Star BUSINESS

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BoP surplus reaches $909m in July-April

Trade imbalance rises 16pc

STAR BUSINESS REPORT

Boosted by a surge in remittances, the balance of payments (BoP) surplus reached US$909 million in the first ten months of the last fiscal (2006-07), despite a fall in foreign direct investment and foreign aid.

The overall balance was only $43 million surplus during the same period of FY'06.

The trade imbalance, however, has increased almost 16 percent to reach $2.9 billion compared with the same period of the 2005-06 fiscal as imports surpassed exports.

Imports rose by 17.83 percent compared with the same period of the fiscal.

Meanwhile, exports marked a decrease over the corresponding period of the 2005-06 fiscal. The export growth in the July-April period in FY '07 marked 18.50 per cent, which was 20.18 percent in the 2005-06 fiscal.

Despite deficits in services and income, the current account surplus rose to $415 million from $392 million during the same period of the 2005-06 fiscal for strong growth in remittance.

In the ten months up to April 30, remittances rose by 26 percent compared to the same period a year earlier, to reach $4.9 billion.

The surge was mainly due to the increased use of official channels by Bangladeshis abroad to send their money home.

According to Bangladesh Economic Review 2007, the government took several initiatives to increase the remittance apart from creating opportunities for employment abroad.

The measures include better links of the Bangladeshi banks with foreign exchange houses and fixation of annual minimum limit of exchange houses in the UK, US and Canada to increase remittance inflow through banking channels.

The private commercial banks have also taken initiatives to increase their earnings from remittance services, the sources said.

A total of 2.5 lakh Bangladeshis went abroad in 2004-05, which was 9.75 percent lower compared to the previous year. But in 2005-06, the number stood at 2.91 lakh, which was 16.4 percent higher than the previous fiscal year's, the review said.

It said in the first ten months of the 2006-07 fiscal, the number of manpower export stood at 4.21 lakh, showing a 83.14 percent rise.

Foreign direct investment fell to $425 million in the July-April period, down 24 per cent, the FDI was $561 million in the previous fiscal.

However, portfolio investment increased 215 percent to $60 million, compared to $19 million during the same period a year earlier.

Representation in WTO general council meet advocated

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Speakers at a discussion in Dhaka yesterday advocated local representation in the WTO general council meeting in Geneva on July 25-26.

The government has decided not to send any local representative to this meeting.

"The WTO general council meeting is very important for raising Bangladesh's voice. If any member does not participate in such a meeting, it means the country accepts any decision, either good or bad, taken by the WTO body," Badrul Hasan, former economic minister, Permanent Mission of Bangladesh in Geneva, told the discussion on 'General Meeting of WTO: Concerns for Bangladesh and LDCs' at the CIRDAP auditorium.

Make Trade Fair Alliance organised it.

Badrul pointed out that there are some crucial issues like agriculture subsidy and aid for trade, on which Bangladesh should present its stand.

Ziaul Hoque Mukta, coordinator of Oxfam GB-Bangladesh Programme, presented the keynote paper at the function.

WTO is a culmination of political process of the developed nations, Rashed Al Mahmud Titumir of Unnayan Onneshan said, suggesting that before demanding a market access Bangladesh should improve its industrial infrastructure.

He, however, lamented that donors' aid, which is needed for such improvement, has dramatically reduced.

Sharifa Khan, deputy director of the WTO Cell at the Ministry of Commerce, said although no official from Bangladesh would represent the WTO meeting this time, Bangladesh's position paper will be submitted to the meeting.

Shirin Akhtar of Karmajibi Nari also took part in the discussion, chaired by Masud Ali, member of MTF.

PHOTO: A POSITIVE

A syndicated term loan agreement for arranging Tk 137.4 crore by Dhaka Bank for Faisal Spinning Mills Ltd was signed at a function in the capital recently. Senior officials of Dhaka Bank Ltd, National Credit & Commerce Bank Ltd, Shahjalal Islami Bank Ltd, The City Bank Ltd, Pubali Bank Ltd, Agrani Bank and Faisal Spinning Mills were present at the signing ceremony.

GP subscription base to reach 50m in 2 years

Popularising data transfer service thru' mobile planned

STAR BUSINESS REPORT

The number of cell phone subscription in Bangladesh will reach 50 million within the next two years, a Grameenphone high official predicted.

Terming the present market highly competitive, the official said the current competition puts pressure on reducing call charge.

Stein Naevdal, Chief Marketing Officer (CMO) of Grameenphone, yesterday shared his views at an interactive session with a group of journalists at a city hotel.

He said Grameenphone is continuing its business growth as it registered the 14 million subscribers mark just a week ago.

"The business growth is there and in an internal analysis we found that the subscribers base will touch 50 million at the end of 2009," the CMO said.

Grameenphone pre-paid service dominates the subscription market contributing 95 percent, while only 5 percent customers subscribe the post-paid service.

Naevdal said the average per minute tariff has come down to Tk 1.4 at the end of March this year from Tk 6 in 2004.

He claimed that the average tariff level dropped by 74 percent during the last three years.

Grameenpnone is planning to invest more in popularising data transfer service through mobile, the CMO said, adding that there is a huge demand for data transfer service in rural areas.

The company also planned to popularise SMS services, as, according to a Grameenphone analysis, usage of SMS is the lowest in Bangladesh compared with other countries.

He said despite constant price challenge in the market, the company will do better in terms of market share due to better customer services. The company is currently running 600 customer service centres across the country covering almost all the upazilas.

The market share of the company was 61 percent at the end of March this year.

Shahjalal Bank unveils plan for Tk 800cr investment

Shahjalal Islami Bank Limited has unveiled a fresh investment plan worth Tk 800 crore for the fiscal year of 2007-08.

Managing Director of the bank M Kamaluddin Chowdhury disclosed it at its 'Annual Business Plan-2007 Conference' at a city hotel Saturday, says a press release.

Dhaka divisional branch managers and executives of the bank attended the conference. Deputy Managing Director Mohammed Ali presented an overview of the bank.

Chowdhury said the areas under productive and environment friendly labour-intensive small and medium enterprises (SMEs) and large units and service sector, general trading, project investment and agriculture sector will be included in the investment programme.

The bank MD said the investment under 'Rural Investment Programme' will cover crop production and purchase of agriculture equipments through selected branches to develop the rural economy. He said Shahjalal Islami Bank will boost its investment in the 'housing investment scheme' this year.

Dhaka Bank arranges Tk137.4cr for Faisal Spinning

Dhaka Bank Ltd with the help of five other banks has arranged a syndicated multi-credit facility of Tk 137.4 crore for Faisal Spinning Mills Ltd, a concern of Saiham Group.

An agreement to this effect was signed recently between the banks and Faisal Spinning Mills in Dhaka, says a press release.

Dhaka Bank is the lead arranger in the syndication, while other participating banks are National Credit & Commerce Bank Ltd, Shahjalal Islami Bank Ltd, The City Bank Ltd, Pubali Bank Ltd and Agrani Bank.

Shahed Noman, managing director of Dhaka Bank, Md Nurul Amin, managing director of National Credit & Commerce Bank, Muhammad Ali, deputy managing director of Shahjalal Islami Bank, K Muhammed Sattar, managing director of The City Bank, Helal Ahmed Chowdhury, managing director of Pubali Bank, and Syed Abu Naser Bukhtear Ahmed, managing director of Agrani Bank, signed the deal on behalf of their banks.

Oil weaker in Asia

AFP, *Singapore*

Oil prices were lower in Asian trade Monday on profit-taking but US gasoline (petrol) supply concerns were expected to limit the declines, dealers said.

Worries over heightened civil unrest in Nigeria, Africa's largest producer, should also lend support to prices, they said.

At 2:11 pm (0611 GMT), New York's main contract, light sweet crude for August delivery, was down 26 cents to 72.55 US dollars a barrel from 72.81 dollars in late US trade Friday after reaching their highest levels since late August last year.

United's maiden domestic flight starts today

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United Airways (Bangladesh) Ltd, a private sector airline founded by non-resident Bangladeshis, is starting its maiden domestic passenger flight today.

The first flight of the airline is scheduled to take off from Dhaka for Sylhet this morning with a Canadian made 37-seat Dash-8, officials of the new airline said.

It will initially operate three passenger flights every day on both Dhaka-Sylhet and Dhaka-Chittagong routes.

United plans to add another Dash-8 aircraft next month and an F-100 plane to its fleet by the year-end.

Cox's Bazar, Barisal and Jessore will be included in the airline's domestic routes soon, while it eventually plans to go for regional operations, the officials said.

The non-resident Bangladeshis (NRBs) mainly from the UK have teamed up to create an airline in the country. So far some 600 NRBs have contributed to forming the company, Tasbirul Ahmed Choudhury, chairman and managing director of United Airways, told a press conference in Dhaka recently.

Currently, GMG Airlines, the other private sector carrier, enjoys a market share of more than 60 percent, while the rest covered by the national flag carrier Biman.

United is optimistic about being the market leader in domestic operations by the next couple of years.

PHOTO: STAR

Kafil HS Muyeed, director of New Business Division of GP, and M Enamul Kabir, country representative of Royal Commonwealth Society for the Blind, Sightsavers International, exchange documents after signing an MoU in the capital yesterday. Under the deal, GP and Sightsavers will jointly organise free eye-care camps for the poor.

Poorest nations fail to benefit from globalisation

UN conference told

AFP, *Istanbul*

Representatives from the world's least developed countries and UN experts drew a bleak picture of the impact of globalization on poor communities at the start of a two-day conference here Monday.

"Paradoxically, as some countries get more integrated and prosperous, others get more marginalised and isolated," Harriet Schmidt, director of the UN Office for developing countries, told the gathering.

"This is the sad reality for the least developed countries (LDCs). While globalization has, over the last 30 years, expanded trade, increased economic output and created unparalleled wealth in global terms, the LDCs have failed to reap its benefits," she added.

According to UN-set criteria, 50 countries qualify as the world's least developed nations, compared to 25 in 1971.

Thirty-five are in Africa, 10 in Asia, five in Oceania and one in the Caribbean. Among them are Afghanistan, Bangladesh, Eritrea, Ethiopia, Gambia, Sudan and Mauritania.

They account for 12 percent of the world's population, and attract less than two percent of global foreign direct investment, most of it in the sectors of oil and gas exploration and mining.

The picture is even worse in trade: the share of LDCs in world exports fell from 3.0 percent in the 1950s to 0.7 percent in the 2000s while their share in agricultural exports dropped from 3.3 percent in the 1970s to 1.5 percent in the 1990s.

"If the global force of globalization continues on the path of the last 30 years, it will completely sweep away the LDCs," Schmidt said.

Documents drawn up by the UN Development Programme (UNDP) list domestic factors such as illiteracy, lack of infrastructure, urban explosion and desertification that have prevented LDCs from taking advantage of globalization.

But several officials addressing the conference, sometimes in a bitter tone, argued that the system of globalization should be completely reshaped.

GP, Sightsavers Int'l partner to arrange free eye camps

STAR BUSINESS REPORT

As part of Corporate Social Responsibility (CSR), Grameenphone (GP) will organise free camps throughout the country on regular basis to provide the hardcore poor with eye-care services.

In this regard, the leading mobile phone operator signed a Memorandum of Understanding (MoU) yesterday with Sightsavers International, a UK based organisation that works towards combating blindness in the developing countries.

Under the deal, GP will organise free eye-care camps with Sightsavers International in different parts of the county.

Kafil HS Muyeed, director of New Business Division of GP, and M Enamul Kabir, country representative of Royal Commonwealth Society for the Blind, Sightsavers International, signed the MoU on behalf of their organisations.

"We will organise at least one camp every month which would cost us around Tk 6 lakh", Muyeed said.

The deal was initially signed for a one-year period, but if everything goes right the project duration may be extended, the official said.

Professor Syed Maruf Ali, line director, Eye Care at the Directorate of Health Services, was present at the signing ceremony held in Dhaka.

GP and Sightsavers have been jointly organising free eye-care camps since March this year and so far they have arranged three such camps.

Airbus leads Boeing for new orders, deliveries

AFP, *Paris*

Airbus has booked more orders this year than rival Boeing, figures on the Airbus website showed Monday, a day after Boeing rolled out its 787, posing a fresh challenge to the European manufacturer.

Airbus received 680 firm orders in the first six months of the year after a rush of new deals in June, many of which were announced at the Paris Air Show.

Boeing, which had eclipsed Airbus in the first few months of the year, reported on July 3 that it had received 544 firm orders in the first half of 2007.

The two companies are fierce rivals and effectively share the market for large commercial aircraft.

Measured by deliveries, Airbus is also slightly in front, with 231 over the period compared with 220 for Boeing.

On Sunday, Boeing unveiled its new passenger jet, the 787 Dreamliner, which boasts a series of fuel-efficient design features that have sparked huge demand.

Boeing has sold more than 600 of the planes and has a full production schedule until 2014.

The aircraft is scheduled to enter service in 2008, five years ahead of its principal Airbus competitor, the A350 XWB.