

ADB says it has to change to meet new challenges in Asia

AFP, Manila

The Asian Development Bank has to radically transform itself if it wants to remain relevant in a rapidly changing Asia, a major report on the future role of the ADB said Monday.

The report projects that by 2020, Asia will be dramatically transformed from a region that has largely conquered extreme poverty, one of the main reasons for the bank's existence.

It estimates that by 2020 less than 25 million of East Asia's estimated two billion people will be living on less than a dollar a day.

At the same time, 90 percent of the region's people will be living in middle income countries, with its economy accounting for 45 percent of global output and 35 percent of world trade.

ADB president Haruhiko Kuroda on Monday welcomed the report.

"The report is both thoughtful and thought-provoking, and provides us with invaluable insights

that will help chart the future course for ADB," he said.

A special panel of eminent persons headed by Supachai Panitchpakdi, Secretary General of the UN Conference on Trade and Development, was set up last year to examine the trends and challenges facing the region and how these will impact on the Manila-based bank's future.

"Today we are looking at a new landscape in Asia and the bank has to change to keep pace."

He said countries like China "can be seen now as a major competitor to the ADB as a lender ... I think the idea of decentralising some of the bank's departments is a good idea as the bank no longer needs to be centralised at its Manila headquarters."

The report said the ADB must realign its operations and focus its work on six core areas -- infrastructure development, financial sector development, energy and environment issues, regional integration, technological development and innovation, and knowledge management.

"Under this new paradigm, the ADB's work would significantly differ from its main areas of activity in the past," it said.



PHOTO: IBBL
Professor Abu Nasser Muhammad Abduz Zaher, chairman of Islami Bank Bangladesh Limited (IBBL), presides over a meeting of the Board Directors of the bank in Dhaka recently. Local and foreign directors of the bank including Dr Abdulhameed Fouad Al-Khateeb and Dr Ali M S Alghamdy from KSA were present.



PHOTO: EASTERN BANK LTD
Ali Reza Iftekhar, additional managing director of Eastern Bank Ltd, and Muneer Farooqui, chief executive officer of Warid Telecom Bangladesh Limited, shake hands after signing an agreement on behalf of their organisations in Dhaka recently. Under the deal, the bank will provide Warid subscribers with services such as bill collection. Top officials of both sides were present.

S Korea, US reach landmark FTA

AFP, Seoul

With just minutes to go, the United States and South Korea on Monday reached a free trade agreement which scraps tariffs on thousands of items and will boost commerce by billions of dollars a year.

The pact, secured after 10 months of tough negotiations amid sporadically violent protests, is "a strong deal for both Korea and the United States," Deputy US Trade Representative Karan Bhatia told a press conference.

South Korean Trade Minister Kim Hyun-Chong called it a "win-win" agreement. His country won its battle to exclude the politically sensitive rice crop from the deal.

The US is counting on the agreement, which needs legislative approval in both countries, to shrink its trade deficit with South Korea which amounted to 16 billion dollars in 2005.

South Korea will gain a major advantage in the US market over competitors Japan, Taiwan and China.

President Roh Moo-Hyun called the deal a "stepping stone for another economic leap forward in the nation's push to join the ranks of advanced countries."

In the auto sector, responsible for more than 80 percent of the US bilateral trade deficit, South Korea agreed to change its tax system on autos based on engine size which makes US models more expensive.

The two sides agreed immediately to scrap tariffs -- 8.0 percent in Korea, 2.5 percent in the US -- on all cars of less than 3,000cc and auto parts. Tariffs on larger models will be phased out later.

Overall nearly 90 percent of each side's tariffs on industrial goods will be scrapped immediately, said South Korea's chief negotiator Kim Jong-Hoon.

After a tense final negotiating session lasting some 26 hours, the pact was approved just before a deadline of midnight Sunday Washington time.

Japan cautious over new deal

Another report from Tokyo adds:

A Japanese official voiced caution Monday over the landmark free-trade deal between Seoul and Washington, which would give South Korean products an edge in the world's biggest consumer market.

"If the accord is launched, naturally we will face different tariffs in the US market and it will impact on Japanese industries," said Takao Kitabata, vice minister of economy, trade and industry.

"We have to see what kind of effect it will have in Japan," he told a regular press conference.

Japan and South Korea both built themselves into prosperity on the back of high-end exports of products such as electronics and automobiles, particularly to the United States.

Islami Bank Bangladesh recommends 25pc dividend

The Board of Directors of Islami Bank Bangladesh Limited (IBBL) has recommended a 25 percent dividend i.e. 15 percent cash and 10 percent stock dividend (1 bonus share against 10 existing shares) for the shareholders for the year 2006.

The dividend is subject to the approval of the annual general meeting of the bank, says a press release.

The recommendation was made at a meeting of the Board of Directors of the bank held in Dhaka recently.

Professor Abu Nasser Muhammad Abduz Zaher, chairman of the bank, presided over by the meeting which was attended by local and foreign directors including Dr Abdulhameed Fouad Al-Khateeb and Dr Ali M S Alghamdy from KSA.

The meeting approved the profit and loss account for the year 2006 and balance sheet as at December 31, 2006.

The 24th annual general meeting of the bank will be held on August 31, 2007 while the record date for entitlement of dividend will be July 31, 2007.

Suez Canal fees rise

AFP, Ismailiya, Egypt

Transit fees for ships using Egypt's Suez Canal increased on Sunday by an average of nearly three percent, the canal authority said, in the second such increase in a year.

Director of Public Relations Mohammed Mussa told AFP that the change took effect at midnight, as originally announced by the authority in December.

Fees rose 3.5 percent for cargo ships, 3.73 percent for oil tankers and only 1.14 percent for passenger liners. Other types of ships, including naval vessels, had a 2.84 percent increase.

The authority, which has run the canal since its nationalisation in 1956, last raised fees in March 2006, also by three percent.

Currently, some 7.5 percent of the world's trade passes through the canal.



PHOTO: BANGLALINK
Banglalink inaugurated a Banglalink Point at Dorikhorbana Mor in Rajshahi recently to offer complete GSM solution and better purchasing experience to customers. Senior officials of Banglalink regional team were present.

CURRENCY

Following is yesterday's (April 2, 2007) forex rate statement by Standard Chartered Bank

	Major currency exchange rates		Exchange rate of some currencies	
	BC Sell	TT Buy	Per USD	BDT per Currency
US dollar	69.05	68.05		
Euro	93.56	89.32	Indian rupee	43.21 1.59
Pound	137.42	132.28	Pak rupee	60.72 1.13
Australian dollar	57.49	53.90	Lankan rupee	108.65 0.63
Japanese yen	0.60	0.57	Thai baht	34.95 1.96
Swiss franc	57.71	54.83	Malaysian ringgit	3.45 19.86
Swedish kroner	10.33	9.35	USD forward rate against BDT	
Canadian dollar	61.01	58.49		
Hong Kong dollar	8.86	8.69	Buy	Sell
Singapore dollar	46.55	44.70	1M	68.15 69.16
UAE dirham	18.96	18.38	2M	68.27 69.38
Saudi riyal	18.56	18.00	3M	68.42 69.60
Danish kroner	12.95	11.67	6M	68.87 70.33
Kuwaiti dinar	235.25	233.60		

Local Market

FX: Local inter-bank FX market was active on Monday as the banks opened after the weekend. The demand for USD remained stable, and the volume of cross currency transactions remained steady. The USD remained almost unchanged against the Bangladeshi taka.

Money Market

Money market was active on Monday. Call money rate remained unchanged and ranged between 6.50-7.00 percent.

International Market

The dollar held broadly steady against major currencies on Monday. Investors are awaiting for key US data this week to judge whether the Federal Reserve would cut interest rates this year. Focus will be on a survey by the US Institute for Supply and Management (ISM) later, which is expected to show that growth in the US manufacturing sector slowed in

March. The euro was little moved after a survey showed growth in the euro zone manufacturing sector slowed slightly in March. The survey did little to change expectations the European Central Bank would raise rates as early as June. The yen shrugged off Japan's quarterly tankan survey showing business confidence deteriorating for the first time in a year, as it did nothing to change expectations that the Bank of Japan would leave rates steady after lifting them in February. The euro was steady on the day against the Euro. Euro rose close to a recent two-year high above \$1.34 on Friday after Washington said it will impose duties on imports of coated paper from China, raising fears of protectionism between the two countries. The US currency was steady against the yen while the euro was also unchanged against the yen.

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