

Uttara Finance achieves Tk 6cr half-yearly profit

Uttara Finance has earned a half-yearly net profit of Tk 6 crore. The after tax profit is 13.85 percent higher than the profit of Tk 5.27 crore for the corresponding period of last year. Uttara Finance has a half-yearly net profit target of Tk 5.85 crore. This was told at a Board of Directors of the company held in Dhaka on Tuesday, says a press release. Business contracts achieved Tk 75.23 crore, 136.78 per cent higher than the proportionate budgeted target of Tk 55 crore.

HSBC confce for retailers of My Loan' held

The Hongkong and Shanghai Banking Corporation Limited (HSBC) Bangladesh recently held a conference for retailers of its 'My Loan' in Dhaka. At the conference, the bank announced its plan to hold 'HSBC My Loan Fair 2004', says a press release. The fair will showcase loan products that are available under 'My Loan' scheme of the bank. This will also provide an opportunity for the 'My Loan' preferred retailers to showcase their products. HSBC also announced the launching of 'Education Loan' scheme to help students. Mamoon M Shah, manager of Personal Financial Services of HSBC Bangladesh, spoke at the function.

Korean Air avoids strike through deal with union

Trade unionists and management at Korean Air said Saturday they had struck a deal on wage hikes, avoiding a feared strike in the busy vacation season. The national flag carrier said intensive talks over the past four days had resulted in an accord on an average six-percent wage hike for pilots and co-pilots and an increase in allowances by the same percentages.

Union members approved a strike call in late July but union representatives delayed the industrial action and have been engaged in marathon talks with the management to avoid strike. Korean Air said a strike would have cost the company 17 million dollars every day. The aviation industry as a whole is experiencing hard times because of the sharp rise in oil prices. Labor unrest is a seasonal routine in South Korea but the recent strife failed to win support from workers and the public amid a severe economic slump.

On Friday, workers at LG Caltex Oil Corp., South Korea's leading oil refiner, ended their three-week-old strike and prepared to return to work on Monday. The end of the industrial action at Korean Air and LG Caltex followed a wave of strikes that have hit key sectors, including KorAm Bank, a Citigroup unit, automakers and the subway systems.

Remittance clocks 11pc growth in July

STAR BUSINESS REPORT

The floods have brought positive impact at least on one sector. With expatriates sending extra amount to their relatives affected by the deluge, remittance saw an 11 percent growth in the first month of the new fiscal year.

The country received \$287.7 million in remittance in July this year, which was \$258.8 million in the same month of last year. The month-on-month growth was only 3.2 percent in July 2003, compared with the previous year's figure.

Banking sources said the remittance flow may witness a further boost in coming months as expatriate workers will be sending more money to their relatives to overcome the damages caused by the devastating flood.

Finance ministry sources said the government has taken some supportive measures targeting substantial increase in remittance to face the challenges of post-MFA (Multi-fibre arrangement) era starting from January 2005.

Finance and Planning Minister M Saifur Rahman is now in Singapore, a major source of remittance, to revamp the Agrani Bank

branch there. He will also sit with Bangladeshi workers community and encourage them to send money through the bank.

Sources said the government is very much careful about the balance of payment status in the quota-free era as export and employment may be affected in the changing scenario.

In line with government's strategy to counter the challenges, the government has already opened several branches of nationalised commercial banks in Rome, London, New York and Riyadh to encourage people to send money through official channels.

These steps have been taken to consolidate the foreign exchange reserve and improve balance of payment situation, the sources added.

The government also provides some facilities to the remitters like allotment of Rajuk (government) plots, CIP (commercially important person) status and other facilities which sources said also contribute to more remittance through legal channel.

According to Bangladesh Bank, foreign exchange reserve stood at \$2.63 billion yesterday. The reserve

will jump to \$2.9 billion within next few weeks when World Bank will release \$200 million as Development Support Credit-2 and International Monetary Fund another \$100 million for education sector.

In the last fiscal year, the country received the highest volume of remittance amounting to \$3.37 billion, though the annual growth was not handsome compared with previous years' growth figures.

In FY2003-04, the growth was 10 percent, which were 22.39 percent and 32.89 percent in 2002-03 and 2001-02 respectively. The amount of remittance was \$3.06 billion in FY2002-03 and \$2.5 billion in 2001-02.

On average, Bangladesh receives \$250 million remittance per month but during Eid festival the flow usually jumps. During last Eid-ul-Fitr in October last year, Bangladeshi expatriates remitted \$308.18 million while the country received \$357.06 million remittance in January this year after Eid-ul-Azha.

New industry in Ishwardi EPZ to produce garment accessories

UNB, Dhaka

An industrial unit for manufacturing garment accessories and plastic products will be set up in the Ishwardi Export Processing Zone under a Bangladesh-India joint venture.

This joint-venture company to be known as Expedo (BD) Ltd will make a capital investment of US\$ 2 million.

The Bangladesh Export Processing Zones Authority (Bepza) and Expedo (BD) Ltd signed an agreement to this effect in Dhaka yesterday.

This plant will create employment opportunity for 50 Bangladeshi nationals and annually produce 12,800 metric tons of garment accessories, including plastic hanger, sizer, clip, back & neck board, and plastic products like film roll, tube bag, PVC pipe.

"The company is going to start production very soon," a Bepza announcement said. Md Shahjahan, member (Investment Promotion) of the Bepza, and Md Khalilur Rahman, managing director of Expedo (BD) Ltd, signed the lease agreement on behalf of their respective sides.

Bepza Executive Chairman Md Zakir Hossain was present at the signing ceremony.

Oil prices slip as Yukos gets another lifeline

AFP, New York

World oil prices set new all-time highs before retreating as a Russian court threw another financial lifeline to troubled oil giant Yukos.

New York's light, sweet crude for delivery September bolted to record 44.77 dollars before closing at 43.95 dollars, down 46 cents.

Brent North Sea crude oil for September shot to a record 41.50 dollars, then closed at 40.63 dollars, down 49 cents.

Prices were roiled by the doomed-again, saved-again saga of Russian oil titan Yukos.

A Moscow court ruled that Russian justice ministry bailiffs had no right to freeze the assets of Yuganskneftegaz, Yukos's largest oil producing subsidiary, accounting for around 60 percent of its output.

Mid-week, bailiffs had thrown the oil titan a lifeline by allowing it access to bank accounts to carry on operating as it struggles to repay a massive tax bill.

The following day, the bailiffs reversed the decision, sending the world energy markets in a spin.

"People don't know how to react to the Yukos court decisions going back and forth in the last couple of days," said Wachovia analyst Jason Schenker.

The slide in prices Friday was not too severe, however, he said.

"I think next week we'll reach more highs."

Yukos' assets were frozen last month and the company was to be sold as bailiffs tried to recover 3.4 billion dollars in back taxes.

Traders reacted with some confusion to the latest twist.

"The Yukos situation is not very clear," said Prudential Bache broker Tony Machacek in London.

Prices had been lifted earlier in the day by news of a fire late Thursday at a BP gasoline refinery in Houston, Texas. But BP said Friday the refinery unit was undamaged by the fire and had resumed operations.

"I think the market briefly went higher when that news first came out but then when it was known that production was at near-capacity we sort of slipped back off again," said Machacek.

New York's contract could test 45 dollars a barrel within days and even breach 50 dollars during the US and European winter, some analysts said.

"We're expecting prices to come off in the third quarter, but there remains a possibility that this winter, if we have a supply loss or if simply demand doesn't slow down, then at some times you could see (the New York contract) test 50 (dollars)," said Societe Generale economist Deborah White.

Traders largely shrugged at OPEC's latest assurances that it was

on standby to increase oil supplies by up to 1.5 million barrels per day (bpd) to help to cool prices.

"We are ready to increase production between 1.0-1.5 million barrels per day and this issue will be discussed in the September 14 meeting in Vienna," OPEC president Purnomo Yusgiantoro told reporters in Jakarta.

High oil prices, combined with a weaker-than-expected US jobs report for July, also depressed world stock markets. In New York, the Dow Jones industrial average of 30 top stocks plunged 147.70 points, or 1.48 percent, to finish at 9,815.33, the lowest since November 2003.

In Europe, London's FTSE 100 index fell 1.71 percent to 4,337.9 points. Frankfurt's DAX 30 slid 2.65 percent to 3,727.74, while in Paris the CAC 40 was 2.60 percent lower at 3,528.64.

In Asia, the Tokyo Stock Exchange's benchmark Nikkei-225 index lost 0.80 percent to 10,972.57 points, while Hong Kong's Hang Seng index fell 0.11 percent to 12,478.68.

Interest rates, oil to write script for US stocks

REUTERS, New York

Wall Street's focus will be squarely on the Federal Reserve's interest-rate decision next week after weak jobs data raised questions about the pace of future hikes, while concerns about oil prices near \$45 a barrel are likely to keep US stocks under pressure.

Earnings releases will slow to a trickle as the second-quarter reporting season comes to a close. But a few key companies are still set to report, such as Cisco Systems (CSCO.O: Quote, Profile, Research) and Wal-Mart Stores Inc.

The economy will get most of the attention, with the centerpiece of the week the Federal Reserve's interest-rate decision on Tuesday. Retail sales data for July on Thursday and the University of Michigan's August consumer sentiment survey on Friday also will be eyed.

However, analysts see little relief from the market's current malaise, as investors fret about oil prices at 21-year highs, geopolitical worries and the economy losing steam.

US stocks closed at the lowest levels of the year on Friday after weaker-than-expected data from the July jobs report stirred investors' fears that the U.S. economic recovery

may be weak.

For the week, the Dow Jones industrial average fell 3 percent, closing on Friday at 9,815.33, while the Standard & Poor's 500 Index also dropped 3 percent, ending at 1,063.97. The tech-heavy Nasdaq sank 6 percent during the week, finishing Friday's session at 1,776.89.

Despite this, Fed officials are still expected to add to June's quarter-point increase in interest rates and hike its fed funds rate target by another quarter percentage point to 1.5 percent on Tuesday afternoon, in order to ward off longer-term inflationary pressures.

While Friday's disappointing July jobs data made a rate increase less of a done deal, analysts think the main gray area is about the pace of rate hikes in the future.

"There's uncertainty about where the Fed will be at the year's end and whether it will skip a meeting, but as far as next week goes, the market expects a quarter-point rise. It would really be a stunner if the Fed didn't do that," said John Shin, U.S. economist at Lehman Brothers.

"The main debate is not about next week - it's about September."

The uncertainty means Wall Street will be scrutinizing the Fed's state-

ment, which in June said rate rises should be at a "measured" pace.

"If they keep in the 'measured' phrase and they don't make any significant comments, it could turn out to be, from the markets' perspective, a bit of a non-event," Shin added.

Rising interest rates are generally bad news for stocks because of the impact on companies' borrowing costs and consumer spending. A full 1 percent rate increase would translate into an additional \$3.1 billion pre-tax expenditure by S&P 500 companies, according to Howard Silverblatt, market equity analyst at Standard & Poor's.

While rising interest rates are a dampener, investors are more worried by stubbornly high oil prices. U.S. crude futures hit historic peaks last week -- rising as high as \$44.77 a barrel before settling at \$43.95. That leap near \$45 took the price of U.S. crude to its highest in the 21 years that oil futures have been traded on the New York Mercantile Exchange.

Crude oil is a factor in almost every aspect of production and transportation of goods and services, and affects the profits of almost all companies. As a consequence, stocks have closely mirrored the change in crude oil futures, with the stock

Opec output at 25-year high

BBC ONLINE

Oil cartel Opec is pumping a record 30 million barrels a day, and could boost that by another 1-1.5 million barrels if needed, its president has said.

Purnomo Yusgiantoro, also oil minister of Indonesia, said the organisation's 11 members were 2 million barrels above the current 28 million barrel quota.

But any further increase would have to wait until September, he said.

Oil prices broke new records overnight as Asian trade pushed a barrel of New York light, sweet crude to \$44.77. That is 36 cents up from Tuesday's closing figure and the highest in the 21-year history of crude futures on the New York Mercantile Exchange.

In London, a barrel of Brent crude on Friday was at \$41.50, a record for the contract since it started trading in 1988 on the International Petroleum Exchange.

The price could deal a severe blow to world economic growth, experts have warned.

Dr Fatih Birol, chief economist at the Paris-based International Energy Agency, told BBC News Online that oil at \$35 a barrel - the average for the past year - would take half a percentage point off global growth.

He said countries heavily reliant on oil imports were most at risk.



PHOTO: BEPZA

Md Shahjahan, member (Investment Promotion) of the Bangladesh Export Processing Zones Authority (Bepza), and Md Khalilur Rahman, managing director of Expedo (BD) Ltd, an Indo-Bangladesh joint venture company, sign an agreement in Dhaka yesterday to set up a garment accessories and plastic product manufacturing factory in Ishwardi EPZ. Among others, Bepza Executive Chairman Md Zakir Hossain is seen in the picture.

Kerry hopes to cut US dependence on foreign oil

AFP, Kansas City, Missouri

Presidential hopeful John Kerry said Friday he would diversify US energy sources and cut US dependence on foreign oil.

With the price of crude at new all-time highs, the Massachusetts senator was to spell out his energy policy along his whistle stop trip that took him to this Midwestern city.

Kerry would like to see 20 percent of transportation energy needs met by alternative sources produced in the United States by 2020.

To do that, he plans to create an "energy security and conservation trust fund" with 20 billion dollars collected from federal offshore oil

and gas royalty revenues.

The fund would promote the development of energy-efficient technologies, especially automobiles.

Kerry said he also sought to wean the United States from foreign oil, through "better use of clean technologies, natural gas, coal and fuels from non-OPEC countries."

As for the oil prices themselves, Kerry would lean on diplomacy to reduce tensions in oil-producing countries, and to set more uniform rules across the United States to avoid regional price differences and to help families lower their fuel bills.

Sony-Rangs starts new sales campaign

Rangs Electronics Limited, widely known as Sony-Rangs, has launched a new sales campaign titled 'Sony-Days '04-Tak Lagano Offer'.

Aktar Hussain, chairman and managing director of Rangs Group of Companies, inaugurated the campaign at the company's Sonartari Showroom in Dhaka on Thursday, says a press release.

During the campaign, customers will be offered prizes that include new car, motor cycle and discount up to Tk 10,000 through scratch card in each product.

J Ekram Hussain, deputy managing director of Rangs Electronics Limited, Director Sabur Ahmed, and Director of Rangs Medicine Ltd Quazi Mustafijur Rahman were also present.

Indian state-run aeromaker HAL wins \$84m deal with Airbus

AFP, New Delhi

India's state-run Hindustan Aeronautics Limited (HAL) has won a multimillion-dollar contract to export supplies to European air giant Airbus, a statement said Saturday.

The 84-million-dollar contract covers the supply of parts for the Airbus A319, A320 and A321 aircraft, an Indian defence ministry statement said.

The statement expressed hope that the contract "will open new avenues of cooperation and lead to a long-term partnership with HAL" and Airbus.

HAL, based in the southern Indian IT showcase city of Bangalore, has also won contracts with Airbus' arch-rival, US-based Boeing, manufacturing doors and other parts for the 737, 757, 767 and 777 planes.

HAL is in charge of most of India's military upgrades. The company is developing an advanced light helicopter, light combat aircraft and a jet trainer for India's armed forces and satellite launch vehicles for its space programme.

Brazil central bank chief under fire over personal accounts

AFP, Rio De Janeiro

Brazilian Central Bank President Henrique Meirelles said Friday he will not resign over a report he deposited 50,000 dollars in a New York bank account controlled by suspected moneylaunderers in 2002.

Veja magazine reported Thursday that Meirelles transferred 50,000 dollars from his account with New York investment firm Goldman Sachs to an account with MTB Bank in October 2002.

The MTB Bank account in New York was controlled by Biscay Trading, an off-shore company run by Brazilian currency traders facing a parliamentary investigation into alleged money laundering. Veja reported in its online edition.

In an interview with Globo News television, Meirelles expressed "indignation" that his personal accounts were made public and added that he had the "total support" of President Luiz Inacio Lula da Silva.

Finance Minister Antonio Palocci called Meirelles "the president that Brazil needs for a strong Central Bank."

Opposition politicians have called for Meirelles' resignation amid negative reports over his personal

finances.

The Central Bank chief was already under fire after telling reporters that he was exempt from paying income taxes to Brazil in 2002 while he was living in the United States, even though he had claimed Brazilian residency to run for a seat in the Brazilian parliament.

Kodak growing in digital camera market

AP, Rochester

After a slow start, Eastman Kodak Co. is steadily gaining ground on front-runner Sony Corp (NYSE:SNE - news) (news - web sites), in the burgeoning U.S. digital camera market and opening up a lead on Canon, Olympus and other Japanese rivals.

As digital cameras grew swiftly in popularity in recent years, Japanese manufacturers looked at first to have eaten Kodak's lunch. But the world's biggest film photography company is making good on its mission to become the No. 1 seller of filmless cameras on its home turf in 2004.