

## 'Hand over North Bengal paper mill to private management'

UNB, Dhaka

A parliamentary watchdog body yesterday recommended handing over the state-run North Bengal Paper Mill to private management.

The parliamentary standing committee on industries ministry in a meeting at Sangsad Bhaban also emphasised the need for taking steps so that the government does not incur loss due to transfer of the mill to private management.

It also suggested measures for strengthening the Patent Design and Trademark Department and making it more dynamic by amending its existing law, if necessary.

Committee members Industries Minister Matur Rahman Nizami, MM Shaheen, Abdul Muttalib Akhand, Shahidul Alam Talukder and Shah Nurul Kabir (Shaheen) attended the meeting held with committee chairman Major General (retd) Mahmudul Hasan in the chair.

## Prime Bank opens branch at Pahartali

Prime Bank Limited opened its 32nd branch at Pahartali, Chittagong as 5th Islamic banking branch on Tuesday.

Azam J Chowdhury, chairman of the bank, inaugurated the branch, says a press release.

Among others, Amir Humayun Mahmud Chowdhury, president of Chittagong Chamber of Commerce & Industry, M Shahjahan Bhuiyan, managing director of the bank, Md Nader Khan, former chairman of the bank, and Imam Anwar Hossain, vice-chairman, directors were present.

## New Ramadan timing at CSE

Chittagong Stock Exchange (CSE) has announced its Ramadan trading schedule and office timing.

CSE office will remain open from 9:30am to 3:30pm with its main trading session from 10:20am to 12:50pm, says a press release.

CSE re-fixed the post-closing session at 1:05pm to 1:35pm for the month of Ramadan.

The press release also affirmed that Export Import Bank of Bangladesh Ltd (EXIM) is getting listed on the CSE on Saturday with a paid-up capital of Tk 721,912,500.

Face value of each EXIM Bank share is Tk100 while premium per share is Tk30, the press release added.

## Malaysia opens door wider to Islamic banking

REUTERS, Kuala Lumpur

Malaysia awarded two Islamic banking licences to Middle Eastern banks Thursday, the last to be issued under its plan to open its rapidly growing market for Islamic finance to foreign lenders.

Central bank Bank Negara said in a statement it had awarded one licence to Al Rajhi Banking and Investment Corp., Saudi Arabia's largest listed bank, and another to a consortium comprising Qatar Islamic Bank, RUSS Investment Bank Inc and Kuwait's Global Investment House.

Islamic banking involves sharing profits rather than paying interest, which is banned by the religion's Sharia laws. Depositors get guaranteed returns not far from the interest rates offered by other banks.

Bank Negara said last year it wanted to issue three Islamic banking licences to offshore banks as part of plans to make Malaysia a global hub for Islamic finance. The first such licence was issued to Kuwait Finance House in May.

Islamic banking is Malaysia's fastest-growing financial sector, with 37 per cent annual average growth over the past two decades.

Islamic lending accounts for about 10 per cent of bank assets in Malaysia and is widespread among domestic banks, including local units of major international banks such as HSBC.

The holders of the three new foreign licences do not already have domestic branches in Malaysia, which wants to double Islamic banking's share of total bank assets to 20 per cent by 2010.

Bank Negara said Al Rajhi would set up a wholly owned Islamic banking subsidiary in Malaysia.

# Tata places 5-point 'wish list' in EoI

M SHAMSUR RAHMAN

India's Tata Group on Wednesday in its expression of interest (EoI) put forward a five-point 'wish list' seeking different assurances and incentives from the government to implement its US\$2 billion investment plans in Bangladesh.

Highly placed sources said in the EoI, the Indian industrial heavy-weight sought favourable condition for the speedy implementation of the projects, good pieces of land, smooth supply of gas for 20 years, competitive price of gas and similar incentives given by the Bangladesh government to other export oriented industries.

The much hyped investment proposal -- the single largest in

Bangladesh -- in power, steel and fertiliser sectors has created a ripple in the country's flagging investment scenario.

The World Bank had already committed \$2 million for a study on the investment proposal and preparation of terms and conditions by a technical committee of Petrobangla.

With the EoI signed, Tata Group, India's second largest conglomerate, now plans to send a mission next week for conducting a feasibility study.

After the study the Tata bosses will sit with the Bangladesh government to work out the pricing of gas, which experts say will be the key issue in implementing the gigantic investment proposal.

In the signing ceremony, Finance

and Planning Minister M Saifur Rahman said smooth supply of gas for 20 years as sought by Tata will not be problem as similar commitment was made to French cement company Lafarge.

On pricing of gas, he said the decision should be taken based on interest of the country.

The deal sets the ground for hectic discussions on Tata's intent in setting up a 1000 MW power station in two phases, a steel mill with an annual capacity of 4.2 lakh tons, also in two phases, and a million-ton capacity fertilizer factory.

The Tata chairman said, "We can help each other in a complimentary manner. It is not by exploiting Bangladeshi resources."

"What we like to do in



Bangladesh is an extension of our businesses," Tata hoped after signing of the EoI.

"We want to play an important role in the development of the country," he said.

"People of Bangladesh will see prosperity following the investment to be made," he added.

The proposed projects will consume 200 mmcf of gas as raw material in the first phase of operations. When the entire Tata projects start operations, they will require about a third of the daily production of Bibiyana gas field, which will run at full capacity of 600 mmcf by 2008.

A sophisticated 450 MW gas-fired power plant consumes some 62 mmcf of the fossil fuel.

# Consult local companies before allowing Tata Steel

## Steel millers urge government

STAR BUSINESS REPORT

Steel mill owners yesterday urged the government not to sign any agreement with the Tata Group on its proposed plan to produce basic steel without consulting them.

They said such investment proposal is related to local steel and re-rolling industry.

"So, it's the foremost duty of the government to consult us before allowing any new ventures which is likely to hurt the existing business," said Sheikh Masudul Alam Masud, general secretary of Bangladesh Steel Mill Owners Association (BSMOA), at a press

conference in Dhaka.

Tata Group's \$2 billion investment proposal includes setting up a \$700 million basic steel industry to produce 2.4 million tonne hot rolled (HR) coil and other basic steel products.

The steel millers made another four-point demands on the issue of the Indian giant's investment proposal.

"If the Tata Group gets final nod to invest here, it should be ensured that they will not go for marketing steel and iron products and melted scrap (MS) products (excluding sponge iron) in the local market," said the BSMOA general secretary.

The association leaders said government should not give out of the way facility to the group and suggested that gas price should be determined on international price.

They also asked the government not to allow Tata to produce HR coil from the first stage of iron ore.

"The local steel industry manufactures rod and steel products completing the four stages starting from iron ore stage to steel casting stage. We are with the understanding that Tata also plans to produce HR coil from iron ore stage," said Badul Alam, chairman of BSMOA.

"If Tata produces HR coil from

iron ore, the local industry will totally collapse," he feared.

"The argument does not hold water that Tata Steel will become a major source of HR coil to the local industry as HR coil is not the raw material for rod and steel products. But it is the raw material of corrugated iron sheet," said the chairman of BSMOA.

"On the other hand, we import only 60 to 70 thousand tonne HR coil per year while the Tata Steel's annual production will be 2.4 million tonne. However, we see no problem if Tata produces HR coil from steel casting stage," the chairman of BSMOA added.

# World oil prices rise above 54 dollars

AFP, London

World oil prices went back above 54 dollars Thursday on fears over supply shortages amid soaring demand ahead of the northern hemisphere's winter, as traders awaited estimates of US crude inventories.

The price of reference light sweet crude for delivery in November rose 44 cents to 54.08 dollars a barrel in electronic trading on the New York Mercantile Exchange.

New York's main oil contract had jumped by 1.13 dollars on Wednesday to finish at 53.64 dollars a barrel, off a record 54.45 dollars reached Tuesday.

In London Brent North Sea crude oil for November delivery climbed 30 cents to 50.35 dollars in early deals on Thursday. It had hit a record 51.50 dollars a barrel on Tuesday amid ongoing strike action in major oil producers Nigeria and Norway.

OPEC's president meanwhile predicted that oil prices would

continue to rise in the next two weeks on the back of a surge in demand.

"I believe that oil prices will continue to rise until the end of this month because demand is getting stronger," Purnomo Yusgiantoro, who is also Indonesia's energy minister, told reporters in Jakarta.

Markets were keenly awaiting the US Energy Department's weekly estimate of US commercial oil inventories following recent supply problems in the Gulf of Mexico caused by Hurricane Ivan which continue to affect output.

The data was being published one day later than usual owing to Columbus Day on Monday.

"Today the market will be watching official US stocks data," analysts at the Sudden brokerage said. "Winter fuel is in short supply around the globe, with European distillate stocks 3.4-percent below last year and kerosene supplies in Japan down 20 percent from 2003," they added in a note to clients.



PHOTO: STAR  
German Ambassador to Bangladesh Dietrich Andreas, Meghna Group Chairman Mizanur Rahman Bhuiyan and officials of Executive Motors Limited, the distributor of BMW vehicles in Bangladesh, pose for photographs at BMW service centre, which was launched yesterday, in Tejgaon industrial area in Dhaka. An exhibition of different models of BMW vehicles also started at the newly opened service centre.

# BMW service centre opens in Dhaka

STAR BUSINESS REPORT

To ensure better after-sale services, Executive Motors Limited, the distributor of BMW in Bangladesh, yesterday launched its state-of-art service centre in Tejgaon industrial area in Dhaka.

Dietrich Andreas, German ambassador to Bangladesh, formally inaugurated the centre. Ronald Krueger, managing director, BMW Asia Pacific Pte Ltd, Mizanur Rahman Bhuiyan, chairman of Meghna Group, were also present at the opening ceremony.

Speaking at the inauguration, Andreas said the launching of the BMW service centre will help in fostering economic ties between Bangladesh and Germany.

He said the balance of trade is in favour of Bangladesh and hoped the introduction of BMW vehicles in Bangladesh will contribute significantly to narrowing the gap.

Ronald Krueger, managing

director, BMW Asia Pte Ltd, said BMW has witnessed a 14 percent growth in Asia-Pacific region and the new service centre will help the local BMW customers to get better and regular services.

Explaining the vision of his organisation, Mizanur Rahman said the service centre would be managed by highly trained professionals.

He said BMW customers in Bangladesh will soon enjoy a new 24 hours hotline service of Executive Motors service centre.

Meanwhile, an exhibition, BMWEXPO-2004, of different models of BMW vehicles also started at the newly opened service centre. The exhibition will remain open today from 10:00am to 5:00pm.

Executive Motors Ltd introduced BMW vehicles in Bangladesh market on May 22, 2003.

The officials of executives said the company has so far sold 115 BMW vehicles of 10 different models in the local market.

# First local made insurance software launched

NAFID IMRAN AHMED

Delta Information Technology Ltd (DITL), a subsidiary of Delta Life Insurance Company Ltd, launched the first-ever locally developed insurance information system yesterday in Dhaka.

Commerce Minister Altaf Hossain Choudhury and Science and Information & Communication Technology Minister Abdul Moyeen Khan jointly launched the software.

The software, labelled as 'Insurance Information System' and developed for Delta Life, automates the entire range of operations for insurance businesses. At present, Delta's 32 business centres are using the system. Data collected from over 1400 regional centres, where more than 14 lakh policy-holders are being provided with insurance services, are manually fed into the main system

through the hubs.

The entire system is divided into nine modules in accordance with Delta's insurance policies. Individual operation and accounting software for Ordinary Life and Gono Grameen along with separate accounting software for health and group insurance provide various functionalities such as chart of accounts, trial balance, revenue/expenditure, payroll, general ledger, cash/bank voucher entries and financial statements.

Nine IT experts took one and a half years to develop this client-server system. The system, built with Visual Basic, runs on a SQL 2000 database under Windows 2000 operating system.

"I am impressed by the multi-functionalities of the system," said Moyeen Khan. "It is now DITL's responsibility to focus on

marketing the product at home and abroad," he added.

"I believe this system will help Delta provide better services to its customers and inspire other insurance companies," the commerce minister said while speaking at the ceremony.

DITL Managing Director Aziz Ahmed gave a brief presentation on the software and showed its various features.

"We could have spent crores of taka to buy a foreign software, but instead, we planned to set up an IT company and develop the system with local technical expertise," said Manzurur Rahman, chairman of Delta Life Insurance.

DITL has already approached other insurance companies for the system and it plans to come up with more financial and industrial business applications in future.

# Nokia posts better than expected Q3 earnings

AFP, Helsinki

Nokia posted better-than-expected results for third quarter Thursday, possibly marking a turnaround in the mobile phone giant's fortunes after it failed to pick up on the popularity of clamshell phones earlier.

During the three-month period the Finnish firm saw a turnover of 6.94 billion euros (8.58 billion dollars), up from the 6.87 billion euros the company posted for the same period a year ago.

Nokia's earnings per share (EPS) however slipped to 0.14 euros (0.17 dollars) from the 0.17 euros it reported a year ago, but was still higher than analysts' expectations for EPS of 0.13 euros on the back of 6.92 billion euros in sales.

In the first half of this year Nokia's results were impeded by its failure to pay attention to the popularity of fold-out clamshell phones, currently all the rage among Europeans replacing their old handsets.

# Citigroup profit increases 13pc

REUTERS, New York

Citigroup Inc on Thursday said third-quarter profit rose 13 percent, topping most Wall Street forecasts, as growth in consumer businesses offset declining stock and bond market revenue.

The world's largest financial services company said net income rose to \$5.31 billion, or \$1.02 per share, from \$4.69 billion, or 90 cents per share, a year earlier.

Analysts polled by Reuters Estimates on average forecast 99 cents per share. Estimates had ranged from 97 cents to \$1.03 per share.

Revenue rose 6 percent from the year before to \$20.5 billion, but fell about 8 percent from the \$22.3 billion Citigroup reported for the second quarter.

Chief Executive Charles Prince, in his first year at Citigroup's helm, has been trying to reduce the bank's exposure to

lawsuits while expanding the bank's global franchise, so far through small, fill-in purchases.

About 58 percent of profit came from Citigroup's consumer business, while 27 percent came from corporate and investment banking, 9 percent from investment management, 4 percent from private client services and 2 percent from other activities.

Citigroup shares closed Wednesday at \$44.11 on the New York Stock Exchange. Through Wednesday, they have fallen 9 percent this year, compared with a 1 percent rise in the Philadelphia KBW Bank Index.

Consumer profit rose 23 percent to \$3.07 billion on revenue of \$11.7 billion. Retail banking income rose 15 percent to \$1.23 billion, credit card income rose 29 percent to \$1.27 billion and consumer finance income rose 35 percent to \$643 million.

## StanChart, Dutch co renew trade facility with local banks

Standard Chartered Bank and FMO, the Netherlands Development Finance Company, have recently renewed the US\$ 22 million Bangladesh trade enhancement facility with four local private banks -- Dhaka Bank, Dutch-Bangla Bank, Prime Bank and Southeast Bank.

The trade facility will allow the local private banks to undertake increased letter of credit business, says a press release.

Standard Chartered Bank will act as the manager to the trade facility while the FMO will provide guarantee on behalf of the four private banks and provide technical assistance and knowledge transfer.

Muhammad A (Rumee) Ali, deputy governor of Bangladesh Bank, Wim Wienk, regional manager for Asia, FMO, Jaap Van Der Zeeuw, official of Dutch Embassy in Dhaka, Osman Morad, chief executive officer of Standard Chartered Bank Bangladesh, Shahed Noman, managing director of Dhaka Bank, Md Yeasin Ali, managing director of Dutch Bangla Bank, M Shahjahan Bhuiyan, managing director of Prime Bank, and Syed Imtiaz Hasib, deputy managing director of Southeast Bank, were present at the agreement signing function.

## Pacific Motors launches test drive of Nissan cars

Pacific Motors Ltd, the sole distributor of Nissan cars in Bangladesh, yesterday introduced test drive for its would-be customers.

The customers now can test-drive a car of their choice from a wide line-up of Nissan models such as Sunny, Cefiro and X-trail, says a press release.

Pacific Motors has been achieving a sales growth of more than 25 percent per annum since 1999, the release added.

## Concord to get loan from Pubali Bank for Foy's Lake development

Concord Entertainment Company will get Tk 20 crore from Pubali Bank to complete the first phase of development project of Foy's Lake in Chittagong.

To this effect Pubali Bank and Concord Entertainment Company, a concern of Concord group, signed a loan agreement on Monday at Dhaka Sheraton Hotel, says a press release.

SM Kamaluddin, chairman of Concord Group, and Helal Ahmed Chowdhury, deputy managing director of Pubali Bank, signed the agreement on behalf of their organisations while Md Mahbubur Rahman, chairman of Bangladesh Parjatan Corporation, Md Abu Zafar, joint secretary, Ministry of Communications, and Khondokar Ibrahim Khaled, managing director of Pubali Bank, were also present.

Concord Entertainment has undertaken a Tk 102.50 crore project to develop Foy's Lake at Chittagong as an international standard tourism and entertainment centre.

## Software exports from India's technology hub soar 34pc

AFP, Bangalore, India

Software exports from India's technology hub of Bangalore shot up 34 percent in the first five months of the current fiscal year compared to the same period the previous year, an official said Thursday.

BV Naidu, director of Software Technology Parks of India, a government body that facilitates exports, said about 1,400 IT companies based in Bangalore clocked export revenues of 75 billion rupees (1.6 billion dollars) in the five months to August.

During the previous year software exports for the five months to August totalled 56 billion rupees. India's fiscal year starts April 1.

"Ninety-two new IT companies have set up base in Bangalore during the last six months with a total investment of 11 billion rupees," Naidu told reporters. "Out