

# Star BUSINESS

E-mail: business@theluckystar.net



## World Islamic Economic Forum chief due tomorrow

Tun Musa Hitam, chairman of the World Islamic Economic Forum Foundation (WIEF) and former deputy prime minister of Malaysia, will arrive in Dhaka tomorrow, says a press release.

Hitam will formally invite Chief Adviser Fakhrudin Ahmed to inaugurate the 1st WIEF regional forum in Dhaka scheduled for November 5-6, 2007.

The two-day forum's objective is to bolster trade and strategic cooperation between Malaysia, Indonesia, Maldives, Brunei and Bangladesh through forging a regional free trade agreement and multilateral public-private partnerships.

Theme of the forum is 'Regional Cooperation between OIC countries in South & South-East Asia'.

The forum will address eight priority areas shared by the five nations' development agendas, including partnerships in human resource excellence; women's leadership; youth entrepreneurship; regional relocation & backward-linkage industries; regional infrastructure; port twinning; government investment management firms; and regional travel for trade & tourism.

Bringing together high-level political and business leaders from the five nations, the forum will jointly facilitate an innovative framework and implementation plan for regional cooperation.

During the one day visit, Hitam will also meet industries adviser and foreign adviser.

## USER REGISTRATION Warid launches awareness campaign

Warid Telecom has launched a country-wide awareness campaign to implement Bangladesh Telecommunication Regulatory Commission's (BTRC) directives on subscriber registration, says a press release.

BTRC has made it mandatory for mobile companies to collect two recent passport-size photographs, identity certificate and other necessary documents from the subscribers while selling new connections.

Warid Telecom has started the campaign to create awareness about the BTRC rules on registration among the subscribers. The company has divided the country into six regions to make the country-wide campaign a success.

Warid Telecom has directed its sales centres and franchise outlets across the country to collect two recent passport-size photographs, completely filled-up registration forms, passport or driving licences or other ID for confirming identity of the subscribers while selling new connections.

As part of its countrywide monitoring of the campaign, high officials of Warid Telecom on Monday made an inspection visit to a sales centre in Mirpur to ensure implementation of the BTRC rules on subscriber registration.

## Govt won't raise lending rate for productive sector

UNB, Dhaka

A high-powered meeting has decided to keep aside the productive sector from possible shock of the current monetary policy on the interest rates on bank loans.

"The lending rate for productive sector will not increase," a senior official who attended the meeting told the news agency.

Finance Adviser Dr Mirza Azizul Islam chaired the meeting of the Coordination Council on Monetary and Exchange Rate Policies at the Ministry of Finance on Monday.

Bangladesh Bank Governor Dr Salehuddin Ahmed, Finance Secretary Dr Mohammed Tareq, NBR chairman Badur Rahman and senior officials concerned were present.

Earlier, on July 14, Bangladesh Bank announced a "cautious

monetary policy stance" for the first half of the current fiscal year.

According to the policy stance, the policy rates - repo, reverse repo and treasury bonds - as well as commercial banks' mandatory reserve requirements (SLR and CRR) with the central bank would be increased.

Trade bodies and analysts apprehended that the "tight monetary policy stance" would push up the interest rates, affecting private sector lending.

The decision at the day's meeting followed Bangladesh Bank Governor Dr Salehuddin Ahmed's assurance on Saturday that the interest on bank loans, particularly long-term ones, would not increase as a consequence of the monetary policy.

The central bank's monetary policy stance was taken in the

backdrop of rising money supply and reserve money despite cautious monetary policy over the last 18 months.

Money supply increased 19 percent in the last fiscal year, far more than the central bank's expectation of about 15 percent. The reserve money also increased significantly, with around Tk 10,000 crore as surplus liquidity in the banking system.

Meeting sources said the high-powered meeting, however, stressed the need for holding back the growth in money supply as well as reducing the extent of excess liquidity from the money market to curb inflation.

The strategy is unlikely to affect the private sector growth, said an official.



TH Peh, deputy general manager of Himoinsa Far East (Pte) Ltd of Singapore that provides diesel generators, electrical generators and generator services, inaugurates a 'Lipro Himoinsa Service Workshop' in Tongi, Gazipur recently. M Shakil Wahed, managing director of Lipro Energy Ltd, the authorised distributor of Himoinsa diesel generator from Spain, among others, is seen.

## Strong euro not yet hurting exports: ECB chief

AFP, Frankfurt

Eurozone exporters have not yet felt any significant negative impact from the rise of the euro, the European Central Bank's chief economist Juergen Stark said in a newspaper interview published on Tuesday.

"Exporters in the euro area have not suffered until now under the strong euro," Stark told the daily Frankfurter Allgemeine Zeitung, effectively dismissing complaints from the French government that the rise in the single currency was having a detrimental effect on growth.

The euro briefly surged to a new high of 1.3845 dollars on Monday but has since fallen back slightly. "The continental Europeans have, at least for the moment, overcome their long years of weak growth. At the same time, the US economy is expanding more slowly. This is finding its expression in exchange rates," Stark said.

"Confidence in the economic strength of the euro area has increased, as has confidence in the institution that is responsible for the single currency," namely the ECB, he added.

Stark insisted that the ECB's overriding priority was to safeguard price stability, and fulfilling that task should not be sacrificed to shorter-term political considerations, such as exchange rate targets.

The French government has argued that the ECB's decision to raise its key rates eight times over the past 18 months has driven the euro against the dollar and that no further monetary policy tightening was necessary.

"The ECB's mandate is clear - to safeguard internal price stability," he said. "We have no exchange rate target."

And he continued: "So far, we've seen a very gradual rise in the value of the euro. It only becomes problematic if there are abrupt changes."

Stark defended the ECB's independence, which some French politicians have recently questioned. Political

meddling in the ECB's monetary policy was expressly forbidden in the Maastricht Treaty of European union, the central banker said.

"We have a new generation of politicians who might occasionally need to be reminded of one or the other point that forms the basis and principles of European integration," Stark said.

"In recent there have been attempts to undermine this under the guise of economic patriotism."

The ECB official said that the bank, known as the guardian of the euro, would likely continue raising its key interest rates in the coming months.

"The ECB's mandate is clear - to safeguard internal price stability," he said. "We have no exchange rate target."

And he continued: "So far, we've seen a very gradual rise in the value of the euro. It only becomes problematic if there are abrupt changes."

"If ECB President (Jean-Claude Trichet) says he sees no reason to correct such expectations, that is only consistent," Stark said.

"Confidence in the economic strength of the euro area has

increased, as has confidence in the institution that is responsible for the single currency," namely the ECB, he added.

Stark insisted that the ECB's overriding priority was to safeguard price stability, and fulfilling that task should not be sacrificed to shorter-term political considerations, such as exchange rate targets.

The French government has argued that the ECB's decision to raise its key rates eight times over the past 18 months has driven the euro against the dollar and that no further monetary policy tightening was necessary.

"The ECB's mandate is clear - to safeguard internal price stability," he said. "We have no exchange rate target."

And he continued: "So far, we've seen a very gradual rise in the value of the euro. It only becomes problematic if there are abrupt changes."

Stark defended the ECB's independence, which some French politicians have recently questioned. Political

meddling in the ECB's monetary policy was expressly forbidden in the Maastricht Treaty of European union, the central banker said.

"We have a new generation of politicians who might occasionally need to be reminded of one or the other point that forms the basis and principles of European integration," Stark said.

"In recent there have been attempts to undermine this under the guise of economic patriotism."

The ECB official said that the bank, known as the guardian of the euro, would likely continue raising its key interest rates in the coming months.

"The ECB's mandate is clear - to safeguard internal price stability," he said. "We have no exchange rate target."

And he continued: "So far, we've seen a very gradual rise in the value of the euro. It only becomes problematic if there are abrupt changes."

"If ECB President (Jean-Claude Trichet) says he sees no reason to correct such expectations, that is only consistent," Stark said.

"Confidence in the economic strength of the euro area has

## Cell to promote medicine export launched

The Pharma World, a monthly pharmaceutical journal, has recently launched a special cell styled 'Pharmaceutical Export Promotion (PEP)' to promote exports of pharmaceutical products across the globe, says a press release.

PEP provides assistance for the potential exporters of pharmaceutical products by disseminating information with regard to export rules abroad, identifying foreign buyers, and registration of products in the importing countries.

It also helps the country's drug manufacturing companies participate in the international pharmaceutical fairs.

## Telenor Q2 net profit rises 42pc

AP, Oslo, Norway

Norwegian telecommunications operator Telenor ASA on Tuesday reported a 42 percent rise in second-quarter net profit, mainly thanks to higher sales.

Telenor said its net profit for the three months ended June 30, rose to 3.25 billion kroner (euro411 million; US\$568 million), compared with 2.28 billion kroner in the year-ago period. The company said lower tax rates and higher income from associated companies also helped boost the result.

The 2007 figure did not include results from its unit in Ukraine, Kyivstar, because of an ongoing legal dispute. Telenor has been in ongoing dispute with Russia's Alfa Group, the key owners of Russia's OAO Vimpel Communications, over business strategy in Ukraine and Vimpelcom's offer to buy Kyivstar, where Telenor already holds a main stake.

The group said that despite the legal situation concerning Kyivstar, preventing Telenor from receiving financial information about the unit due to legal action brought by Alfa companies, the unit has strengthened its market position in the quarter and is "estimated to further have improved its financial performance."

Sales in the three-month period rose to 23.16 billion kroner (euro2.93 billion; US\$4.05 billion), from 22 billion kroner a year earlier.

## US still interested in Thai FTA

AFP, Bangkok

The United States is still interested in a free trade deal with Thailand, the US embassy here said Tuesday, adding that a top trade official had been misquoted as saying the deal was off.

US Trade Representative Susan Schwab was misquoted in an interview with the Straits Times newspaper on Monday as saying that "we have given up having an FTA with Thailand," the embassy said in a statement.

"The Straits Times story inadvertently dropped the word 'not' in the above quote, completely reversing the meaning of Ambassador Schwab's words," the embassy said.

The paper has agreed to run a correction on its website, the statement said.

Schwab actually said: "In the case of Thailand, that FTA stalled out shortly before the coup, and then obviously with the coup it became impossible to proceed. We have not given up having a free-trade agreement with Thailand."

The draft modalities on two of the

## DSE seeks offloading of more company shares for stability

SARWAR A CHOWDHURY

The DSE CEO said investors, including the institutional ones who are the major market players, should maintain prudent norms, not to be driven by emotions or higher expectations.

Sources said the government has already initiated a move to offload shares of some state-run organisations that include Bangladesh Shilpa Rin Sangstha (BSRS), Bangladesh Shilpa Bank, Basic Bank and Bakhrabad Gas Field.

Following the recent abnormal hike in share prices, the Securities and Exchange Commission (SEC) on Sunday directed the Dhaka and Chittagong bourses to place a limited shares due to absence of adequate shares with good fundamentals, according to the market operators.

They said the huge demand also pushes share prices and transactions up in terms of value and number that might result in a volatile situation in the market.

The shares of the companies, which are now being traded on the spot market without any money adjustment facility, are Power Grid Company of Bangladesh (PGCB), Dhaka Electric Supply Company (Desco), Brac Bank, AB Bank and Summit Power.

Considering the fluctuation share prices of the five companies very risky for retail investors, the SEC intervened to protect the investors' interests.

The market regulator also withdrew financial adjustment facility from trading of B, N and G categories' securities with effect from July

29 in order to contain the abnormal hike in share prices.

Under the financial adjustment or money netting facility, anyone is allowed to purchase shares of any category of one's choice immediately after completing a sale of any share.

On Sunday, the total turnover on the DSE also reached an all-time high at Tk 275.17 crore surpassing the previous high of Tk 239.54 crore on July 17.

Following the SEC directives, the market witnessed a sharp fall in share prices on Monday with the benchmark index, DSE General Index, dropped by 42.27 points, or 1.76 percent. The turnover also came down to Tk 178.50 crore.

Earlier, the SEC placed Brac Bank, PGCB, Desco, Summit Power and Eastern Cables under the spot market without money adjustment facility from February 12 to 14 to ease the volatility in the share prices of the companies.

Meanwhile, the DSE indices increased yesterday. The DSE General Index rose by 23.03 points, or 0.97 percent, to close at 2378.83 points, while the DSE All Share Price Index up by 18.11 points, or 0.94 percent, to end at 1931.54 points.

The turnover also increased to Tk 187.01 crore. Of the issues traded, 106 advanced and 74 declined with 24 unchanged.

## Myanmar moves to prevent tax evasion

XINHUA, Yangon

Myanmar has introduced a new measure to prevent private companies' tax evasion by denying the biennial renewal of their business licenses on failure to fully settle their outstanding tax payment annually, the local journal Newsweek reported Tuesday.

The measure was so taken as the government gained only 56 million US dollars from tax revenue in the fiscal year 2006-07 which ended in March against the projected 300 million dollars, the report said, blaming that 60 percent of the country's business companies evaded paying tax.

The authorities have stressed the need for collecting tax to be spent on building infrastructures such as road and bridge and other development tasks, urging the companies to fulfill the need of the state.

## China's mobile phone users exceed 500m

CEIS, Beijing

The Ministry of Information Industry (MII) announced Monday that the number of China's mobile phone users had reached 501.64 million by the end of June, which means every 100 Chinese people had 38.3 handsets.

Official figures showed that the nation's mobile users increased by 40.56 million from the end of last year, 6.76 million a month on average.

The total number of short text messages sent by cell phones amounted to 279 billion, up 37.5 percent year on year.