

Banks see downtrend in lending, deposit growths

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Banks saw dips in both lending and deposit in terms of growth during the first six months of this year compared to the corresponding period of last year.

Lending registered a growth of 4.4 per cent during January-June of this year against 5.52 per cent growth in the previous year while deposits saw a 4.75 per cent growth against last year's 5 per cent.

However, private and foreign banks received larger amount of deposits during the period as nationalised commercial banks (NCBs) put a brake on both lending and deposit.

The deposit of NCBs dropped by

0.9 per cent and lending increased by a meager 0.61 per cent, compared to last year's performance.

Sonali Bank, the largest NCB, recorded a negative growth of 2.66 per cent in deposit and minus 2.79 per cent in credit. Janata Bank also saw 2.78 per cent negative growth in deposit while its credit witnessed 1.5 per cent growth.

Agrani Bank achieved a growth of 2.4 per cent in deposit and 5.12 per cent in credit. Rupali bank also witnessed 3.38 per cent growth in deposit and 4 per cent in credit.

The private commercial banks (PCBs) recorded 11.39 per cent growth in deposit and 7.61 per cent in credit. Last year, they achieved 7.79 per cent and 9.78 per cent

growth in deposit and lending.

Available statistics show deposits in private banks increased substantially but their lending growth declined this year. Explaining its reason, a top PCB official said demand for lending was less during the period.

Following the Om Prakash and Modi scams, some PCBs took a number of precautionary measures to check further casualties. "That was another reason for less lending growth," the official said.

Among these banks, Dhaka Bank saw a 5.68 per cent decline in lending. The lending of National Credit and Commerce Bank also dropped by 3.07 per cent.

On the other hand, lending of National Bank increased by 2.47 per cent and that of One Bank by 4.31 per cent.

Although some private banks registered negative growth during the period, a number of new generation banks saw 33 to 66 per cent increase in lending.

Foreign banks operating in Bangladesh marked 9.82 per cent increase in deposit and 11.62 per cent in lending. The rates were 2.25 per cent and 10.40 per cent for deposit and lending last year.

Five specialised banks marked a deposit growth of 5.51 per cent while their credit growth was 3.92 per cent.



PHOTO: STAR

Visitors gather at an electronics product stall at 'Mega Show 2003' organised by Conference and Exhibition Management Services (CEMS) at Pan Pacific Sonargaon Hotel in Dhaka yesterday, the first day of the 4-day event. A total of 60 companies are showcasing electronic goods, construction materials, ICT products and service products at the mega exhibition.

Mega Show '03 begins

Electronics, construction materials ICT, service products on display

STAR BUSINESS REPORT

Four separate exhibitions of electronic goods, construction materials, ICT products and service products began at Pan Pacific Sonargaon Hotel in Dhaka yesterday.

Barkat Ullah Bulu, advisor to the Ministry of Commerce, formally inaugurated the 'Mega Show 2003' organised by Conference and Exhibition Management Services (CEMS), a leading event management firm.

Some 60 companies are showcasing their products and services at 85 stalls in the four-day exhibition comprising Elexpo'03, Conexpo '03, Comteq '03 and Servexpo '03 which will remain open to all from 10am to 8pm everyday.

However, the show will open after 6pm on Saturday as the opposition called a hartal on the day.

Electronic goods are on display

at Elexpo'03, construction materials and equipment at Conexpo '03, computer hardware and software, IT, telecommunications and office equipment at Comteq '03 and service products at Servexpo '03, show organisers said.

Speaking at the opening function Barkat Ullah Bulu said the fair will provide a perfect one-stop market place for buyers to evaluate the performance of equipment, machinery and modern technologies that may suit their requirement.

CEMS Managing Director Meherun N Islam and Director Shahed Sarwar were present at the function.

Sixteen electronics companies have put on display their products including television, fridge, CD, VCD and DVD player, washing machine, air-conditioner, mobile phone, water pump, UPS and IPS, voltage stabiliser, battery, generator, switch, circuit breakers and

charger light at the Elexpo.

Twenty one real estate firms and related companies are showcasing paint, plastic and wooden door and window, boards, plywood, door frame, poly-glass, furniture, power generator, cement, brick, bathroom fittings, pipe and metal products, steel, apartment and housing plots, theme park at the Conexpo.

At the Comteq, seven companies are participating with their products including computer software, hardware, accessories, fax machine, photocopier, network solutions and consultancy, training and education, broad band internet, mobile internet, video conferencing and system integration.

Besides, six companies are taking part at the Servexpo with their different service products including general insurance, home loan, day-night banking, personal installment loan, car loan, monthly interest time deposit and tourism.

US shrimp producers seek anti-dumping measures

Move to affect export from Bangladesh

UNB, Dhaka

A coalition of US-based shrimp producers has petitioned US authorities for anti-dumping measures to stop a shrimp-import surge, which could eventually come as a blow to Bangladesh's shrimp industry.

Southern Shrimp Alliance (SSA), the coalition of eight shrimp-producing US states, passed a motion on August 11, 2003 to immediately move forward with an anti-dumping (countervailing) duty petition, according to a message received here.

The alliance, however, initially targeted the group of countries that have 3 per cent or more of the market share in USA. These countries include Thailand, India, China, Vietnam, Ecuador, Mexico, Brazil, Indonesia, Venezuela, and Guyana.

But, they are also considering bringing the group of countries with less than 3 per cent market share, including Bangladesh, under the anti-dumping case.

The SSA was working to stop or limit the shrimp-import glut that they claimed devastated the business infrastructure of the southeastern US domestic shrimp fishery.

Shrimp imports increased 30 per cent this year and they projected additional 30 per cent increase each over the next four years.

Against this backdrop, Bangladesh Shrimp Foundation (BSF) sought support of the stakeholders worldwide in restraining the SSA from imposing the anti-dumping regulations on the shrimp industry of developing countries, including Bangladesh.

The BSF has sent a letter to the American Seafood Distributors

Association (ASDA), the Global Aquaculture Alliance (GAA) and international shrimp buyers, seeking their intervention in this matter, said a press release yesterday.

Around 40 per cent of Bangladesh's shrimp exports go to USA market. In 2002-03, the country earned US\$327 million from the industry.

The global stakeholders joined forces to fight against the move of the alliance, urging global shrimp producers, processors and exporters to work together for a common, coordinated, comprehensive defence, it said.

The US Department of Commerce is required to make an initial ruling in the case within twenty days of the receipt of the petition by the SSA.

Repo auction

UNB, Dhaka

The Repo auction of Bangladesh Bank for commercial banks and financial institutions was held here yesterday.

11 bids of two-day tenor amounting to Tk 314 crore were received and accepted.

The rates of interest against the bids ranged from 5 per cent to 4.89 per cent per annum.

The Reverse Repo auction of Bangladesh Bank for commercial banks and financial institutions was also held.

One bid of two-day tenor amounting to Tk 100 crore was received but that was not accepted, separate press releases said.

Opec to cut oil output by 9 lakh barrels a day

AFP, Vienna

The Opec oil cartel will lower its production by 900,000 barrels per day (bpd) to 24.5 million bpd due to slack seasonal demand as winter approaches, as well as a build-up in inventory and the return of Iraqi exports, an Opec spokesman announced Wednesday.

The cut will take effect from the start of November.

The economic situation "requires a reduction in supply," he told a press conference after a formal meeting of the grouping, the first to be attended by Iraq since the US-led war to topple Saddam Hussein.

"While the global economy seems to be improving, only normal, seasonal growth in demand is expected" during the fourth quarter," he added, noting also a "continued rise in non-Opec supplies" left the market "well-supplied."

New food shop opens today at Gulshan

STAR BUSINESS REPORT

A new food shop offering Asian, European and American cuisine formally opens today at Gulshan in Dhaka.

Food connoisseurs will enjoy traditional Indian and Thai dishes along with Italian pizza, Germany's Mr Baker cakes, and American fried chicken and Baskin 31 Robbins ice cream at the shop -- Viand: The Food Core.

The 90-seated food outlet, a venture of INDIGO Group, has a number of unique features including inscribing pictures on cakes and giving supply against online order.

"We can set any picture preferred by customers on cakes and chocolates within one and half hours of placing order and it is eatable," said Kazi Zashimul Islam, managing director of INDIGO at a press conference yesterday.

The Tk 1.5 crore shop, financed by Arab Bangladesh Bank, has an air-conditioned 'Fun Zone', where kids can play and enjoy movies, he said.

Islam said customers living within two km of the shop can order any food items through telephone or online. "We have a website for placing such order," he added.

Viand has imported special cartons from Italy for delivery of food items and from Baskin 31 Robbins of America for ice cream.

A separate section of the shop, Dupraz, will display and sell western dresses for all age groups, CDs and DVDs, the managing director said.

Linu Kazi, executive director, and Fayed Ahmed, general manager of Viand, were present at the press conference.

Tour operators push for national tourism board

STAR BUSINESS REPORT

Private tour operators have demanded immediate formation of a national tourism board to address the problems facing the promising sector for long.

The number of foreign tourists in Bangladesh is on rise but due to lack of adequate logistic support the tour operators often face problems and can not provide quality service to their clients, they said.

"We want formation of the tourism board immediately," said Faridul Haque, president of Tour Operators Association of Bangladesh (TOAB), at a press briefing at a local hotel in

Dhaka yesterday.

"Marketing, product development and coordination between the government and the private operators have become essential for promoting the sector and the tourism board can do all these things," he said.

He said the three world heritage sites, Sundarbans, Paharpur monastery and Shat Gambuj mosque, have become attractive spots for the foreign tourists.

But presently the private operators have only four air-conditioned tourist coaches with the capacity of carrying 100 persons.

"These vehicles are very expen-

sive mainly for high import duty. The government should allow duty free import of road and waterways transports to encourage the tourism sector," Faridul Haque said.

The government will not need to spend for running the tourism board, the TOAB president said, citing example of Nepal Tourism Board that generates fund by taking one per cent of the hotels' earnings.

Of the total fund generated for the tourism board from the income of hotels, 50 per cent may be given to the state coffer, Haque said.

Taufiq Rahman, secretary general of TOAB, was present.

Russia may join WTO by 2004: US

AFP, Moscow

The United States is eager to see Russia join the World Trade organization (WTO) and hopes it can due so as early as next year, a top US official said Wednesday.

But US Secretary of Commerce Donald Evans stressed that Russia would not be allowed into the world trade oversight body under any special terms, despite Moscow's insistence for leniency.

"I think we have made great progress in moving the accession along for Russia in the WTO," Evans told reporters after three days of trade and energy talks in Russia.

Russian officials have said they do not expect to join the WTO until 2005 or 2007 at the earliest as they hammer out tough trade disagreements with the United States, the European Union and China, among others.

But Evans said that Moscow was being too pessimistic and that Russia's WTO membership should be agreed soon.

"I know it's unlikely that it is going to happen in 2003 ... but I would not rule out 2004 yet," Evans said after a meeting with Russian Economic Development and Trade Minister German Gref.



PHOTO: VIAND

'Viand: The Food Core' Managing Director Kazi Zashimul Islam speaks at a press conference yesterday on the eve of launching the new food shop at Gulshan in Dhaka. Executive Director Linu Kazi and General Manager Fayed Ahmed of Viand are also seen.

CURRENCY

Following is yesterday's foreign exchange rate statement by Standard Chartered Bank					
Sell		Currency	Buy		
TT/OD	BC		TT Clean	OD Sight Doc	OD Transfer
58.7300	58.7800	USD	57.8500	57.6801	57.6110
68.1444	68.2024	EUR	65.7060	65.5130	65.4346
97.8912	97.9745	GBP	94.9955	94.7165	94.6031
40.5824	40.6170	AUD	38.5570	38.4438	38.3978
0.5318	0.5323	JPY	0.5136	0.5121	0.5115
43.7500	43.7872	CHF	42.4930	42.3682	42.3175
7.6055	7.6120	SEK	7.0886	7.0678	6.0593
43.7663	43.8036	CAD	42.5086	42.3838	42.3330
7.5697	7.5761	HKD	7.4412	7.4193	7.4104
34.0227	34.0517	SGD	33.2242	33.1266	33.0870
16.1213	16.1351	AED	15.6242	15.5783	15.5596
15.7659	15.7994	SAR	15.3042	15.2593	15.2410
9.4373	9.4453	DKK	8.6072	8.5819	8.5717
Exchange rates of some currencies against US dollar					
Indian rupee	Pak rupee	Lankan rupee	Thai baht	Nor kroner	NZ dollar
45.77	67.875	95.38	40.085	6.9857	0.6451
					Malaysian ringgit
					3.80

Delta Life Ins, Lafarge Surma sign agreement

Delta Life Insurance Company Ltd recently signed an agreement with Lafarge Surma Cement Limited on the cement company's subscription of 18 lakh shares at the rate of Tk 100 each in pre-IP0 private placement category.

Delta Life Managing Director Das Deba Prashad and Lafarge Surma Managing Director Yong Nagi Chan signed the agreement on behalf of their companies, says a press release.

Delta Life Insurance Chairman Monzurur Rahman, Senior Vice-president Adeeba Rahman and Lafarge Surma Cement Finance Director Masud Khan were also present at the signing ceremony.

Premier Bank opens branch at Savar

Premier Bank Limited opened its 15th branch at Dhaka Export Processing Zone gate at Savar on Wednesday.

The bank is going to launch VISA International Credit Card very soon, Premier Bank Chairman HBM Iqbal said at the inaugural ceremony.

Advisor of the bank Kazi Abdul Mazid and Deputy Managing Director Neaz Ahmed were also present, says a press release.

Dollar firm against taka

BSS, Dhaka

The US dollar was firm against the Bangladesh taka in inter-bank trading yesterday on higher demand from traders, dealers said.

The US unit was also firm slightly against the yen in Asian trade as investors remained cautious over possible dollar-buying intervention by the Japanese authorities, dealers on online trading said.

The dollar traded at 58.4250 taka and 58.4400 taka per unit, compared to its previous rates of 58.4150 taka and 58.4350 taka, dealers of leading commercial banks said.

"Dollar demand in the inter-bank market remained strong as importers were under pressure for import payments ahead of weekend holiday on Friday with Saturday and Sunday in the international markets," dealers said.

Japan's public debt falls to 129pc of GDP

AFP, Tokyo

Japan's outstanding central government debt fell 3.7 per cent to 643.76 trillion yen (5.75 trillion dollars) at the end of June after the newly created Japan Post absorbed some of the burden, the finance ministry said Thursday.

Public debt amounted to 129 per cent of Japan's annual nominal gross domestic product (GDP) based on the April-June quarter and was down from the record 668.76 trillion yen at the end of March.

Some 48 trillion yen worth of debt, not in the form of government bonds, was related to the former postal savings, life insurance and mail delivery services, which formed Japan Post on April 1.

Euro-zone money supply growth slows in August

AFP, Frankfurt

Growth of the euro-zone money supply, as measured by the broad indicator M3, slowed in August, data published by the European Central Bank showed on Thursday.

M3 growth slowed to 8.2 per cent on a 12-month basis in August from a revised rate of 8.6 per cent in July.

M3 covers cash, overnight deposits, other short-term deposits, repurchase agreements, shares and units in money market funds and debt securities with a maturity of up to two years and is the ECB's preferred indicator of medium-term inflationary trends in the euro-zone economy.

But because the monthly figures are subject to volatility, the ECB also calculates a three-month moving average for M3 growth, which stood at 8.4 per cent in the period from June to August, slightly slower than the rate of 8.5 per cent recorded in May to July.

AFP, Washington

US industry Wednesday urged the administration of President George W. Bush to intensify pressure on China over its currency peg, which it says is costing vital jobs and profits.

"Pegging the yuan to the dollar appears to be part of a deliberate strategy to support Chinese industry and boost exports," William Primosch, director of international business policy at the National Association of Manufacturers, told a congressional panel.

Manufacturers and high-technology representatives implored Congress and the Bush administration to push Beijing to adopt a market-based exchange rate regime rather than pegging the yuan to the dollar.

US manufacturers argue the yuan, which has been pegged at about 8.3 to the dollar over the past nine years, is undervalued by 15 per cent and is unfairly eating away at US exports.

The White House appears to be paying attention.

Treasury Secretary John Snow pressed the currency issue with Chinese leaders on a recent visit to Asia and the United States has used its position in the Group of Seven industrial powers to take up China's currency.

Bush is worried about the impact China's currency is having on US exporters, their jobs and votes as he casts his eye to next year's presidential election.

China is the fastest growing market for US goods, and some of the nation's biggest companies are scrambling for a slice of the action.

In September alone General Electric, Du Pont and Citigroup all announced investments and deals in China representing billions of dollars while Goldman Sachs is reportedly in talks to buy a 10-per cent stake in China Pacific Life Insurance.

Despite the mounting appeals, administration officials insisted they

are doing all they can to take the argument to Beijing.

"We are making progress, it's limited. We understand the frustrations of our manufacturers," Charles Freeman, deputy assistant US trade representative, who handles China, told the panel.

He said Washington "wants to encourage China to play by the rules," but added "it is extremely tough going negotiating with the Chinese."

Industry's increasing impatience on the currency issue comes ahead of a high-level visit by US Commerce Secretary Don Evans to China next month. Chinese Premier Wen Jiabao will visit the United States in December.

The manufacturers group is the most vocal of those pressing the White House on the currency matter, but other industries, including high-technology and services, appear to be now stepping into line.