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BUSINESS

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Lanka keen to invest in EPZs

UNB, Dhaka

Sri Lanka is keen to invest in the export processing zones (EPZs) of Bangladesh.

Sri Lankan High Commissioner in Dhaka V. Krishnamoorthy expressed his country's deep interest during a meeting with Executive Chairman of Bangladesh Export Processing Zones Authority (Bepza) Brig. Gen. Ashraf Abdullah Yussuf at his office yesterday.

Ashraf explained to the high commissioner the entire gamut of the EPZs including the package incentives offered by the Bepza.

He sought cooperation of the Sri Lankan envoy for bringing in more investment to different EPZs of the country, particularly for setting up agro-based industry in Ishwardi EPZ.

In reply, the high commissioner praised the investment-friendly atmosphere and assured the Bepza chief of more Sri Lankan investment in the EPZs, including Ishwardi.

Deep reforms in China markets stressed

AFP, Washington

US Treasury Secretary Henry Paulson called on China Thursday to push through ambitious reforms to push through ambitious reforms of its financial markets a week after heavy losses on the Shanghai bourse roiled global equities.

In a keynote speech delivered during a visit to Shanghai, Paulson said China's current economic strength provided the best time to stage the reforms that he argued were required to keep growth on track.

The former Goldman Sachs chief's remarks came after a melt-down on the booming Chinese stock market last week touched off a bout of equities turmoil that battered investors around the world.

SEC body for allowing merchant banks to do brokerage, dealership

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The Consultative Committee of Securities and Exchange Commission (SEC) will recommend to the Commission to allow merchant banking wings of financial institutions to do brokerage or dealership activities too.

The committee also decided to recommend taking necessary steps so that the institutional brokers can also do dealership activities.

The decisions were taken at a meeting of the Consultative Committee of SEC in Dhaka yesterday, sources said. The SEC consultative committee comprises representatives from Dhaka Stock Exchange (DSE), Chittagong

Stock Exchange (CSE), Central Depository Bangladesh Ltd (CDBL) and SEC.

According to the source, the committee will also put forward its recommendation to the regulator to bring a change in the direct listing rules regarding a company's listing with the stock exchange.

Under the existing rules, if a company is listed with a stock exchange, it gets listed with the other stock exchange/s automatically. Now the committee recommends that a company will have to be listed with every stock exchange separately.

The committee also decided to recommend increasing the margin limit of brokerage houses from existing Tk 1 crore to Tk 5 crore

against the backdrop of the rise in capital base of the brokers.

It will also suggest issuing directives to the mutual fund operators for submitting periodical financial statements to the stock exchanges. Now, the mutual fund operators submit the periodical financial statements only to the capital market regulator, the SEC.

The consultative committee also discussed setting up of a 'separate clearing corporation' to reduce the settlement period from T+3 to T+1, taking portfolio transaction under normal trading system instead of delivery versus payment (DVP) or block market trading system, and de-listing process of a default company.

Indian growth needs to embrace poor: PM

AFP, New Delhi

India must adopt "inclusive growth" to lift people from grinding poverty, Prime Minister Manmohan Singh said Thursday, as he forecast the economy would expand by over nine percent this fiscal year.

"Inclusive growth" to ensure that India's poverty-hit masses benefit from the economic boom has become a catchword for the Congress coalition as it faces elections in the nation's most populous state, Uttar Pradesh, next month.

"If we remain steadfast in this

inclusive growth, we will be able to be make an impact on problems of poverty and unemployment," Singh told parliament.

"We need to pursue a purposeful strategy so that the growth benefits every one," he said.

He reaffirmed forecasts that economic growth would "probably exceed nine percent" in the financial year to March 2007.

Singh added that the government, which was swept to power in 2004 by many voters who felt left out of India's new affluence, was keen to ensure growth of the rural economy and the development of

rural infrastructure.

Singh said the pace of progress in the agricultural sector was "not adequate" and "falls short of what we need."

The farm sector has grown by an average of slightly more than two percent annually for the past few years, far below the 9.2 percent growth projected for the overall economy in the current financial year.

Singh's statements came after India stepped up its war on poverty in a budget last month that used revenues from strong economic growth to try to boost farm output. It also raised spending on education and health.

With over half of the 1.1 billion population dependent on the farm sector, low agriculture output has cast a shadow over "the India shining story" with critics saying the rural masses have yet to reap the fruits of strong economic growth.

In parts of India, the fight for greater economic and social rights has turned violent with leftist rebels staging deadly raids on government targets.

Microcredit fair ends

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As the four-day microcredit fair concluded yesterday Palli Karma-Sahayak Foundation (PKSF), the state run microcredit funding organisation, has decided to make the show an annual event.

A total of 82 NGOs showcased their products and activities in 131 stalls. The Daily Star, Channel i and the Ittefaq were media partners of the fair, organised by PKSF.

Nobel laureate Muhammad Yunus attended the concluding ceremony of the fair.

PKSF also awarded Fazle Hasan Abed, founder and chairperson of Brac, for his lifetime achievement in poverty alleviation and social development.

HeidelbergCement launches web, SMS-based ordering system

Customers of HeidelbergCement Bangladesh Ltd will now be able to order for RubyCement and ScanCement brand cements of the company through mobile phone and internet round the clock.

The company announced the launch of this web- and SMS-based service at a press conference in Dhaka yesterday, according to a press release.

Jean-Claude Jamar, managing director of HeidelbergCement Bangladesh Ltd, Ramakanta Bhattacharjee, director (Marketing, Sales and IT), and Danny Yeh, MIS Division manager of Indocement, Indonesia, spoke at the press conference.

Indocement, one of the group companies of HeidelbergCement Group, and HeidelbergCement Bangladesh Ltd jointly developed the system.

Oil prices up in Asia

AFP, Singapore

Oil prices climbed in Asian trade Thursday on news of an across-the-board decline in US energy stockpiles, dealers said.

At 2:20 pm (0620 GMT), New York's main oil futures contract, light sweet crude for delivery in April, was up five cents to 61.87 dollars a barrel from 61.82 dollars in late US trades Wednesday.

Brent North Sea crude for April rose nine cents to 62.59 dollars.

WB PROPOSAL ON BANKING REFORMS

Govt examining de-linking BB compensation package from civil services

STAR BUSINESS REPORT

A proposal of de-linking Bangladesh Bank's salary and compensation package from the civil services is now under active consideration of the government as an initiative for effective regulatory system for banking sector is moving ahead.

The World Bank is supporting the Central Bank Strengthening Project (CBSP) to enable Bangladesh Bank (BB) to play its role as the country's monetary authority, bank regulator and supervisor, according to a World Bank information note released on its website yesterday.

Under the CBSP, the World Bank is assisting to strengthen the central bank's legal framework, modernise and improve its capacity building.

Also, to reorganize the central bank, the project will focus on functional reorganisation, automation and human resources development.

The project is also aimed at the BB's capacity building through focusing on strengthening its

research department, prudential regulations and bank supervision and accounting and auditing systems.

This project started in 2003 with a World Bank commitment of US\$ 37 million, out of a total cost of

Japan's forex reserves hit record high

AFP, Tokyo

Japan's foreign exchange reserves rose to an all-time high of 905.05 billion dollars at the end of February, up 9.67 billion dollars from January, the finance ministry said Wednesday.

The latest figure topped the previous record of 896.95 billion dollars set in November last year.

Tokyo's forex reserves remain the second largest in the world, next to China whose holdings reached 1.07 trillion dollars at the end of 2006, according to China's central bank.

US\$46.13 million. Under this project, a merit based promotion policy has been adopted recently, while international central banking accounting and auditing standards have been introduced.

It also strengthened regulations and supervisions by revising regulations on corporate governance, accounting policy, capital adequacy, loan classification and provisioning and foreign exchange and interest rate risk, among others.

Progress in the human resources reforms has been gradual, of which implementation of the Performance Management System (PMS) is the most significant one.

The government is also speeding up the implementation of Bangladesh Bank automation and procurement of IT systems, the largest component of the project.

Under a separate arrangement, the World Bank Institute has also helped Bangladesh Bank in setting up a Policy Analysis Unit to spearhead research on all aspects of macroeconomics including monetary policy and central banking.



PHOTO: HEIDELBERGCEMENT BANGLADESH

HeidelbergCement Bangladesh Ltd organised a press conference in Dhaka yesterday to introduce a web- and SMS-based service. Jean-Claude Jamar, managing director of HeidelbergCement Bangladesh Ltd, Ramakanta Bhattacharjee, director (Marketing, Sales and IT), and Danny Yeh, MIS Division manager of Indocement, Indonesia, spoke at the press conference.

Firms dealing with Iran may face US sanctions

PTI, Washington

In an effort to curb Iran's nuclear ambitions, a leading US Congressman will this week introduce a legislation which will require the administration to impose sanctions on companies and countries, including India, that strike "deals" with Tehran.

Tom Lantos, chair of the House of Representatives Foreign Affairs Committee, also said that under his proposed Iran Counter-Proliferation Act of 2007, any nation that aids Tehran's nuclear programme will not be able to have nuclear cooperation

with the US.

Accusing the Bush administration of abusing authority under the present Iran Sanctions Act by waiving sanctions on oil companies investing in Iraq, Lantos said the act will also put an end to the practice, saying "Those halcyon days for the oil industry are over."

"If Dutch Shell moves forward with its proposed USD 10 billion deal with Iran, it will be sanctioned. If Malaysia moves forward with a similar deal, it too will be sanctioned. The same treatment will be accorded to China and India should they finalise deals with Iran," Lantos said.

Etihad Airways wins top airline award

Etihad Airways has won the top airline hospitality award 2007 from Resorts Web magazine, beating a host of global airlines in the newly introduced 'Top Airline Hospitality' category, says a press release.

Etihad was praised for its 'dynamic spirit' and introducing a standard of comfort and exclusivity long forgotten aboard many of today's airlines.

Judges were impressed by the seat configurations in its diamond (first class) and pearl (business class) cabins, innovative airport lounges, pleasant décor, quality and variety of its menus and attentive, yet discreet, in-flight service. Etihad Guest, the airline's frequent flyer programme, was also commended.

Resorts Web, an independent monthly publication produced in Italy, used experts to analyse airlines and hotels which are marked according to specific criteria. The airline judging criteria covered pre-flight services, check-ins, cabins, service, food and beverage and frequent flyer programmes.

PRESSURE FROM US, EU

India plans cutting import duties on alcohol

PALLAB BHATTACHARYA, New Delhi

Under pressure from the US and European Union, India has said it is considering cutting import duties on wine and spirits to avoid having the matter settled by the World Trade Organisation (WTO).

"India wants to avoid that the matter goes to the WTO's dispute settlement body. The matter is being discussed at the highest level and I hope a solution can be found," Indian Commerce and Industry Minister Kamal Nath told reporters here on Wednesday.

Nath's remarks came after EU Agriculture Commissioner Mariann Fischer Boel pressed the issue at a meeting in New Delhi two days back and the US informed India of its decision to move the WTO with a complaint against India alleging about unfair trade barriers that were keeping foreign countries from competing in India's big alcohol market.