

Remittance registers 15pc growth in 10 months

STAR BUSINESS REPORT

On the back of strong flow for consecutive months remittance registered a healthy 15 percent growth during July-April period of the current financial year.

Non-resident Bangladeshis (NRBs) sent US\$ 3201 million in the first 10 months of the 2004-05 fiscal, which was \$2786.12 million during the same period of last year, according to Bangladesh Bank statistics.

Remittance flow in February, March and April maintained very good flow. The amount was \$331.7 million in February, \$401 million in

March and \$373.9 million in April and the flow in March was the all time single month high.

Local currency faced devaluation against all majors including the greenback, encouraging the NRBs to send more money through banking channels, bankers observed.

Increased remittance flow pushed foreign exchange reserves up \$3,240.15 million as on yesterday, which went down below three billion mark after making an import bill payment.

The double-digit growth in remittance and export earnings is helping to maintain satisfactory foreign

exchange reserves, said a senior official of the Bangladesh Bank.

There is no significant currency price gap between official and unofficial channels in the recent times, which is one of the reasons for sending money through official channels, they explained.

The nationalised commercial banks (NCBs) are opening exchange houses in important foreign cities to encourage NRBs to send money through banks.

"The service of sending money through banks has improved," said a banker working at a private bank's Motijheel branch. "Besides, the mea-

sures taken by the central bank to check remittance flow through unofficial channels is really working well."

The NRBs sent \$833.72 million in the first quarter, \$945.11 million in the second quarter, \$1048.59 million in the third quarter and \$373.91 million in April.

The target for remittance income for the 2004-05 financial year has been set at \$3620 million while the income was \$3371.97 million in the 2003-04 financial year.

Bangladesh assured of WB aid to cut poverty

UNB, Dhaka

A visiting World Bank delegation yesterday assured Food and Disaster Management Minister Chowdhury Kamal Ibne Yusuf of financial and technical assistance for making the country's poor economically sound.

The assurance came when a five-member delegation, led by WB Director Julian Schuritzler called on the minister at his secretariat office.

During the meeting, the minister informed the delegation about massive losses to educational institutions as well as pisciculture and livestock caused by a series of floods last year.

He called upon the delegation to provide assistance in poverty alleviation and rehabilitation programme of Bangladesh.

The WB representative lauded the government's relief operation in tackling the flood situation, adding that they were keen to participate in rural poverty-alleviation programmes together with the government and non-governmental organizations.

ADB must lend more: China

AFP, Istanbul

China's Finance Minister Jin Renqing on Thursday called on the Asian Development Bank (ADB) to boost its level of lending, telling participants at the bank's annual meeting in Turkey that it should listen more to its borrowers.

Speaking at the ADB meeting in Istanbul, Jin noted that total lending in 2004 had decreased compared to 2003 and that the net transfer of resources to developing member countries had been negative for two consecutive years.

"To meet the demands of (developing member countries) better, the ADB should make efforts to maintain a reasonable level of lending while improving its aid effectiveness and further strengthening its support to the private sector," he said.

Jin also said the Manila-based multilateral institution should improve its service "by listening more to its borrowers, enhancing its client orientation, streamlining its procedures, lowering lending costs and developing more innovative lending instruments."

KL, Islamabad to sign FTA by year-end

AFP, Putrajaya, Malaysia

Malaysia and Pakistan will likely sign a free trade agreement (FTA) by the end of the year, Prime Minister Abdullah Ahmad Badawi said Thursday after talks with his Pakistani counterpart Shaikat Aziz.

"We had a very successful bilateral meeting," Abdullah told reporters. "The discussion on the FTA is proceeding very well. In all probability we will be able to sign an agreement by the end of the year."

"I'm happy to inform that progress has been made in various fields, in trade, communications and aviation."

"We hope to have more flights connecting Malaysia and Pakistan. We welcome PIA (Pakistan International Airlines) to come to Malaysia any time it chooses."

Abdullah said Malaysia supported Pakistan's wish to become a full dialogue partner in the 10-member Association of Southeast Asian Nations (Asean).

Set up Securities Trading Corporation to stabilise capital market

Merchant bankers urge SEC

STAR BUSINESS REPORT

A group of merchant bankers yesterday urged Securities and Exchange Commission (SEC) to set up a separate 'Securities Trading Corporation' to stabilise capital market volatility.

The proposal came in a meeting between SEC and stakeholders of the capital market in Dhaka.

SEC Chairman Mirza Azizul

Islam chaired the meeting, which was attended by Dhaka Stock Exchange (DSE) President Shahiq Khan, Vice President Ahmed Rashid Lali, Chittagong Stock Exchange (CSE) representatives, merchant bankers and stock brokers attended.

SEC chief said such commission exists in different countries and the proposal will be sent to the finance minister for his consideration soon.

However, stockbrokers urged the SEC to bring merchant bankers under margin rule to curb their liquidity pressure.

"Merchant bankers invest more during bullish market while they offload hurriedly in bearish period which put pressure on the stock markets," a stock broker of the DSE told the meeting.

Aamar PC launched in Bangladesh

STAR BUSINESS REPORT

Xenitis Infotech Private Ltd, the first brand PC maker in eastern India, formally launched its Aamar PC in Bangladesh market on Wednesday.

The price range of Aamar PC brand personal computers is Tk14,000 to Tk 40,000. Bengal Airlift, a local company, will market Aamar PC in Bangladesh.

Speaking at a press conference at Sonargaon Hotel in Dhaka, Santanu Ghosh, chairman of Xenitis, said: "Aamar PC has got huge popularity in India especially in

the western and northern regions. We have launched Aamar PC in Bangladesh for the first time outside India."

"We will also establish service centers in different parts of Bangladesh to provide Aamar PC customers with after sales service," he added.

Aamar PC will get popularity in Bangladesh because of its quality and reasonable prices, he added.

Tathagata Dutta, managing director of the company, said Xenitis will bring some attractive computer products that are not available in

Bangladesh.

Xenitis is going to launch a computer component manufacturing company in collaboration with a Chinese firm -- Unitech -- and it will go into production by June this year.

Science and Information and Communication Technology Minister Abdul Moyeen Khan attended the launching ceremony as the chief guest.

Anil Basu and Mohammad Selim, members of parliament of India, and Arif Rahman, director of Bengal Airlift Ltd, were also present at the press conference.



PHOTO: STAR

Science and Information and Communication Technology Minister Abdul Moyeen Khan inaugurates the launching of Aamar PC, an Indian-manufactured personal computer, at Sonargaon Hotel in Dhaka Wednesday. Anil Basu, Mohammad Selim, members of parliament of India, Santanu Ghosh, chairman of Xenitis Private Ltd, Tathagata Dutta, managing director of Xenitis, among others, are also seen.

Bangladesh trade show in London from Sept 15

STAR BUSINESS REPORT

A three-day Bangladesh trade show will begin in London on September 15.

The 'Expo Bangladesh 2005', the first-ever show in the UK, will be organised by Bangladesh-British Chamber of Commerce-UK (BBCC) in collaboration with Export Promotion Bureau (EPB) and

Bangladesh High Commission in London.

Bangladeshi products including readymade garment, textile, leather product, food item, tea and medicine will be put on display at Barbican Exhibition Centre, London.

Some 150 Bangladeshi companies submitted applications to participate in the fair but organisers

selected only 40 local firms, Wali Tasar Uddin, chief executive of Expo Bangladesh 2005, told a press conference in Dhaka yesterday.

A total of 60 firms, including 20 British companies, will take part in the show.

Alan Tweedie, executive of Melange Network Ltd, and MA Rouf of BBCC Scottish regional president also spoke at the conference.



PHOTO: STAR

Indian High Commissioner Veena Sikri, left, and Australian envoy Lorraine Barker, right, get their hands painted with henna at the launch of Arushi Mini Bazaar and Food Court, a pilot project of Bangladesh Women Chamber of Commerce & Industry, at Gulshan in Dhaka yesterday. Selina Quader, standing-right, proprietor of Agro-concern, and other women entrepreneurs are also seen.

Women entrepreneurs launch mini bazaar at Gulshan

UNB, Dhaka

A mini bazaar and food court named "Arushi", run by some women entrepreneurs, was inaugurated in Gulshan in Dhaka yesterday.

This is a pilot project taken up by Bangladesh Women Chamber of Commerce and Industry (BWCCI) to support women entrepreneurs.

Arushi's inaugural ceremony was attended by members of the diplomatic corps and business people.

Set up at a prime location at Gulshan-1, Arushi includes a beauty parlour, saree houses, boutiques and a food court having five outlets selling a variety of Bangladeshi, oriental and continental delicacies -- all operated by business women.

"These shops have been leased to selected women entrepreneurs at a subsidised rate to enable them to sell their products directly, without the intervention of middlemen," said Selima Ahmad, president of BWCCI.

She said BWCCI has been working relentlessly for development of women business community in Bangladesh.

India's banking act amended to attract FDI

Special economic zones on cards

PALLAB BHATTACHARYA, New Delhi

The Indian government has approved a slew of key economic legislation including an amendment to Banking Regulation Act that is aimed at attracting foreign direct investment and a much-awaited bill to set up Special Economic Zones (SEZ) to boost exports and generate employment.

Seeking to introduce far-reaching reforms in financial sector, a meeting of the cabinet presided by Prime Minister Manmohan Singh here on Wednesday night cleared the amendment to the Banking Regulation Act allowing for voting rights to investors in banks in proportion to their shareholding. This goes away with the existing cap of ten percent of voting rights for private banks.

This is expected to make investment and acquisition of Indian banks more attractive for foreign banks. At present, the ceiling of

foreign investment in private Indian banks is fixed at 74 percent with 10 percent ceiling on voting rights

irrespective of investment size. The amendments to the Banking Act would be tabled in parliament during its ongoing budget session, Information and Broadcasting Minister S Jaipal Reddy told reporters after the cabinet meeting. "The present provisions of the Banking Regulation Act of 1949 have been found to be inadequate in the context of reforms taking place in the financial sector," an official statement said.

The cabinet also approved amendments in three bills -- Reserve Bank of India Act of 1934, Banking Regulation Act of 1949 and Credit Information Companies (Regulation) Bill of 2004 -- giving RBI more flexibility on monetary policy front with the removal of lower bounds of Statutory Liquidity Ratio (SLR) and helping banks cut their Non-Performing Assets (NPAs).

Under the amended RBI Act, the

Reserve Bank of India would be empowered to fix Cash Reserve Ratio (CRR) of commercial banks and SLR without limits in order to release restrict funds for productive purposes. The CRR is imposed by RBI to ensure that banks have adequate cash to meet any demand for funds.

The decision to lift the limit of CRR would provide for more effective regulation of the market for interest rate contracts including conventional securities, money market instruments and derivatives. The amendments also empower RBI to inspect financial statements or business affairs of associate entities of banks.

The bill approved by the cabinet on Special Economic Zones contains a ten-year tax holiday in a block period of 15 years for the promoters of SEZs, 100 percent income tax exemption for five years and 50 percent exemption for the next five years.

BUDGET PROPOSAL

Dealers seek duty cut on import of new cars

BDNEWS, Dhaka

Bangladesh Automobiles Distributors Association (Bada) has sought reduction of supplementary duty on import of new vehicles in the budget for fiscal 2005-06.

In its budget proposal submitted to the National Board of Revenue (NBR) yesterday, Bada said cars between 850cc and 1649cc are not considered luxurious and the government should consider slashing customs duty and supplementary duty on import of these cars in a bigger way to bring them within the purchasing capacity of middle-class people.

The government should therefore actively consider reducing duty on these cars to 10 percent from existing 30 percent, the association proposed.

It also demanded duty reduction on 1650cc to 3000cc cars from current 60 percent to 25 percent and on cars above 3000cc to 50 percent from the existing 90 percent.

Bada President M Salahuddin in the budget proposal said the government's decision to zero the supplementary duty on 850 to 1649cc cars in the fiscal 2002-03 attracted new investments in the car business.

"The decision also helped significant number of middle and

upper middle class customers to own cars," he said adding car sales increased by 20 percent in that fiscal year following the government's decision.

"But imposition of 15 percent supplementary duty on 850 to 1649cc cars in fiscal 2003-04 and 30 percent duty in the next fiscal frustrated both the customers and the importers of new cars," Bada president said.

He argued that new cars are environment-friendly compared to used cars imported from India and Japan.

Bada also called for a consistency in policy of the government for the development of the automobile industry.

"In 2002-03 year's budget speech, we heard Finance and Planning Minister M Saifur Rahman giving a clear direction that import of used vehicles will not be allowed after four years to facilitate more use of environment-friendly new vehicles."

"But to our surprise we see a new duty on import of new cars in the very next year," Salahuddin said.

The government should have a long-term policy for development of any sector. "Otherwise, arbitrary decisions will discourage investment, frustrating the consumers, who ultimately suffer the most."