

Stocks

DGEN ▲ 0.57% 2,722.15

CSCX ▲ 0.35% 5,523.33

Asian Markets

MUMBAI ▲ 0.34% 14,450.35

TOKYO ▲ 1.68% 12,878.66

SINGAPORE ▲ 0.37% 2,733.45

SHANGHAI ▲ 0.34% 2,413.37

Currencies

Buy Tk Sell Tk

USD 68.00 69.00

EUR 98.72 103.22

GBP 123.73 128.89

JPY 0.61 0.64

SOURCE: STANDARD CHARTERED

Commodities

Gold \$820.80 (per ounce)

Oil \$113.66 (per barrel)

SOURCE: AFP

(Midday London Trade)

More News

Mobile goes beyond voice



Mobile usage goes beyond voice, as several value added services are becoming a part of our daily lives. Tailored to the needs of teenage groups, diversified services are under its umbrella, mostly designed by local content providers. Examples of such services range from ring tones, games, SMS, images to MMS, and the latest call block and voice chat.

B-4

International

Sanyo to pull out of Indian TV venture

Japan's Sanyo Electric Co. is pulling the plug on a loss-making joint venture in India producing cathode-ray tube televisions, a spokesman said Monday. Sanyo closed a factory in Bangalore last month and will shift the production to Indonesia, disbanding the joint venture by March next year.

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

BB profit up 50pc

Rising value of gold, income contribute to growth

REJAUAL KARIM BYRON and SAJJADUR RAHMAN

Increased value of gold and income from foreign and domestic sources have helped Bangladesh Bank (BB) to post about 50 percent more net profit in the immediate past fiscal year compared to the previous year.

The central bank's earnings reached Tk 5,176 crore in the 2007-08 fiscal year (FY), a 49.57 percent rise from Tk 3,460 crore in FY 2006-07.

Of the amount, Tk 2,736 crore is payable to the national exchequer for FY 2007-08, according to central bank officials. BB had contributed Tk 2,193 crore to the government in FY 2006-07 and Tk 1,085 crore in 2005-06.

Income from gold and

silver was 832 percent more in FY 2007-08 than in the previous year.

Gold and silver accounted for Tk 223 crore in FY 2007-08 from only Tk 24 crore in FY 2006-07.

"Revaluation gain increased due to the fluctuation of conversion rates of the taka against major currencies and increased gold value in the international market," a senior BB official said.

Gold price has been rising constantly since July 2001 due to the changing balance between supply and demand.

The price of per ounce gold reached \$1,000 in February-March of 2008 from below \$300 in 2001.

Income from foreign currency revaluation witnessed

Trend in central bank's net profit and taxes (figures in crore)

Year	Net profit	Taxes paid
2007-08	Tk 5,176	Tk 2,736
2006-07	Tk 3,460	Tk 2,193
2005-06	Tk 2,291	Tk 1,085

100 percent and 38 percent growth respectively. Total profit from currency revaluation stood at about Tk 1,800 crore.

Bangladesh maintained a handsome foreign exchange reserve last fiscal and the figure crossed \$6 billion mark for the first time in Bangladesh's history in February 2008.

Earnings from foreign sources reached Tk 1,781 crore or 39.72 percent more

than Tk 1,250 crore in FY 2006-07, which the central bank attributed to higher volume of investment.

Income from domestic sources was relatively lower only 2.55 percent more than the previous fiscal year. BB earned Tk 2,368 crore in FY 2007-08, which was Tk 2,309 crore in FY 2006-07.

An increase in the interest from REPO has pushed up the income from domestic sources.

While revaluation of foreign currency and gold and silver prices have raised BB's income, relatively poor expenditure also contributed to the profit.

BB spent Tk 996 crore or 21.11 percent lower in FY 2007-08 than Tk 1,263 crore in FY 2006-07.

Inflation back in double digits

STAR BUSINESS REPORT

The point-to-point rate of inflation soared to 10.04 percent in June, driven by high oil prices on the international market and natural disasters in Bangladesh.

The inflation rate in June increased 2.6 percentage points from the month ago. In May, the rate was 7.44 percent, according to Bangladesh Bureau of Statistics.

The inflation rate had remained above the double-digit mark from July last year and reached close to 12 percent in December 2007, before it went down to 7.66 percent in April, despite soaring commodity prices on the kitchen market.

The all-year inflation rate was 9.94 percent in the last fiscal year, exceeding a government estimate of 9 percent. In fiscal 2006-07, the average inflation rate was 7.2 percent.

Volatility on the global oil

and commodity markets are the primary contributing factors behind high inflation in Bangladesh, said the central bank in its recent report. The report also mentioned recent floods as one of the reasons for a price hike on the local market.

Although the BBS figure showed a lower inflation rate in the April-June period, rice prices were significantly high. Coarse rice was sold at Tk34 to Tk36 per kg in the period.

Prices of major commodities slightly came down yesterday, compared with last week, according to the Consumers Association of Bangladesh (CAB). The CAB report, however, said average year-on-year rice prices increased by more than 40 percent.

Prices of other commodities such as flour, edible oil, onion, egg and powder milk also increased 30 percent to 40 percent on average.

SEC fines One Bank for 'breach' of market discipline

STAR BUSINESS REPORT

The Securities and Exchange Commission has fined the directors of One Bank Tk 1 lakh each for their failure to submit an audited financial statement to the capital market regulator by the deadline, an official said yesterday.

The SEC imposed the fine on August 20 and asked the directors to deposit a total of Tk 12 lakh in penalty in 15 days, said SEC Executive Director Farhad Ahmed.

In case of failure to pay the fine to the capital market watchdog in time, the SEC will file a 'certificate case' against the bank, Ahmed said.

In line with the Securities and Exchange Rules 1987, a listed company must submit its yearly audited financial statement to the SEC in time, Farhad Ahmed said.

One Bank had been set to submit the statement for the year to December 31, 2007 to the SEC by May 11, but the bank failed to do so in time.

First gold hallmarking firm set to take off

KAWSAR KHAN

A local company is set to start tests in a month to determine the purity of gold and gold ornaments through a chemical analysis of substances.

According to the company, Bangla Gold, the move will pave the way for jewellers to export ornaments and ensure the purity of gold and gold ornaments. Ornaments or gold bars will also be inscribed with the company's trademark through laser-ray writing.

"If purity of a piece of gold is 87.5 percent or 21-carat, we will inscribe it along with our company's hallmark on the ornament. This will reassure the customers of the purity of the product," Enamul Haque Khan, managing director of Bangla Gold, the first of its kind.

The company, located at Tatibazar in Old Dhaka, has brought in the required machinery for testing the precious metal.

Jewellers must obtain memberships from the company to take the opportunity of hallmarking ornaments, the company officials said.

"We have got approval from the government for the work and we have set up equipment. Now what we are doing is preparing ourselves," Khan said.

The company has already tested the purity of a sample of gold. "We have got almost the same test result for the sample as the Italian- and Dubai-based companies have done," he said.

"Some methods to assess the purity of gold are in use; but these methods cannot bring accurate results," Khan said.

Big companies outsource the ornament-making job to artisans, who take gold from jewellery shops and make



STAR

An official of Bangla Gold checks gold purity and works on hallmarking. The company, the first of its kind in Bangladesh, will be launched in a month.

ornaments in line with requirements by the companies.

Under the new system, the artisans of the client jewellery shops will send the ornaments to Bangla Gold to undergo a test.

"If ornaments don't contain a required amount of gold, we will not hallmark them. Without hallmarking jewellery shops would not receive the ornaments," said Haque, also the owner of Meghna Jewellers.

Gold ornaments require a blend of other metals with pure gold to make it harder. Some businessmen take this as an opportunity of using cheaper metals instead of gold. "But the hallmarking system will change the trend," a businessman said.

The company officials said it would cost Tk 250 to Tk 300 initially to test a piece of gold ornament, but the cost of testing will come down soon.

Despite huge demand for gold ornaments on the international market, the country fails to tap the opportunity due to absence of hallmark-

ing, the company officials said. In India, there are over 102 labs for analysing gold while Bangladesh had none.

In India, the hallmarking companies work under the supervision of Bureau of Indian Standards (BIS), while the counterpart organisation in Bangladesh, Standards and Testing Institution (BSTI), has no department or institution or laboratory for the purpose.

Khan said the initiative would impose some sort of discipline in the country's jewellery sector.

The hallmarking company has a total of 10 directors with Kazi Sirajul Islam, the owner of Amin Jewellers, and Ganga Charan Malakar, owner of Venus Jewellers, as its chairman and vice-chairman.

Testing of a precious metal to determine its purity is a global practice to protect consumers. In the US, all precious metals and ornaments are sold after having analysed by the US government to determine their purity.

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