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Islami Bank okays 15pc cash, 10pc stock dividends

Islami Bank Bangladesh Ltd has declared a 15 percent cash dividend and a 10 percent stock dividend for its shareholders for the year 2006.

The dividends were approved at the 24th annual general meeting (AGM) of the bank held yesterday in Dhaka, says a press release.

Dr Ahmad Mohamed Ali, president of Islamic Development Bank, spoke at the AGM. Abu Nasser Muhammad Abdur Zaher, chairman of Islami Bank Bangladesh, and senior officials of the bank were also present.

Beximco Pharma starts export to Philippines

Beximco Pharmaceuticals Ltd has started exporting its medicines to the Philippines, says a press release.

The Philippine pharmaceutical market, estimated to be US\$1.3 billion, is mostly dependent on imported medicines.

Nazmul Hassan, CEO of Beximco Pharma, said: "In our strategic expansion plan, Philippines being a member of the Asean (Association of Southeast Asian Nations) is a highly important market."

"We are entering the Philippines with products like Metered Dose Inhalers and Nasal Sprays," he added.

HSBC gets AA+ rating

The Hongkong and Shanghai Banking Corporation (HSBC) Ltd in Bangladesh has received AA+(Double A Plus) in the long-term and ST-1 in the short term rating by Credit Rating Information and Services Limited (CRISL) of Bangladesh.

CRISL, one of the leading credit rating agency of Bangladesh, was assigned by Bangladesh Bank to carry out the rating of HSBC, says a press release.

HSBC received this rating on the basis of the bank's strong fundamentals such as good capital adequacy, low funding cost, good quality asset, significant franchise value, cautious investment policy and significant non-funded business.

Delhi ready to negotiate farm subsidy at WTO

PTI, New Delhi

India is sending a strong team to Geneva where talks on the latest proposals on agriculture subsidy and market access will resume September 3, although New Delhi has rejected the World Trade Organisation (WTO) text on the industrial goods.

Officials on Thursday indicated hectic parleys are on between key WTO players, including India, to explore the possibility of holding a ministerial meeting in the middle of October.

Ministerial Meeting, comprising trade ministers of 150 member countries, is the highest policy-making organ of the World Trade Organisation and generally meets once in two years to take stock of the multilateral trade negotiations.

"We expect some progress if WTO Chief Pascal Lamy brings some changes in the NAMA text, as the present text is considered 'fundamentally flawed and biased' by 110 members," an official said.

The Doha Round of negotiations, launched in 2001, had to conclude by the end of 2004 but has missed several deadlines.

After the collapse of the G-4 talks between the US, EU, India and Brazil in June this year, Lamy made renewed efforts to bring the round on the rails. He succeeded in getting prepared the drafts on Agriculture and NAMA (Non Agricultural Market Access).

India has accepted the agriculture text as a "good basis for further negotiations," but rejected the proposals seeking higher duty cuts on industrial products by developing nations.

Shrimp export up 13pc in FY07 on hygiene compliance

JASIM UDDIN KHAN

Bangladesh's shrimp export increased 13 percent in 2006-07 fiscal year after a decline in 2005-06 as the country's exporters ensured hygiene.

"Bangladeshi producers are ensuring hygiene compliance, making the country more competitive in the global shrimp market," said Ehsanul Matin Panni, an exporter.

The demand for Bangladeshi shrimp is increasing in European and USA markets as a hygiene compliant product, Panni added.

Bangladeshi shrimp received an additional price of about 37 cents for each pound unit in 2006-07 compared to 2005-06, thanks to the growing demand and reputation, according to Export Promotion Bureau statistics.

Bangladesh earned \$456.98 million in FY07 against \$403.82 million in FY06.

The export earning was \$420.74 million in 2004-05 fiscal year and \$390.25 million in 2003-04 fiscal year.

The US was the single largest market for shrimp worth \$175.32 million in FY07.

Industry sources said

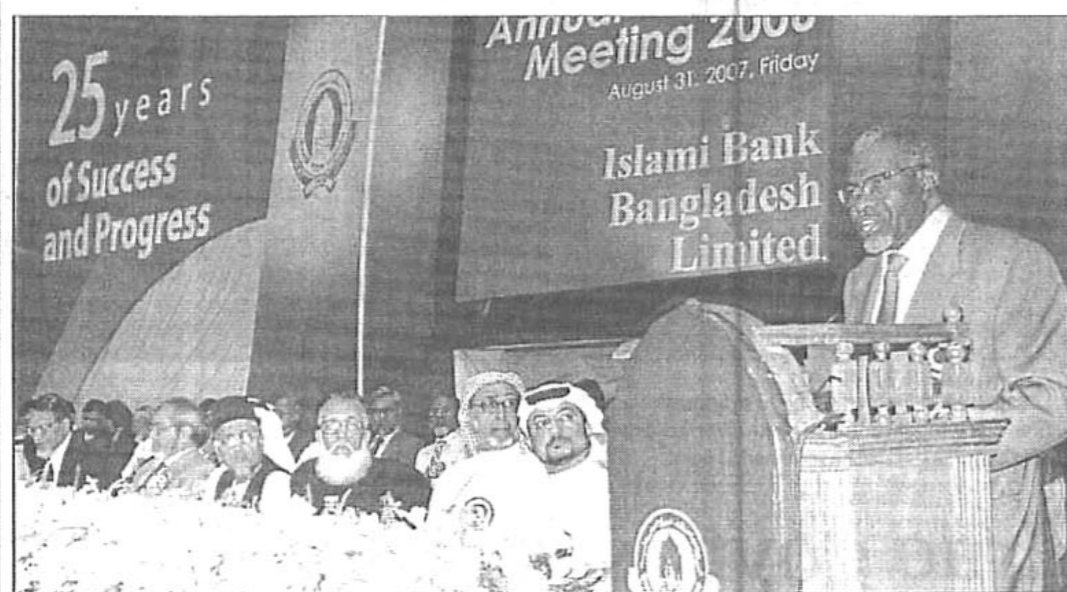
Bangladesh supplies only 2.5 percent of global shrimp demand.

Producers have to spend a huge amount of money on ensuring hygienic compliance at every step from farming to processing.

Exporters said Bangladesh has the potential to increase its shrimp farming land to grab more chunks of world shrimp market.

Thailand, Vietnam, Indonesia, India and China are the world leaders in shrimp exports.

Annual shrimp demand is increasing by 10 percent as consumers mainly from the US and Europe prefer aquatic foods.



Dr Ahmad Mohamed Ali, president of Islamic Development Bank, speaks at the 24th annual general meeting (AGM) of Islami Bank Bangladesh Ltd yesterday in Dhaka. Abu Nasser Muhammad Abdur Zaher, chairman of Islami Bank, among others, was present at the AGM.

India to further liberalise telecoms sector

ANN/ THE STATESMAN

The Telecom Regulatory Authority of India on Thursday made a wide range of recommendations in telecom licensing policy, including no cap on the number of access providers in any circle.

Forwarding its recommendations to the department of telecommunications and the ministries of communication as well as information and broadcasting, TRAI made suggestions on policies that should govern the licensing framework for access service providers.

The proposals followed DoT's reference to TRAI on key issues like entry regulation in access service market, review of guidelines on merger and acquisitions, including the provisions relating to cross holding of a licensee company in the same service area, use of combination of technologies (CDMA, GSM and/or any other) under the same license and roll out obligations.

On mergers and acquisitions, the regulator said the market share of the merged entity should not exceed 40 per cent either in terms of subscriber based or revenue. At present, this cap is at 67 per cent. TRAI also raised the cap on equity capital from 10 per cent to 20 per cent up to which a telecom player can acquire stake in another telecoms firm in the same service area.

On the issue of access providers using a combination of CDMA and GSM technology, TRAI said the existing license should be permitted to provide services through either of the technology, subject to certain conditions.

Japan's jobless rate falls

AFP, Tokyo

Japan's unemployment fell to its lowest level in more than nine years in July but sluggish spending and inflation lowered chances the central bank will soon hike interest rates, economists said Friday.

Japan is in the midst of its longest economic expansion since World War II. But companies have been slow to share growing profits with workers, meaning consumer consumption has lagged behind in the nation's recovery.

The unemployment rate hit 3.6 percent in July, down 3.7 percent the previous month and the lowest since February 1998, according to government data.

But Japan's core consumer prices fell by 0.1 percent in July from a year earlier, declining for a sixth straight month and showing that the world's second largest

economy is still struggling to overcome deflation.

Lingering concerns over deflation -- which hurts the economy by discouraging spending and investment -- have been a headache for the central bank.

The Bank of Japan last raised interest rates in February to 0.5 percent, which remains far lower than other major economies and has contributed to the yen's recent volatility.

Taro Aso, secretary general of the ruling Liberal Democratic Party, cautioned against raising interest rates, while saying the central bank was independent.

"I wonder what effect raising interest rates will have if there is no demand for funds," Aso said. "We need to create an environment that will be favorable for the interest rates to return to normal."

The central bank refrained from

lifting the rates in August amid turmoil on global markets caused by concern over the US "subprime" sector, in which customers with patchy credit histories defaulted on mortgage payments.

"It seems difficult for the BoJ to go ahead in September" with a rate hike, said Junichi Makino, senior economist at Daiwa Institute of Research.

"Consumer price data is still weak and there is uncertainty over the financial markets," he said.

The Tokyo financial markets were strong Friday, with the Tokyo Stock Exchange's key Nikkei-225 index closing up 2.57 percent, bucking renewed weakness on Wall Street over the subprime issue.

Dealers said the market benefited from a depreciation in the yen, which benefits exporters, but that Friday's economic data offered no surprises.



Helal Ahmed Chowdhury, managing director of Pubali Bank Ltd, and Md Abdur Rob, managing director of National Housing Finance & Investments Ltd, exchange documents after signing a term loan agreement recently in Dhaka. Under the deal, the bank has sanctioned Tk 5 crore term loan for National Housing Finance for four years. Other senior officials from both the sides are also seen.

Vietnam gains bigger RMG revenue in 8 months

XINHUA, Hanoi

Vietnam exported textiles and garments worth nearly 5.1 billion US dollars in the first eight months of this year, up 29.6 percent over the same period of last year, according to a local industry association yesterday.

In August alone, the country shipped abroad the products worth 830 million dollars, said the Vietnam Textile and Apparel Association (VITAS).

VITAS has encouraged local garment enterprises to further explore traditional markets such as the United States, the European Union, and Japan, and seek more new ones.

It also urged them to focus on building trademarks, strengthening trade promotion, increasing products' quality and improving design, marketing and management.

Vietnam, which posted textile and garment export turnovers of more than 5.8 billion dollars in 2006, has targeted to earn 7 billion dollars from selling garment overseas in 2007, said the association.

US company invests \$150m in Indian construction firm

PALLAB BHATTACHARYA, New Delhi

US-based leading private equity firm Blackstone Group has picked off yesterday in the capital to promote domestic tourism.

Bangladesh Parjatan Corporation Chairman Hafizur Rahman Bhuiyan formally inaugurated the fair styled 'Bangalink Dhaka Tourism' Fair 2007 at Bashundhara City shopping mall.

The big-ticket investment came nearly a week after, Blackstone acquired 50.1 percent stake in India's largest garment exporter Gokaldas Exports for 155 million dollars.

The 150-million dollar investment by the US-based company is its largest in infrastructure sector.

The infrastructure sector in India is projected to need more than 470 billion dollars in the next five years and several foreign private equity firms are keen to enter it.

With Indian government having given special focus on infrastructure development, several foreign companies, including those from Japan, are keen to make foray into this sector.

The Blackstone Group, which manages assets worth 90 billion dollars worldwide, has been bullish on Indian infrastructure sector.

Philippines posts highest Q2 growth in 20 yrs

ANN/ PHILIPPINE DAILY INQUIRER

The Philippine economy grew at its fastest pace in 20 years in the second quarter as government spending and private consumption expanded.

The gross domestic product (GDP), the value of goods produced and services rendered, not including income from abroad, grew 7.5 percent from the second quarter of 2006, bringing to 7.3 per cent the average growth in the first semester.

It was the highest annual growth rate since the 7.7 per cent growth rate recorded in the third quarter of 1986, the year dictator Ferdinand Marcos was overthrown.

It outshone the second-quarter GDP performance of Asian neighbours, such as Malaysia, Hong Kong and Indonesia, but trailed Singapore's 8.6 per cent and China's 11.9 per cent expansions.

The National Statistical Coordination Board (NSCB) said the first-quarter GDP growth was 7.1 per cent, revised from 6.9 percent.

Pubali Bank sanctions Tk5cr for National Housing

Pubali Bank Ltd has sanctioned Tk 5 crore for National Housing Finance & Investments Ltd for a 4-year term, says a press release.

A term loan agreement to this effect was signed between the bank and National Housing Finance & Investments recently in Dhaka.

Helal Ahmed Chowdhury, managing director of Pubali Bank, and Md Abdur Rob, managing director of National Housing, signed the deal, while other senior officials from both the sides were present.

India grows 9.3pc beating forecasts

AFP, New Delhi

India's economy accelerated by a strong 9.3 percent in the first quarter, beating forecasts, driven by robust manufacturing and services performance, data on Friday showed.

The growth from April to June topped analysts' expectations of around 8.9 percent expansion, and outstripped growth of 9.1 percent in the previous quarter.

The drivers of the economy are "consumption led -- rising incomes and a growing middle class," said Deepak Lalwani, partner at London investment house Astaire and Partners.

India's economy grew by 9.4 percent in the last financial year, the fastest rate in 18 years.

The country of 1.1 billion people has the fastest expanding major economy after China, fuelled by an increasingly high-spending middle class.

But analysts say the economy could see an impact from the next quarter from monetary tightening on both industry and services.

In other positive data, inflation slipped below four percent for the first time in over 15 months to touch 3.94 percent for the week

ended August 18, down from 4.10 percent the previous week and 5.12 percent a year earlier.

Wholesale prices-based inflation measure, is now way below the central bank's forecast of around five percent for the current fiscal year as well as under a medium term target of 4.0-4.5 percent.

The central bank, which has forecast growth of 8.5 percent, began tightening monetary policy in 2004 to tame prices.

Analysts had said tighter monetary policy might hurt first quarter growth as sales of cars, motorbikes and trucks had dropped amid higher credit costs and consumer durables spending had also fallen.

But the latest figures reflected a robust performance by manufacturing which grew by 11.9 percent and services, which accelerated by an annual 10.6 percent.

Agriculture, which the government is hoping to raise to boost overall economic growth, expanded by 3.8 percent.

"Construction has surprised on the upside and agriculture has turned out a bit stronger than expected," said Soumitra Choudhury, economic advisor at New Delhi-based credit rating

agency ICRA.

The central bank has said even with inflation easing, potential inflationary pressures from high asset prices and large capital flows "need to be recognised," making analysts say they expect no early cut in rates.

"Inflationary fears remain very much alive so we may not see any rise in rates but we certainly won't see a cut," Choudhury said.

Many analysts have said India's solid industrial and service sectors would protect the economy from a major hit from the US subprime crisis, noting the direct exposure of Indian banks to the credit woes is limited.

But some analysts have warned that the subprime turmoil could cause a "significant" slowdown if it persists for more than a few months.

They say the acceleration in Indian growth over the past few years has been primarily driven by appetite for global risk and that if that dries up, the economy could lose out on investment capital.

Prime Minister Manmohan Singh has said India's economy needs to grow by at least 10 percent annually to make a significant dent in widespread poverty.

Three-day tourism fair kicks off

STAR BUSINESS REPORT

A three-day tourism show kicked off yesterday in the capital to promote domestic tourism.

Bangladesh Parjatan Corporation Chairman Hafizur Rahman Bhuiyan formally inaugurated the fair styled 'Bangalink Dhaka Tourism' Fair 2007 at Bashundhara City shopping mall.

Around 58 organisations including eco tourism firms, theme parks, hotels, motels, resorts, airlines, tour operators, travel agencies, bus service companies, tourism training institutes, tourism publications, and travel shops are showcasing their products and services at 68 stalls at the fair.

Parjatan Bichitra, a monthly travel magazine, is organising the show, which will remain open from 11am to 7pm for all with an entry fee of Tk 10. The slogan of the fair is

'Show the country to its people'.

Mobile phone operator Banglalink is the title sponsor of the fair. Co-sponsors of the show include Bangladesh Parjatan Corporation, Association of Travel Agents of Bangladesh (Atab) and Tourism Developers Association of Bangladesh.

Speaking at the inaugural ceremony, Parjatan Corporation chairman called upon all to work together for the development of the country's tourism.

Muhammud Saleh, president of Atab, said despite potential Bangladesh's tourism sector lags far behind from its neighbouring countries.

Mohiuddin Helal, editor of Parjatan Bichitra and Chief Coordinator of the fair, said sustainable growth of tourism industry is not possible without the growth of domestic tourism.



Bangladesh Parjatan Corporation Chairman Hafizur Rahman Bhuiyan signs a stall after inaugurating the three-day 'Bangalink Dhaka Tourism Fair 2007' that began at Bashundhara City shopping mall in the capital yesterday.

Oil prices climb on weather worries

AP, London

Oil prices rose Friday on persistent weather worries after settling lower in the previous session on slower-than-expected economic growth figures and profit-taking.

Light, sweet crude for October delivery on the New York Mercantile Exchange rose 34 cents to \$73.70 a barrel in electronic trading by midday in Europe.

October Brent crude futures added 30 cents to \$72.20 a barrel on the ICE Futures exchange in London.

The Nymex contract had fallen 15 cents a barrel Thursday on concerns about the prospect of weakening demand after second-quarter gross domestic product in the U.S. rose 4 percent slower than many analysts had expected. Jobless claims also rose unexpectedly last week to the highest levels since spring.

Energy investors worry that a slower economy means less demand for oil and gasoline.

While a "tropical wave" in the Bay of Campeche isn't expected to pose an immediate threat to oil and natural gas infrastructure in the U.S. Gulf, there are concerns the worst of the Atlantic hurricane season may still lie ahead.

"The tropical system in the Atlantic would be a key," said Koichi Murakami, a broker at Daiichi Shohin.

Natural gas prices gained 3.2 cents to \$5.667 per 1,000 cubic feet. Natural gas supplies are at record levels, which has kept prices below year-ago levels.

Heating oil inventories, on the other hand, are lower than they were a year ago, which has driven prices higher. The result could be lower heating bills this winter for natural gas customers, and higher bills for heating oil customers.

Nymex heating oil prices rose 0.76 cent to \$2.0360 a gallon while gasoline futures dropped 0.11 cent to \$2.079 a gallon.

Gasoline and crude oil futures rose sharply Wednesday after the U.S. government reported surprisingly large declines in inventories of both and an unexpected drop in refinery activity.

With the summer almost over, refiners are switching over to produce more heating oil, analysts say. That has some analysts worried anew about gasoline inventories, which are at 2-year lows. Others think the inventory drop is a natural reaction by refiners to lower anticipated fall demand.

India close to free trade deal with Thailand

AFP, New Delhi

India is close to concluding a free trade agreement (FTA) with Thailand, Trade Minister Kamal Nath said Friday after talks with the Thai deputy prime minister.

"The FTA is (moving) towards conclusion. We hope to conclude it in the next two months," Nath told reporters after holding talks with Thai deputy premier and industry minister Kosit Panniemras.

The two countries signed a framework agreement to strike a free trade deal to boost bilateral trade in 2003.

Officials were negotiating the number of items to be included in the agreement, with both sides wanting the list to include 10,000 products by 2010, a Thai Embassy official said.

The India-Thailand talks on free trade were launched during a visit by Indian Prime Minister Manmohan Singh to Thailand last year.

India also aims to seal a similar accord this year with the 10-member Association of Southeast Asian Nations of which Thailand is a member.

India is Thailand's largest trading partner in South Asia, with bilateral trade worth 3.4 billion dollars last year. Thailand enjoyed a surplus of 200 million dollars on shipments worth 1.8 billion dollars to India.