

## Gold continues to shine

21 carat selling at Tk 12,600, 22 carat at Tk 13,200 a bhoori

SARWAR A CHOWDHURY

Gold prices in the local market have hit all-time high with guinea (21 carat) selling at Tk 12,600 and 22 carat at Tk 13,200 a bhoori (11.66 grams).

21 carat gold was selling at Tk 12,300 while 22 carat at Tk 12,888 a bhoori only two weeks ago.

Industry people have attributed the price hike mainly to international price rise. Local jewellers said as some big international investors consider gold an alternative investment to US dollars, gold is soaring in international market.

In October this year, the price of guinea or 21 carat gold was Tk 11,800 while 22 carat gold was Tk 12,360.

Local jewellers said if the price of gold in the international market increases further, the price in the local market will also increase.

The gold price was only US\$ 230 per ounce (2 bhoori and 10.5 ana) in early 2001 but just after the September 11 attack on the US it started rising. In April 2002, the price soared to \$312 an ounce in the international market.

"The price now hovers between \$507 and \$510 in the international

market," Anwar Hossain, president of Bangladesh Jewellery Manufacturers and Exporters Association (BJMEA), said.

He said big investors and clients in the major economies used to stock dollars in banks and also in the big securities. But in the face of prolonged unstable political situation in international arena, the investors now prefer to stock gold instead of dollar, pushing gold prices up, he explained.

"Besides, the demand for gold has increased in Chinese and Indian markets, pushing the price up," said Hossain, also proprietor of

General Jewellers.

The BJMEA chief, however, said total demand for gold in the domestic market decreased to 30 tons in 2005 from 50 tons in 2001, thanks to high prices.

According to BJMEA statistics, gold prices in the domestic market shot up by more than Tk 6,000 a bhoori in the last five years.

Bangladeshi jewellers usually source gold from Saudi Arabia, UAE, and Qatar.

Meanwhile, spot gold prices in the international market soared above \$510 an ounce on Tuesday, the highest since 1980.

## Enterprise Investment Centre office opens

STAR BUSINESS REPORT

The office of the Local Enterprise Investment Centre (LEIC), a project launched by IDLC of Bangladesh, a non-banking financial institution, in co-operation with Canadian International Development Agency (CIDA), was formally opened in Dhaka yesterday.

The LEIC will help Bangladeshi SMEs get improved access to capital, innovation, new technologies and business practices by establishing partnerships with foreign and large local companies.

Robert Beadle, charge d'affaires of Canadian High Commission, Anwarul Huq, IDLC chairman, Rokia A Rahman, president of Women Entrepreneurs Association, Bangladesh, and Anis A Khan, IDLC chief executive officer and managing director, were present at the inauguration of the office.

The three-year project worth 9.5 million Canadian dollars will also work to facilitate establishing partnerships with international firms and conduct studies to identify prospective sub-sectors with value chains.

Apart from SMEs, banks and financial institutions will have access to the services of the centre for assisting their SME customers. Bidyt Kumar Shah, director of the centre, said.

## Citigroup's training on risk analytics

Citigroup Bangladesh with the help of their Asia Pacific Banking Institute (APBI), Philippines organised a weeklong regional workshop on 'Risk Analytics' that began on Monday in Dhaka.

The workshop organised for the first time in Bangladesh is likely to cover financial statement analysis, dynamics of the business, business cycle, the regulatory environment, the role of audit and various risk-related issues.

Muhammad A Rumeem Ali, deputy governor of Bangladesh Bank, inaugurated the workshop as chief guest.

Rumeem Ali emphasised the importance of improving risk management culture in the local banking industry and asked the young bankers at home and abroad to better understand the risk emanating from changing market and regulatory developments.

Four faculties from Citigroup APBI are conducting the sessions in the workshop, which is being attended by 25 bankers from home and abroad. Citigroup Country Officer for Bangladesh Mamun Rashid and Country Human Resources Head Syed Tanvir Hussain along with other Citigroup senior officials were present at the inaugural function.

## Dhaka int'l trade fair kicks off Saturday

Security to be beefed up

STAR BUSINESS REPORT

The country's mega exposition of local and international products, 'Dhaka International Trade Fair-2005', kicks off Saturday at Sher-e-Bangla Nagar fair ground.

A total of 421 companies from home and abroad will display products such as machinery, agriculture equipment, chemical, allied products, cosmetics, dairy products, electrical and electronic items, food stuff and groceries, tableware, melamine, plastic goods, gift and novelty items, handicrafts, furniture, home appliances, leather and leather goods, footwear, sports goods, building materials, textile and garments in the DITF-2005.

The month-long fair venue will have 419 stalls, 4 special pavilions, 7 premier pavilions, 37 pavilions, 12 premier mini-pavilions, 33 mini pavilion, 35 premier stalls, 6 restaurants and 4 drink kiosks.

Prime Minister Khaleda Zia is

expected to inaugurate the 11th version of the fair as chief guest. Finance Minister M Saifur Rahman, Commerce Minister Altaf Hossain Choudhury, Commerce Ministry Advisor Barkat Ullah Bulu and Commerce Secretary Faruk Ahmed Siddiki will also be present.

"We have already completed all the preparations for the fair," said Mir Shahabuddin Mohammad, vice-chairman of EPB (Export Promotion Bureau), at a press briefing in Dhaka yesterday.

Commerce Ministry and Export Promotion Bureau (EPB) are organising the annual event to promote local entrepreneurs to expand their business in the global market.

The foreign countries, which already ensured their participation in the fair, include US, Singapore, Italy, South Korea, Pakistan, China, India, Iran, Thailand, Austria and Myanmar.

Organisers said huge security measures have been taken up to

avoid any untoward incidents in the fair in the wake of recent militancy across the country.

Along with 40 CCTV (Closed Circuit Television) cameras around the fair premises, Rapid Action Battalion (RAB), police, Bangladesh Rifles will be deployed in the fair, they said.

Two mother and childcare centres have been set up in the fair premises for the first time for providing medical services. Apollo Hospital Ltd, Dhaka will provide medical services for mother and children from these centres, organisers said.

They said more than four high-profile business delegations from China, Pakistan, Myanmar and US will visit the fair.

The fair will remain open from 10 am to 9pm with a Tk 10 entry ticket for adults and Tk 5 for children.

The first DITF was organised in 1995.

## India has passive gold investment policy

REUTERS, Mumbai

India's central bank governor, Yaga Venugopal Reddy, said on Tuesday that the federal government and the Reserve Bank of India (RBI) have been following a "passive policy" on the country's gold holdings.

India's foreign exchange reserves are \$142.18 billion, out of which gold comprises only 3.4 percent. The bulk of the reserves is held in foreign currency assets which are currently at \$136 billion and which are mostly invested in US Treasuries.

## Commercial Bank pre-tax profits up 34pc

The Commercial Bank Group comprising Sri Lanka's benchmark private sector bank, its subsidiaries and associate companies, has reported excellent growth in profits and other key performance indicators for the first nine months of 2005.

In results released to the Colombo Stock Exchange on October 31, the Group reported a pre-tax profit of Sri Lankan Rs 2.605 billion as against Rs 1.932 billion recorded in the corresponding period of last year, an impressive growth of Rs 673 million or 34.86 percent. Total revenue at Rs 11.348 billion was up 26.58 percent, says a press release.

The post-tax profit of the Group increased by a significant Rs 430 million or 33.89 percent to Rs 1.701 billion in the period under review as against Rs 1.271 billion in the first nine months of last year. Strong profit growth was achieved despite an increase in corporate tax liability from Rs 660.9 million last year to Rs 904 million this year and a drop in the exchange profit of Rs 319.6 million from Rs 707.7 million to Rs 388.1 million.

## Asian economies gain as worker remittances surge

REUTERS, Singapore

A busy Sunday afternoon on Singapore's Orchard Road and Christmas shopping is in full swing, but for the migrant workers filling the remittance centres in the Lucky Plaza mall the priority is sending money home.

"I send half my salary home every month, but at Christmas I will send almost all of it," says Annie, a 35-year old Filipino working as a maid in the prosperous city-state.

It is money sent home by overseas workers like her that help drive consumption in the Philippines and, despite high oil prices, will allow the country to post a balance of payments surplus of about \$2 billion this year.

According to the World Bank, the Asia-Pacific region saw the biggest

jump in remittances received by developing countries during 2001-2005, with remittances to East Asia and the Pacific more than doubling to an estimated \$43.1 billion this year.

In South Asia, remittances are estimated to reach \$32 billion this year, up 67 per cent from 2001.

Analysts say this money is having a growing impact on regional economies - boosting external finances and raising domestic consumption and investment in local markets.

India and China were the world's two biggest receivers of remittances last year. Remittances are larger than tea exports in Sri Lanka, quadrupled in Pakistan between 2001-2003 and are expected to hit a record high in the Philippines this year.

Increased migration and a drive to encourage workers to send money home using formal channels help explain a rising trend in remittances.

An Asian Development Bank study found nearly two million immigrants, mostly women, from the Philippines, Indonesia and Malaysia send home more than 30 per cent of their earnings in Japan, Hong Kong, Singapore and Malaysia.

World Bank figures show the Philippines and France both received around \$12 billion in remittances last year - but remittances are far more important to the Philippines, where they are equal to more than 10 percent of the value of gross domestic product compared to less than 1 per cent in France.



Zakir Hossain, general manager (Sales and Marketing) of Ranks Telecom (RanksTel) Ltd, and UN Mahmudul Islam, executive director of Padma Bleaching & Dyeing Ltd (PBDL), shake hands after signing an agreement. Under the deal, PBDL has become a corporate client of RanksTel. A Rouf Chowdhury, president and chief executive officer of RanksTel, and Nazrul Islam, PBDL chairman, among others, were present at the signing ceremony.

## Microsoft to invest \$1.7b in India

OUR CORRESPONDENT, New Delhi

Microsoft Corporation yesterday announced the company would invest US \$1.7 billion in India over the next four years to make the country a major hub of the company's research and development activities.

The amount is to be deployed across select focus areas in line with Microsoft's strategic vision for India, Microsoft Chairman Bill Gates told a press conference here.

## Padma Bleaching corporate client of RanksTel

Ranks Telecom Limited and Padma Bleaching & Dyeing Limited (PBDL) have signed an agreement. Under the deal, PBDL has become a corporate client of the public switched telephone network operator.

Zakir Hossain, general manager (Sales and Marketing) of RanksTel, and UN Mahmudul Islam, executive director of Padma Bleaching & Dyeing Ltd, signed the agreement on behalf of their sides, says a press release.

A Rouf Chowdhury, president and CEO of RanksTel, and Nazrul Islam, chairman of Padma Bleaching and Dyeing Ltd, also witnessed the signing ceremony.

He said the money would be spent also for making India a major hub of Microsoft's research, product and application development, services and technical support for both global and domestic companies.

The investment will be used in other areas as well, including intensifying efforts to create a digitally inclusive society, strengthen local knowledge economy and increase geographical and enterprise reach across the country, Gates said.

Earlier in the day, Gates had announced increasing the India headcount by 3,000 taking the total strength to 7,000 over the next three to four years.

The company yesterday signed two memoranda of understanding (MoUs) with the Indian government on cyber security and launching a competitive enhancement programme for small and medium enterprises in the Indian manufacturing sector.

For these two MoUs, the company will set up two innovation centres in the country.

"Microsoft has been in India for 15 years now and our commitment continues to grow. India's exceptional IT talent and vibrant local independent software vendor industry are helping empower a truly global knowledge economy," Gates said.

## RICE ISSUE

## Thailand refuses to join Asean-ROK FTA

AFP, Kuala Lumpur

Thailand has refused to join a free-trade deal between Southeast Asian countries and South Korea over a disagreement on rice, and the two sides will now hold further talks, officials said Wednesday.

"For the moment, Thailand has not yet decided to sign with Korea," Bounsom Phommavithane, director general for Economic Affairs Department of the Laos foreign ministry told reporters after a meeting of regional economic officials.

"Thailand asked the coordinating country Singapore and they are now negotiating with Korea," said Bounsom, who chaired the meeting held ahead of the Association of Southeast Asian Nations (Asean) summit on December 12-13.

"Asean countries are mostly rice-producing nations so we have to be careful when we negotiate. Rice is

important for us," he said, adding that the talks would take place on Thursday.

South Korea is believed to be unwilling to include rice in its free-trade agreement (FTA) with the 10-nation Asean, which would cut import tariffs on a wide range of items.

"We would like to get into the Korean market. Our farmers will produce more if we can export... It is important for Thailand and us to have more foreign markets," Bounsom said.

Asked if he thought Korea would be willing to lower tariffs to meet Asean demands, Bounsom said "Nobody knows, we will try our best to convince them."

The agreement was scheduled to be signed at the Asean summit here.

## China textile group keen to start joint ventures with Beximco

BDNEWS, Dhaka

Largest Chinese textile conglomerate China Worldbest Group Co has expressed keenness to start joint venture projects in Bangladesh with Beximco Group.

The interest was expressed when a delegation from the Chinese company recently visited Beximco Textiles factory at Beximco Industrial Park at Kashimpur in Gazipur.

Chief Executive Officer of Beximco Textiles Syed Naved Husain welcomed the delegation led by Azmal Kabir, representative of Worldbest Group Co in India, Pakistan and Bangladesh.

The delegation saw around the spinning, weaving, dyeing, finishing and stitching units, and particularly the design and product development centre catering to globally reputed brands and retailers.