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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 Abdus 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

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.

"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.

Industry sources said

Star BUSINESS

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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 newness.

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 up a 12.5 stake in India's third biggest construction firm Nagarjuna Construction Company (NCC) for 150 million dollars.

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 percent the average growth in the first semester.

It was the highest annual growth rate since the 7.7 percent 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 percent and China's 11.9 percent expansions.

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

Halal 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.

Japan's jobless rate falls

AFP, Tokyo

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.



Halal 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.

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 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, India's closest watched 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.

"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 for its 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.

WB unhappy with Nepal's foreign-aid projects

XINHUA, Kathmandu

World Bank has stated that projects run under foreign assistance in Nepal have shown weaker performances among similar projects run in other countries of South Asia, the National News Agency, RSS reported yesterday.

Representative of World Bank in Nepal, Susan Goldmark, speaking in the "Program for 2007 Nepal Portfolio Performance Review," organized here yesterday, said similar situations are not found in other countries of South Asia.

She said four projects, 31 percent, among projects that are running under World Bank's loan and grant assistance in Nepal have shown serious situations and the number of such projects has been increasing.

A major power development project has been standing still for last 42 months. Similarly, Rural Water Supply and Sanitation Project and Telecommunication Sector Reform Project have not shown any performance since last 10 and two months, respectively while Avian Influenza Control Project has shown weaker performance.

The bank has stated that 30 percent of assistance amount that the bank had committed for the year 2007 would go in the projects that bear risks. The bank has concluded that Nepal has been placed at the top of the list of the countries that could not spend the allocated amounts in the projects under the assistance of the bank.

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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 prime minister and industry minister Kosit Panipras.

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.



Bangladesh Parjatan Corporation Chairman Hafizur Rahman Bhuiyan visits a stall after inaugurating the three-day 'Banglalink 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 and profit-taking.

Liquid 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 \$72.00 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 level since spring.

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

While the "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 hurricane season may still lie ahead.

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.

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.