

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.

'Local IT professionals may find jobs in Denmark'

BASIS, ITB sign MoU on IT development

STAR BUSINESS REPORT

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.

Bangladesh has a huge potential in the billion-dollar global IT market, but it needs to build up its labour force as resources, the ambassador said.

The country is still far behind its neighboring country (India) in terms of exporting software and developing local IT infrastructure, he further

said.

As per the MoU, a two-year programme titled 'Bangladesh Information Technology Management Programme (BITMAP)', will be implemented. Some 26 software firms as well as BASIS will be trained up on capacity building, skill development, management and institutional capabilities.

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.

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"x4.5"x2.75"), 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.

Ctg container terminal sees record cargo handling

STAFF CORRESPONDENT, Ctg

Chittagong Container Terminal (CCT) has witnessed a record cargo handling when 1,138 TEU (twenty-foot equivalent unit) containers were handled in 15 hours ending Monday morning.

Saif Powertec Limited, a private operator engaged in operations at CCT and NCT (New Mooring Container Terminal) of Chittagong Port, handled the record number of containers from the Eagle Progress that came from Singapore.

The Eagle Progress took berthing at jetty 3 at 1:30pm Sunday while the private operator started handling at the vessel at 3:00pm.

The operator completed the handling operation at 8:00am on Monday unloading 150 TEU containers and loading 988 TEU containers in 15 hours.

Former US vice president Al Gore to attend Global Brand Forum in S'pore

Al Gore, the former US vice president, environmentalist, author and Oscar Award winner, will make his first trip to Singapore in August this year to attend this year's Global Branch Forum, says a press release.

Gore will be speaking alongside several international speakers at the forum. All speakers will speak on this year's theme -- "Creating Leader Brands".

Gore, who is also on the board of high profile companies and brands such as Apple and Google, will focus on how corporate social responsibility is one of the keys to creating leader brands.

The theme of Global Brand Forum 2007, "Creating Leader Brands" effectively captures the mood and spirit of the world today.

This year's impressive line of speakers includes John Quelch (senior dean of Harvard Business School), Kevin Roberts (Global CEO of Saatchi & Saatchi Advertising), Nigel Parsons (managing director, Al Jazeera), Tapio Hedman (senior vice president, Nokia Multimedia), Martin Roll (brand strategist and author of 'Asian Band Strategy'). The moderator for the Global Brand Forum 2007 is Riz Khan, global anchor of Al Jazeera.



PHOTO: LEIC

A seminar on 'Business Opportunities in Bangladesh' was held recently in Toronto, Canada. Local Enterprise Investment Centre (LEIC), Board of Investment (BoI) and Canada-Bangladesh Business Council (CBBC) jointly organised the seminar. BoI 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 Sedgh 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, Sedgh 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 2024.23 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 2024.23 points.

Earlier on May 31, the benchmark index of the stock exchange stood at 2003.58 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 7,767,055 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 Summa Cement.

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

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

manage them," Karnik said. "But if wage costs increase and on top of that there is dollar depreciation, we are going to have a problem."

ADB issues \$1b in global bonds

AFP, Manila

The Asian Development Bank said Tuesday it had returned to the US dollar bond market with a one-billion-dollar, 10-year global benchmark bond issue.

Proceeds would be used for the Philippines-based lender's non-concessional lending operations, a bank statement said.

The bonds, with a coupon rate of 5.25 percent per annum, payable semi-annually, will mature on June 12, 2017.

"We are very pleased with the 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.

A syndicate consisting of Citigroup, Credit Suisse, Dresdner, Goldman Sachs, JP Morgan, Merrill Lynch, Mitsubishi Securities, Nomura, Royal Bank of Canada and UBS, were named as co-lead managers.

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.