

BB to introduce different-sized Tk 500, Tk 100 notes

STAR BUSINESS REPORT

In a bid to rein in forgery, Bangladesh Bank has decided to print Tk 500 and Tk 100 denomination notes in different sizes, BB Governor Salehuddin Ahmed said yesterday.

Ahmed said this responding to an allegation at a meeting of the parliamentary standing committee on finance ministry.

Raising the issue in the meeting, Jatiya Party (Ershad) Lawmaker Moshir Rahman Ranga said a conning circle in the border areas in his constituency erases the print on Tk 100 notes and then reprints them as Tk 500 notes. As both the notes are of equal size, it is quite hard to distinguish between the two notes, he explained.

Besides, the fake notes have the security thread like the original ones, Ranga added.

The JP leader also handed over a forged note to the BB governor.

BNP lawmakers and also standing committee members Habibul Islam Habib and Abdul Khaleque echoed a similar view and sought immediate necessary steps to deal with the growing problem of fake notes, meeting sources said.

The BB governor said the central bank has already decided to print Tk 500, Tk 100, Tk 50 and Tk 20 notes in different sizes. "I hope once the decision are implemented, none will be able to counterfeit the notes," he assured the lawmakers.

The parliamentary body while discussing interest rate of commercial banks observed that the rate is very high and discourages investment. "We asked the central bank to reduce the interest rate to encourage investment," Committee Chairman Mushfikur Rahman told reporters after the meeting.

Early this year, the central bank initiated steps to reduce interest rate, but a few months later it again increased the rate, considering economic crisis.

Form body to ensure unhindered imports of raw materials

MCCI urges govt

STAR BUSINESS REPORT

Against the backdrop of dollar crisis and soaring oil prices Metropolitan Chamber of Commerce and Industry (MCCI) yesterday urged the government to form a high-profile committee headed by a leading economist to ensure unhindered imports of raw materials.

The body comprising representatives from Bangladesh Bank, commerce ministry and trade bodies through monitoring will also save imports of raw materials and components from higher costs caused by exchange rate losses, the chamber suggested.

The leading chamber also made a nine-point proposal to the government to facilitate exports at a meeting with Commerce Minister Altaf Hossain Choudhury in Dhaka.

"Higher imports as well as the inflationary pressure on the Bangladesh currency have led to scarcity of US dollars for which the entire import programme is under threat," said MCCI President Kutubuddin Ahmed while placing the proposals to the commerce minister.

The chamber is also worried about the unprecedented increase in the petroleum prices and the higher costs of imports as well as rise in imports of some non-essential products, he added.

The MCCI chief observed it will be difficult to stay in the present level of development unless the country has an export growth of 40

percent per annum. Otherwise, the target of 200 percent export growth by the year 2010 will not be possible, he said.

A major problem for the export effort is a lack of co-ordination

Bhuiyan urges entrepreneurs to invest in infrastructure

BDNEWS, Dhaka

LGRD and Co-operatives Minister Abdul Mannan Bhuiyan urging entrepreneurs to invest in infrastructure sectors said a proper investment-friendly environment is prevailing in the country now.

The government cannot do everything due to its limitation and that is why it is offering a host of facilities to draw the attention of the private investors.

He said this while speaking as the chief guest at the concluding day of the two-day international seminar held at Dhaka Hotel Sheraton yesterday.

Bangladesh Bank (BB) and the Board of Investment (BoI) organised the seminar titled Financing in the Development of Infrastructure in Bangladesh.

BB Governor Salehuddin Ahmed chaired the concluding session of the seminar.

among the various government agencies, Ahmed said. "The task force under the export policy should be strengthened and mandated to meet at least once in every three months."

In the nine-point proposal, the MCCI called for a lower interest rate and credit limit, facilities for duty free import of capital machinery for export oriented industries and VAT exemption on all types of export services. It also called for allowing multiple entry visa to the importers for three years, formulating guidelines for freight forwarding agencies and shipping lines, duty free import of certain raw materials, export through third country sourcing and improving infrastructure facilities.

Responding to the proposals, the commerce minister assured the chamber of looking into the matters.

Former deputy prime minister M Jamaluddin Ahmed said doing business in Bangladesh is becoming more and more difficult mainly due to continuous inflation.

"The current inflation rate in Bangladesh is around seven to eight percent for which internal trade is also becoming more difficult," he said.

Commerce Secretary Faruq Ahmed Siddiqi, Vice-chairman of Export Promotion Bureau Mir Shahabuddin Mohammad, former presidents of MCCI Latifur Rahman and MAnis Ud Dowla and Secretary General of MCCI CK Hyder also spoke at the function.



PHOTO: STAR

Commerce Minister Altaf Hossain Choudhury is seen at a meeting with the members of the Metropolitan Chamber of Commerce and Industry (MCCI) in Dhaka yesterday. MCCI President Kutubuddin Ahmed, former presidents Latifur Rahman and MAnis Ud Dowla, and MCCI Secretary General CK Hyder were also present.

FDI by Indian cos on the rise

PALLAB BHATTACHARYA, New Delhi

Foreign direct investment (FDI) by Indian companies is increasing and the United States is the most preferred destination, according to the annual statement of Reserve Bank of India.

Indian direct investment abroad in 2004-05 amounted to \$1.54 billion on the back of a drive by manufacturing companies to deepen their footprint abroad, said the report released on Monday. By contrast, total FDI into India amounted to \$2.32 billion.

In 2000-01, India's outward FDI was \$708.3 million, which has doubled in 2004-05.

The RBI said acquisition of foreign companies, mainly information technology and related services sectors, by Indian corporate sector has now spread to other areas.

Apart from manufacturing, the

non-financial services segment accounted for outward FDI of \$203.1 million followed by trading (\$175.5 million) and financial services (\$6.9 million), it said.

The highest FDI by Indian companies has been in the US between April 1995, when Indian liberalisation process had begun, and March this year. Indian firms invested more than two billion dollars in the form of equity and loans to companies set up there, said the report.

After the US, other key investment destinations of Indian companies are Britain, Mauritius, Sudan and Russia.

Mauritius remains the top of the list among countries from where FDI is flowing into India, followed by the US and the Netherlands. FDI inflow from Germany and Japan also went up sharply in the last fiscal, the RBI said.

Asia under pressure to curb oil use

AFP, Bangkok

As oil prices edge ever higher, Asian governments are under pressure to reduce consumption and explore alternatives, but citizens remain in love with their cars and calls for change are being ignored.

The price of oil hit a new record of \$70 a barrel level in Asian trade Monday, highlighting the ballooning cost of fuel subsidies which many regional nations are working to reduce despite popular opposition.

Concerned about their rising oil import bills, governments are calling on the public to change their energy habits, with strategies large and small including wearing thinner clothing and adjusting air-conditioning thermostats.

They are also looking anew at alternatives, like the nuclear power industry which argues it is the answer for a region thirsting for electricity, and environmental groups who say the key is conservation teamed with massive investment in renewable sources such as wind power.

But there is little evidence to show that rising oil prices are impacting on Asians' behaviour, and car ownership is a case in point.

According to Automotive

Resources Asia, vehicle sales for June rose in China, Malaysia, the Philippines, Taiwan and Thailand, only declining in India, Indonesia and Japan.

"There's been some little shifting of segments, particularly in China, and a little bit say in the Philippines, but I'm not sure that's due to the changing in the price of oil," says its Bangkok-based research director John Bonnell.

"What we see in most of the region, in Southeast Asia, China, India - sales are still strong."

And while energy-conscious small vehicles are increasingly popular in the west, Asians remain enamoured with gas-guzzling sport utility vehicles (SUVs) despite rising prices at the pump.

Energy is becoming an increasingly political issue across the region as governments weigh the need to protect their economies against the political risks of cutting subsidies.

In China, energy conservation is becoming a party leadership priority with power consumption forecast to reach 3.1 trillion kilowatt hours by 2010, up from 1.9 trillion in 2003, and power shortages commonplace countrywide.

Per Litre retail fuel price in US Dollar

Country	Octane	Petrol	Diesel
India	1.10	1.09	0.80
Pakistan	0.91	0.82	0.53
Sri Lanka	0.89	0.79	0.64
Thailand	0.64	0.62	0.57
Bangladesh	0.58	0.55	0.40

Exchange Rates:

USD/INR: 44.00; USD/PKR: 59.67
USD/LKR: 101.20; USD/THB: 41.35
USD/BDT: 65.42

Source: Citigroup

STOCK