

Rupali Bank ownership goes to Saudi prince in 4 weeks

Letter of intent on sale of remaining 26pc shares handed over; the bank to get new name

STAR BUSINESS REPORT

All formalities to hand over the ownership of Rupali Bank to Saudi prince Bandar will complete in the next four weeks, said a representative of the prince yesterday.

"It will take four weeks to complete the process. It'll be a milestone event in the investment history of Bangladesh," Peter Frank told a press conference.

Replying to a question, Frank said the new owners will rename the bank as it would be converted into an international bank.

Privatisation Commission yesterday formally handed over a letter of intent on the sale of the remaining 26 percent shares of state-run Rupali Bank to Saudi

prince Bandar Bin Mohammad Bin Abdul Rahman Al-Saud.

Chairman of Privatisation Commission M Abu Solaiman Chowdhury handed over the letter to Saudi prince's senior adviser Peter Frank at the press conference in Dhaka.

The Commission also handed over an invitation letter for the Saudi prince, who will sign the final version of the Sales and Purchase Agreement (SPA) of earlier negotiated 67.26 percent shares and hand over the cheque.

The Saudi prince is going to take over 93.26 percent government-held shares of the bank in exchange for over US\$ 458 million while the rest of the shares remain as public issues.

"We hope, the Saudi prince will

invest more in other sectors of Bangladesh," the Privatisation Commission chairman said.

"We've completed the process on our part. Now the handing over depends on the Saudi prince," he said, replying to a question.

He said the 26 percent shares are being sold at the highest price of Tk 2,670 each, the same at which prince Bandar won the open bid for 67.26 percent shares. Domestic Investors Consortium also took part in the bid for 26 percent shares, but failed to outbid prince Bandar.

The government decided to privatise state-run Rupali Bank as part of the financial reform and banking sector modernisation. The Privatisation Commission invited bids from seven selected organisa-

tions listed through a scrutiny from among those interested, both from home and abroad.

The government earlier in the month approved a proposal to sell its remaining 26 percent shares in Rupali Bank to Saudi prince Bandar for \$128 million, which would give him 93 percent ownership of the state-owned bank.

The World Bank and the International Monetary Fund (IMF) have long pushed for the privatisation of all four state-owned banks. The other nationalised commercial banks (NCBs) -- Sonali, Janata and Agrani -- were corporatised by the caretaker government recently.

Construction work on DSE's new bldg begins tomorrow

STAR BUSINESS REPORT

The construction work on Dhaka Stock Exchange's Tk 125 crore new building begins tomorrow in Nikunja area in the capital.

The new building to be known as DSE Tower will be complete within the next three years, DSE President Abdullah Bokhari told reporters yesterday at a press conference.

The country's premier bourse needs a modern infrastructure with the growth of the country's stock market, said DSE Senior Vice President Ahmad Rashid. He also said the new building will have all modern trading facilities with an upgraded trading capacity network.

Three basements of the building will be reserved for parking of about 405 cars.

The second floor will be exclusively used by DSE office while the third to eleven floors will be allocated for the bourse members.

Chief Adviser Fakhruddin Ahmed will lay the foundation stone of the 14-storey building. DSE will finance the project from its own source.

3 CIS nations to develop trade ties with Dhaka

Housing firms' help sought in tourism infrastructure

STAR BUSINESS REPORT

Kyrgyzstan, Kazakhstan and Tajikistan have expressed their keenness to develop trade and economic relations with Bangladesh, according to a high-profile business delegation of the three commonwealth independent states (CIS) now on a visit to Dhaka.

Salohiddin Nasiriddinov, ambassador of Tajikistan to India, is heading the delegation.

These countries are also planning to open up missions in Dhaka. Presently, the embassies of these Central Asian nations in New Delhi look after the Bangladesh related issues in addition to their normal duties.

The delegation expressed the eagerness at a joint trade seminar organised at a city hotel yesterday by the honorary consul of Kyrgyzstan to Bangladesh.

Responding to a question, Nasiriddinov said on a possible rise in the trade volume between Tajikistan and Bangladesh, they would consider opening up a mission here.

Kazakhstan's mission is likely in

Dhaka next year, hoped Bauyrzhan Kerimkulov, consul of the country to India and also a member of the visiting team.

Turkish Ambassador in Dhaka Ferit Ergin also spoke at the seminar. Speaking as the chief guest, President of Federation of Bangladesh Chamber of Commerce and Industry (FBCCI) Mir Nasir Hossain stressed a regular exchange of business teams between Bangladesh and those CIS for enhanced trade.

Lack of direct transport, communication and language as the main barriers to developing such a trade relation, the apex trade body chief identified, suggesting establishment of a direct communication network with those countries.

Bangladesh can export ready-made garments, pharmaceuticals, leather, jute, jute goods and footwear items to those countries whereas it can import high quality cotton, audible oils, and mineral resources from those states, Mir Nasir pointed out.

The business delegation are of the opinion that there are ample scope to develop trade ties between

Bangladesh and those states which have been pursuing free economic policies and inviting foreign investment for tapping their economic potentials.

They said their countries have changed their trade policies and are now allowing investment from private sectors and foreigners. The trade rules have also been liberalised and foreigners can repatriate profit money, they added.

The delegation members also proposed that Bangladeshi businesspeople can set up joint venture companies in the fields of textile, pharmaceuticals and tourism in the CIS.

Pointing to the fact that millions of people visit those states every year but the countries lack adequate tourism infrastructure like hotels and resorts, they suggested that Bangladeshi real estate companies can provide technical assistance for developing tourism infrastructure there.

President of Bangladesh Textile Mills Association Abdul Hye Sarker and Honorary Consul of Kyrgyzstan to Bangladesh Kazi Shamsul Haque also spoke on the occasion.

BGMEA talks RMG industry problems with editors

UNB, Dhaka

Leaders of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday urged editors of newspapers, news agencies and electronic media to highlight the problems of the readymade garment industry.

At a meeting with the editors, held at a local hotel, they discussed the overall situation of the garment sector and sought cooperation from the media in resolving those.

BGMEA leaders pointed out different problems including problems at Chittagong Port and inadequate supply of power and gas to the RMG factories.

A number of editors of national dailies, news agencies and electronic media were present at the meeting, presided over by BGMEA President SM Fazlul Hoque.

Etihad Airways unveils summer flying plan

Etihad Airways, the national flag carrier of the United Arab Emirates, will increase its flying programme this summer by 18 percent.

The airline will launch new routes, add extra flights to its existing services and introduce six new wide-bodied long-haul jets to boost its expanding global network, says a press release.

Non-stop flights from the carrier's Abu Dhabi base will take off in March for the first time to Sydney in Australia. In August the Irish capital Dublin will be added to the airline's network and flights will begin in September to Milan's Malpensa airport.

Etihad's summer flying programme will be boosted with an additional 40 weekly flights added to its current schedule.

Provision of whitening black money should be withdrawn

MCCI team tells finance adviser

STAR BUSINESS REPORT

Metropolitan Chamber of Commerce and Industry (MCCI) has urged government for discontinuing the concession to whiten black money.

"Our chamber is opposed to the scheme from the very beginning as it is not only injustice to the ethical tax payers but it also poses a serious threat to the country as black money is directly linked to several criminal activities like graft, smuggling of drugs, arms and ammunition and money laundering," the MCCI said yesterday in a written proposal to Finance and Planning Adviser Mirza Azizul Islam when a delegation led by its president Latifur Rahman met him at his office.

The chamber also put forward a recommendation to the central bank to reduce bank rate or provide interest rate subsidy to the export items such as garments, leather and footwear.

It suggested privatisation of back-up services like loading and unloading of cargo and containers, formalities of vessel arrival and departure, pilotage, vessel berthing/unberthing, movement

of cargo/container from shed and yard, stuffing and unstuffing containers and cargoreceipt and delivery.

The chamber also suggested privatisation of all services at the New mooring Container Terminal.

The chamber leaders laid emphasis on a visible role in resumption of WTO negotiations and pressed for implementation of the Safta tariff concessions to Bangladesh, Nepal and Bhutan, the 3 least developed countries (LDCs).

"Ministry of Commerce and more particularly, the Ministry of Foreign Affairs should play a visible role in resumption of the WTO talks. Bangladesh should immediately talk to the US government for resumption of the negotiations and at the same time implementation of a duty-free market access facility for the LDCs as assured in the Doha Agreement," the MCCI proposalsaid.

The chamber suggested elimination of the discretionary powers of the tax officials, which, it said, is a major factor that contributed to revenue shortfall and high bank borrowing.

MCCI also pleaded for continua-

tion of the tax holiday facility saying "if such a facility is withdrawn in the next fiscal, industrialisation will be in jeopardy." It cited the examples of India and Pakistan where such tax holiday is allowed.

The chamber regretted the provisions of restrictions on foreign tours of company directors and 3 percent advance income tax on payments made by credit cards.

"We urge the caretaker government to delete the provision of restriction on foreign tours by company directors as it will affect our industries, particularly export-oriented sectors where such tours are a part of business," it said.

The chamber said when the Finance Act is in force, payments made by credit cards have been subjected to 3 percent advance income tax is not only unprecedented, but also anomalous in the sense that quite often personal credit cards have to be used for payment of corporate bills. "The process of adjustment of advance income tax is so uncertain and arbitrary that adjustment is invariably apprehended in all circles," the chamber remarked.

Ericsson, GP sign network solution deal

Ericsson has signed a major deal with Grameenphone Ltd to build and integrate a complete IP mobile phone backbone network for the introduction of layered architecture across Bangladesh.

This marks Grameenphone's first step towards an all-IP network, says a press release.

Grameenphone, the leading cellphone operator in Bangladesh, will use Ericsson's mobile packet backbone network to build its IP network across the country in a cost-efficient way. The deal will provide full telecom-quality IP transport for all network traffic and will allow the operator to introduce high-quality services quickly.

Ericsson has been awarded the full turnkey project, with end-to-end responsibility for the design, deployment and systems integration of the IP backbone network. The integration involves 15 sites across the country and Ericsson will provide a range of associated professional services to ensure successful network delivery.

Gold hits 9-month high at over \$682

AFP, London

The price of gold has struck the highest level since May, 2006 on concern about inflation and after other metals and oil futures rallied, analysts said on Thursday.

Gold reached 682.25 dollars per ounce overnight, the highest level since May 19 last year. Early on Thursday it was trading at 676.55 dollars per ounce on the London Bullion Market.

"The market was concerned about inflation in the (United) States and the rally in both metals and oil," said Ross Norman, an analyst at specialist website TheBullionDesk.com.



A joint trade seminar organised by the honorary consul of Kyrgyzstan to Bangladesh was held in Dhaka yesterday. Salohiddin Nasiriddinov, ambassador of Tajikistan to India, and Mir Nasir Hossain, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), spoke at the meeting.

Strictly follow rules of loan classification

BB asks non-banking financial institutions

UNB, Dhaka

Bangladesh Bank yesterday asked the non-banking financial institutions (NBFI) to strictly follow the guidelines of loan/lease classification and provisioning to cooperate with the central bank's monitoring system.

The directive came from a regular review meeting on the performance of the NBFIs at the Bangladesh Bank with its Governor Salehuddin Ahmed in the chair.

Senior central bank executives and chief executive officers (CEOs) of leasing and insurance companies were present at the meeting.

As per the guidelines, the NBFIs will have to show the status of a loan/lease in the Special Mention Account (SMA) if the payment of outstanding rental of a 5-year loan/lease expires in 90 days, if the outstanding rental of a more than 5-year loan/lease expires in 180 days

and outstanding rental of a housing loan for any term expires in 270 days.

The instruction to follow the guidelines came apparently in consistent with a government move to amend the Representation of People's Order 1972 that would bar a defaulter of NBFIs from participating in any elections.

The Bangladesh Bank governor told a post-meeting press briefing that the amendment to the RPO would be made as soon as the election process resumes.

"I hope it'll be introduced as an ordinance," he said, replying to a question.

Responding to another question, he said that at present, the joint force is not facing any problem from the banks to get information on the suspicious accounts.

The governor told a questioner that Bangladesh Bank has submitted a letter to the Ministry of Home

Affairs through the Ministry of Finance seeking their cooperation to realise the amount from a defaulter as per the verdict of the Money Loan Court.

"It'll help improve the default loan situation if police cooperate in implementing the verdict," he said.

On a demand from the NBFIs, Salehuddin assured them of arranging necessary training so that their executives could comply with the system audit introduced recently.

He said the NBFIs would introduce few new IPOs (initial public offerings) in the capital market by June this year as seven of them are yet to come to the capital market.

Bangladesh Leasing and Finance Companies Association (BLFCA) Chairman

Anis A Khan told reporters that they would have to follow the RPO amendment as a law of the country.

Expo Bangladesh opens in London

UNB, London

A 4-day Expo Bangladesh 2006-07, a single country trade fair, was formally opened here Wednesday evening at International Exhibition and Conference Centre at Old Truman Brewery in Brick Lane to showcase Bangladeshi products.

Stephen Timms MP, chief secretary to Treasury, was present as chief guest while Jim Fitzpatrick MP, junior minister for Trade and Industry, Mayor of Tower Hamlet Shafiqur Rahman and Assembly member Jhon Biggs were present as special guests at the opening ceremony.

Director of Expo Bangladesh Mohammad Hafizur Rahman gave the welcome address.

Bangladesh-British Trade Cooperation has organised the event with some 60 stalls showcasing Bangladeshi products.

Inaugurating the fair, Stephen Timms said the United Kingdom is historically the largest investor in Bangladesh as British investment ranges from agriculture to power sector and financial services.

The Mayor of Tower Hamlets said Expo Bangladesh is an innovative and exciting exhibition, which gives both British businesses and individuals the

opportunity to experience the rich variety of products and services that Bangladesh has to offer.

Britain, the third largest destination for Bangladeshi products, particularly the RMG, after the USA and Germany, accounts for about 10.91 percent of the country's total exports.

Project Director Mirza Zillur Rahman said the initiative to organise the private sector entrepreneurs in such an event platform would be a milestone to promote trade and commerce in the global market.

Eastland Camellia recommends 25pc dividend

The Board of Directors of Eastland Camellia Ltd has recommended a 25 percent dividend for the year 2006.

The dividend was recommended at a meeting of the company held in the city recently, says a press release.

Imran Ahmed, chairman and managing director of the company, presided over the meeting.

The company earned a post tax profit of Tk91.59 lakh in 2006.