

Star Business

DAKA MONDAY AUGUST 11, 2008

Stocks

DGEN ▼ 2.12% 2,674.07

CSCX ▼ 2.01% 5,352.20

Currencies

Buy TK. Sell TK.

USD 68.00 69.00

EUR 100.67 105.32

GBP 129.06 134.14

JPY 0.61 0.64

SOURCE STANDARD CHARTERED

Commodities

Gold

\$852.50
(per ounce)

Oil

\$115.20
(per barrel)

SOURCE AFP

(As for Friday)

International

Manila's public transport system shows the strain as prices soar



Belching thick clouds of black exhaust smoke, a dilapidated "jeepney" minibus brims with commuters jammed together like sardines during rush hour in Manila. Crawling on to the next stop, and another long line of demoralised workers, it is but one vehicle that comprises the congested morning traffic here.

B-4

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

Banks to double capital in three years

SAJADUR RAHMAN and
REJAUL KARIM BYRON

Bangladesh Bank got government's nod to double all banks' capital base to Tk 400 crore in three years, sources said.

Hailing the move, bankers and economists said it would safeguard depositors' interest and banks' capital base as well.

The Ministry of Finance issued a letter Thursday last to the BB supporting the central bank decision.

"The government agrees with the BB on raising the minimum ceiling of paid-up capital and statutory reserve of all scheduled banks operating in Bangladesh to Tk 400 crore from the existing Tk 200 crore," the letter said.

Of the Tk 400 crore, Tk 200 crore will be paid-up capital. Earlier, the BB in November 2007 had raised the banks' capital to Tk 200 crore from Tk 100 crore. Of which, at least 50 percent of shortfall of required capital was supposed to be fulfilled by June 2008.

The government also asked the central bank to give banks a maximum three-year time to



- Minimum ceiling of paid-up capital and statutory reserve proposed at Tk 400 crore from previous Tk 200 crore.
- Banks will be given maximum 3 years time to comply with the new decision.
- The ministry approved the decision on August 08, 2008.

comply with the rise in capital.

BB sources said the move has been taken as part of its efforts to meet capital requirements under the Basel II framework, which scheduled banks have to adopt from 2010.

Senior bankers and economists said the new rule would safeguard clients in a financial crisis, but it could force government-owned banks into trouble as they make hardly any profit.

"This is a healthy move," Khondoker Ibrahim Khaled, chairman of Krishi Bank, said.

The move would help in two ways protecting depositors' interest and banks' health, said Khaled, also a former deputy governor.

Nazrul Islam Mazumder,

chairman of Bangladesh Association of Banks (BAB), a platform of bank owners, also believed there would not be any problem for most of the banks to raise their capital.

"Although it is a hard rule for the banks, it is a good one for the country's economy," Mazumder said.

He said some weaker banks might be in trouble to comply with the capital raise decision.

Both Mazumder and Khaled believed three years time is enough for the banks to oblige the BB move.

There are a total of 48 banks operating in the country. Of which, four are government-owned commercial banks, five specialised, 30 private banks and nine foreign banks.

The adviser hinted at sending a Bangladeshi team

Dhaka to focus on maximisation of exports with trading partners

STAR BUSINESS REPORT

Dhaka will emphasise bilateral negotiations with its trading partners along with existing multilateral initiatives in order to maximise export trade.

"Bangladesh cannot wait further for the WTO negotiations to end. We need to ensure our market access as well as explore new markets," Commerce Adviser Dr Hossain Zillur Rahman said at a press briefing at the ministry's conference room.

Zillur admitted that the Hong Kong Ministerial meeting was deceptive for Bangladesh as any country can exclude Bangladeshi products from its import basket by using 3 percent negative lists.

"Now we need to conduct bilateral negotiations to ensure our market access to both the countries which Bangladesh already has access to and which have not been explored as yet," he said.

The adviser hinted at sending a Bangladeshi team

to Latin America soon to explore potential of those countries.

The adviser conceived the idea of exploring Latin America during a meeting with the Brazilian trade minister on the sidelines of the World Trade Organisation (WTO) mini-ministerial.

Dr Zillur said Bangladesh would hold a meeting with its three trade-significant missions in Geneva, Brussels and Washington to set future trade strategies of the country.

Regarding the mini-ministerial, he said Bangladesh has been successful in protecting its interests in the meeting under the World Trade Organisation, including ensuring commercially meaningful market access of its products to the developed and developing countries.

Members of the Bangladesh delegation to the WTO mini-ministerial, including senior officials, experts, researchers and private sector representatives were present at the press briefing.

Ericsson launches high-speed internet service thru' 3G tech

STAR BUSINESS REPORT

Ericsson, one of the world's leading telecom technology and equipment providers, yesterday launched high-speed broadband internet services through 3G (3rd generation) technology under a pilot project.

ing affordable new technology services for enhanced benefits of Bangladeshi people.

Arun Bansal, managing director of Ericsson Bangladesh, said 3G helps communicate with high-speed data transfer and enjoy services including video telephony and mobile TV.

Bangladesh's six mobile operators are yet to flourish internet usage due to low speed of the service. Industry insiders said around 4 million customers are using internet, most of them are occasional users.

The 3G technology in that sense can bring a new opportunity for the mobile operators to enhance more internet users.

Ericsson supplies communications services and manages networks that serve more than 195 million subscribers around the world. The company's portfolio comprises mobile and fixed network infrastructure and broadband and multimedia solutions for operators, enterprises and developers.

In Bangladesh, Ericsson provides telecom solutions to major telecom operators including Grameen, AKTEL and Wardi.

Denmark may procure more ships

UNB, Dhaka

the two countries. "We talked about cooperation in development - a common strategy of the Nordic countries. The ambassador informed me that 'Stella Maris', the first ship built in Bangladesh, was delivered to Denmark recently," Chowdhury told the media after the meeting.

The ambassador said this during a meeting with Foreign Adviser Dr Iftekhar Ahmed Chowdhury in Dhaka yesterday.

During the meeting, they reviewed bilateral relations between the two countries. They also discussed the ways and means to boost economic and trade relations between

The Danish envoy said, "regarding shipbuilding, Bangladesh has a bright future in the area. Over the past two years two ships were built here. We believe that Bangladesh could be the next nation of shipbuilders."



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Money frees you from doing things you dislike. Since I dislike doing nearly everything, money is handy.

~ Groucho Marx

