

Remittance grows 24pc in eight months

Record \$428m received in February

MONJUR MAHMUD

Remittance hit a record US\$428 million in February, an all-time high in a single month, as the inflow grew by around 24 percent during July-February period of the current financial year.

Non-resident Bangladeshis (NRBs) sent \$2,998.03 million in the first eight months of the 2005-06 fiscal year against \$2,422.54 million during the same period of last financial year, according to central bank statistics.

With the higher growth in remittance, the foreign exchange reserves reached \$3,092.51 million as of yesterday.

The reserves will come down below the \$3 billion mark as the central bank may clear around \$300 million Asian Clearing Union (ACU) payment on Thursday, sources said.

Bangladesh Bank continues its efforts to encourage NRBs to send their money through banking channels, helping the country to see a

strong growth in remittance so far.

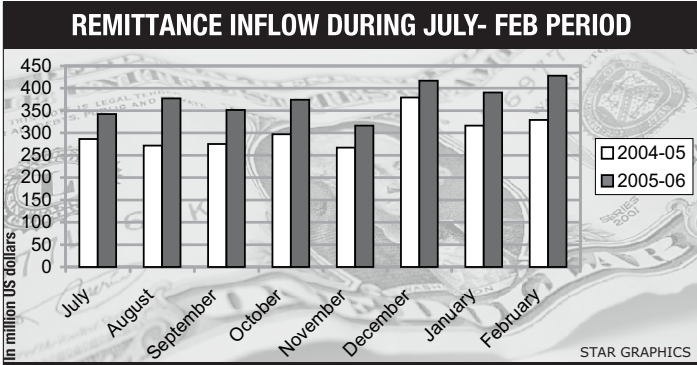
According to BB sources, ongoing devaluation of taka against US dollar will help maintain present trend in remittance inflow in the next couple of months.

Of the amount sent in February, \$284 million came through private commercial banks (PCBs) and \$184.82 million through nationalised commercial banks (NCBs). The rest of the amount came through foreign commercial banks (FCBs).

"As PCBs give better rates than the NCBs against foreign currencies, NRBs are increasingly using private banking channels to send money home," said a central bank official, adding the share of NCBs in remittance business is on the decline.

The PCBs have become more aggressive in remittance business providing quick and reliable services and attracting the Bangladeshis working abroad to send money home through formal channels.

"Some of the PCBs are taking



services of the globally renowned money transfer companies that have networks around the world and have extended their services to rural Bangladesh," said a top executive of the private bank. "As a result, remittance has become a major source of their incomes."

Remittance has become a good source of income for some foreign banks with strong network abroad.

Remittance inflow was

\$3,848.29 million in the last financial year. According to sources, NRBs send over US\$ 7 billion a year and a significant portion of the total amount still comes through hundi, an illegal way of money transfer. There are further scopes to increase remittance through banking channels, bankers observed.

Malaysia lifts ban on US beef imports

AFP, Kuala Lumpur

Malaysia has lifted a ban on US beef imports in place for more than two years, to make up for a shortage after it restricted access to Australian and New Zealand beef, a report said Tuesday.

Agriculture Minister Muhyiddin Yassin said Malaysia had reversed the ban, imposed in December 2003 over fears of mad cow disease, after meat was approved for import from two American abattoirs.

"We will be cautious with the beef imports. We insisted that the meat must come from cattle less than 30 months old," Muhyiddin was quoted as saying in the Star daily.

Malaysia and other countries such as Taiwan and Japan imposed bans on US beef in 2003 after a case of bovine spongiform encephalopathy, or mad cow disease, was discovered in a herd in Washington state.

A number of Asian nations, including Singapore, have lifted the bans in recent months.

Muhyiddin said that veterinary and Islamic religious department officials had inspected meat from the two US abattoirs. They deemed it free of disease and pronounced it halal, or prepared according to Islamic requirements.

Citigroup, Shakti Foundation to help underprivileged women entrepreneurs

Citigroup, a leading global financial services organisation, has embarked on a new initiative with Shakti Foundation for Disadvantaged Women to support "Business Development Services" programme for underprivileged women entrepreneurs, says a press release.

To this effect the Citigroup Foundation has given a three-year grant of US\$86,000 to Shakti Foundation, an NGO.

The programme is aimed at improving poor and disadvantaged women's capabilities to manage, control and sustain their business.

In commemoration of International Women's Day Citigroup and Shakti Foundation will also organise a special business linkage fair with the participation of many women entrepreneurs across the country on 10-11th March.

Humaira Islam, founder executive director of Shakti Foundation, said, "In most micro finance institutions, women are key recipients of loans and they need management skills and book keeping to be successful."

Mamun Rashid, Citigroup country officer - Bangladesh, said, "We are supporting the programme since this is a new initiative with long term implications."

Air Asia eager to start operations in Dhaka

STAR BUSINESS REPORT

Malaysia-based Air Asia is eager to start operations in Dhaka as the airline sees huge business prospects in Bangladesh.

"We see a huge prospect of operating flights from Bangladesh, with a large number of passengers flying to Malaysia, Thailand and other cities in the region," Kamaruddin Meranun, group deputy chief executive officer of the airline, told a press conference in Dhaka yesterday.

The high official of the company is now in Bangladesh to explore the possibilities of regional airline operation in association with East-

West Airlines of Bangladesh.

The East-West Airlines, a sister concern of Orion Group, has already obtained Provisional Air Transport Operating Licence. The airline is planning to operate flights on domestic routes.

"The expected deal between Air Asia and East-West Airlines on operating both domestic and international flights will be the first foreign direct investment in Bangladesh's aviation sector," K Mojibul Hoq, executive president of Orion Group, told the briefing at Bangladesh-China Friendship Conference Centre.

In the open sky policy regime, the initiative of joint co-operation

between East-West Airlines and Air Asia will be a huge boost for the development of the aviation sector, Hoq noted.

Air Asia that began its operations in Malaysia in 1996 now has expanded its services to Thailand and Indonesia through joint ventures.

The airline is now operating 100 flights a day from four hubs located in Kuala Lumpur and Johor Baharu in Malaysia.

Captain Chin Nyok San, executive vice president of Air Asia, and Salman Obaidul Karim, director of Orion Group, were also present at the press meet.

Islamabad to go ahead with Iran-Pak-India gas pipeline

PTI, Islamabad

President Pervez Musharraf Monday said his government would go ahead with Iran-Pakistan-India gas pipeline and denied there was any US pressure on Islamabad to abandon the project.

"There is no reference on it (in talks with US President George W Bush). Nobody ever gave me this message. We will take the gas pipeline from Iran. That is our requirement. The delay is because of the trilateral arrangement," he told Pakistani editors during an interaction here on the American leader's just-concluded Pakistan visit.

President Bush also recognised Pakistan's need for gas and there was no US pressure on the country

vis-a-vis gas pipeline from Iran, Musharraf said.

Bush himself declined to give a categorical answer about US stand on IPI, saying Washington's complaint with Iran was regarding its nuclear programme. Last year, US Secretary of State Condoleezza Rice had openly aired Washington's reservations over the IPI project.

Recently, Musharraf said that if Washington had any objection to IPI, it should provide alternative source of energy which was interpreted as an attempt to get the civilian nuclear deal which US stuck with India. Bush during his visit here on March 4 declined to extend the same to Pakistan, saying that the two countries have different needs and histories.

Though Pakistan leaders main-

tain that they would go ahead with IPI project, Islamabad has not yet officially made a decision on which of the three pipelines it prefers. Besides IPI, the country is also considering Turkmenistan-Afghanistan-Pakistan (TAP) pipeline and another from Qatar.

Musharraf said Pakistan has two 300 mw nuclear power plants built by China and wanted to get 600 mw, while he approached US for 1,000 mw nuclear power plant as bigger nuclear power plants are cheaper.

Referring to the joint statement issued at the end of the visit of Bush, he said the US Energy Secretary would be here shortly to discuss Pakistan's energy needs.

Oil prices easier in Asian trade as Iran concerns cool

AFP, Singapore

Oil prices continued easier in Asian trade Tuesday as the market adjusted to an apparent cooling of tensions over Iran and Opec's assurance that it will not cut production quotas, dealers said.

At 11:14 am (0314 GMT), New York's main contract, light sweet crude for delivery in April, was down two cents to 62.39 dollars from its close of 62.41 dollars in the United States on Monday, when it lost 1.26 dollars.

"The geo-political news from Iran is not as hot anymore," said Victor Shum, an analyst with Purvin and Gertz.

The possibility of a deal between the International Atomic Energy Agency (IAEA) and Iran has reduced the geo-political risk premium and removed the threat of a stoppage of oil from Iran, Shum said.

The board of the UN nuclear watchdog, the IAEA, began a meeting on Monday to consider an IAEA report that says Iran is defying its calls to halt uranium enrichment and to cooperate fully with agency inspectors.

The meeting could be a prelude to the UN Security Council's taking steps against Tehran but IAEA chief Mohamed ElBaradei said he hoped an agreement could be reached soon to ease Western fears over Iran's nuclear program and avert punitive UN action.

"This reduces fears about an

Iranian crude supply cut and the market is just reacting to that," Shum said.

Iran exports 2.6 million bpd and is the second-biggest producer in Opec, the Organization of Petroleum Exporting Countries.

At another gathering in Vienna, Opec was expected to maintain current quotas.

Phil Flynn at Alaron Trading said traders believed Opec would not cut production with prices at current levels.

"Opec has made it clear (that) ... as long as oil prices are above 60 dollars they are fine, they won't cut production," Flynn said.

"But I think if we see oil prices continue to fall to below 60 dollars, there's a good chance that they would cut production."

The cartel should maintain its production ceiling in order to cool off high prices, Kuwaiti Energy Minister Sheikh Ahmad Fahd al-Sabah said Monday.

"I believe that because of the ... (high) price, we have to maintain our production. I believe that the prices are still high. For that we have to help prices to be more stable," he told reporters.

Netherlands opposed to plan for EU gas reserves policy

XINHUA, Brussels

The Netherlands is not planning to hand over some of its control over its gas reserves as it is suggested in a plan of the European Union (EU), Dutch daily Financieel Dagblad reported Monday.

The European Commission, the EU's executive arm, will launch a plan on Wednesday for European solidarity in the event that the gas supply to member states is endangered.

Solidarity on the gas markets is a component of the so-called green book for a European energy policy, entitled "A secure, competitive and sustainable energy policy for Europe."

The newspaper quoted a memorandum from the Dutch ministry of economic affairs as reporting that the Dutch government does not like the idea of handing over some of its control over its gas reserves in order to serve European solidarity.

"Member states should remain responsibly for the management of their own energy sources, including emergency reserves," the memorandum reads.

European solidarity in the event that gas imports to one or more member states is stopped, is extremely topical. In January vari-

ous member states had to deal with brief gas shortages when Russia suspended gas exports to Ukraine in order to pressure this country to pay more for delivery.

Gas pipelines delivering the bulk of Russia's supply to the EU run through Ukraine. In total Russia provides about 20 per cent of the total European gas consumption.

In order to guarantee the supply of gas, the Commission is considering building up an emergency gas reserve. The EU member states already have such a system in place for oil. The member states keep an emergency reserve that can provide for 90 days of use.

The green book is intended for discussion by EU government leaders at their summit meeting on 23 and 24 this month.

The plan should result in concrete proposals by March next year at the latest. It also goes in further detail into the relationship between general foreign policy and energy policy, the energy mix, energy efficiency, energy research and completion of the internal energy market.



Mamun Rashid (4-L), Citigroup country officer-Bangladesh, presents a document for US\$ 86,000 to Humaira Islam, founder executive director of Shakti Foundation. Other senior officials from both the organisations were also present.