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Star BUSINESS

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Janata, Citibank swap \$2m on relaxed forex rules

REJAUL KARIM BYRON

With the relaxed forward dealing regulations on foreign exchange, Janata Bank and Citibank NA yesterday made first swap transaction amounting to US\$2 million.

The Bangladesh Bank in a circular yesterday relaxed its regulation relating to forward dealings of foreign exchange to boost the country's foreign exchange market.

The BB asked the commercial banks to follow the new regulation for transaction of foreign exchange through forward deals.

The new regulation allowed forward trade on foreign exchange covering at least 50 percent instead of 100 percent to raise transactions of foreign exchange.

Under the reformed regulation, the dealer banks are required to cover rest of the amount with forward inter-bank buy-deals and purchase against export bills. The dealer banks may undertake swap transactions to cover their risks arising from forward trade.

The new regulation will facilitate transactions of foreign exchange by local and multinational companies

using the forward dealings.

Immediately after the relaxation, Janata Bank purchased US\$ 2 million in advance while Citibank received the money in taka.

However, the central bank directive will not be applicable to cross currency (in this case euro, pound or other currencies) swap, which is not related to the requirement of the clients.

"The banks are allowed to go for swap within their limit set by the central bank in the country but a bank cannot do it with another bank outside the country," said a top

official of Janata Bank.

The banks have been advised to refrain from taking speculative positions through swap transactions as some banks earlier incurred huge financial losses in such transactions.

The banks have to limit the outstanding amount of swap within their net opening position of foreign exchange.

However, in all cases the dealer banks must ensure that the cover is intended to neutralise the risk arising from definite and genuine transactions.

BB directs banks to set up complaint cells

STAR BUSINESS REPORT

Bangladesh Bank (BB) yesterday directed all commercial banks to set up complaint cells in their head-quarters by January 30 to improve customer service.

Directly supervised by the managing directors of those banks, the cells will have to address complaints within 10 days. But in case of special issues, the cells may take 45 days to settle any complaint, BB sources said.

The commercial banks will require submitting reports on the activities of the cells to the central bank quarterly. However, the first quarter report of the cells should be submitted by March 15.

EBL launches auto loan campaign in Ctg

Eastern Bank Ltd has launched an auto loan campaign at the bank's Agrabad branch in Chittagong recently.

Managing Director and Chief Executive Officer of the bank K Mahmood Sattar inaugurated the campaign while Deputy Managing Director and Chief Operating Officer Ali Reza Iftikhar and other senior officials attended the launch ceremony.

New SEVP of Oriental Bank

Arif Quadri has become the senior executive vice-president (SEVP) of The Oriental Bank Limited recently.

Quadri started his career in Arab Bank Bangladesh Limited. He joined Oriental Bank in 2003 as executive vice-president and member of the management team, says a press release.

Dutch-Bangla Bank recommends 22.5pc dividend

The board of directors of Dutch-Bangla Bank Limited (DBBL) has recommended 22.5 percent cash dividend for its shareholders for 2004.

The recommendation came at a meeting of the board of directors of DBBL held in Dhaka yesterday.

M Sahabuddin Ahmed, chairman of the bank, presided over the meeting, says a press release.

HSBC, StanChart vie for Korea First Bank

AFP, Seoul

Global banking giant HSBC's efforts to buy Korea First Bank have run up against a late bid by Standard Chartered PLC, apparently raising the price tag, abanking source said Wednesday.

US equity fund Newbridge Capital was set to announce the sale of its entire 48.5 percent stake in Korea First Bank (KFB) to HSBC Holdings PLC on December 24.

However, the announcement was put on hold, sparking speculation that Newbridge had failed to agree a sale price with HSBC.

"The competition to acquire KFB is not a single-horse race. There is another competitor as well," a senior official at KFB said.



Kutubuddin Ahmed, president of Metropolitan Chamber of Commerce and Industry (MCCI), speaks at the 100th annual general meeting of the chamber in Dhaka recently. Among others, former presidents of MCCI SH Kabir, Tapan Chowdhury and Mahbub Jamil are seen in the picture.

Medicinal plants hold huge prospects

CHRISTINE WANNER

Medicinal plants such as garlic, mint, curcuma, and neem can boost Bangladesh's economy, if planted in larger scale even only in backyard gardens.

The market for medicinal plants are estimated to be Tk 100 million of which Bangladesh presently imports 90 percent herbal materials from India.

The outlook of a quick financial benefit and the encouragement of Development of Biotechnology and Environmental Conservation Centre (DBTEC) have convinced some landowners and farmers to increase space of their herbal backyard gardens. Not being sure of the success, they call it an "experiment".

The idea itself has grown in a backyard garden of Ferdousi Begum, the executive director of DBTEC.

"I feel that with the project it is possible to generate income, to conserve endangered medicinal plants and the vanishing knowledge of indigenous people about the treatment of headache, cough, cold, fever and dysentery with herbal medicine," Ferdousi said.

She said if the government and donor agencies come forward

Bangladesh should be able to become self-reliant and save foreign currency by producing the import-substitute herbal plants.

"But the farmers are yet to treat the medicinal plants as cash crops. In Sylhet, Rajshahi and Chittagong divisions, DBTEC encouraged six projects. Some of these projects started two years back but the concept is still to gain popularity. Only 100 people have been convinced about the idea of enlarging their gardens, to use their precious land for plants such as mint, ginger, garlic, curcuma, gillah, bohera or aloe vera," Ferdousi said.

"It never occurred to me to plant the herbs on commercial basis," says Lawrence who comes from Madhupur. "That is an unusual thing to do. Of course, I have always grown medicinal plants for my own use."

Lawrence started the 'experiment' few months back and dreams of making a handsome earning in near future by selling the plants and raw materials for herbal medicine.

But till now, Lawrence relies on banana plantation. In the hilly area of Chittagong Hill Tracts, he owns 100 hectares of land. In the past years he has witnessed the negative effects of insecticides both on land

fertility and his own and the tree workers' health.

"Knowing about the positive effects of medicinal plants, encouraged by DBTEC and governmental bodies, I dared to start the plantation of the plants: ginger, tulsi, ashok and, most importantly neem," he said.

If the experiment turns out to be viable, Lawrence will venture into commercial plantation, targeting to grab a slice of the wholesale market in Dhaka. In case the project fails, Lawrence will continue to grow bananas.

HSBC loan fair in Ctg from tomorrow

STAFF CORRESPONDENT, Ctg

A four-day fair to display loan products of Hongkong Shanghai Banking Corporation (HSBC), Bangladesh begins in Chittagong tomorrow.

The exhibition, styled My Loan Fair, will begin at the gymnasium of Chittagong MA Aziz Stadium.

Furniture, travel, automobile, motorbike, power and electronics, interior design, real estate and IT companies will put their products and services on display at the fair, the first of its kind in Chittagong. Visitors can buy the products with the loan facilities of HSBC.

State Minister for Civil Aviation and Tourism Mir Mohammad Nasiruddin is expected to open the fair, which will be organised by Conference and Exhibition Management Services (CEMS).

HSBC will also set up a special service desk at the fair to assist visitors. The loans will be sanctioned within 48 hours for HSBC customers and 72 hours for other customers.

The fair will remain open to visitors from 10am to 8pm.

ICB plans new Islamic mutual fund

UNB, Dhaka

Investment Corporation of Bangladesh (ICB) is planning a new Islamic Mutual Fund of Tk 25 crore exclusively for the non-resident Bangladeshis (NRBs), building on responses to a previous such fund that made debut on Dhaka Stock Exchange yesterday.

"It will contribute to increase in the remittance inflow as well as help save some of the remitted money," ICB General Manager Mohammed Fayekuzzaman said at the launching ceremony of the trading of Tk 10 crore ICB AMCL Islamic Mutual Fund at the DSE conference room.

The fund has been over-subscribed by eight times.

The ICB AMCL fund, with face value of Tk 100 per unit, was traded between Tk 168 and Tk 203 on the first day of trading today, according to the DSE sources. Some 76,400 units changed hands on the day.

Earlier, an agreement was signed between Dhaka Stock Exchange (DSE) and ICB AMCL Islamic Mutual Fund Limited for launching the trading of the fund.

DSE Chairman Ahamed Iqbal Hassan, ICB AMCL Islamic Mutual Fund Ltd Chief Executive Khandoker Mohammed Iqbal and DSE chief executive officer Salahuddin Ahmed Khan were present at the function.

Wanted

A member of the Consultative Group on International Agricultural Research (CGIAR), the WorldFish Center is an international scientific research organization conducting fisheries and aquaculture research in tropical developing countries. The global headquarters is in Penang, Malaysia with operations/offices in a number of countries. The WorldFish Center, Bangladesh Office is currently recruiting highly competent and motivated individuals to fill the following position:

Office Manager (Administration)

The successful candidate should have M. Com/ MBA - Major in Human Resource Management with 5 to 7 years relevant experience in an international development organization.

The position covers the following main area of responsibility:

- Provide day to day general administrative support functions at WorldFish Center Bangladesh Office including purchasing, procurement, logistical arrangements, and general office services and the like. In undertaking these activities ensure compliance with HQ requirements.
- Assess the performance of contractors and suppliers on a regular basis.
- Check all bills and payments are accurate and comply with WorldFish Center practices.
- On month-end check all invoice payments against vouchers and verify the Project Disbursement Reports for the Project Leaders.
- Oversee sound financial management at WorldFish Center Bangladesh Office, ensuring adequacy of internal controls in all functions of the organization.
- Ensure management and donor reporting procedures and practices commensurate with the Center's needs and comply with HQ requirements.
- Implement personnel policies and procedures and maintaining close consultation with management staff in Bangladesh office and Headquarters, Human Resources Unit.
- Review administrative procedures on an ongoing basis and recommend for update and standardize as appropriate.
- Assist staff in arrangement for meetings, seminars, workshops etc.

Computer skill in MS Office is essential. Fluency in both written and spoken English is required.

Salary: Negotiable depending on qualifications & experiences.

Applicants are invited to send applications with full curriculum vitae and names of at least three professional referees (including recent telephone and email address), not later than 27 January 2005, to: The project Administrator- WorldFish Center, Bangladesh and South Asia Office, House # 22B, Road # 7, Block - F, Banani, Dhaka-1213.

Liberal policy sought to woo more FDI in energy sector

STAR BUSINESS REPORT

Government control on pricing discourages foreign companies to invest in power and energy sectors in Bangladesh, speakers at a seminar observed yesterday asking the government to pursue liberal policy to woo more foreign direct investment (FDI).

They asked the government to review the policy and leave it to the market to determine the price. FDI in power sector and exploration for gas, oil and other mineral resources has been going through a stagnant period for the last few years due to regulated pricing, they said.

They also called for increased energy cooperation among South Asian nations to overcome low access to power.

They were speaking at a roundtable on 'Regional Energy Trade' organised by Dhaka Chamber of Commerce and Industry in cooperation with American Chamber of Commerce

in Bangladesh (AmCham), Foreign Investors' Chamber of Commerce and Industry and Federation of Bangladesh of Chambers of Commerce and Industry (FBCCI) in Dhaka.

Presenting a paper on "The Critical Role of Energy in Attracting Private Investment to the Saarc Region," Willard A Workman, an US development expert and president of Twirlis International, said foreign power and energy companies do not like to invest in a country where the government regulates price of output.

"Only 30 percent of the total population of Bangladesh have access to electricity, which is among the lowest in the world. The demand for energy is growing at a rate of 10 percent. So, the country needs huge power production and FDI in this sector can satisfy the growing demands," he said.

AmCham President Aftab-ul-Islam said Nepal and Bhutan have huge hydroelectric potential and

Bangladesh has gas potential, so energy cooperation in the region can be a win-win situation.

As Bangladesh needs huge FDI to meet the growing power demands, he urged the government to maintain a liberal policy to attract more foreign companies.

Md Akhtaruzzaman Manju, director of FBCCI and president of Internet Service Providers Association of Bangladesh, said the hydroelectric potential of Nepal and Bhutan is so high that they can feed some parts of the subcontinent.

"But where would they market it or where are the transmission and distribution procedures? So, the South Asian region needs increased energy cooperation to take the advantage of natural resources," he said.

A Gafur, executive director of AmCham, said the government should find out why the foreign investment in energy sector is drying up.

Asian, Middle East energy ministers meet today

Long-term supply contracts expected

PALLAB BHATTACHARYA, New Delhi

The search for a cushion against volatile crude oil prices will be on top of the agenda when energy ministers of Asia's biggest economies sit here today with their counterparts from powerful oil-producing countries in the Middle East.

Another subject likely to come up before the two-day roundtable is creation of an Asian oil market and a pricing benchmark tailored to the region's requirements, officials sources here said yesterday.

India is expected to push for a five-year term supply contracts with countries like Saudi Arabia, Kuwait, Iran, Oman and Qatar instead of the existing practice of annual contracts as one of the key methods to check sharp rise in international crude oil price, they said.

The meeting will deliberate on the idea of developing a joint emergency response mechanism to guard against crude oil supply disruption in order to ensure stability, security and

sustainability of oil flow.

India hopes, longer-term contracts with Saudi Arabia and Kuwait would provide demand assurance to oil producing countries and uninterrupted supply to consumer countries.

Volatility of crude oil prices last year caused a lot of headache to the Indian government and dented the country's coffers.

Today's roundtable is part of Indian Petroleum Minister Mani Shankar Aiyar's energy diplomacy to secure not only national energy security but that of the Asian region.

In the face of escalating crude prices, the Congress-led UPA government was forced to go for a hike of petroleum products inviting criticism of its crucial ally the Left parties and other quarters and fuelled fears of inflationary pressures.

India, along with China, Japan, Malaysia and South Korea, is among the major crude buyers in Asia and spent \$18.36 billion in 2003-'04 to import 90.83 tonnes of crude oil. Nearly 70 percent of

India's crude oil requirement is met through imports and this is projected to rise to 85 percent by the year 2025.

The country's domestic production is officially projected to grow from existing 33 million tonnes to 50 million tonnes during the same period and the demand for petroleum products is likely to outpace incremental output, leaving India's self-sufficiency ratio to 15 percent.

Today's roundtable will be attended by oil ministers from Saudi Arabia, Kuwait, Qatar, Iran, Oman, the UAE and Malaysia representing the producing countries and their counterparts from China, Japan, South Korea besides India as also Opec Secretariat, International Energy Forum and International Energy Agency.

Aiyar for the first time put forward the idea for such a conference when he had attended a meeting of OPEC oil ministers in Vienna last year. In the run up to that meet, Aiyar had separate meetings with energy ministers of the oil producing countries.



EASTERN BANK LIMITED

EASTERN BANK LIMITED
HEAD OFFICE, JIBAN BIMA BHABAN, 10-DILKUSHA C/A, DHAKA-1000

NOTICE TO SHAREHOLDERS

This is for kind information of our esteemed Shareholders of Eastern Bank Ltd. (EBL) that the securities and Exchange Commission (SEC) vide their Order No. SEC/CDS/206/2003/391 dated 03 January 2005 has declared that the Shares of Eastern Bank Limited will be settled through the Central Depository System (CDS) in Dematerialized (Demat) form with effect from Sunday the 16th January 2005 under the following time table :

11th January 2005-Spot trading of EBL Shares on the Stock Exchanges.
12th January 2005 to 15th January 2005- Trading of EBL Shares suspended for 3(three) days.
16th January 2005- Startup of demat settlement of EBL Shares traded on the Exchanges.

Accordingly, from 16th January 2005 onward, all transfer of shares of the Company will take place through the Central Depository System (CDS) operated by Central Depository Bangladesh Limited (CDBL). Shareholders will therefore be required to dematerialize (demat) their Share Certificates by opening a **Beneficiary Owner (BO) Account** in the CDS with any Depository Participant (DP) of Central Depository Bangladesh Ltd. (CDBL) **in case of transfer of EBL Shares from 16th January 2005 onward.**

A Beneficiary Owners (BO) Account in the name of the Shareholder will also be required to receive the Bonus Shares entitlement as and when approved.

Investors who are holding the Company's shares without registration in their own names are requested to do so **within next 6 months from the demat settlement date of Stock Exchanges i.e 16th January 2005.** Otherwise as per CDBL Bye Law 9.1.3, prior approval from Securities and Exchange Commission (SEC) will be required for registration.

Dated, Dhaka,
5th January, 2005


Safiar Rahman
Company Secretary