

DHAKA THURSDAY MARCH 20, 2008

Stocks

DGEN	0.56%
2,986.40	
CSCX	0.06%
4,964.54	

Asian Markets

MUMBAI	1.09%
14,994.83	
TOKYO	2.48%
12,260.44	
SINGAPORE	Flat
2,833.21	
SHANGHAI	2.53%
3,761.61	

Currencies

	Buy TK.	Sell TK.
USD	68.10	69.10
EUR	105.24	109.85
GBP	135.25	140.45
JPY	0.68	0.72

SOURCE: STANDARD CHARTERED

Commodities

Oil	\$108.30
(per barrel)	

SOURCE: AFP

More News

Training for foreign jobseekers from Monga-hit dists
The government has decided to train ultra poor youths of five monga-stricken northern districts with funds from Pally Karma Sahayak Foundation.

15 firms show interest in 3rd round offshore bidding
So far 15 companies have shown their interest to bid in the third round offshore bidding for exploring gas in the Bay of Bengal.

B-3

International

World's biggest passenger jet takes off



A Singapore Airlines Airbus A380, the biggest passenger jet, heading towards London from Singapore on Tuesday.

World's biggest printing plant opens in Britain

Media giant News International has opened what it calls the world's biggest printing plant, vowing that print newspapers still have a vibrant future despite the massive expansion of online media.

B-4

Bangla Biz Lexicon

BORO-the principal rice crop of Bangladesh in terms of production. The rice is generally cultivated in March-May cropping season. In 2006-07 fiscal, Boro production was around 160 lakh metric tonnes.

Contact Us

If you have views on Star Business or news about business in Bangladesh, please email us at business@thedailystar.net

NBL plans massive rural expansion

Eyes more income from remittance services

STAR BUSINESS REPORT

National Bank Limited (NBL) plans to go for massive expansion in rural areas, eyeing more income from remittance services, NBL officials said yesterday.

"If we get permission to open 10 branches out of 25 we have applied for, we'll open most of the branches in rural areas in 2008," NBL Managing Director Abdur Rahman Sarkar told reporters at a function marking the bank's 25 years in operations.

Sarkar said: "We opened five branches in rural areas out of 15 branches opened in 2006. In 2007, the bank opened five branches in rural areas out of 10."

"Our rural expansion will target remittances as most expatriate Bangladeshis send money to their relatives in rural

NBL'S 2007 PERFORMANCE HIGHLIGHTS

	2007	2006
Operating income	Tk 718cr	Tk 572cr
Operating profit	Tk 221cr	Tk 114cr
Total assets	Tk 5,652cr	4,679cr
Earnings per share	Tk 102	Tk 63
Market value per share	Tk 1494	Tk 761
Return on assets	4.29%	2.50%
Employees	2432	2270
Branch	101	91
Price earning ratio	14 times	12 times
Import	Tk 6,275cr	Tk 4,245cr
Export	Tk 3,182cr	Tk 2,801cr
Remittance	Tk 2,756cr	Tk 2,135cr

Source: Annual Report 2007

areas," AKM Shafiqur Rahman, executive vice-president and secretary of the bank said.

The bank will celebrate its silver jubilee programme on March 23.

Tk 2,756 crore was remitted through the NBL channel in 2007, a 29 percent increase from Tk 2,135 crore in 2006.

The bank has remittance arrangements with some 38 different banks and exchange houses around the world to facilitate quick services, officials said.

Private commercial banks are increasingly trying to earn more from the remittance services.

In fiscal 2006-07, Bangladesh's remittances stood at over \$6 billion. The amount may cross \$7 billion this fiscal year.

Earlier, state-run banks used to channel most of the remittances. But now private commercial banks strive to grab the remittance market share.

The NBL officials said the management of the bank has decided to open more branches in rural areas to contribute to the rural economic growth as well.

"NBL is keen to provide credit to agriculture sector for the improvement of the socio-economic activities of the country," Shafiqur Rahman said.

NBL, which was established on March 23, 1983, has now a total of 101 branches and assets over Tk 5,653 crore. The bank has had a profit growth of 143.97 percent in 2007, which the officials said is the highest in the bank's history.

Total operating profit of the bank stood at Tk 221.51 crore in 2007 from Tk 114.68 crore in the previous year.

According to the annual report 2007 of the bank, classified loans have been reduced to Tk 165 crore in 2007 from Tk 196 crore in 2006.

Deputy managing directors of the bank Mohsin-Ul-Karim and Azizur Rahman were also present at the function.

Annisul Huq elected FBCCI president

Abul Kashem Ahmed, Abu Alam Chowdhury elected vice presidents



Annisul Huq, the FBCCI president-elect, and MA Rouf Chowdhury, the leader of the rival panel, shake hands in Dhaka yesterday. Rouf proposed Annisul's name instead of vying for the top post.

STAR BUSINESS REPORT

Annisul Huq was elected president unopposed of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) yesterday, as MA Rouf Chowdhury proposed Annisul's name instead of vying for the post.

Prior to the FBCCI polls, Rouf had declared his candidature for the top post of the apex trade body.

Newly elected directors Abul Kashem Ahmed and Abu Alam Chowdhury have also been elected first vice-president and vice-president unopposed, as their rivals Golam Dastagir Gazi and Obaidur Rahman withdrew their candidatures at the eleventh hour.

FBCCI Election Board Chairman Professor Ali Ashraf made the official announcement of the office bearers of the FBCCI at Federation Bhaban in Dhaka yesterday.

Expressing his reaction, Annisul, nominated director from the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said by proposing his name as the chief of the federation Rouf has made an example not only for the business community but also for the political leaders.

"We have a great task to do in the coming days," he said.

The FBCCI president-elect also said the fair and transparent election of the FBCCI will cast a positive impact on the country's national elections.

Assuring his support to the new office bearers, Rouf, also newly elected director, said, "We should work together for the country's business community as well as economy."

The two vice presidents Abul Kashem and Abu Alam also spoke.

Earlier, the biennial election

to the FBCCI was held on Monday where Annisul-led panel secured a landslide victory bagging 19 posts of director out of 24. Rouf-led panel got only five directors' seats.

In the chamber group, Annisul's panel clinched 11 directorship out of 12, while Rouf's panel got only one and in the association group, Annisul-led panel won eight posts of director out of 12, while Rouf-led panel got the rest four.

There are 24 directors -- 12 each from chamber and association groups -- who are elected through direct balloting in first phase, and 14 other directors -- seven each from the leading chamber and association groups -- who are nominated by respective chambers and associations. The 38 directors elected a president and two vice-presidents in the second phase, for a two-year term.

Finance adviser for cut in tax on undisclosed legal money

UNB, Dhaka

Finance Adviser Mirza Azizul Islam yesterday said the high tax rate imposed on undisclosed but legally earned money could be reduced to a certain extent, while stood firm on the whitening of black money, which he said would never be allowed.

"I will talk to the government for reducing the high tax rate imposed on undisclosed legal money. However, black money will never be allowed to be whitened," he said.

The finance adviser said this at a seminar titled 'Public-Private Partnership for Housing Development in Bangladesh' in Dhaka.

The American International University-

Bangladesh (AIUB) and Asset Developments and Holdings Limited (ADHL) jointly arranged the seminar.

"Some businessmen are of the opinion that government should allow black money to be invested in the housing sector. But one thing I want to say clearly that there will be no provision in the future that would allow black money to be whitened in this manner, as it is a moral question," Mirza Aziz said.

He said the tax rate on the undeclared money is 500 percent, which is high enough to frighten people away from disclosing their money.

VC Professor DR Carmen Z Lamagna and Pro-vice Chancellor Prof Dr Anwar Hossain of AIUB, and ADHL

Chairman Salim Akhter Khan, among others, addressed the seminar. Dr Anwar Hossain presented the keynote at the seminar.

Salim Akhter Khan said if the country's economy continues to be as it is and per-capita income does not rise or stay stable in real terms, Bangladesh could be on the verge of famine in no time.

He said the government could tap the huge private funds and savings from both disclosed and undisclosed but lawfully earned income by offering tax incentives and rebates on investments in housing constructions.

"This, of course, does not imply any form of support to income by illegal or corrupt means," Salim Akhter said.

GMG to include new destinations in India

UNB, Dhaka

GMG Airlines, the country's first private airline, plans to include new flight destinations in India to properly utilise the air services agreement between the two neighbouring nations.

GMG Airlines plans to include Mumbai and Chennai in its flight destinations either by mid-2008 or at the end of the year and will increase the frequencies to Kolkata and Delhi soon.

As per the air services agreement, Bangladesh and India can operate 61 flights from either side to any metro.

"We'll be connecting the cities of Mumbai and Chennai by mid-2008 or at the year end, and will also be increasing our frequencies to Kolkata and Delhi soon," GMG MD Shahab Sattar told India Express AviationWorld, according to the internet.



A group of children from the urban poor carry posters that read "CHEAP RICE AND COMMODITIES" as they sit on a wooden pushcart during a lenten style protest near the Malacanang presidential palace in Manila yesterday.

Manila hikes spending to avoid rice crisis

AFP, Manila

The Philippines is spending an additional 36.12 million dollars on higher yielding rice varieties and is implementing measures to avoid a shortage of the staple cereal, officials said Wednesday.

Agriculture Secretary Arthur Yap said the threat faced by the country was "unprecedented (because) internationally, the rice supply is so thin," making it harder for the country to import from abroad.

Executive Secretary Eduardo Ermita, the chief aide of President Gloria Arroyo, said the government was already preparing for the traditional lean months in rice production of June to September.

"We are doing what we can to ensure we have no shortage and we have no shortage now," he told reporters, saying the country still had a 57-day stock of rice.

Yap said that Arroyo had allocated an additional 1.5 billion pesos to buy higher yielding rice seeds to be distributed during the country's traditional rainy season, that starts after June to increase

production.

Aside from this, the National Food Authority (NFA), which is in charge of importing rice, "will have to continue buying... to prepare for the possibility that in the lean months, we will have to rice to distribute," said Yap.

The NFA this week announced it had bought 335,500 tonnes of rice mainly

production to a record 16.3 million tonnes in 2007 despite a prolonged drought and had been steadily posting gains in output.

Despite this, the price of rice had risen by two to three pesos per kilogram over the past year, Yap said.

Rice is a politically-sensitive commodity in this archipelago

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Rice is a politically-sensitive commodity in this archipelago

The Arroyo govt is preparing for the traditional lean months in rice production of June to September

from Vietnam, Thailand and Pakistan, to avoid any crisis in the coming months.

Yap also cited the need for conservation of rice, saying that government studies found the country was wasting 25,000 sacks of rice everyday.

This was why he requested restaurants to offer smaller portions of rice so they would not leave so much uneaten food, Yap said.

He said the government had successfully increased rice

and sharp increases in its price or shortages in supply have sparked popular unrest.

The country has long been an importer of rice and not even increases in local production have been able to meet local demand.

In 2007 Manila imported 1.871 million tonnes of rice, mostly from Vietnam with a little from Thailand and the government expects to import more than two million tonnes this year.