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# Star BUSINESS

DHAKA SUNDAY JULY 25, 2004 E-mail: dsbusin@gononet.com

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## Remittance witnesses growth on contribution from expats in KSA

### Flow declines from Malaysia, Kuwait, Bahrain

REIAUL KARIM BYRON

Contributions from non-resident Bangladeshis (NRBs) in Saudi Arabia have saved overall remittance curve from taking a southward direction but failed to sustain the previous year's growth.

The overall remittance increased by 10.12 percent in the just concluded fiscal year compared with a 22.39 percent growth in 2002-2003, according to central bank statistics.

Remittance from Saudi Arabia, the biggest source of remittance, marked an increase of US\$ 132 million reaching US\$ 1.4 billion in FY2003-04.

Fall in manpower exports and deportation of illegal workers have forced Bangladesh to count negative growth from Malaysia, Kuwait and Bahrain.

Remittance from Malaysia fell by 1.6 percent and from Bahrain 4.09 percent while Kuwaiti contributions

came down by 1.49 percent.

New US law for foreign residents resulted in a meager growth of only 1.96 percent 2003-2004 from a whopping 28 percent growth in the 2002-03 and 58 percent in 2001-2002.

The new registration laws after September 11 terror attack on New York twin towers has made registration mandatory for non-residents to remit their funds to other countries.

However, a paltry 7,238 out of the 2.5 lakh Bangladeshis living in the US have registered with the US National Security Entry and Exit Registration System (NSEERS) in the year 2003, which has seen a corresponding fall in the amount remitted back to Bangladesh.

During the year, Europe has emerged as a new source of remittance with remittance growth as much as 42 percent from the European countries.

Country	FY '03	FY '04
KSA	1254.31	1386.03
UAE	327.4	373.19
Qatar	113.55	113.64
Oman	114.06	118.53
Bahrain	63.72	61.11
Kuwait	338.59	333.52
USA	458.05	467.81
UK	220.22	297.54
Germany	9.57	12.12
Japan	18.24	18.73
Malaysia	41.4	37.06
Singapore	31.06	32.37
Italy	19.32	27.16

Amount in million US dollars

Remittance from NRBs in the United Kingdom increased by 35 percent while it rose 26 percent from expatriates in Germany and 42

percent from Italy in the last fiscal year.

The establishment of a Bangladeshi-owned bank in London coupled with establishment of separate exchange houses in Europe by Janata and Agrani banks have contributed significantly to tapping remittance through legal channel.

In the fiscal year 2003-04, remittance from middle eastern countries saw a 9.15 percent growth contributing 72 percent in the total earning. Remittance from western economies who contributes 18 percent was up by 12.72 percent.

Remittance from Malaysia fell by \$4.4 million to \$37 million in the last fiscal as legal manpower exports have been stalled there for the past few years and deportation of illegal Bangladeshi workers in 2002.

However, a new memorandum of understanding (MoU) signed between Malaysia and Bangladesh

on manpower exports promises a growth in remittance from the Southeast Asian economic powerhouse.

Remittance from Bahrain declined by \$2.6 million to \$61.11 million with both Oman and Bahrain going though on illegal workers and deporting them, sources said.

The Iraq war has also left strain on remittance as most Bangladeshi working in Kuwait had left the country soon after the beginning of war last year, which resulted in a \$5 million drop in remittance to a total of \$333 million.

Sources within the Expatriates Welfare and Overseas Employment Ministry said manpower exports to Kuwait have picked up of late and they expect remittance flow to pick up in the current fiscal year.

Remittance from the United Arab Emirates (UAE) also increased by 14 percent reaching US\$373 million.



PHOTO: RANGS  
Rangs Limited, sole distributor of Mitsubishi Motors Corporation in Bangladesh, launched a Mitsubishi vehicle display centre jointly with the Hongkong and Shanghai Banking Corporation (HSBC) in Bangladesh at theme park Fantasy Kingdom, a concern of Concord Group, at Ashulia on Friday. David JH Griffiths, CEO, HSBC in Bangladesh, Shahriar Kamal, director of Concord Group, CA Hafiz, general manager of Rangs Limited, and other high officials of the organisations were present at the opening ceremony.

## All Malaysian banks to get Islamic banking licences

AFP, Kuala Lumpur

Malaysia will gradually award full Islamic banking licences to all banks as part of efforts to grow the segment and encourage the expansion of such services offshore, reports said Saturday.

"Domestic banks cannot be left far behind in offering Islamic banking products... that is why the government is considering granting the new Islamic banking licences which can also be given to foreign conventional banks," he was quoted as saying by the New Straits Times.

"We will approve them in stages." Last week, the country's second largest bank Bumiputra-Commerce Bank and RHB Bank announced they have obtained prior approval from the finance ministry to set up full-fledged Islamic banking operations and would get the licences

once all conditions were met.

Malaysia currently only has two full-fledged Islamic banks. Kuwait Finance House became the first foreign bank to receive a full Islamic banking licence in May but has not begun operations.

The central bank has said it would issue three new licences to foreign banks this year to fast-track the liberalisation of the Islamic financial sector to make the predominantly Muslim country a key Islamic financial hub in Asia.

Tengku Putera said last year, Islamic banking grew by 21 percent while Islamic principle-based insurance grew by 22 percent.

As of March, assets in Malaysia's Islamic banking sector stood at 85.2 billion ringgit (22.4 billion dollars), representing nearly 10 percent of the overall banking system, but the government aims to double this to 20 percent by 2010, he said.

## Jt Commission meet to review Bangladesh-Myanmar trade

### Altaf leads 6-member team to Yangon

BSS, Dhaka

Commerce Minister Altaf Hossain Choudhury leaves here for Yangon today to attend a meeting of the Bangladesh-Myanmar Joint Commission tomorrow, official sources said.

A six-member delegation will accompany the minister.

The delegation includes Bangladesh ambassador to Myanmar ABM Rahim, president of Bangladesh-Myanmar Joint Business Council Rashed Maksud Khan and its Vice President Syed Mahmudul Haq.

The one-day meeting will review Dhaka-Yangon trade ties and seek to find ways and means to further enhance bilateral trade. Two agreements may be signed on the occasion, the first one aimed to make operational the account trade

between the two countries.

The second agreement may be on putting into service the coastal shipping service between the two countries.

Two other significant items on the agenda are border trade and making operational the road link between the two countries.

Rashed Maksud Khan told BSS yesterday that issues such as account trade, coastal shipping and establishing direct road link between the two countries are agreed matters. These were worked out during Bangladesh's Prime Minister Khaleda Zia's visit to Yangon last year.

These issues also came up for review during the Myanmar prime minister's follow up visit to Dhaka later on. "All these are agreed matters only to be put into effect now," he said.

Rashed Maksud Khan said the two sides might sign agreements during the forthcoming meeting for making operational the account trade and coastal shipping.

They will also review the progress of the direct road link project that needs to be developed on old road system on the Myanmar side.

Bangladesh has proposed to build major sections of the road as a matter of gesture to the Myanmar government to see that its eastward policy is being slowly transformed into reality.

About border trade, he said it is already in place and the signing of the account trade will make it easier to become more dynamic. He said at present the border trade has a maximum ceiling of 10,000 dollars exchange of goods by individual businessman on either side.

## Pakistan receives \$244m highest bids for partly privatised bank

REUTERS, Islamabad

Pakistan's central bank received the highest bid of 14.2 billion rupees (\$244 million) for the sale of 75.3 percent shares of partly privatised Allied Bank of Pakistan (ABP) Friday.

The bid for the sale of 325 million shares of the bank came from a local consortium led by Ibrahim Leasing. "We have received the highest bid of 14.2 billion rupees which we are going to send to the government for its approval," said the deputy governor of the State Bank of Pakistan Tawfiq A. Husain.

In total five parties, all of them local, took part in the bidding which was made through open cry method. The second highest bid of 14 billion rupees was made by NDLC-IFIC bank.

The government is selling shares in the key state-run utilities and banks as part of its ambitious privatisation programme.

## CityCell signs distributorship deal with Brothers Communication

CityCell has signed a distributorship agreement with Brothers Communications Limited.

Intekhab Mahmud, head of Marketing of CityCell, and Moinul Islam Shapon, managing director of Brothers Communications, signed the agreement on behalf of their organisations in Dhaka recently, says a press release.

Under the deal, CityCell connections will now be available at all sales centres of Brothers Communications across the country.

Brothers Communications will also import CDMA handsets for CityCell connections.

Chris Maloy, chief executive officer of CityCell, Farhad Alam, vice president of Product, Nishat Ali Khan, vice president of Channel-Sales, and ATM Hayatuzzaman Khan, chairman of Brothers Communications Ltd, were also present.

## BAT shrugs off China tobacco row

BBC ONLINE

British American Tobacco is embroiled in an embarrassing row with Chinese regulators over its deal to become the first foreign cigarette maker in China.

Last week, BAT announced it would build a \$1.5bn (£800m) joint venture factory in China, churning out 100 billion cigarettes a year.

But the State Tobacco Monopoly Administration says it has not approved the deal.

BAT says it won clearance "from the highest levels of state government."

"We wouldn't have made an announcement of the magnitude that we did last Friday if we didn't have approval," BAT spokeswoman

Teresa Lathangue told the BBC.

BAT appears to have stumbled into a bureaucratic turf-war by bypassing the regulator, though an investment of \$1.5bn would normally have to receive approval from central government.

Its spokeswoman acknowledged that "We haven't been negotiating with the STMA".

The STMA has issued a statement on its website making its displeasure obvious: "We have not authorised any foreign tobacco company to invest in any cigarette factory inside China", it says.

The agency has "issued an internal document which clarifies that we have not approved any Sino-foreign cigarette joint venture", an STMA official said.



PHOTO: CITYCELL  
Intekhab Mahmud, head of Marketing of CityCell, and Moinul Islam Shapon, managing director of Brothers Communications Limited, exchange documents after signing an agreement on behalf of their organisations in Dhaka recently. Under the deal, CityCell connections will be available at sales centres of Brothers Communications Limited across the country.

## African states soften cotton demands at WTO talks

REUTERS, Geneva

Four West African cotton producing states Friday dropped a demand that the crop be treated as a special agenda item at World Trade Organisation (WTO) farm talks, but insisted on guarantees of financial aid.

Benin, Chad, Burkina Faso and Mali told a WTO meeting they were ready to see cotton included in the overall negotiations on lowering barriers to farm trade, on certain conditions.

Benin said that the four were prepared to take it (cotton) into the agricultural negotiations, providing their concerns were met, "a trade official told journalists after a closed-door meeting of ambassadors to the 147-state WTO."

The WTO is rushing to meet an end-July deadline for a deal in four key areas of its Doha Round of free

trade negotiations, with agriculture by far the most controversial issue.

Rich and poor states are still split on how to lower import barriers and slash the huge farm subsidies developed countries pay their farmers so growers in developing countries can compete more effectively.

Cotton has often been seen as a prime example of the distorting impact of subsidies, with West African growers crowded out of markets by subsidies US produce.

A blueprint for a possible July deal, drawn up by the talks' chief mediator, New Zealand ambassador Tim Groser, singled out cotton for special mention.

It said it should be dealt with "ambitiously and expeditiously" and pointed out how it would benefit from calls within the overall agricultural package for cuts in aid to farmers in rich nations, better

market access for cotton goods in developed countries and an end to direct export subsidies.

But in a letter to WTO chief Supachai Panitchpakdi, the four African countries demanded an undertaking that eventually all rich state aid for cotton -- not just export subsidies -- be eliminated and that an early deadline be set for some of the cotton-related measures to come into effect.

Developed countries, and international financial institutions should also guarantee financial help to the cotton sector of "least developed and vulnerable countries," the four said.

There was no immediate reaction from richer countries, but in the past they have argued that financial assistance cannot be handled inside WTO negotiations and is best left to institutions such as the World Bank.

## Sri Lanka raises gasoline prices by 13pc

AFP, Colombo

Sri Lanka Saturday raised gasoline prices by 13.3 percent to recoup some of the losses suffered by the state-run oil company, officials said.

The retail price of gasoline was raised to 68 rupees (68 cents) a litre, up from 60 rupees, the Ceylon Petroleum Corporation (CPC) said.

It said the price increase was however not enough to wipe out the near five billion rupee (nearly 50 million dollar) loss suffered as a result of not increasing prices since February in line with rising international oil prices.

The government held back the price of diesel which is commonly used by public transport, but the CPC said it was asking the government to allow a further increase in gasoline as a cross subsidy for holding down diesel prices.

## Spike in unsold chips causes worry for S'pore

ANN/ THE STRAITS TIMES

In a worrying sign for the buoyant Singapore economy, stockpiles of unsold semiconductors have ballooned to their highest levels in a year, according to a new report by research firm iSuppli Corp.

These unsold chips add fuel to market fears that all is not well within the semiconductor industry and that the technology cycle has peaked.

Chip sales are a good proxy for the health of the wider electronics industry, a vital part of Singapore's manufacturing sector, as semiconductors are used in almost all electronic products.

With Asian economies heavily dependent on electronics exports, a technology downturn would have grim implications for economies such as Singapore and Taiwan, the bears say.

On Wednesday, United States-based iSuppli Corp said chip inventories surged to US\$827 million (\$1.43 billion) by the end of the second quarter, from just US\$12 million three months earlier.

This sudden jump in the value of unsold chips held by distributors, contract manufacturers, retailers, and chipmakers was due to a failure to cut production despite surprisingly weak sales last month, wire agencies reported iSuppli as saying.

iSuppli's report is just the latest in a spate of bad news for chipmakers and the technology sector.

Chipmaker Intel also said on Tuesday last week that its inventories were at an all-time high, while investment bank Merrill Lynch also downgraded global chip stocks last week over fears that the industry could suffer from over capacity by next year.

**Bangladesh Land Port Authority**  
TCB Bhaban (5<sup>th</sup> Floor)  
Kawran Bazar, Dhaka-1215

**Audit Firm Appointment Notice**

Applications are invited from established audit firms for preparing panel to do accounts & audit of 2003-2004 financial year of Banapole Land Port under Bangladesh Land Port Authority. Related papers with the undermentioned information should be deposited with application:

1. Name of audit firm;
2. Contact address;
3. Name & educational qualification of Principal;
4. Name & educational qualification of partners (where applicable);
5. Number & name of qualified assistants;
6. Copy of up-to-date income tax return certificate;
7. Description of organisations including port based organisation/authority earlier audited & related papers;
8. Annual account preparation & audit fee;

Application should be sent to the office of the undersigned by 10-08-2004.

DFP-17821-19/7  
G-462

**Md Golam Rasul**  
Director (Audit)

**Government of the People's Republic of Bangladesh**  
Office of the Executive Engineer  
Education Engineering Directorate  
Noakhali Zone, Noakhali

**Tender Notice**

Tender Notice No. 01/office accessories/EED/NZ/2004-2005  
Dated: 18-07-2004

Tenders in sealed cover are invited from bonafide trading & supplying firms for supply of office accessory items to the office of Executive Engineer, Education Engineering Directorate, Noakhali Zone, Noakhali for 2004-2005 financial year. Tender document can be purchased at Tk 400/= (four hundred) only (non-refundable) during office hours by 09-08-2004. Traders have to produce up-to-date trade licence, income tax certificate & VAT certificate at the time of purchasing tender document. All tenders should be submitted in tender box kept at the office of the undersigned by 12-00 noon of 11-08-2004 which will be opened on the same day at 12-30 min. in presence (if any) of the tenderers. Tk 1000/= (one thousand) only should be submitted as earnest money with tender document in the form of Pay-Order/Bank Draft from any scheduled bank in favour of Executive Engineer, Education Engineering Directorate, Noakhali Zone, Noakhali.

1. Description & list of office accessory items shall be available with tender document.
2. All kinds of tax will be deducted from bill as per Govt rules.
3. Bill shall be paid subject to receipt of allotment, but goods should be supplied as per requirement in the interest of Govt work.

The authority reserves the right to accept/reject any tender or all tenders without assigning any reason.

**Executive Engineer**  
Education Engineering Directorate  
Noakhali Zone

DFP-17934-20/7  
G-463