

## Banglabandha land port opens next month

RAFIQ HASAN

The government is going to open a land port at Banglabandha in Panchagarh district aiming to boost export-import business with Nepal.

The land port will formally be opened on May 22 by Shipping Minister Akbar Hossain. Nepalese commerce minister is expected to be present at the opening function.

A 52-km road over the Indian territory links Banglabandha land port of Bangladesh with Kakorita border point in the Himalayan Kingdom Nepal.

Currently India allows only two hours a day for using the road as transit for transporting goods between Bangladesh and Nepal.

Sources however said there is no indication from the Indian side that the duration of transit facilities would be increased for smooth transportation of goods.

"If India does not cooperate in transporting goods through its land, the land port at Banglabandha would never be vibrant," said a businessman in Dhaka.

Though a border check post was opened at Banglabandha a few

years back, it did not function properly due to lack of infrastructure facilities.

Moreover, lack of necessary cooperation from the Indian government to use its 52-km corridor also hampers Bangladesh-Nepal trade, according to local businessmen.

But sources in the shipping ministry claimed they have this time got assurance from the Indian authorities regarding cooperation in using their territory.

Local businessmen said Banglabandha land port has great potential for increasing trade not only with Nepal but also with neighbouring Bhutan.

There is a market of Bangladeshi goods such as readymade garments, ceramics, biscuits, cosmetics, battery and jute goods in these two Himalayan states.

The government took the initiative to develop a land port at Banglabandha as landlocked Nepal showed interest in using Mongla Port for importing goods from other countries.

To encourage Nepalese importers in using Mongla Port, Bangladesh gives 50 percent dis-

count on port charges for Nepal-bound goods.

The government has constructed a building at a cost of Tk 1.40 crore at Banglabandha with all necessary facilities for smooth functioning of the land port.

The building with 8,500 square feet space will be used for offices of customs, immigration, bank and land port authority, the source said.

However, a full-fledged land port would be developed later on 10 acres of land on build, operate, transfer (BOT) basis by a private company, they said.

The National Board of Revenue (NBR) is also taking necessary steps to remove all barriers to the border trade with Nepal.

Sources said the NBR would deploy permanent officials and staff there for processing export-import documents. Currently, officials have to come from Panchagarh, some 57 km off the land port, for processing the documents.

### BATB signs deal with CDBL to start electronic settlement

British American Tobacco Bangladesh yesterday signed an agreement with the Central Depository Bangladesh Ltd to pave way for starting electronic settlement of shares of the multinational company under central depository system (CDS).

Managing Director of British American Tobacco Bangladesh (BATB) Stephen Daintith and Managing Director and CEO of Central Depository Bangladesh Ltd, the operator of CDS, signed the agreement on behalf of their organisations, says a press release.

BATB will join CDS fold soon after getting final permission from the Securities and Exchange Commission. CDS will expedite share settlement. It will also facilitate electronic distribution of bonus share, eliminate hassle relating with manual share registration and transfer, avoid rigorous process of certificate validation.

Alain J King, head of Finance of BATB, Rashed Ahmed, head of Marketing, QM Shahed, head of Human Resources, Ezaz A Chowdhury, head of Leaf, Paul Thompson, head of Operation, Md Mahabur Rahman, company secretary, and Md Azizur Rahman, deputy company secretary of BATB, and officials of CDBL were present.

**Janata Bank receives Asian banking award**

Janata Bank has received the Asian Banking Award 2004.

The award was given at a ceremony held during the Asia Pacific Bankers Congress in Manila recently, says a press release.

The ceremony was organised by the Asian Bankers Association and Bank Marketing Association of the Philippines.

The financing programme for women entrepreneurship of Janata Bank has been highly commended as a runner up in the micro finance product or programme category of the Asian Banking Awards 2004.

Under the women entrepreneurship programme, Janata Bank is providing fixed and working capital finance to the women entrepreneurs without collateral security up to Tk 0.5 million in different programmes.

Two hundred women entrepreneurs have availed themselves of the credit facilities from Janata Bank. Under this scheme, a total amount of Tk 4 crore has been disbursed. The recovery rate of such loan has been estimated at 99 per cent.

### Siemens signs agreement with Otobi

Siemens Bangladesh Limited has signed a dealership agreement with Otobi Limited through its exclusive distributor Lipro Communications Limited.

Dr Peter E Alrich, managing director and CEO of Siemens Bangladesh Limited, Nitin Kundu, managing director of Otobi Limited, and Shakil Wahed, managing director of Lipro Communications Limited, signed the deal on behalf of their organisations at the Siemens House in Dhaka on Thursday, says a press release.

Under the deal, Otobi will sell Siemens built-in-kitchen appliances through their showrooms. The combination of Siemens' kitchen appliances and Otobi's furniture would allow the consumers to have a contemporary kitchen.

"Eight projects were approved and four other projects were not approved and were sent back to the concerned departments for reducing project costs," the finance minister said.

The meeting okayed Tk 161.03 crore special apartment implementation project (revised) under the housing and public works ministry. "Apartments will be constructed for

## HSBC eyes fast growing Islamic banking market in Bangladesh

Head of Amanah Finance, Malaysia talks to **The Daily Star**

**DS:** How do you make money unless you charge interest in disguise?

**MR:** The bank guarantees the funds collected under the ACA and undertakes to pay them to the customer on demand. According to Shariah guidelines, since the capital is guaranteed, the customer cannot earn any kind of return on such funds. HSBC Bangladesh therefore does not offer any return on the ACA. While Amanah products do not generate any interest for the bank, they do earn profit. The buying and selling of 'halal' assets allow the bank to earn profit rather than earning money on money, which is interest.

**DS:** Don't you think that it is a contradiction for a bank like HSBC, which normally operates on the basis of interest, to offer Islamic financial services?

**MR:** HSBC's Shariah Supervisory Committee consists of eminent scholars in the field of Islamic finance. They review the operations of HSBC Amanah, supervise its development of Islamic products and determine their Shariah compliance. Conventional banks charge and pay interest, and HSBC is a conventional bank. But HSBC is also a customer-driven institution, and it provides Islamic products to serve their genuine financial need.

**DS:** How can you ensure that your investments are in compliance with Shariah?

**MR:** The funds obtained from our Islamic finance clients are maintained separately from conventional funds, so that interest from our conventional activities does not enter their returns. Most importantly, our products and services are developed in consultation with and approved by the Islamic scholars. The entire process ensures that HSBC's Islamic products are free of interest and within the guidelines prescribed by the Shariah.

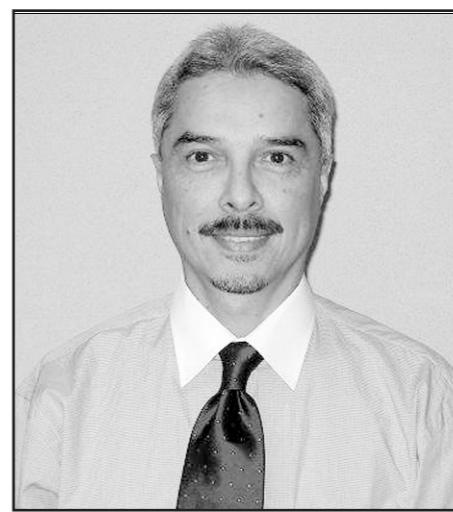
Funds deposited with the Amanah branch can only be invested in a Shariah compliant manner. The process and products of HSBC Amanah are regularly reviewed, and has to be approved by the independent Shariah Council.

**DS:** When did HSBC start its venture into Islamic financial world?

**MR:** HSBC Amanah Finance, the global Islamic financial services division of HSBC Group, was established in 1998. Headquartered in Dubai, HSBC Amanah has grown over the years providing services in Saudi Arabia, UAE, Malaysia, Indonesia, Brunei, UK and USA.

**DS:** What are your future plans in Bangladesh?

**MR:** Initially we are restricting our product ranges for complete Shariah compliance at every stage. Our plan is to provide full range of Shariah compliant products by 2006. In next few months we will launch time deposit, car & consumer durable financing scheme, usance letter of credit facility and local purchases. We plan to launch house mortgage by next year.



**Mohamed Ross Mohd Din**

goods financed under AIF need to be deemed 'halal'.

**DS:** Sharing of profits and losses is one of the salient features of Islamic banking. Will you bear losses as well as profits?

**MR:** Losses as well as profits are shared between the bank and the customer in 'Mursharakah' transaction, which is similar to equity investments or partnerships. Under 'Murabaha' transactions however the sales price and therefore the profit is fixed when one party sells the goods to another party. HSBC Group, through its various subsidiaries is a regular participant and operator in many equity investments and mutual funds. Through our Amanah Finance unit, we are also one of the biggest global arrangers of international Islamic finance.

**DS:** What kind of competitions are you expecting from your rivals in local market?

**MR:** We do not consider Islamic banks as our competitors, but rather as working partners. We would like to work with the existing players to increase the shelf space of the Islamic products and have received strong words of encouragement from them. In order to increase awareness within the banking professionals, local Shariah scholars and the community at large we plan to conduct training seminars by bringing Shariah scholars specialising in the field of Islamic finance from Middle East and Malaysia.

We are also pleased and honored to have been the first foreign bank to be inducted in the Central Shariah Board of Islamic banks of Bangladesh.

**DS:** What are the areas in Bangladesh's Islamic banking the HSBC is going to focus on?

**MR:** HSBC Amanah branch in Bangladesh will cater to both corporate and consumer banking segments. Initially we will have two products -- Amanah Current Account (ACA) and Amanah Import Finance (AIF). Gradually other products will be rolled-out.

ACA allows customers to have a bank account where funds deposited in the account are used only for Shariah compliant transactions as per the guidelines of HSBC Shariah Supervisory Committee. ACA will be comparable to existing conventional current account.

AIF will allow customers to obtain post shipment finance under Shariah compliant 'Murabaha' contract, where the bank will first buy the goods and then sell the same to the customer at cost plus profit on deferred payment basis. The

meeting okayed Tk 161.03 crore special apartment implementation project (revised) under the housing and public works ministry. "Apartments will be constructed for

## Ecnecc okays eight projects worth Tk 1,232cr

**BSS,Dhaka**

The Executive Committee of National Economic Council (Ecnecc) yesterday approved eight development projects amounting to Tk 1,232 crore which include Tk 766 crore project assistance.

The approval was given at the Ecnecc meeting here with its alternate chairman Finance and Planning Minister M Saifur Rahman in the chair.

"Eight projects were approved and four other projects were not approved and were sent back to the concerned departments for reducing project costs," the finance minister said.

The meeting okayed Tk 161.03 crore special apartment implementation project (revised) under the housing and public works ministry. "Apartments will be constructed for

the members of the parliament and government officials under this project with funds from internal resources," the minister added.

The meeting approved urban primary health care project (2nd revised) of the local government and rural development (LGRD) ministry. The total fund allocated for this project is Tk 274.69 crore of which Tk 214.46 crore will come from foreign assistance.

A Tk 436.60 crore health, nutrition and population sector programme (HNPS) contingency plan project under the health and family welfare ministry was also approved at the meeting. The total fund of this project will come from external resources as project assistance.

Tk 153.85 crore greater Khulna power supply project - 2nd phase (revised), Tk 75 crore project for

modernization of the signaling and interlinking system of seven stations in the western zone of the Bangladesh Railway under the communication ministry and Tk 73.10 crore rehabilitation project for flood damage in the south-western area (Part-D) under the water resources ministry were also approved at the meeting.

The Ecnecc meeting also okayed Tk 38.25 crore project under the LGRD ministry for accelerating and developing water supply and sanitation system in the districts in the hill tract areas.

Tk 19.54 crore revised project for collecting equipment and spare parts on emergency basis for rehabilitation and replacement of conduct and supply system under the Power Development Board was also approved.

## Russian tycoon richest man in Britain

**REUTERS, London**

Russian tycoon and soccer club owner Roman Abramovich's multi-millions may not have secured England's Premiership title for Chelsea -- but they have made him the richest man in Britain, according to a new list.

The 37-year-old embodiment of "new" money took the top spot in the annual Sunday Times Rich List from the "old" fortune of aristocrat the Duke of Westminster, whose property empire had made him the wealthiest man in Britain for the past three years.

The Sunday Times said Abramovich was worth 7.5 billion pounds (\$13.39 billion), mainly due to oil investments, compared to the duke's five billion pounds.

"Abramovich is also the sixth richest person in Europe, the 22nd richest in the world and a hero to Chelsea fans," said a statement from the Rich List compilers.

## BMW luxury model makes debut in China

**AFP, Beijing**

The first locally-made BMW 318i models have gone on sale in China, catering to a market that thrives on a combination of passion for cars and a demand for luxury, state media said Sunday.

The model, which is the most popular in the BMW 3 series, is priced at 398,000 yuan (48,000 dollars), the Xinhua news agency reported, citing dealers.

It is produced by BMW Brilliance Automotive, a 50-50 joint venture between Bayerische Motoren Werke (BMW) AG and Brilliance China Automotive Holdings.

The joint venture, which debuted in China last year, said previously that two 5-series BMW sedans, the 520i and 525i, will roll off the production line in the first half of this year.



Siemens Bangladesh Limited has signed a dealership agreement with Otobi Limited through its exclusive distributor Lipro Communications Limited. Dr Peter E Alrich, managing director and CEO of Siemens Bangladesh Limited, Nitin Kundu, managing director of Otobi Limited, and Shakil Wahed, managing director of Lipro Communications Limited, signed the deal on behalf of their organisations at the Siemens House in Dhaka on Thursday. Under the deal, Otobi will sell Siemens built-in-kitchen appliances through their showrooms. The combination of Siemens' kitchen appliances and Otobi's furniture would allow the consumers to have a contemporary kitchen.

## S'pore on track to be one of region's best performers

**AFP, Singapore**

Singapore is on track to be one of Asia's best economic performers this year after hacking its way out of an unfamiliar place in the regional cellar due to a severe recession, a global slowdown and Sars, economists said.

Preliminary data showing 7.3 percent annual growth in gross domestic product (GDP) and robust March export numbers indicate the economic recovery has very solid foundations, they said.

With GDP projected to grow by as much as 7.5 percent, Singapore looks set to have one of the highest growth rates in the region outside Asian giants India and China, whose economies are sizzling hot at the near 10-percent mark.

"I will expect Singapore to be among the top performers this year in terms of GDP -- the other two countries being Malaysia and Thai-

land," said regional economist Song Seng Wun of G.K. Goh brokerage.

Singapore has possibly the highest forecast for Singapore's GDP this year at 7.5 percent, with others projecting the economy to expand between six and seven percent.

Malaysia and Thailand are targeting GDP growth of seven percent or higher, while Hong Kong expects between six and seven percent.

Association of Southeast Asian Nations (Asean) finance ministers who met here this month said the region is poised to grow by up to 5.9 percent this year, the highest rate since the 1997/98 Asian financial crisis.

"Overall, this reaffirms the recovery story and boosts optimism that we will probably see an upside surprise to the full-year growth," said United Overseas Bank economist Low Ping Yee.

tated the city-state's worst-ever recession.

A nascent recovery in 2002 was nipped in the bud by the fallout from the war against Iraq and the Severe Acute Respiratory Syndrome (Sars) crisis, which killed 33 people out of 238 infections here in the first half of 2003. GDP expanded a mere 1.1 percent that year.

In the latest economic data released Friday, non-oil domestic exports (NODX) rose 17.1 percent in March from the previous year on the continued strong showing by electronics and pharmaceuticals shipments.

"Overall, this reaffirms the recovery story and boosts optimism that we will probably see an upside surprise to the full-year growth," said United Overseas Bank economist Low Ping Yee.

The economy crashed from nearly 10 percent growth in 2000 to shrink by 2.4 percent in 2001 when a US-led global slowdown precipi-