on the same terms as those enjoyed by its own retail business.

The regulator said this would enable BT's rivals to provide a nationwide telephony service under one bill for the first time, thus offering a "real alternative" to the dominant market player.

BT, which was privatised in 1984, still controls more than 70 per cent of the fixed line market, while cable companies NTL and Telewest also own networks and others such as Centrica's One.Tel unit use BT lines for telecommunications.

Analysts said that others were likely to take advantage of the changes by muscling in on BT's residential business.

US posts record trade, current account deficits, dollar reels

AFP, Washington

The gingerly recovering US economy, sucking in imports and leaking investment flows to overseas, posted Tuesday record trade and current account deficits, pounding the dollar.

"If the market ever needed convincing the US dollar is overvalued, it received it in spades this morning," said Sal Guatieri, Chicago-based economist at Bank of Montreal.

The April trade deficit, aggravated by surging petroleum imports, widened 10.7 per cent from the previous month to a record 35.9 billion dollars.

The current account deficit exploded to an unprecedented 112.5 billion dollars in the January-

March quarter, up 18.3 percent from 95.1 billion dollars the previous quarter.

The current account reflects trade in goods and services, the flow of investment returns from stocks and bonds, and one-way monetary transfers such as foreign aid payments.

The grim news propelled the euro to 96.26 US cents, above 96 cents for the first time in two years.

Guatieri said the "huge deterioration" in the April trade balance and the record first quarter current account shortfall was undermining investors confidence in the dollar.

"I think the markets are realizing that something has to give here and it is likely going to be the US dollar to correct the huge US current account imbalance," Guatieri said

Key factors in the first quarter current account deficit were:

- The goods and services trade deficit. It widened in the first quarter to 94.89 billion dollars from 88.03 billion dollars in the previous three months.

- Income from items such as purchases of stocks and bonds. The United States posted a deficit on income of 1.78 billion dollars in the quarter, compared to a surplus of 6.52 billion dollars the previous quarter.

Separate figures in the capital account showed foreign private purchases of US securities, other than government bonds, dived to 70.33 billion dollars from 99.32 billion dollars.

"It is this slowdown in the pace of capital inflows that has caused the

dollar to weaken recently," said Wachovia Securities senior economist Jay Bryson.

"Investors fret that capital inflows will weaken further as long as the turmoil in US financial markets continues. If so, the weight of the current account deficit will continue to bear down on the greenback."

The dollar was on a downward trend, said Wells Fargo chief economist Sung Won Sohn.

"The larger current account deficit will certainly support the trend and maybe even increase its rate," he said.

The April trade figures showed the economy absorbing imports at a much faster rate than it was sending out exports.