

Star BUSINESS

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Remittance set to cross \$ 6b this fiscal year

STAR BUSINESS REPORT

With a continuous growth in remittance in the last four months, the country's remittance inflow is set to cross US\$ 6 billion this fiscal year.

The non-resident Bangladeshis (NRBs) already sent \$ 5.46 billion during the July-May period of this fiscal year (2006-07) compared to \$ 4.37 billion during the same period of the previous fiscal year, recording around 25 percent growth.

Such a rise in the remittance also helped the country's foreign exchange reserve to hit \$ 4.48 billion yesterday.

The remittance inflow reached \$ 561.92 million in May, \$ 545.93 million in April, \$ 537.29 in March and \$ 500.32 million in February of this fiscal year.

Bankers said the government's recent measures against 'hundi', an illegal way of money transfer, encouraged the Bangladeshi wage

earners to send money home through legal channels.

Besides, according to sources, recently a considerable number of skilled manpower were exported to some countries including Malaysia and Saudi Arabia who are also remitting a good amount of money.

The private commercial banks have also taken initiatives to increase their earnings from remittance services, which is ultimately helping the country in witnessing a huge remittance inflow, the sources said.

The NRBs send roughly \$ 7 billion every year and a significant amount of the total amount still comes through 'hundi'.

Recently the Asian Development Bank (ADB) also said despite a steady growth in remittance inflow, a major portion of remittances enter the country through illegal and informal channels due mainly to insufficient number of bank

branches in remote areas and procedural complexities.

The ADB in its Quarterly Economic Update on Bangladesh published in March said such illegal and informal channels keep foreign currencies out of reach of the formal economy, for which the country could not reap the desired benefits.

It, however, said the potential for much greater flows through the legal banking system exists. "Boosting the capacity and efficiency of financial institutions is crucial to increase in remittance flows by directing more funds into official channels," it said.

The major challenge confronting the financial sector is to integrate remitters and recipients into the legal financial system, it said, adding, "Private commercial banks that are more efficient service providers, but have a limited number of branches in rural areas, need to create a better network in partner-

ship with licensed micro-finance institutions or even local post offices to broaden the service coverage area."

Along with the ADB, the local bankers also hope there is still a good chance to see further rise in remittance inflow through official channels.

"Some private banks are marketing their remittance services very aggressively and offering quick and secured services to the clients besides encouraging the Bangladeshi wage earners to send their money through legal channels," said a banker.

The central bank also continues its efforts to encourage the NRBs to send their money through official channels.

Sonali Bank, Agrani Bank, Pubali Bank and Islami Bank Bangladesh Ltd are the major players handling the remittance inflow.

FBCCI decides to change polls rules

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The executive board of the country's apex trade body yesterday decided in principle to change rules relating to participation in its biennial election.

At a meeting, presided over by Mir Nasir Hossain, president of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), the board decided that the issue will be raised in an extra-general meeting (EGM) for approval.

The EGM will be held on June 28, FBCCI sources said.

Earlier on Monday, the commerce ministry in a letter to the FBCCI said loan defaulters, tax evaders and persons convicted of crimes, corruption and moral turpitude will not be eligible to contest the FBCCI election within five years of their convictions.

The commerce ministry also asked the federation to change rules relating to participation in its biennial election within 15 days as per the Trade Organisation Ordinance, 1961.

HSBC gives \$100m to combat global climate change

The HSBC Group announced recently a 5-year US\$ 100 million HSBC Climate programme partnering with four environmental organisations to inspire action by individuals, businesses and governments worldwide and engaging its staff to improve the climate change impacts for people, forests, water and cities.

The HSBC climate partnership will help some of the world's great cities -- Hong Kong, London, Mumbai, New York and Shanghai -- respond to the challenge of climate change and create 'climate champions' worldwide who will undertake field research and bring back valuable knowledge and experience to their communities, says a press release.

The partnership will also conduct the largest ever field experiment on the world's forests to measure carbon and the effects of climate change and help protect some of the world's major rivers -- including the Amazon, Ganges, Thames, and Yangtze -- from the impacts of climate change, benefiting the 450 million people who rely on them.

The HSBC Climate Partnership builds upon 'Investing in Nature', the Group's previous US\$50 million, five-year eco-partnerships which concluded in 2006.

India's IT industry despairs over surging rupee

AFP, Bangalore

India's IT industry expressed serious concern Wednesday over the impact of the rupee's surge on export-dependent software exporters, already struggling with high costs.

Any hope for the industry lies in the US economy performing better than expected and the US tweaking interest rates to prop up the dollar, said Kiran Karnik, president of the National Association of Software and Service Companies, or NASSCOM.

"We have had an eight or nine percent increase in the rupee in just the last three-to-four months," Karnik, whose organisation represents the IT industry, told reporters in Bangalore.

"This is something about which the entire industry is greatly concerned about."

The US accounts for two-thirds of India's sales of software, and any rise in the rupee trims the profit margins of companies such as Tata Consultancy and Infosys Technologies that are at the vanguard of the 48 billion dollar industry.

NASSCOM has estimated India's software exports at 31 billion dollars in the year ended March.

India's IT companies are already reeling under wages that are rising an average 15 percent a year in the face of a shortage of skilled engineers, while competition is increasing from emerging rivals in countries such as China.

Wages typically account for half the costs of IT companies, but there are warnings that more rises will blunt India's competitive edge.

"We have been so far able to

'Local IT professionals may find jobs in Denmark'

BASIS, ITB sign MoU on IT development

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Bangladeshi IT specialists could find attractive employment opportunities in Denmark as the European country's growing IT sector needs a huge number of professionals, Danish Ambassador to Bangladesh Einar Hebogaard Jensen said yesterday.

Jensen was speaking at a programme organised on the occasion of signing a Memorandum of Understanding (MoU) between Bangladesh Association of Software and Information Services (BASIS) and the Danish IT Industry Association (ITB) in Dhaka.

Speaking at the function, BASIS President Sarwar Alam termed the programme as a landmark event for Bangladesh's IT sector.

The Programme, primarily funded by Europe Aid, will be managed by the Danish Federation of Small and Medium Enterprise (DFSME) Denmark.

Commerce Ministry Joint Secretary Golam Hossain, ITB Vice President Henrik Egede and Claude Malongo of the Delegation of European Commission also spoke.

Compliance with WTO rules creates problems for LDCs

Seminar told

UNB, Dhaka

Compliance with WTO rules and regulations creates problems for the least developed countries (LDCs), speakers told an international seminar here on Tuesday.

"You have to allow products from outside as per the WTO rules, no matter if your own products remain unsold," Assistant Executive Director of Bangladesh Institute of Labour Studies (BILS) Syed Sultan Uddin Ahmed said at the seminar held at the CIRDAP auditorium.

He said: "In the name of globalisation and free market economy, we've limited the role of a state within the facilitation of investment and contracts with international donors and multinationals."

He said the country's highest-level policymaking bodies spent much time on discussing the issues relating to the investment offer of Tata in Bangladesh. "If half of that had been spent before the closure of Chittagong Steel Mill, Gazipur Machine Tools Factory, Khulna Newsprint, Rajshahi Silk Mill and Adamjee Jute Mills, I strongly believe the history of industrialisation in Bangladesh could have been written in a different way," he

REHAB rejects brick makers' price claim

STAR BUSINESS REPORT

Real Estate and Housing Association of Bangladesh (REHAB) yesterday reiterated its claim that the present market price of quality bricks is Tk 5,000 (per thousand pieces), disagreeing with the manufacturers who claimed this most essential housing material is priced at Tk 3,800.

In a statement, REHAB President Md Abdul Awal and General Secretary Tanvirul Haque Probal said developers generally use machine-made bricks (9.5" x 4.5" x 2.75"), whose market price is Tk 5,000 including transportation cost.

REHAB leaders said they mentioned price of good quality bricks not of bad quality on Sunday's press conference, according to the statement.

They also raised question about the standard size of bricks and said customers are being cheated through buying small-sized bricks.

Earlier on Monday Maizuddin Ahmed, secretary general of Bangladesh Brick Manufacturers Owners Association, in a statement said the current rate of the best quality bricks ranges between Tk 3,500 and Tk 3,800, trashing REHAB's claim on its price of Tk 5,000.

New MD of Jamuna Bank



Mohammed Lakiotullah joined Jamuna Bank Ltd as its managing director on Monday, says a press release.

Prior to joining Jamuna Bank, Lakiotullah served Exim Bank as its founder managing director.

He started his banking career in 1970 as an officer of State Bank of Pakistan, the release adds.



A seminar on 'Business Opportunities in Bangladesh' was held recently in Toronto, Canada. Local Enterprise Investment Centre (LEIC), Board of Investment (Bol) and Canada-Bangladesh Business Council (CBBC) jointly organised the seminar. Bol Executive Chairman Nazrul Islam is seen among others.

SAP India eyes Bangladesh's business software market

JASIM UDDIN KHAN, from Mumbai, India

Executives of SAP India, a global leader for providing business software solutions, yesterday identified Bangladesh as a potential next-door destination of its services as they consider that the country's small and medium enterprise (SME) sector is growing.

They said Bangladeshi SMEs, which are opting to grow at a brisk pace and increase efficiency through automation, will require such sophisticated business solutions as the SAP offers.

They were speaking at the inaugural session of a three-day SAP Summit '07 at The Grand Hyatt

in Mumbai.

Around 2000 representatives of customers, partners and media, and industry experts and analysts participated in the session.

The speakers said Bangladesh's emerging textile and readymade garments, pharmaceuticals, leather and shrimp sectors can be benefited considerably by adopting SAP business solutions.

President and CEO (Indian Subcontinent) of the company Alan Sedgwick said opportunities for the subcontinent's business today are boundless--both globally and domestically.

The increased pace of adopting SAP solutions in the subcontinent is a testament to the evolution of SAP.

and the company will continue to provide customers with an enhanced portfolio of solutions and industry's best practices, Sedgwick added.

On SAP's presence in the SME sector, he said the subcontinent's SMEs are growing at impressive rates year on year, and more than 1000 small and midsize companies in the area have opted for SAP solutions.

More than 38,000 customers of over 120 countries are presently using SAP applications.

SAP software helps enterprises of all sizes around the world improve customer relationships, enhance partnership and better efficiency across their supply chains and business operations.

DSE General Index hits new high at 204.23 points

STAR BUSINESS REPORT

With the Dhaka bourse witnessing a bullish trend for more than one month, the DSE General Index yesterday reached another all time high at 204.23 points.

Earlier on May 31, the benchmark index of the stock exchange stood at 203.58 points crossing 2000 points for the first time.

The Dhaka Stock Exchange (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.

The index yesterday rose by 17.4 points, or 0.86 percent, led by price rise of shares in bank, power and pharmaceuticals sectors.

The DSE All Share Price Index also increased by 8.69 points, or 0.52 percent, to close at 1664.09 points. Besides, the DSE-20 Index, which comprises blue chips, went up by 47.21 points, or 2.65 percent, to finish at 1825.72 points.

A total of 7,767.05 shares worth Tk 157.11 crore changed hands on

the DSE. Of the issues traded, 78 gained and 87 declined with 19 unchanged.

Market capitalisation on the DSE stood at Tk 44,853 crore.

At the end of the day, Brac Bank topped the turnover leaders followed by Square Pharma, Power Grid Company of Bangladesh, Prime Bank, Southeast Bank, AB Bank, National Bank, Summit Power, Premier Bank and Lafarge Surma Cement.

Brac Bank topped the list with 232,400 shares worth Tk 17.02 crore.

products.

"We are looking for acquisitions in the steel wires business in Indonesia and Southeast Asia," he told the newspaper.

"Apart from expansion in capacity, we also want to move into high grade, higher-value add wires used in tyre cords and oil tempered wires through acquisitions."

Tata is among several steel companies seeking to consolidate the fragmented industry and last

month announced it has taken a minimum 65 percent stake in a Vietnamese steel plant joint venture estimated at 3.5 billion dollars.

The merged Tata Steel-Corus company, with steel production of 25.6 million tonnes annually, is part of the Tata Group, the largest business conglomerate in India with interests in steel, automobiles, telecommunications, information technology, energy, tea and hotels.

The company has forecast global steel demand for the year would rise by 5.9 percent to 1.179 billion tonnes.

Wages typically account for half the costs of IT companies, but there are warnings that more rises will blunt India's competitive edge.

"We have been so far able to

Tata Steel eyes acquisitions in SE Asia

AFP, New Delhi

Tata Steel, India's largest

steelmaker, may expand by buying firms in Southeast Asia after two major deals already this year including a takeover of Anglo-Dutch firm Corus, a report said Wednesday.

Managing Director B.

Muthuraman told the Mint business daily that his company was interested in buying mines as well as factories to expand its range of

software exports at 31 billion dollars in the year ended March.

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"We have been so far able to

transaction. The response from investors was quite strong, resulting in a high quality book exceeding 1.3 billion dollars," ADB treasurer Mikio Kashiwagi said.

The transaction was lead-managed by Daiwa, Deutsche Bank and Morgan Stanley.