

Stocks

DGEN ▲ 0.23%
2,544.66

CSCX ▲ 0.28%
5,131.33

Asian Markets

MUMBAI ▲ 5.51%
9229.75

TOKYO ▼ 1.00%
7,924.24

SINGAPORE Flat
1,643.68

SHANGHAI ▲ 1.84%
2,001.50

Currencies

	Buy Tk	Sell Tk
USD	68.40	69.40
EUR	85.29	89.91
GBP	99.28	104.25
JPY	0.73	0.77

SOURCE: STANDARD CHARTERED BANK

Commodities

Gold ▼
\$771.34
(per ounce)

Oil ▼
\$46.19
(per barrel)

SOURCE: AFP

(Midday Trade)

Contact Us

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

Uptick in remittance inflow

REJAUL KARIM BYRON

Remittance inflows have recorded a 34 percent rise in the first five months of the current fiscal year, which runs counter to the World Bank's gloomy forecast about the money to be remitted by Bangladeshi workers abroad.

From July to November, Bangladesh recorded \$3.75 billion in remittances, up from \$2.80 billion in the year-earlier period.

Remittance inflows increased to \$767 million in November, recording a rise from \$648 million a month ago. The remittances in November followed a usual upward curve, driven by the rising inflow of money ahead of the Eid-ul-Azha in December.

In October-November of the last fiscal year, the country recorded \$559 million and \$617 million respectively, according to the data provided by the central bank.

In a recent press briefing on "Global financial crisis and its likely impact on Bangladesh", the World Bank said the current fiscal-year remittances are likely to fall by 20 percentage points from fiscal 2007-08.

For the current fiscal year, the WB projected remittances at \$9.2 billion, which means 16.8 per-

cent growth. In the worst-case scenario, the figure will hover around \$8.9 billion with 12.4 percent growth.

Last year, the remittances were recorded at \$7.9 billion with a 32.4 percent rise from a year ago.

In the current fiscal year, an additional eight lakh migrant workers were projected to go abroad, but the figure may come down to two to three lakh in the worst-case scenario, according to a forecast by the WB.

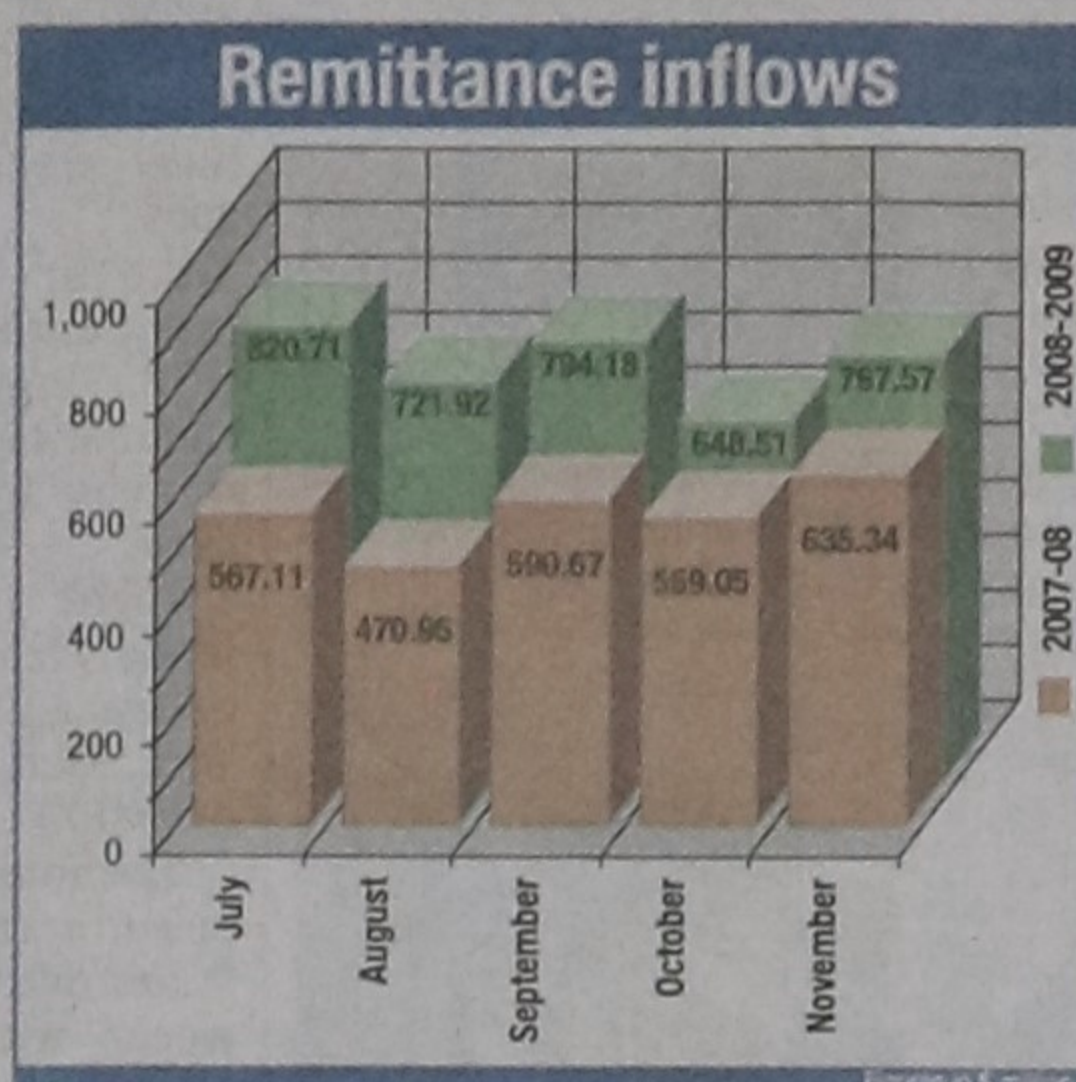
Officials with Bangladesh Bank said about 80 percent remittances of Bangladesh come from Middle Eastern countries.

"The remittance flow is still okay. There are no signs of an adverse impact of the global financial crisis on remittances," one of the officials said.

The BB official also said oil prices had dropped substantially in Middle Eastern countries, eroding their income. The remittance inflows show the negative impact of the falling oil prices is yet to be felt in their economies.

Exports also showed an upbeat trend. In the July-to-September period, exports showed 43.39 percent growth from the same period a year ago.

But the World Bank forecast that the export



growth might fall 4.3 percentage points this fiscal year.

According to the WB projection, exports will earn \$16 billion this fiscal year, with 13.1 percent growth from a year earlier. In the worst case, export

earnings may slow to \$15.7 billion with 11.6 percent growth.

In the last fiscal year, the exports were worth \$14.1 billion with 15.9 percent growth.

A Bangladesh Bank official said there might be a slight impact of the global crisis on Bangladesh's exports, import and remittance inflows. "But it won't be so serious," the official said.

Refuting the WB projection on ready-made exports, Anwar-Ul-Alam Chowdhury Parvez, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said the RMG export growth looks good.

"I believe Bangladesh's RMG exports will remain unhurt from fallout of the global financial turmoil," Parvez said.

Since the local currency appreciated to some extent against the currencies of some export destinations, the government should take immediate steps to ensure a competitive edge for exporters in the RMG business, Parvez said.

Abdul Alim, member of Bangladesh Association of International Recruiting Agencies, said the present financial crisis might have some effect on the remittance inflows, but the impact will not be "very deep".

GP seals \$60m pre-IPO deals

STAR BUSINESS REPORT

Grameenphone (GP) yesterday sealed its \$60 million worth pre-IPO deals with 50 institutional investors, aiming to start trading on secondary market by end-January.

The price of each GP share is expected to be Tk 7 after the cellphone major built price following a 'price discovery' procedure as the pre-IPO process completed Wednesday.

Market insiders said some high-net-worth individuals joined the race and invested through merchant banks.

Winners got GP shares at Tk 7.4 each through pre-IPO (initial public offering) or private placement, GP said in a statement yesterday.

A total of 326,441,000 shares have been allocated for local institutional investors and 23,310,900 shares for Grameen Bank borrowers and GP employees.

The face value of a share is Tk 1.

"Our pre-IPO subscription has been completed," a GP high official said, adding that the company is now getting ready for the debut of \$65 million IPO by end-January.

The official, however, said GP's planned IPO trading is subject to stock market regulator's approval. "We will submit the final IPO proposal to the SEC in a few days."

GP in July submitted its plan to raise \$300 million (Tk 2,058 crore) -- \$150 million from the stock market and the rest through private placement or pre-IPO. However the company in October said it cut its planned IPO to \$125 million.

Govt to target sector in crisis battle: Aziz

STAR BUSINESS REPORT

The government has planned to address the possible impact of global financial crisis on sectoral basis instead of taking any macro level measures.

"I have asked the committee relating to such crisis to keep any impact under watch and look at how the government can best address the issue on sector basis," Finance Adviser AB Mirza Azizul Islam told a discussion yesterday.

"We should be selective in addressing problems of a specific sector rather than taking any macro measure," he added.

The discussion was organised at the Bangladesh Enterprise Institute (BEI) in the capital, marking the presentation of IMF's November outlook on Asia and the Pacific region.

International Monetary Fund Resident

Representative Jonathan C Dunn presented the outlook report, while BEI President Farooq Sobhan delivered his address of welcome.

According to the outlook, US, the world's largest economy has been in recession since December 2007 and the retail shares have declined by 26 percent there this year compared to the previous year.

It predicts that the Asian economic powers such as Japan, China and Korea would be affected badly by the ongoing crisis.

Dunn warned that the global recession that sparked a sell-off in the markets worldwide could affect Bangladesh because of its dependence on a few export destinations, particularly the US and Europe.

The finance adviser said Bangladesh's integration with the global economy is still limited and it won't be a part of the Asian gloomy picture pre-

sented in the IMF forecast.

He, however, said: "There is neither anything to be complacent, nor alarmed."

The technical committee formed to identify what could be the nature of the impacts of the ongoing crisis will recommend corrective measures.

Ruling out any macro remedial measures, Mirza Aziz said the monetary policy is already a quite accommodative one and there is no scope for further expansion.

He also listed some fiscal stimulus packages that the government offered, which includes social safety net and employment scheme.

"So, we have to look at specific sectors how we can best support it," he added.

Replying to a query, the adviser said there is no scope for the government to buy oil in advance. "We buy oil often in credit," he added.

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ICB FINANCIAL GROUP HOLDINGS AG
AWARDED THE BANKER "BANK OF THE YEAR" AWARDS 2008
FOR THREE OF ITS BANKS
IN ALBANIA, DJIBOUTI AND REPUBLIC OF GUINEA

CB Financial Group Holdings AG ("the ICB Banking Group"), listed on the London Stock Exchange - AIM Board adds 2 more country banks to its winners roll of **The Banker- Bank of the Year Awards 2008** when International Commercial Bank Sh.A. Albania ("ICB Albania") and International Commercial Bank (Djibouti) S.A. ("ICB Djibouti") joined five consecutive year's winner International Commercial Bank S.A., Republic of Guinea ("ICB Guinea") on the winners podium at **The Banker- Bank of the Year Awards 2008** awards ceremony held on 26 November 2008 at the Dorchester Hotel on Park Lane in London.

The ICB Banking Group is a banking group that has established itself in thirteen countries and focuses on serving the commercial banking needs of newly emerging economies in Europe, Africa and Asia.

The Banker- Bank of the Year Awards 2008 reflect the best overall performance by financial institutions in countries across the globe. The awards assess not only the latest results and performance data of the banks but also take into account the use of technology, innovation and major strategic developments that impact on the banks' long-term prospects and market positioning. **Bank of the Year Awards 2008** acknowledges both the quantitative and qualitative achievements of the banks and represents its assessment of the best banks in over 100 countries.

ICB Albania commenced operations in Tirana in 1997 and has 6 branches. It has been selected from amongst 17 banks in Albania this year following a commendable financial performance in 2007 with growth of 36.65% in total assets and 526.57% increase in net profits. The improved shareholder return from the previous year of 1.81 % was

attributable to the progressive human resources development policies which provided the essential impetus for overall growth of the staff, enabling them to provide customer relationship services that delighted their customers.

Continuous and dynamic staff training has reduced the Turn Around Time (TAT) for credit delivery especially retail loans. ICB Albania has enhanced its focused customer services to high value customers which resulted in mobilization of bulk deposits from institutional and corporate clients hence total deposits grew by more than 41%. Furthermore non-performing loan ratio reduced markedly to 5.03% from a previous year high of 12.53%; satisfied and confident customers in turn introduced other customers to the bank.

Explaining its maiden trip to the winners podium, its Chief Executive Officer, Mr. Mahendra Singh Rawat said "ICB Albania faced many challenges since its commencement of operations in 1997; in March the entire financial sector including the banking industry had to close down due to the Pyramid Scheme crisis amidst bullets and gunfire; in 1998 there was civil unrest and these resulted in heavy losses and most of the banks operating today came into business post financial and political crisis. Our principal shareholder Tun Daim Zainuddin persevered and those on the ground followed suit. **The Banker- Bank of the Year Awards 2008** speaks

for our tenacity, perseverance and commitment".

ICB Djibouti commenced operations in Djibouti City in 2006 and presently has two branches. **The Banker- Bank of the Year Awards 2008** is its first on the back of a phenomenal asset growth of 230% and a net profit of 101%.

ICB Djibouti recognized early the need for credit against a backdrop of rapid development in the republic and launched an aggressive credit policy of bulk lending to commercial agencies to support infrastructure development which included telecommunications, power generation, communications (radio and television) and housing and concurrently aggressively pursued deposits. The cumulative effect was that its loan deposit ratio was 86% compared to the industry average of less than 39%. Prudent risk management is deeply entrenched thus ICB Djibouti's non-performing loans remains less than 1% and it broke even within twelve months of commencement of operations.

ICB Guinea which commenced operations in 1996 continued to post good performance with a substantial growth of approximately 30% in shareholders fund. Its assets grew by 34.17 %; it recorded a return on equity of more than 32%; a cost to income ratio of 49.92% and non-performing loan ratio of 5.02% despite two months of shutdown due to the strikes in

the city and increased costs of operations due to inflation.

Major business segments that contributed to sustained good performance included the public sector services, structured commodity financing, developmental projects financing and exports financing. Interest income registered an impressive growth of 135% and fee-based income grew by 22%; deposits grew by 16% and the loan portfolio leaped by 157% positively impacting the credit deposit ratio to 30% compared to 13% the previous year.

The Banker- Bank of the Year Awards 2008 is the fifth consecutive award for ICB Guinea and the Chief Executive Officer, Mr. Seshagiri Rao S.N. attributed this to "our professional approach and dedicated team; committed to achieve excellence in all areas of banking. Year on year qualitative progress reflects our competence; we are confident of maintaining our consistent performance". He further quipped, "with 5 consecutive awards, to us it is tantamount to a lifetime achievement award; we will not be resting on our laurels though".

The three ICB Banking Group's **The Banker- Bank of the Year Awards 2008** winners are members of the ICB Banking Group whose countries presence include Albania, Djibouti, Republic of Guinea, Ghana, The Gambia, Tanzania, Mozambique, Sierra Leone, Senegal, Malawi, Indonesia, Bangladesh and Laos.

The holding company of the ICB Banking Group is ICB Financial Group Holdings AG which is listed on the London Stock Exchange - AIM Board. ICB Banking Group Chairman, Mr. Michael Hanlon was accompanied by Mr. George Koshy, Head of Banking; and Mr. Rene Fritsch, Group Director, to the Dorchester Hotel in London to receive the awards.

The Global Management Office of the **ICB Banking Group** is based in Kuala Lumpur, Malaysia. Mr. Harith Harun, the Group's Chief Executive Officer commented, "for the world, 2008 will be remembered in the years to come as one of the most difficult periods faced by the banking community. For us at the ICB Banking Group, it will be remembered for its three The Banker Bank of the Year 2008 Awards. These awards serve to drive home our basic banking philosophy of strong management and prudent risk approach. There is no substitute for these. These awards come at an opportune time when our customers, strategic partners and the employees will be looking for a positive show of continuing strength from our banks; there is no better testament than **The Banker- Bank of the Year Awards 2008**.

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