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DSE General Index crosses 2000 points

Market capitalisation hits all time high at Tk 44,088cr

SARWAR A CHOWDHURY

With the Dhaka bourse witnessing bullish trend for the last one month, the DSE General Index yesterday crossed 2000 points for the first time, closing the day at 2003.58 points, up by 47.18 points, or 2.41 percent.

Market operators said rallying of shares in bank, power and pharmaceutical companies with occasional falls last month helped the general index cross 2000 points.

"Bigger participation of institutional and foreign investors is the main reason behind bullish trend in the market," said Ahmad Rashid Lali, senior vice-president of DSE. He said institutional investors' participation in recent days accounted for around 65 percent of the total trade.

Earlier, the benchmark index reached highest 1999.71 points on January 1, 2005, according to the Dhaka Stock Exchange (DSE).

The DSE authorities introduced the index on November 27, 2001 with a base of 817.62 points. The index, which excludes companies of 'Z' category, is calculated on the basis of price movement of individual stocks under 'A', 'B', 'G' and 'N' categories.

Previously, there was only one index that included all securities of the stock exchange. Starting with a base of 350 points, the index rose as high as 3648.75 points on

November 5, 1996 when the market witnessed a 'bubble and bust'.

The DSE All Share Price Index was reintroduced on March 28, 2005 and the DSE-20 was introduced on January 1, 2001.

DSE market capitalisation also rose to its all time high at Tk 44,088 crore yesterday. Earlier on May 27, the market capitalisation hit Tk 43,486 crore. On May 3, the market indicator crossed Tk 40,000 crore mark for the first time in the history of the country's stock market.

According to Bangladesh Bank statistics, during July-March period of the current fiscal year the portfolio investment in the country's stock market increased 212 percent to US\$50 million, compared to \$16 million during the same period a year earlier.

The senior vice-president of the DSE however urged the investors not to invest on the basis of rumours.

He also said the DSE is closely monitoring the market transactions to check any abnormality. The DSE All Share Price Index went up by 36.76 points, or 2.26 percent, to close at 1658.36 points.

The total turnover on the premier bourse stood at Tk 170.18 crore while most of the issues gained. Of the issues traded, 123 advanced, 46 declined and 20 remained unchanged. A total of 9,861,043 shares changed hands on the DSE.

World Bank VP in town

UNB, Dhaka

Praful C. Patel, Vice President of South Asian Region of the World Bank arrived here yesterday on a three-day visit.

The visit is intended to further strengthen the partnership between Bangladesh and the World Bank in meeting development challenges of the country.

During his visit, Praful will call on Chief Adviser Dr Fakhruddin Ahmed, Finance and Planning Adviser Mirza Azizul Islam and other high-level government officials and the development partners.

He will hold discussions on the country's development agenda with Nobel Laureate Professor Mohammed Yunus, representatives from private sector, civil society, NGOs and the media.

EU, US trade, farm chiefs meet today for WTO talks

AFP, Brussels

Top EU and US trade and farm officials will meet in Brussels on Friday for talks on the WTO trade negotiations, a European Commission spokesman said Wednesday.

EU Trade Commissioner Peter Mandelson and EU Farm Commissioner Mariann Fischer Boel will hold a "bilateral" with US trade representative Susan Schwab and US Agriculture Secretary Mike Johanns, said Michael Mann.

"It's basically part of preparatory work for the G4 ministerial in June," said Mann in reference to a meeting next month of the four major WTO players: the EU, the US, India and Brazil.

The four sides agreed earlier this month to meet in June to try to break the deadlock that has plagued the current round of negotiations at the World Trade Organisation for years.

WTO negotiations aimed at reducing barriers to global commerce have made little progress over the past five years. Differences, notably on trade in agricultural products, have blocked progress in the Doha Development Round, launched with great fanfare in the Qatari capital in 2001.

Germany keeps jobless rate at six-year low

AFP, Frankfurt

The current economic boom in Germany enabled Europe's biggest economy to hold its jobless rate at the lowest level for six years this month, data showed on Thursday.

And the sunny outlook for the German economy will ensure that the positive trend remains intact in the months to come, analysts said.

According to raw, unadjusted data published by the Federal Labour Agency in Nuremberg, the German jobless rate fell by 0.4 percentage point to 9.1 percent in May, the lowest level since October 2001.

The overall jobless total declined by 161,000 to 3.806 million, the lowest number of dole-claimers in Germany since November 2001, the figures showed.

Unemployment usually falls in the spring thanks to the warmer weather, which is favourable to sectors such as the construction industry.

SKorea current account deficit hits 10-year high

AFP, Seoul

South Korea's current account deficit hit a 10-year high in April due to increased dividend payments to foreign investors and a fall in the trade surplus, the central bank said Thursday.

The deficit amounted to 1.93 billion dollars in April compared with a revised 1.64-billion-dollar shortfall in March, the Bank of Korea said.

The figure for last month was the largest since the 2.44-billion-dollar deficit posted in February 1997.

The seasonally adjusted current account deficit came to 440.8 million dollars in April, compared with a revised 580.0 million deficit in March.

The current account is the broadest measure of trade, services and investment flowing into and out of the country.

New passenger airline set to fly by month-end

First aircraft of United Airways in Dhaka

STAR BUSINESS REPORT

United Airways (Bangladesh) Ltd, a private sector airline founded by non-resident Bangladeshis, is going to operate its maiden domestic passenger flight by the end of this month, officials said yesterday.

The first aircraft of the airline, a Canadian made 37-seat Dash-8, has already arrived in Dhaka, said the officials adding that the company will invest Tk 2,000 crore in the next five years.

The non-resident Bangladeshis (NRBs) mainly from the UK have teamed up to create an airline in Bangladesh and become a market leader in the next two years on the domestic route, the officials said.

"So far around 500 NRBs have contributed to forming the company," Tasbirul Ahmed Choudhury, chairman and managing director of United Airways, told a press conference in Dhaka.

Another Dash-8 aircraft will arrive in Dhaka in early July, while two F-100 planes will be added to the fleet by year-end, he said, adding that initially the company will operate on the domestic route. The company will go for international operations later, he added.

"We have received licence from



the Civil Aviation Authority of Bangladesh to operate passenger and cargo services both on the international and domestic routes," said Choudhury, also a pilot.

He said aircraft passenger market in the country has been showing 8 to 10 percent growth per year, but no airline has been introduced in the last seven to eight years.

"With this opportunity in mind, this venture will make air travel to and within Bangladesh easier, refreshing, and reliable," he said.

Presently in domestic sector, GMG Airlines, a private sector carrier, has the domestic market share of more than 60 percent, while the rest covered by national flag carrier Biman.

Earlier in March this year, a

Kuwait-based company joined Bangladesh's leading air-cargo operator to launch a private passenger airline.

Aqeeq Aviation Holding bought a 49 percent stake in Best Aviation Ltd and the two will jointly launch a passenger airline by July this year, Best Aviation officials said.

"We've already got the provisional air transport operating license for the airline from Bangladesh's civil aviation authority. We will start operation by July this year," Best Aviation's Chief Executive Officer M Haideruzzaman said.

Best Aviation owns two cargo aircraft and has leased two others. Aqeeq Aviation is a subsidiary of Kuwait-based investment fund, Al-Aqeelah Finance.

Malaysian firm launches first-ever mobile phone remittance service

AP, Kuala Lumpur

Thousands of Filipino workers in Malaysia can now remit money to their families back home under a new mobile phone money transfer service unveiled by Malaysia's top mobile phone operator Maxis.

In a statement late Wednesday, Maxis said it has tied up with the Philippines' Globe Telecom to introduce what it said was the world's first mobile international money transfer service called M-money.

Under the system, Maxis customers can wire up to 500 ringgit (\$143) per transaction to Globe subscribers in the Philippines, who can retrieve the money at Globe's 6,000 outlets, the statement said.

M-money will "revolutionize money transfer" and make it a convenient and cheaper alternative for foreign workers in Malaysia to send money back home, it said.

Maxis customers must cash in the money with Maxis before making any overseas remittance and are charged only a five ringgit (\$1.47) service fee per transaction, less than half the fee that bank charges, it added.

Globe consumer business head Ferdz De la Cruz said the service marked a "breakthrough in cross-border financial services."

A Maxis spokeswoman, who declined to be named because she is not authorized to speak to the media, said subscribers can remit up to 500 ringgit a day and 10,000 ringgit (\$2,940) a month.

Maxis said it plans to extend the service to Indonesia next month, to allow Maxis customers to send money to Indonesian bank accounts.

China to open up key domestic air routes to competition

AFP, Beijing

The monopoly enjoyed by China's three major airlines on the nation's most lucrative domestic routes will end by 2010 as part of plans to liberalise the aviation industry, state press said Thursday.

Under the plan, the Civil Aviation Administration of China will lift its control of domestic routes so that carriers can choose which routes they want to fly, the China Daily reported, citing an official with the organisation.

Currently the nation's three biggest carriers -- Air China, China Eastern and China Southern -- have a monopoly on most of the big profit-making routes.

"Liberalisation of the air transport services sector is a global trend, and China will follow the trend," the newspaper quoted the administration's deputy director, Yang Guoqing, as saying as he explained the new plan.

"We have drafted an overall policy (to) strengthen safety controls and gradually loosen other controls."

The China Daily said removing the monopoly would give a chance for small privately owned airlines and joint ventures to compete with the major carriers on the profitable routes.

China's aviation industry is one of the world's fastest growing, mirroring the spectacular broader economic growth in the nation of 1.3 billion people.

Citigroup launches new internet-based remittance solutions in Bangladesh

SARWAR A CHOWDHURY

Citibank has launched an internet-based remittance solutions (Remit2Home) in partnership with Times of Money Limited, through which a non-resident Bangladeshi (NRB) in the US can remit money to Bangladesh through internet access from anywhere in the US.

This will bring enormous benefits to the NRBs living in the US providing 7 days a week round-the-clock remittance service, economical charges and competitive exchange rates, said Anthony J Nappi, managing director and Asia Pacific Region head, Global Transaction Services of Citigroup, in an interview with The Daily Star in Dhaka on Wednesday.

"Our commitment is to introduce new products and services, develop partnership with our customers and to be a leader in the market place," said Nappi, who was in Dhaka on a two-day visit.

"In Malaysia, the Philippines and the UK, we have introduced banking solutions based on mobile phone technology. A customer can transfer money to other beneficiaries through using his mobile phone," he said. "Introduction of the solution in Bangladesh is in an exploratory phase," he added.

"When asked about his opinion on the Bangladesh market, Nappi said he thought that client needs are



Anthony J Nappi

getting harmonised due to globalisation and he does not see much difference between the needs of clients in Bangladesh compared to clients in advanced economies like Singapore or Hong Kong.

He identified transparency and optimisation as the core requirements of clients in doing their banking transactions.

Referring to a banking solution through which signatures of chief executive officers or managing directors can be avoided in authorising cheques, he said not only big multinational companies, but also the commercial banks, insurance companies and small and medium scale enterprises can reduce the non-core activities and also expenses using the innovative and

world-class solutions of Citibank.

He said the potential in Bangladesh for introducing new banking solutions is unlimited, as he sees a growing depth in the financial sector of Bangladesh.

"As there is a dramatic change in the world, especially for technological development, such banking solutions are now being accepted worldwide. So, there is no reason that the services would not be accepted in Bangladesh," he observed.

He said transparency and visibility into operations are the real needs for providing better customer services.

"However, awareness is needed among the stakeholders of Bangladesh about the innovative solutions, products and services," he added.

He said customers' level of sophistication in the Asian region are at par with those of the US and Europe.

Rashed Maqsood, director and head, Global Transaction Service of Citigroup, Bangladesh, echoed Nappi's views.

Transparency can make the decision making process faster, he said, adding that the products and services introduced by the Citigroup would ultimately benefit the customers and facilitate the development of Bangladesh financial sector.

Lankan tyre maker bids to reinvent the wheel

AFP, Kotugoda, Sri Lanka

One of the world's biggest solid tyre makers is trying to double its turnover and turn Sri Lanka into a key exporter of rubber products.

Raw rubber has been the country's second largest export commodity after tea, but a Belgian-Sri Lanka joint venture is trying to reinvent the way wheels are made and make the island a global hub for tyres.

Solidstar Loadstar is one of Sri Lanka's best kept secrets and its biggest exporter, accounting for just over two percent of the nation's near seven billion dollar

export earnings.

"In the world market, we now control 20 percent in the solid tyre and about five percent in the industrial tyre markets," chairman Nihal Jinasena told AFP.

"Any fool can make a tyre," said Jinasena, whose family controls 40 percent of Solidstar Loadstar. "What is difficult is to keep innovating, penetrate markets worldwide and to support your sales."

Loadstar's closest rival in the global solid tyre market is Sweden's Trelleborg, said the firm's joint managing director, Koenaad Pringiers, whose family controls 60 percent of the Sri Lankan company.

The 250-million dollar firm is now working with top management consultancy McKinsey and Company to fine tune operations and ensure a firmer grip on the global tyre market.

"We want to double our turnover in three years. To do that we need to attract new talent to the company who can transform our vision to bigger things," said Jinasena.

Loadstar makes industrial and construction tyres, rubberised tracks, wheels and rims at its Sri Lanka facility, catering to buyers in the United States, Europe, Australasia, Africa and the Middle East.



Major General Sina Ibn Jamali, area commander, Chittagong, and general officer commanding (GOC) of 24 Infantry Division, inaugurates the Halishahar branch of Trust Bank Ltd in the port city on Tuesday. Iqbal U Ahmed, managing director, and senior officials of the bank, among others, were present at the opening ceremony.



Thai Ambassador in Dhaka Suphat Chitranukroh and officials of Radisson hotel are seen at a press conference in Dhaka ahead of nine-day 'Thai Festival' beginning today.

Thai Festival at Radisson hotel from today

STAR BUSINESS REPORT

A nine-day 'Thai Festival' begins at Radisson Water Garden Hotel in Dhaka today.

The hotel is holding the festival in association with Thai Embassy. The event includes a nine-day long food festival, cultural shows, Thai food cooking classes, and a seminar on Chittagong Sea Port, according to a release.

A team of two chefs will be in charge of the food festival while a 10-member cultural dance troupe will hold the cultural programmes.

If the visitors come to taste the Thai cuisine they will also enjoy the traditional Thai performances at the hotel during lunch and dinner, the release added.

The five-star Radisson Water Garden Hotel Dhaka stated its operation in Dhaka in 2006.

HSBC gives wheelchairs to 23

STAR BUSINESS REPORT

Action on Disability and Development (ADD) in association with Hong Kong and Shanghai Banking Corporation (HSBC) gave away wheelchairs among 23 physically challenged people yesterday in Dhaka.

The HSBC funded the philanthropic work as part of corporate social responsibility (CSR) of the financial organisation, Sami Hafiz, manager (Public Relations and CSR) of HSBC, said at the programme.

The disabled people, who could not afford to buy a wheelchair, were awarded the wheelchairs, the organisers said.

The total number of disabled people in the country is around 14 million and about 50 per cent of them are hardcore poor, a study said.

MA Hye Howlader, secretary of the Ministry of Social Welfare, was the chief guest at the function.

Mosharraf Hossain, the ADD country representative, was also present.



Hong Kong and Shanghai Banking Corporation (HSBC) distributed wheelchairs among 23 physically challenged people yesterday in Dhaka.