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BUSINESS

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Rato to quit early as reform effort struggles

AFP, Washington

The head of the International Monetary Fund, Rodrigo Rato, said Thursday he will step down in October for personal reasons, casting a cloud over the major internal reform effort he launched.

The IMF chief's announcement comes as the 185-nation financial institution faces criticism that it serves the interests of wealthy nations by trying to impose free-market practices.

It also follows this week's forced change of leadership because of scandal at the IMF's sister institution, the World Bank.

Rato informed the IMF executive board that he will not be able to serve the full length of his five-year term as managing director, the Washington-based multilateral institution said.

He "intends to leave the Fund in October following the conclusion of the 2007 annual meetings of the boards of Governors of the IMF and World Bank Group," the IMF said in a statement.

Tech heads go gaga waiting for Apple's iPhone

AFP, New York

Tech-heads camped overnight outside Apple electronics stores in US cities aiming to be the first to own an iPhone, marketed as the coolest gadget on the planet, when they go on sale Friday.

The breakthrough device, which puts a phone, web browser and music player in the palm of the hand, goes on sale at 6 p.m. (2200 GMT) Friday.

Late Thursday some 60 fans armed with umbrellas and rain gear -- and a handful with pup tents and lawn chairs -- braved the elements outside Apple's 5th Avenue store in New York city.

First in line was Greg Packer, 43, who arrived Monday at 5 a.m. -- a whole 109 hours before iPhones would be sold. He became an instant celebrity, and reporters from around the world flocked to interview the paunchy line sitter.

The iPhone "is the combination of everything: you get your iPod, you get your iPhone and you get your internet in one," gushed Packer.

"I want to be the first to get it, the first one to see what it's like," he said, vowing to buy "at least two" iPhones.

Third in line was David Clayman, 21, who arrived at 2 p.m. on Monday with the explicit goal of using the media attention to advertise the Taproot Foundation, a small NGO he works at.

Bank, financial firm deposits rise 10.8pc in July-February

Rupali handover now at final stage

STAR BUSINESS REPORT

The overall deposits of banks and financial institutions marked a 10.8percent rise, while credit rose 8.97percent during the first eight months of the outgoing fiscal year (FY 2006-07), according to official statistics.

Total paid up capital and reserve of all non-bank financial institutions stood at Tk15035.89million up to June 2006, which was Tk13984.63 million at the end of 2005.

A total of 48 banks are operating in Bangladesh. Among them 30 banks are local private banks, four state-owned and five specialised commercial banks. Six banks are following Islami systems. The remaining nine banks are foreign ones.

The official data say the total number of branches of these banks reached 6576 up to March 2007, 58.38percent of which are located at rural areas.

The number of branches of the private commercial banks (PCBs) rose to 142 this year, whereas specialised bank branches increased to 16 and the number of

foreign bank branches reached eight.

When the number of PCB branches marked a rise during the year, two branches of the nationalised commercial banks (NCBs) closed down.

Under the financial institutions reforms programme, a total of 164 branches were merged during the period.

The central bank issued 29 licences for non-bank financial institutions up to March in the 2006-07 fiscal.

The target of disbursing farm loans through the NCBs, Bangladesh Rural Development Board (BRDB) and cooperatives banks was fixed at Tk63513million.

These organisations disbursed Tk32696million agricultural credit in the July-February period of the outgoing fiscal, which was 7.40percent lower than the amount disbursed in the same period of the last fiscal. However, recovery rate increased 18.99percent over the corresponding period of the last fiscal.

The disbursement of industrial loans up to December 2006 increased 18.57percent over the

same period of the last fiscal. The loan recovery rate of the industrial sector also witnessed a positive sign during the period.

Approximately 22.77 percent industrial loans were recovered during the period.

The official sources attributed the 25.52 percent rise in remittance inflow during the first nine months of the outgoing fiscal to some measures for preventing money laundering and easing procedures to send money home.

The foreign exchange reserve increased from \$3484million to \$4538million from June to April, 2007.

Citing different measures for reforming financial institutions, the sources also mentioned the new scheme taken by the central bank for settling the dispute on Oriental Bank.

The handover process of Rupali bank to a foreign buyer is now at final stage. On the other hand, the corporatisation process of three nationalised banks is running with full swing.



PHOTO: NATIONAL HOUSING FINANCE

The 8th annual general meeting (AGM) of National Housing Finance and Investments Ltd was held in Dhaka on Sunday. Chairman of the company M Haider Chowdhury presided over the AGM, which was also attended by all 20 corporate shareholders of the company.

India, Iran, Pakistan closer on gas pipeline deal

AFP, New Delhi

Representatives of India, Iran and Pakistan are set to meet for a second day on Friday here amid reports they were getting closer to a deal on a multi-billion dollar pipeline to transport gas from energy-rich Iran through Pakistan.

India and Pakistan have agreed

to pay energy-rich Iran 4.93 dollars per million British thermal units for its gas, the Press Trust of India news agency said, finalising one of the thorny issues in the fuel negotiations.

The three countries were due to meet again on Friday to hammer out issues such as how often pricing should be revised, the news agency

said.

Iran would like the formula to be revised every three years instead of the previously agreed seven.

Separately, in bilateral talks on Wednesday, an agreement was reached on some of the fees India must pay Pakistan for the movement of gas through the latter's 1,050-kilometre (650 miles) stretch of the pipeline.

India will pay Pakistan the transport tariff it requested of 0.70-0.75 dollars per million British thermal units but the two countries are yet to agree on transit fees.

Oil ministers of the three countries would meet in July to sign the framework agreement on the 7.4-billion-dollar pipeline, India's oil minister Murli Deora said last week.

The 2,600-kilometre (1,600-mile) pipeline from Iran's giant South Pars gas field will initially carry around 60 million standard cubic metres per day of gas.

Talks on the proposal started in 1994, but have been stalled because of technical and commercial issues.

There have also been strong objection to the pipeline from the United States, which has locked horns with Tehran over its atomic programme.

India, which currently imports more than 70 percent of its energy needs, has been seeking new supplies of oil and gas from abroad besides ramping up production from domestic sources to fuel its economic growth.

BB considering incentive to bring out coins from household savings

UNB, Dhaka

Bangladesh Bank (BB) is actively considering to offer incentive to bring out coins of Tk 5 and Tk 2 denominations from household savings.

It is also considering spot replacement of the torn and dirty notes of Tk 5 and Tk 2 denominations, sending their men to different busy places of cities in the country.

"The incentive for the coins may be offered for a short period of time," BB Executive Director Khandakar Muzaharul Huq told reporters at his office Thursday.

The incentives might be Tk 2-5 for releasing coins of Tk 100.

Huq spoke of the central bank plan amid short supply of coins in the market as well as torn and dirty notes in circulation.

According to a BB estimate only 70 million pieces of coins are now in the market out of the total 400 million pieces put in circulation.

The senior executive of the central bank also mentioned the bank's efforts to circulate in the market more coins and new notes of Tk 2 and Tk 5 denominations ahead of the holy Eid-ul-Fitr.

He also informed that some 200 million new notes of Tk 1,000 denomination would hit the market by the end of this year while Bangladesh Bank is considering to introduce new designs for Tk 500-note to avoid the risk of fake notes in the market.

National Housing Finance approves 17.5pc stock dividend

National Housing Finance and Investments Ltd has approved 17.5 percent stock dividend for the shareholders for the year 2006.

The dividend was approved at the 8th annual general meeting (AGM) of the company in Dhaka on Sunday, says a press release.

The company earned operating profit of Tk 128.11 million in the year 2006 against operating profit of Tk 118.57 million the previous year.

National Housing Chairman M Haider Chowdhury presided over the AGM, which was also attended by all 20 corporate shareholders of the company, namely IFIC Bank, National Bank, United Commercial Bank, IPDC, Eastern Insurance, Eastland Insurance, Jiban Bima Corporation, National Life Insurance, Pragati Insurance, Reliance Insurance, Sadharan Bima Corporation, Bangladesh Lamps, Borak Travels, HRC, Shaw Wallace, Square Pharmaceuticals, Summit Industrial and Mercantile Corporation (Pvt) Ltd, Unicom Equities and Investors Forum from the United Kingdom and Zambia.

Intech Online approves 10pc bonus dividend

Intech Online Limited has approved 10 percent bonus share for the shareholders for the year 2006.

The dividend was approved at the 7th annual general meeting (AGM) of the company in Dhaka on Thursday, says a press release.

Chairman of the company Ashiqur Rahman presided over the AGM, which was also attended by directors Arifur Rahman Nayeem, Shamsul Alam and Moslehudin Ahmed, CEO Jami Mohammad Khan and Company Secretary Akhtauzzaman.

Jakarta to restrict govt bank account

XINHUA, Jakarta

The Indonesian finance minister has called on banks to refuse to open any new government accounts without her consent in a bid to curb the practice of opening secretive government accounts, local press said Thursday.

"We have asked the banks to refuse to open any accounts on behalf of the government prior to receiving the explicit approval of the finance minister," Minister Sri Mulyani Indrawati was quoted by English daily The Jakarta Post as saying.

Oil nears 10-month high

AFP, London

World oil prices climbed on Friday, with London and New York futures close to ten-month highs above 70 dollars a barrel on supply concerns in the United States, the world's biggest consumer of energy.

In London, Brent North Sea crude for August delivery jumped 67 cents to 71.19 dollars per barrel in electronic deals.

New York's main oil futures contract, light sweet crude for delivery in August, gained 63 cents to 70.20 dollars.

On Thursday, New York crude struck 70.52 dollars -- the highest

level since August 28, 2006.

Analysts said worries about tight US energy supplies were supporting prices.

"With US refineries starting to come back on line, US crude oil stocks will draw (fall)," Petromatrix analyst Olivier Jakobs said.

Crude prices had closed more than a dollar higher on Wednesday after the US Department of Energy (DoE) reported that American gasoline (petrol) stockpiles fell by 700,000 barrels to 202.6 million barrels in the week ending June 22.

That surprised the market, as analysts had expected a gain of 1.0

million barrels.

Gasoline reserves are in focus because of the US summer driving season when demand typically peaks as many Americans take to the roads for their annual vacations.

US gasoline inventories are running well below the lower end of the average range for this time of year, the DoE added in its weekly market update.

World oil prices had begun the week lower, as traders expressed relief at the end of a general strike in Nigeria that had threatened exports from the sixth-biggest crude producer in the world.

Japan's economy sends mixed signals

AFP, Tokyo

Japanese data on Friday painted a mixed picture of the economy with stubborn deflationary pressures lingering despite a tightening labour market and rising consumer spending.

Japan's core consumer prices dipped 0.1 percent in May from a year earlier, declining for a fourth straight month and at the same pace as in April, the government said.

The core consumer price index (CPI) for Tokyo alone in June -- seen as a leading indicator for national price trends -- was also down 0.1 percent, dampening hopes of a near-term pick-up in the country-wide indicator.

"I think CPI will remain negative into June. The price pres-

ures remain fairly limited right now," said Hiromichi Shirakawa, chief economist for Japan at Credit Suisse.

Renewed concerns over deflation have created a headache for the central bank, which last July raised interest rates for the first time in almost six years, followed by another quarter-point hike to 0.5 percent in February.

But Mamoru Yamazaki, chief economist for Japan at RBS Securities, said if next week's Tankan or central bank survey of business confidence shows firms are upgrading their capital spending plans, then the BoJ could hike rates in August.

"There is no clear sign of sustained positive growth in the CPI," said Yamazaki.



Prime Finance chair re-elected

Aminul Haque has unanimously been re-elected chairman of Prime Finance and Investment Limited for the third time.

The company's 141st board meeting in Dhaka recently reelected its chairman, says a press release.

Haque is one of the founder directors of Prime Bank Limited and Greenland Engineers and Tractors Co Ltd.



PHOTO: INTECH ONLINE

The 7th annual general meeting (AGM) of Intech Online Limited was held in Dhaka on Thursday. Chairman of the company Ashiqur Rahman presided over the AGM, which was also attended by directors Arifur Rahman Nayeem, Shamsul Alam and Moslehudin Ahmed, CEO Jami Mohammad Khan and Company Secretary Akhtauzzaman.