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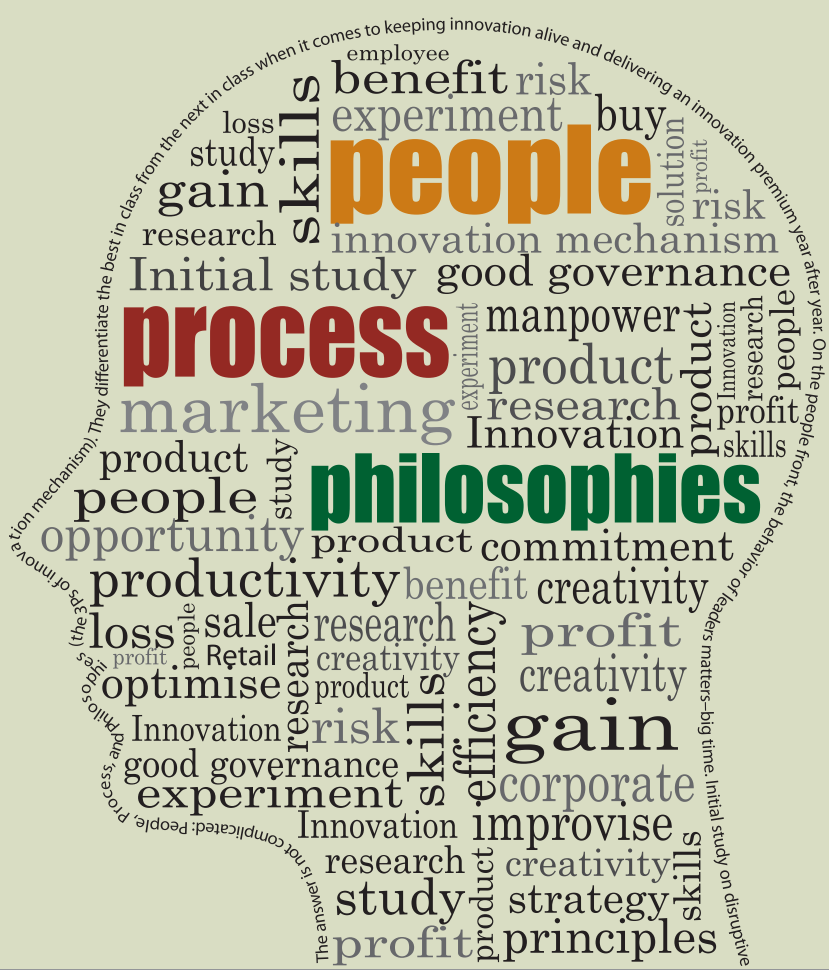
The World's Most Innovative Companies 2012



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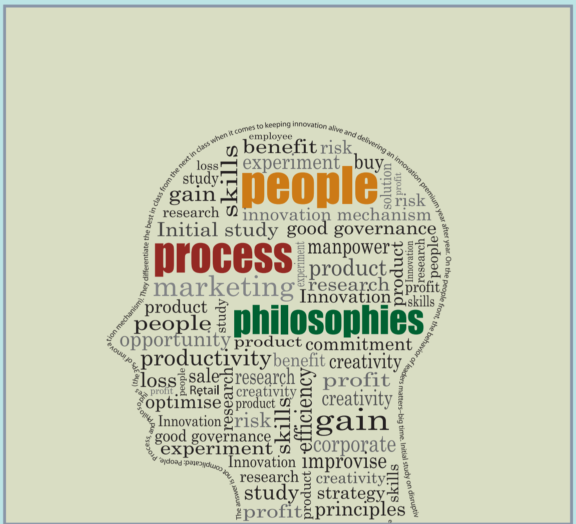

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The World's Most Innovative Companies 2012

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The World's Most Innovative Companies 2012

Why are some companies able to create and sustain a high innovation premium while others don't?

The answer is not complicated: People, Process, and Philosophies (the 3Ps of innovation mechanism). They differentiate the best in class from the next in class when it comes to keeping innovation alive and delivering an innovation premium year after year.

On the people front, the behavior of leaders matters—big time. Initial study on disruptive innovators published by Jeff Dyer, Hal Gregersen & Clayton Christensen in The Innovator's DNA, they found five "discovery skills" that distinguished innovators from non-innovators.

1. Innovators ask provocative questions that challenge the status quo.
2. They observe the world like anthropologists to detect new ways of doing things.
3. They network with people who don't look or think like them to gain radically different perspectives.
4. They experiment to relentlessly test new ideas and try out new experiences.
5. Finally, these behaviours trigger new associations which allow them to connect the unconnected, thereby producing disruptive ideas.

As part of research conduct by the team (Jeff Dyer, Hal Gregersen & Clayton Christensen), they developed an assessment to determine how much individuals engage these skills. They found that top management teams' innovation skills make a serious difference. In fact, leaders of high innovation premium companies scored at the 88th percentile on our assessment of the five skills of disruptive innovators. By comparison, CEOs of average companies scored at only the 62nd percentile. Put differently, innovative leaders spent approximately 31 percent of their time actively engaged in innovation-centered activities compared to only 15 percent by leaders of less innovative companies. Doubling the time a senior leader personally invests in getting new ideas usually delivers significant returns.

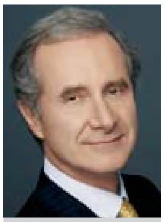
Lessons From Leaders

For example, **Fabrizio Freda**, CEO of Estée Lauder (# 23 this year; #44 last year in innovation ranking) excels at challenging the status quo by "playing the outsider". He learned this lesson early in his career, as he moved from Procter & Gamble to Gucci and back to P&G again.

"The experience outside [P&G] gave me a lot more authority in challenging the status quo," says Freda, "I stayed the challenger forever." The trilingual (Italian, French, English) executive has lived throughout Italy — Naples, Rome and Florence — and in Germany,

The World's Most Innovative Companies

Rank	Company	Country	Industry	12-Month Sales Growth (%)	5-Year Annualized Total Return (%)	Innovation Premium* (%)
01	SALESFORCE.COM	USA	Application Software	37.7	29.7	73.0
02	ALEXION PHARMACEUTICALS	USA	Biotechnology	46.5	47.6	72.3
03	AMAZON.COM	USA	Internet Retail	34.9	26.3	58.3
04	RED HAT	USA	Systems Software	22.6	23.9	58.1
05	BAIDU	CHN	Internet Software & Services	73.9	50.0	57.6
06	INTUITIVE SURGICAL	USA	Healthcare Equipment	27.6	20.8	54.0
07	RAKUTEN	JPN	Internet Retail	18.3	25.8	51.5
08	EDWARDS LIFESCIENCES	USA	Healthcare Equipment	13.1	33.7	46.9
09	LARSEN & TOUBRO	IND	Construction & Engineering	19.0	-0.5	46.1
10	ARM HOLDINGS	GBR	Semiconductors	16.9	27.3	45.4



Fabrizio Freda

Switzerland and Belgium. During his time at Gucci, Freda oversaw international marketing and strategic planning. While at P&G, he worked in many divisions including cough and cold, laundry, health and beauty, and most recently, as president of global snacks. Freda is the quintessential observer—and as he observes he both watches and listens. After arriving at Estée Lauder, he spent six months on a "listening tour", zigzagging across Lauder's worldwide operations in 140 countries. "I strongly believe in the power of listening," says Freda. Listening, he says, helps him connect the dots. "The way my thinking and creativity goes is listening, connecting and creating."

S.D. Shibulal, co-founder and CEO of Infosys (#19 this year; #15 last) is both observer and experimenter. In his 30 years at Infosys, Shibulal says, "There is nothing that I have not done." He was the first sales person, has done account management, launched its internet consulting practice, is a network expert, helped design and launch its first ecommerce application, and has been the head of both delivery and sales. To get a new perspective, Shibulal took a five-year sabbatical to work for another firm, Sun Microsystems. He's also known as an experimenter and "gadget freak". Shibulal has always been fascinated with taking things apart and putting them back together. When he buys the latest device, he never uses it as it is. He examines it, takes it apart and refits it to his needs, turning fad into art. Before PDAs were popular, he had assembled his own version with different parts from a RadioShack store. That's why at Infosys, where geeks are a dime a dozen, he is revered as a "gizmo guru".

The Process of Innovation

The successful leaders not only personally understand how innovation happens but they try to imprint their behaviors as processes within their organization.

Jeff Bezos (Amazon, #3) looks to surround himself with people at Amazon who are inventive. He asks all job candidates: "Tell me about something that you have invented. Their invention could be on a small scale – say, a new product feature or a process that improves the customer experience, or even a new way to load the dishwasher. But I want to know that they will try new things."

Jeff Bezos

When the CEO asks all job candidates whether they've ever invented anything, it sends a powerful signal that invention is expected, and valued. Bezos is also a great experimenter (with multiple patents to his name) and claims that, "I encourage our employees to go down blind alleys and experiment. In fact, we have a group called Web Lab that is charged with constantly experimenting with the user interface on the website to figure out improvements for the customer experience." The point is that leaders like Benioff [of salesforce.com] and Bezos don't just do it themselves, they think about replicating themselves and their behaviors throughout their organizations.

In contrast, there are many innovators who don't seem to care about coaching or building innovation skills in others. They are good at creative problem solving so why delegate it to others who aren't as good at it? This can be a huge barrier to building an organization with true innovation capability. So having innovative leaders is necessary but not sufficient for sustaining an innovation premium.

Apple's performance under Steve Jobs, versus other leaders, powerfully illustrates the importance of innovative leadership. From 1980-1985 during Job's initial tenure at Apple, the company's innovation premium averaged 37 percent. Without Jobs, Apple's premium dropped far below zero (an "Innovation Discount") from 1985-1998. But with Job's back at the helm Apple's innovation premium eventually jumped to 50 percent. Job's impact is undeniable. But what will happen now? Did Jobs sufficiently build innovation capability throughout Apple? Does Apple have sufficient innovation skills within the top management team and processes that encourage and support folks as they try to "think different" like Steve Jobs?

What we do know is that if the leaders of a company don't "get" innovation, the organization doesn't stand a chance. The bottom line is that leaders of innovative companies consciously set the example by modeling innovation behaviors—and imprinting those behaviors within their organization as processes. Their personal actions help to make innovation matter to others.

Ten Ways to Inhibit Innovation

Every company is looking for the magic formula that will produce breakthrough products and services. But a better starting point is to think about what gets in the way of innovation, especially in firms that already have lots of talented, creative, and motivated people. In other words, by identifying and removing barriers, it might be possible to accelerate innovation simply by leveraging the capability that's already there.

In that spirit, here are ten common inhibitors that can dampen an organization's ability to innovate effectively. For each one, think about the extent to which it applies to your firm (never? sometimes? often?):

1. Our focus on short-term results drives out ideas that take longer to mature.
2. Fear of cannibalizing current business prevents investment in new areas.
3. Most of our resources are devoted to day-to-day business so that few remain for innovative prospects.
4. Innovation is someone else's job and not part of everyone's responsibilities.
5. Our efficiency focus eliminates free time for fresh thinking.
6. We do not have a standard process to nurture the development of new ideas.
7. Incentives are geared towards maximizing today's business and reducing risk.
8. Managers are not trained to be innovation leaders.
9. Managers immediately look for flaws in new ideas rather than tease out their potential.
10. We look at opportunities through internal lenses rather than starting with customers' needs and problems.

After you've thought about these questions individually, bring together your team to discuss your answers. You also might want to send the questions to a wider group and see how they respond. The key is to use this list of inhibitors (and any others you might want to add) as a springboard for dialogue about your company's innovation practices and culture.

- Ron Ashkenas

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FINANCE AND ECONOMY

ECONOMY MOST BALANCED IN SOUTH ASIA: BB

Governor of Bangladesh Bank Dr. Atiur Rahman said micro-credit is a new market for the commercial banks of the country through which they can reach the ultra poor and contribute to alleviate poverty. Claiming the economy of the country as the most balanced economy in South Asia he said there are some pessimistic people who like to spread doubts about the economy and inflation in the country though there is no visible economic risk. He requested those pessimistic people not to fuel the inflation with baseless doubts.

He said the inflation decreased about 0.8 percent in last month and the foreign exchange reserve remained quite stable around 10 billion USD despite the increase of import cost due to the price hike of fuel.

Micro-credit Regulatory Authority (MRA) has already given 643 organizations to operate micro-lending programmers across Bangladesh; Dr. Atiur said, adding, the commercial banks can provide funds at low interest rates as the cost of wholesale financing will be less than that of retail financing.

He observed this while addressing as the chief guest at a view exchange meeting and training workshop on micro-credit held at the LGED Auditorium here in the port city. MRA has organized the day long view exchange meeting and training workshop.

Chaired by Khandaker Mazharul Hoque, executive vice chairman of MRA, the meeting was addressed by Prof. Hannana Begum, director of BB Governing Body, Mohammad Masum Kamal Bhuiyan, general manager of BB Chittagong office, Delwar Hossain Bhuiyan, deputy managing director of Sonali Bank, Abdur Rahman Sarker, Dr. Mosleh Uddin Chowdhury, chief executive of YPSA Arifur Rahman, Monwara Begum and Arun Kanti Chakma, among others. The Governor said the micro-credit sector has already accumulated a deposit of Taka 30 thousand crore.

Dwelling on inflation he said, "With the conservative and innovative monetary policy the government has managed to bring the inflation rate into the single digit and the average inflation is likely to decrease more in future despite worldwide recession".

The remittance inflow also increased and by the end of this fiscal year it is likely to reach a high of 13 billion USD but the export growth has decreased this year, he added.

The soft loan to the farmers of Hill Tracts with a 4 percent interest rate has helped keeping the prices of ginger, garlic and onion stable round the year, Dr. Atiur said. He urged the commercial banks to invest more in the agro based industry and micro-credit to strengthen the country's economy. (June 10, 2012, The Independent)

CONVENTIONAL BANKING BASED ON 'FRAGILE STRUCTURE': DR. ATIUR

Bangladesh Bank (BB) Governor Dr. Atiur Rahman viewed the conventional banking as based on 'fragile structure' and hence, the world now rethinks of the Islamic banking in many cases.

"Even many non-Muslim countries are making the use of Islamic banking products such as 'SUKUK' in collecting fund from the market," he said.

Dr. Atiur Rahman came up with this view while inaugurating the transactions at Islamic Inter-banks Fund Market (IIFM) at Bangladesh Bank in Dhaka.

He said Islamic banking has seen rapid expansion in Bangladesh.

"Islamic banking system in Bangladesh currently covers 18.42 percent of total deposit and 21 percent of total asset in terms of loans and advances."

The Islamic banks of the country have around 37.81 percent of total net inter-bank deposit, he said, adding that they also collected BDT 30 billion investment money from Islamic Bond Fund. As the trades and businesses of Islamic banking have got expanded, BB governor emphasised the need to create inter-banking facilities for a stronger liquidity management in the Islamic banks.

BB Deputy Governor Abu Hena Md Razee Hasan presided over the function while Deputy Governor SK Sur Chowdhury and Managing Directors and CEOs of different Islamic Banks, among others, were also present. (June 4, 2012, The Daily Sun)

BANGLADESH COMMITTED TO GREEN GROWTH: DR. ATIUR

Bangladesh is committed to more inclusive green growth despite being the victim of climate change and climate change-related high carbon growth in the developed world, Atiur Rahman, governor of Bangladesh Bank, said.

Dr. Atiur spoke as a panel speaker at an event on 'Building Inclusive Green Economies: A New Development Partnership' on the sidelines of the United Nations Conference on Sustainable Development (Rio+20 Summit) in Brazil.

The Federal Ministry for Economic Cooperation and Development, Germany arranged the event.

The central bank chief urged the leaders of the developed world, including the ministers present at the event, to come up with creative options for more meaningful international cooperation and transfer of resources and technologies for inclusive green growth.

Dr. Atiur said Bangladesh has been successful in halving poverty over the past two decades and enhancing social development despite being on the receiving end of the climate change-related vulnerabilities.

He highlighted the complementary role of the central bank of Bangladesh in improving financial inclusion which has been providing necessary access to finance for the disadvantaged small entrepreneurs and marginal farmers.

Dr. Atiur also said Bangladesh is committed to pursuing low-carbon green development without compromising the imperative of faster economic growth and social development.

"Development strategies of the Bangladesh government laid down in the Perspective Plan and the Sixth Five Year Plan declare clear commitment to pursuing sustainable growth," he said.

The country's vulnerability to floods, cyclones and inundation of large coastal areas from global warming driven sea-level rise makes sustainability a prime development concern.

Dr. Atiur appreciated the Rio+20 final document for reflecting the core aspiration of the people of the developing and least developed countries particularly as the place for inclusive green growth for poverty eradication. But he was not fully satisfied with the means of implementation as no firm commitment has been made for the transfer of resources and technologies for poorer countries.

World Resources Institute Interim President Manish Bapna moderated the event. (June 24, 2012, The Daily Star)

GUIDELINE SOON TO PROTECT LOW-INCOME DEPOSITORS

Bangladesh Bank (BB) is finalizing a guideline to protect the interest of low-income depositors in maintaining their bank accounts. The guideline is likely to be issued by August. According to the guideline, students, pensioners and other low-income people would be allowed to open and maintain bank accounts with a minimum amount of Taka 100, almost similar to the accounts that many banks are now offering to farmers after a central bank's directive. — BSS (June 20, 2012, The Financial Express)

BANKS IN A TIGHT CORNER

Managements and boards struggle to comply with loan rescheduling and minimum shareholding rules Banks and their directors are grappling to comply with two regulatory decisions.

The central bank has recently tightened loan rescheduling and provisioning rules, while the stock market regulator has won a High Court backing to force directors to hold 2 percent shares individually.

These two directives have put both the managements and boards of the banks in a difficult situation.

Against this backdrop, Association of Bankers Bangladesh (ABB) — a platform of banks' managing directors — and Bangladesh Association of Banks (BAB) — a forum of directors — at two separate meetings urged the regulators to be accommodative in implementing the new rules.

"We welcome all sorts of monitoring and discipline regarding loans, but these have to be accommodative and supportive to all stakeholders," Helal Ahmed Chowdhury, managing director of Pubali Bank and vice chairman of ABB, told The Daily Star after the meeting.

The Bangladesh Bank (BB) issued a circular to the banks on June 14, asking them to make a continuous loan classification for non-repayment within three months instead of six months and limit rescheduling scopes within three times.

Bankers said many borrowers might become defaulters unintentionally because of the new decision.

They also said the present liquidity position amid external and internal economic slowdown is not appropriate to tighten the terms and conditions of commercial banks' loan agreements.

On the other hand, with the High Court's judgement on upholding the Securities and Exchange Commission's (SEC) power to impose the section 2CC of SEC ordinance, it has been made mandatory for directors of listed companies to hold 2 percent shares individually.

Directors had filed writ petitions with the High Court challenging the section 2CC of the SEC ordinance, but these were rejected last week.

The BAB's problem seems to be more critical as many directors will lose their directorship for not being able to hold 2 percent shares in line with the SEC decision. The BAB has decided to request the stock to give them a waiver in holding shares as banks' capital base is much higher than others. (June 25, 2012, The Daily Star)

JATIYA SANGSAD PASSES BDT 1.91t BUDGET FOR FY '13

The parliament unanimously passed the Appropriation Bill-2012, giving the authority to the government to spend up to BDT 2.83 trillion from Consolidated Fund in fiscal year (FY) 2012-2013, for meeting its development and non-development expenditures.

Finance Minister Abul Maal Abdul Muhith placed the bill before the Jatiya Sangsad (JS) for its approval. Earlier, the JS passed the Finance Bill-2012, with some changes as proposed by the Finance Minister to the original one that was placed before the House at the time of the presentation of the budget for fiscal 2012-13 on June 07 last.

With the passage of both the Appropriation Bill-2012 and the Finance Bill-2012, the national budget of BDT 1.91 trillion for fiscal 2012-2013 got the approval of the JS on the day, two days before the current financial year that will conclude.

The members of parliament from the main opposition party were absent in the House during the budget session this year.

Under the appropriations approved on the day by the JS for fiscal 2012-13, the defense ministry got the highest allocation at BDT 128.89 billion followed by the local government division at BDT 124.36 billion and the education ministry at BDT 115.99 billion.

Food ministry got BDT 101.46 billion, Primary Education BDT 98.32 billion, Health and Family Welfare Ministry BDT 93.55 billion, Agriculture Ministry BDT 89.17 billion, Home Ministry BDT 84.78 billion, Power Division BDT 78.95 billion, Public Administration BDT 10.68 billion, Rural Development and Cooperative Division BDT 11.13 billion, Roads BDT 42.47 billion and Railway BDT 49.91 billion.

Water Resources got BDT 28.92 billion, Industries Ministry BDT 18.44 billion, Housing and Public Works BDT 16.61 billion, Planning 16.22 billion, Bridge Division BDT 11.51 billion, Shipping Ministry BDT 9.74 billion, Youth and Sports BDT 6.88 billion, Information Ministry BDT 4.58 billion, Expatriates Welfare and Overseas Employment BDT 2.99 billion, Commerce Ministry BDT 1.94 billion and Internal Resources Division BDT 11.83 billion.

Under the Finance Bill 2012, the tax-exempted level of income at the individual level has been raised to BDT 200,000 from the existing BDT. 180,000.

The budget deficit for fiscal 2012-13 is projected at 5.0 percent of the GDP (gross domestic product) and the deficit will be financed largely through domestic borrowing (BDT.334.84 billion including BDT.230 billion from the country's banking system and BDT. 104.84 billion from non-bank sources). The net foreign borrowing for FY'13 has been estimated at BDT. 125.40 billion.

The country's GDP growth rate has been projected at 7.2 percent for the fiscal 2012-13. The rate of inflation, according to a forecast made in the budget, will be kept limited within 7.5 percent in fiscal 2012-13. (June 29, 2012, The Financial Express)

WB's Budget Assessment

7.2pc GROWTH ACHIEVABLE IF ENERGY CRISIS IS RESOLVED, INFRASTRUCTURE IMPROVED

The World Bank (WB) said the government's growth target for the fiscal year (FY), 2012-13, at 7.2 percent is achievable if the energy supply-related problems can be overcome and road infrastructure, be improved.

"This is a daunting task but attaining growth of 7.0 percent or above might be possible. For this, Bangladesh needs two things —

fuel [gas and power] and road improvement," Dr. Zahid Hussain, senior economist of the WB's Dhaka office told the reporters at a media briefing on fiscal 2013 budget assessment.

WB lead economist Sanjay Kathuria and senior economist Dr. Zahid Hussain jointly presented the Bank's assessment of the proposed budget for fiscal 2013.

Sanjay Kathuria said attaining the target will be challenging for both domestic and external problems.

He said the country's 6.3 percent GDP (gross domestic product) growth rate in the outgoing fiscal year is impressive, in the view of the prevailing crisis in Europe and other economies.

He said slowed-down private investment provides a disconcerting signal about sustainability of growth, reinforcing the need for reforms in areas of energy, land, infrastructure and costs of doing business.

WB senior economist Mr. Zahid said the Bank has reviewed its earlier assessment of the projected growth scenario for the south Asian nations including Bangladesh.

He said the global economic situation will rebound from the second half of the current calendar year, following the G-20 and G-7 meetings on possible way-out of the headwinds.

"Our last week's growth projection for Bangladesh is 6.4 percent," Mr. Hossain noted.

The Bangladesh economy has been growing by more than 6.0 percent since 2004. But the steady economic growth, propelled by garment exports to the Europe and the USA, has raised concerns among policy makers about the outlook for growth in the context of the economic problems in those countries.

About subsidies, Mr. Hussain observed that the amount of subsidies in the proposed budget for fiscal 2013 'remain large', being "equivalent to 1.5 times the total education budget and 3.5 times the health budget" "Is this right social priority?" he asked.

Mr. Kathuria said the aggregate size of the budget for fiscal 2013 has expanded because expenditure/GDP ratio is projected to rise 18.4 percent in the forthcoming fiscal.

He said in their analysis, they found bottom-20 percent of the society only get 12 percent benefit of the subsidy in power sector. "You will be surprised to know that the middle and higher income groups derive the maximum benefits — about 52 percent of power sector subsidies.

Mr. Hussain said there is need for ensuring transparent operations of the state-owned power entities like Power Development Board and Bangladesh Petroleum Corporation.

"They are receiving enormous subsidies, so their financial statements should be transparent," he observed. (June 21, 2012, The Financial Express)

FOOD IMPORT DIPS BY HALF, GOVT SAVES USD 1b ON BILLS

A Bumper Output of Rice Has Eased Pressure on Import.

Food grain imports have fallen by 56 percent in the current fiscal year, cutting the country's import bills by USD 1 billion, thanks to a rise in production of rice at home.

Rice and wheat imports slumped to 2.24 million tonnes between July and mid-June of the outgoing fiscal year, from 5.15 million tonnes in the July-June period a year ago, according to food ministry data.

During July to June 9 of the outgoing fiscal year, import payments for rice and wheat fell by USD 1.02 billion or 55 percent from USD 1.87 billion during the same period a year ago, according to Bangladesh Bank data.

The drastic fall in imports provides much relief to the policymakers at a time when export growth slows but the pressure on the balance of payments remains high due mainly to import of fuel to generate electricity through 'quick rental' power plants.

"The dip in food imports has helped curb a further depreciation of the taka," said economist Mahabub Hossain, attributing the reduced import to a rising rice output.

The government has cut its target for importing food grains by 15.4 percent to 1.1 million tonnes for the next fiscal year. Of the amount, wheat and rice import has been planned at 0.8 million tonnes and 0.3 million tonnes respectively, according to budget documents.

Till mid-June of the outgoing fiscal year, the government's imports fell by 52 percent to 1.01 million tonnes from 2.12 million tonnes the same period a year ago.

However, imports of wheat by the private sector may rise the next fiscal year, said Abul Bashar Chowdhury, chairman of BSM Group, a Chittagong-based commodity importer.

Including the government's planned wheat import, the total imports of the grain may rise to 2.3 million tonnes the next fiscal year from nearly 1.9 million in the outgoing year, said Chowdhury. (June 28, 2012, The Daily Star)

BD-INDIA JOIN TO BOOST BORDER TRADE

Senior officials of Bangladesh and India did a 5-day joint study to examine facilities and infrastructure along the border and suggest measures to boost cross-border trade.

Foreign Trade Director (South Asian, SAARC countries and Iran) Indira Murthy, who is leading the 5-memberIndian team, said, "We will study the available facilities and infrastructure, and what more is needed to boost India-Bangladesh trade and business."

"Under the ASIDE (Assistance to States for Development of Export Infrastructure and Allied Activities) scheme, LCS (land customs stations) and other infrastructure can be developed to accelerate cross-border trade and business," he added.

Ten senior officials from the external affairs and commerce ministries and customs department of the two countries will examine infrastructure along both sides of the border till June13 before holding a meeting with Tripura officials and ministers.

Senior commerce ministry official Shyam said: "The government is keen to step up trade and business with India, especially with the northeastern states. To support the trade and business, the Bangladesh government is ready to improve its existing infrastructure along the border with India."

The officials of India and Bangladesh would soon conduct similar studies along the international borders with Assam, Meghalaya and Mizoram.

India's High Commissioner to Bangladesh Pankaj Saran had earlier this week made a four-day tour of Meghalaya and Tripura to study the border projects agreed between India and Bangladesh.

The Tripura government had last year sent proposals to the central government for setting up seven border haats (markets). But New Delhi and Dhaka have approved four such border markets after mutual consultation.

The haats would be set up in Raghna and Kamalpur in northern Tripura, Kasba in western Tripura and Srinagarin southern Tripura. A border haat is already functioning along the India-Bangladesh border in Meghalaya since last year. (June 10, 2012, The New Nation)

OVERALL REMITTANCE MAY REACH USD 13b BY FISCAL-END

The country's overall inward remittance may reach about USD 13 billion by the end of this fiscal year (2011-12), following the central bank's various moves to increase its flow.

"We expect that the inflow of remittance may touch USD 12.82 billion by the end of June," a senior official of the Bangladesh Bank (BB) told the FE.

The central banker estimated the figure on the basis of remittance flow during the last 11 months that registered 10.94 percent increase over the corresponding period of the previous fiscal.

The country received USD 11.772 billion during the July-May of this fiscal year (FY), against USD 10.611 billion in the corresponding period of the FY11.

"The steady growth of inward remittance continues in June also, following stable exchange rate of the BDT against the US dollar," another BB official said.

Bangladesh received a total of USD 12.54 billion remittance until the third week of this June, he said, adding that some USD 280 million more is expected be added by the June-end.

"We're working continuously to increase the remittance inflow from across the world," another BB official said.

The central bank has, so far, given approval to establish around 60 exchange houses and set up 900 drawing arrangements abroad to expedite the inward remittance flow.

"Seventeen commercial banks have already started operation of their 24 exchange houses in different parts of the world, including the United Kingdom, Canada, Singapore, Malaysia, Italy, Oman and the United States," the central banker said.

He also said a leading private commercial bank (PCB) has already set up its exchange house in the Maldives, while another leading PCB is going to start operation of its exchange house in South Africa.

The BB earlier took a series of measures to encourage expatriate Bangladeshis to send their hard-earned money through formal banking channel instead of the illegal 'hundi' system to boost the country's foreign exchange reserve.

Currently, some PCBs along with the state-owned commercial banks are trying hard to channel remittance from the Middle East, the UK, Malaysia, Singapore, Italy and the US to Bangladesh.

"We're working continuously to increase the remittance inflow through official channels to meet our internal foreign exchange demand," a senior official of a commercial bank said.

He also said some banks are trying to set up their own exchange houses, or making arrangements with overseas companies throughout the world.

The country's foreign exchange reserve stood at USD 10.06 billion, mainly due to the higher remittance inflow.

"The higher remittance flow has helped to improve the forex reserve situation," the central banker said, adding that the trend will continue until the end of this month. (June 26, 2012, The Financial Express)

BANGLADESH RECEIVES HIGHEST FDI IN 2011

The country received foreign direct investment (FDI) worth USD 1.13 billion (USD 1136.38 million) in 2011, the highest in its history, showing a 24.42 percent rise compared to the FDI received in 2010.

"The FDI will exceed USD 1.5 billion this year," chairman of the Board of Investment (BoI) Dr. SA Samad told UNB over phone.

Replying to a question, Dr. Samad said simplification of investment procedures and reducing the cost of doing business are the two basic reasons behind the increased FDI inflow into the country.

The actual FDI inflow was USD 913.32 million in 2010 against USD 1136.38 million received in 2011, according to the BoI officials.

The FDI inflows mostly comprise fresh equity amounting to USD 431.85 million while USD 489.63 million came from reinvested earnings.

The major sectors that attracted FDI include textile (USD 272.04 million), banking (USD 249.37 million), power, gas and petroleum (USD 238.21), telecommunications (USD 180.99) million and cement (USD 51.65 million).

The countries that invested substantially in 2011 includes Egypt (USD 152.30 million), the USA (USD 117.74 million), the Netherlands (USD 116.75), the UK (USD 116.32 million), South Korea (USD 113.06 million), Hong Kong (104.84 million), Japan (USD 46.55 million), Sri Lanka (USD 31.58 million), India (USD 25.74 million) and Norway (USD 24.26 million). (June 22, 2012, The Financial Express)

BB Circulars/Circular Letters

Publish Date	Name of Department	Reference	Title
5-Jun-12	Accounts & Budgeting Department	ABD Circular No. 02	Opening of New Account in the General Ledger of Bangladesh Bank
12-Jun-12	Foreign Exchange Policy Department	FEPD Circular Letter No. 07	Regarding postponement of SRO no. 279-Law/2011, dated 06/09/2011 on import of salt and providing LC information on daily basis
13-Jun-12	Foreign Exchange Policy Department	FEPD Circular Letter No. 08	Regarding Public Notification of CCI&E on freely importable eggs and hatching eggs of ducks-hens and birds till 30/06/2012
14-Jun-12	Banking Regulation and Policy Department	BRPD Circular No. 08	Master circular on Loan Rescheduling
14-Jun-12	Department of Off-Site Supervision	DOS Circular Letter No. 06	"To keep the main branches of all Government and Private scheduled banks of all districts open on 30/06/2012 for the convenience of the tax-payers in paying tax"
17-Jun-12	Department of Financial Institutions and Markets	DFIM Circular Letter No. 06	Policy related to responsibility & accountability of Board of Directors, Chairman, CEO/MD of Financial Institutions
17-Jun-12	Foreign Exchange Policy Department	"FEPD Circular Letter No. FEPD (FEMP) /01/2012-10"	BB Rules for opening and operating FC accounts
18-Jun-12	Banking Regulation and Policy Department	BRPD Circular No. 09	Master Circular: Loan Classification and Provisioning
24-Jun-12	Department of Off-Site Supervision	DOS Circular Letter No. 07	"Submission of information/ statements related to DOS in Rationalized Input Templates through Web Portal"
25-Jun-12	Foreign Exchange Policy Department	"FEPD Circular Letter No. FEPD (Remittance) 44/ 2012-11"	Performing Hajj under Govt. Management-1433 Hijri year
26-Jun-12	Foreign Exchange Policy Department	"FEPD Circular Letter No. FEPD (EDG) /174/2012-13"	Ease of Banking Transactions

WORLD BANK TO BOOST ACCESS TO CLEAN ENERGY, ENERGY EFFICIENCY IN DEVELOPING COUNTRIES

The World Bank Group announced that it will boost efforts to expand energy access, while also increasing support for renewable energy and energy efficiency in developing countries.

As part of its effort to support UN Secretary-General Ban Ki- moon's Sustainable Energy for All initiative, the World Bank will provide about 8 billion US dollars a year in financing for energy projects and programs, which leverages a comparable amount from donors, governments and the private sector.

Meanwhile, the bank will also seek to double leveraging of its energy lending, emphasizing low-carbon energy, to 16 billion dollars a year.

The World Bank, which already supported energy access initiatives in 60 countries around the globe, also pledged to scale up initiatives to provide electricity, clean household fuels and improved cookstoves in selected countries, while also seeking increased financing to implement them, said World Bank Managing Director Mahmoud Mohieldin.

Providing access to electricity to the world's 1.3 billion people who are without it, and clean household fuels to the 2.7 billion without them, is a priority for the World Bank Group, Mohieldin said.

At the same time, we will promote energy efficiency practices and facilitate efforts by countries to shift to cleaner energy sources.

Meanwhile, the Climate Investment Funds managed by the Bank Group and regional multilateral development banks, and to which donors have pledged 7 billion dollars, will also be invested, to a large extent, in renewable energy and energy efficiency projects in ways that leverage private investment.

The World Bank will work with ESMAP and other international agencies to produce a baseline report on current status worldwide, with respect to the three goals of Sustainable Energy for All, which will form the basis for regular global tracking reports to monitor and report on progress towards the 2030 targets for access, renewable energy and energy efficiency.

By mobilizing our knowledge, financial resources and convening power, along with that of our partners, I am convinced that we can find the right strategies and the financing needed to eliminate energy poverty and achieve these goals by 2030, Mohieldin said. (June 23, 2012, The Financial Express)

GLOBAL ECONOMY IN 'BREAKING POINT'

The debt crisis and central bank policy responses have degraded the quality and value of debt markets and signal a "potential breaking point" in the global economy, PIMCO's Bill Gross, manager of the world's largest bond fund, said in his monthly letter to investors.

In his June outlook entitled "Wall Street Food Chain," Gross said stimulus policies by the Federal Reserve and the European Central Bank have led to riskier government bonds with lower value and paved the way for higher inflation.

Gross oversees the PIMCO Total Return Fund, which has assets of USD 258.7 billion, and shares the co-chief investment officer title with Mohamed El-Erian. Overall, Pacific Investment Management Co. oversees more than USD 1.77 trillion in assets.

Gross said investors should seek higher-quality sovereign bonds in the US, Mexico, and Brazil with intermediate durations and stocks of global companies with stable cash flow that are "exposed to high-growth markets."

He also warned that the higher risk and lower quality of US Treasuries could spur investors such as China and firms like PIMCO to drop them for more profitable investments such as commodities and real assets, a move that could disrupt the "current dollar-based credit system."

"This transition continues to point towards higher global inflation as a solution to overextended debt-laden balance sheets — be they public or private," Gross said.

Gross also addressed the potential for inflation and the abundance of "easy" credit in his May outlook, entitled "Tuesday Never Comes."

"At a 1.57 percent yield for Treasuries on the 10-year level, you'd have to think they're looking for other alternatives" such as commodities or oil, he said.

Gross also said that he doesn't expect a common euro bond to be issued, but that such an event would stifle demand for Treasuries and could raise 10-year US Treasury yields to 2.5 to 3 percent. (July 2, 2012, The Daily Sun)

EUROZONE CRISIS WILL HIT POOR COUNTRIES HARDEST, SAYS IFC CHIEF

While the eurozone makes headlines with its travails, the worst impact of the crisis is far away from Europe — in the world's poorest countries.

So says Lars Thunnel, the chief executive of the International Finance Corporation

(IFC), the World Bank's private sector arm. Echoing last month's remarks by Christine Lagarde, the IMF managing director, Thunnel told beyondbrics: "We are concerned the poorest people and the poorest countries are hurt worst in a crisis."

Thunnel, who is retiring this month after running the IFC for six years, warned of the effects of the latest developments in the eurozone:

"I think that if we look at what's happened in the last 10 days or so this is very serious. This is a question of both a shortage of liquidity and disruption in the capital markets".

Economic growth, which had held up "quite well", was now slowing in China and other emerging economies under the influence of the eurozone. "You have a lot of linkage in terms of trade, in terms of capital and in terms cross-border loans. These are linkages which are bigger than we thought."

Thunnel said poor countries in Africa and other regions were experiencing difficulties financing trade, including imports of food and other commodities. Poor countries are particularly reliant on banks for trade support because they depend on bank-financed letters of credit.

Thunnel said European banks, which were strong in letters of credit, "are pulling back which is hurting poor countries disproportionately."

Poor countries are in a double bind: as well as seeing their lenders draw in their horns because of global financial turmoil and the impact of Basel III capital rules, their import bills have been raising due to increasing world commodity prices. (June 3, 2012, The Financial Express)

ZOELLICK: EUROPE DOING TOO LITTLE TOO LATE IN CRISIS

European leaders dealing with the sovereign debt crisis have done too little, too late, outgoing World Bank chief Robert Zoellick said, warning that Europe risks losing influence and developing nations now face increasing market uncertainty.

In interviews with European publications this weekend, Zoellick urged Europe to act quickly. He spoke on the eve of an election in Greece that has financial markets on a knife-edge.

"European politicians always act a day late and promise one euro too little. Then, when it gets tight, they add new liquidity," Zoellick told Germany's Der Spiegel magazine in an interview published.

While that bought time, it did little to address the euro zone's structural problems, Zoellick said.

"It's no longer so much about which model the Europeans choose. They should just decide on one. Quickly."

"If Europe continues to falter, it will lose global influence. European leaders must be aware of that," Zoellick said, adding that Germany should take a leadership role and keep pushing for fiscal and structural reforms.

He said that while a Greek exit from the euro would have enormous consequences, Europe should not allow itself to be held hostage by Athens.

"That feeling of uncertainty should not lead to Europe giving Greece everything that the government there wants. If the Greek leadership threatens to leave the euro zone, then the rest of Europe must have developed a mechanism to cushion that," he said.

In a separate interview with Britain's Observer newspaper, Zoellick warned of the risk of a "Lehmans moment" if the crisis is not properly handled — a reference to the bankruptcy of U.S. bank Lehman Brothers in September 2008 that triggered a global financial slump.

Zoellick steps down as World Bank president on July 1 and will be succeeded by Korean-born U.S. health expert Jim Yong Kim, who was nominated by President Barack Obama for the post.

He told the Observer that developing nations needed to brace for "uncertainty coming out of the euro zone and the wider financial markets".

"Uncertainty in markets is now starting to increase costs for developing countries," Zoellick was quoted as saying. "The ripple effects are making everybody's life harder."

The euro zone will be on the agenda at a G20 summit from in Mexico, overshadowed by mounting fears about Spain and Italy. (June 18, 2012, The Daily Star)

'ASIA'S STABLE GROWTH TO REBALANCE GLOBAL ECONOMY'

As economic uncertainties remain and spread in the United States and the Eurozone, the smooth and robust growth in Asia will help rebalance the global economy, a senior United Nations official said.

While the world economy is expected to expand by around 2 percent and the developed countries by a mere 1 percent, the average growth in Asian countries is forecast to exceed 6 percentage points and they are to be seen as the world's economic growth center, said Supachai Panitchpakdi, secretary-general of the UN Conference on Trade and Development (UNCTAD).

With robust economic prospects and sound reserves, he hoped that Asia Pacific will play a more prominent role in international discussions on trade, financial reform and world reserves, in which the US dollar is now the main currency.

He said that corporate leaders from around the world are participating in the forum as they want to see how the Asian economies are performing, especially following China's lowered growth target.

Meanwhile, the UNCTAD chief reiterated his support for the Chiang Mai initiative in establishing an Asian Monetary Fund, which is one of the central topics at this year's WEF on East Asia. He believed that the only way for Asia to reform the international financial system is to bring together member countries' financial reserves, which account for 70 percent of the world reserves.

Although a single currency and monetary integration, like what exists in the Eurozone, are not necessary, Asian currencies should move in the same direction for stability in exchange rates and to protect the global supply chain, he said. (June 1, 2012, The Financial Express)

INDIA PREPARES CONTINGENCY PLAN FOR EURO ZONE MELTDOWN

India has prepared a contingency plan for Greece exiting the euro zone and even a collapse of the monetary union, Indian officials said.

The euro zone debt crisis has already put a damper on India's exports to Europe, the biggest destination for Indian goods, as well as capital inflows into equity and debt markets. Prime Minister Manmohan Singh's government blames Europe's woes for the slowdown in Asia's third-biggest economy; although economists say Indian policy inertia is also to blame.

Finance chiefs of the Group of Seven leading industrialised powers will hold emergency talks on the euro zone crisis in what was seen as a sign of growing global alarm over the threat posed by the strains within the 17-nation union.

The latter step would allow banks to lend more money to firms to keep hiring and expanding. At the moment the banks are required to keep 4.75 percent of their deposits with the Reserve Bank of India.

The Indian government is also banking on lower international oil prices, to help blunt the impact of any European crisis. India imports nearly 80 percent of its oil requirements and heavily subsidizes diesel and kerosene that is used mainly by the country's poor and public transport.

During the 2008 financial crisis, the Indian government spent its way out of trouble by increasing spending on job-creating infrastructure projects and tax cuts that boosted consumer spending, a major driver of the economy.

This time around, with the budget deficit at nearly 6 percent of GDP, thanks in no small part to that stimulus spending, it does not have the same room to manoeuvre. (June 6, 2012, The Financial Express)

JAPAN'S ECONOMY GROWS FASTER THAN FIRST THOUGHT BETWEEN JAN-MARCH

Japan's economy grew faster than first thought between January and March, official data showed, but analysts warned of a slowdown caused by a strong yen, Europe's debt woes and weakness in China.

The Cabinet Office said gross domestic product grew by a revised 1.2 percent in the first quarter from the previous three months, up from a preliminary figure of 1.0 percent expansion.

On an annualised basis, the revised figure was 4.7 percent in the quarter, higher than a preliminary 4.1 percent rise, according to the data.

The figures are good news for an economy pounded by last year's quake-tsunami disaster, reflecting an upward trend with domestic demand and auto exports on the rise.

Exports took a hit as the yen struck record highs against the dollar late last year-and the unit remains strong-hurting manufacturers whose products become more expensive overseas on a strong currency.

Japan's April current account, the broadest measure of trade with the rest of the world, tumbled 21.2 percent on-year to a surplus of 333.8 billion yen (USD 4.2 billion), well below economists expectations for a 455.6 billion yen surplus.

But the measure remained in positive territory by a wide margin, aided by Japanese investment abroad and higher auto exports despite the nation's soaring post-tsunami fuel costs.

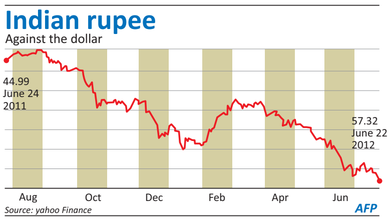
As Japanese companies shift production overseas due to the relatively strong yen, income has become a key factor in Japan's current account surplus.

April exports rose, particularly in the auto sector, after year-earlier drops following the March 2011 disasters but imports also rose due to increasing costs of gas and other fossil fuels.

Japan has switched off its nuclear reactors following last year's quake-tsunami induced atomic crisis, forcing the resource-poor nation to turn to pricey fossil-fuel alternatives.

The economy was also hit by severe flooding in Thailand in late 2011, disrupting global supply chains and the production capability of Japanese manufacturers, particularly electronics and automakers. (June 8, 2012, The Financial Express)

RUPEE MEASURES FAIL TO CHEER MARKET



India took a handful of measures to support the embattled rupee but disappointed investors who had been hoping for bolder action to prop up a currency that hit a record low.

The Reserve Bank of India (RBI) increased the limit on foreign investment in government bonds by USD 5 billion to USD 20 billion along with a few other relatively minor steps, causing the rupee to trim earlier gains on disappointment the measures were not more aggressive.

The rupee rallied earlier on hopes for measures to halt a slump in the currency. Finance Minister Pranab Mukherjee, due to step down so he can run for the largely ceremonial post of president, had said that announcements would be forthcoming.

The rupee has fallen as India's economic growth declined to a nine-year low of 5.3 percent in the March quarter, piling pressure on the government and the central bank to revive the country's fortunes.

Analysts said India needed to improve its economic fundamentals, including addressing its current account deficit, to bolster the rupee.

"The market was expecting a slew of measures. The measures announced now won't have any direct material bearing on the rupee. Unless the RBI comes in with more measures, the rupee will fall back to the 57-58 to a dollar levels," said M Natarajan, head of treasury at Bank of Nova Scotia in Mumbai.

Other central bank measures included a reduction in lock-in restrictions on some government bonds for foreign investors, and the opening of investment in debt securities to more types of foreign buyers.

The central bank also said it modified the lock-in periods for foreign investment in infrastructure debt but did not immediately provide details.

The rupee's decline comes as emerging market currencies have weakened against the dollar as investors, worried about the global economic slowdown and the euro zone crisis; flee to the perceived safety of dollars.

Morgan Stanley estimates India's current account deficit will widen to USD 72 billion by the end of June, from USD 49 billion a year earlier. That would put the current account deficit at between 4 percent and 4.5 percent of India's GDP. (June 26, 2012, The Daily Star)

CHINA LOWERS BARRIER TO FOREIGN INVESTORS

China has lowered barriers to foreign ownership of domestic stocks and bonds in one of the most significant relaxations of its strict capital controls in more than a decade.

The China Securities Regulatory Commission has announced it will allow international fund managers with as little as USD 500m under management and two years' operating history to apply for investment licences.

The previous threshold – USD 5bn under management and a five-year record – meant only the largest global fund houses could be admitted to its qualified foreign institutional investor programme.

The QFII scheme, which grants quotas to selected foreign groups to invest in Chinese markets, has expanded slowly since its launch in 2002. Foreign investors still account for only about 1 percent of the total free-float market capitalisation in China.

"This [reform] is the most significant move since the QFII scheme started," said Fraser Howie, co-author of Red Capitalism and an expert on Chinese finance. "It's opened the door for bringing in hundreds more foreign investors."

The CSRC, which plans to introduce the reforms as soon as July, also announced late that qualified foreign investors would be allowed to invest in index futures and the interbank bond market.

Louis Gave of Gavekal, a Hong Kong-based research house, said the reforms were "tremendously bullish" for good quality stocks listed on the Chinese mainland, and would help investors arbitrage the price differential between shares that are dual-listed in both Hong Kong and Shanghai.

Guo Shuqing, the new head of the CSRC who was previously chairman of China Construction Bank, has accelerated the pace of capital markets reform in China since he joined the regulator in October.

In April, the CSRC announced that international fund managers would be allowed to invest a combined USD 80bn in China's onshore capital markets, up from the previous limit of USD 30bn.

The CSRC allocates licences to foreign institutions case by case and the State Administration of Foreign Exchange decides the size of each investment quota.

This means Beijing can pick and choose which institutions are able to access the domestic capital markets. Hedge funds have never been approved and few analysts expect to change any time soon.

As of the end of May, 170 institutions had been approved to invest a total of USD 26bn under the QFII scheme.

The CSRC said it would speed up the approval process by enabling application documents to be submitted via its website. (June 21, 2012, the ft.com)

KSA TO CONDUCT LABOUR RECRUITMENT STUDY IN SEVEN ASIAN COUNTRIES

The Kingdom of Saudi Arabia (KSA) plans to conduct a labour recruitment study in seven Asian countries to investigate ways to ensure the fairness and transparency of the recruitment process and contractual policies, said a news report.

Published in the Saudi Gazette, a leading Saudi daily, the report said, Saudi Labour Minister Adel Fakieh shared their plan at a meeting with representatives of seven Asian countries in Geneva.

Saudi Arabia is the largest labour market hosting over 2 million Bangladeshis and has significantly reduced recruitment of Bangladeshi workers since 2009.

The study will cover the seven main Asian labour-exporting countries -- India, Pakistan, Indonesia, the Philippines, Nepal, Bangladesh and Sri Lanka, the report added.

Adel Fakieh said the upcoming study will also look into ways to guarantee the ability of recruited workers seeking employment in the Kingdom, a step which the minister anticipated will play a role in curbing the number of labour conflicts that may arise between recruited foreign workers and their employers, and which will ultimately lead to improved business productivity.

He said the study will tackle the issue of recruitment costs and the development of more efficient recruitment and employment procedures in manpower-exporting countries.

The study, which will be conducted by an international consultancy firm, will include workshops with official and private bodies responsible for the recruitment process and will make recommendations leading to the improvement of recruitment procedures.

Saudi Arabia is the largest employer of foreign workforce in the Middle East with an estimated foreign labour force of more than eight million workers. (June 16, 2012, The Financial Express)

MIDDLE EAST'S WEALTH GROWTH OUTPACES WORLD IN 2011

The number of high net worth individuals (HNWI) in the Middle East rose the most compared to other world regions last year, the Capgemini RBC World Wealth Report 2012 published said.

According to the report's 16th edition, in 2011 the Middle East saw the size of its HNWI population rising by 2.7 percent year-on- year to reach 450,000 people. Their combined wealth edged up 0.7 percent to 1.7 trillion US dollars.

The Middle East not only outpaced HNWI growth in all other regions, but also global HNWI growth, which advanced only marginally by 0.8 percent to 11.0 million in 2011. Global HNWIs' aggregate investable wealth, as measured by asset values, declined 1.7 percent to reach 42 trillion dollars.

A HNWI defines a person whose combined assets of money, funds, property, jewelry and arts are worth at least one million dollars.

The report noted that constant high oil prices due to geopolitical tensions helped the Middle East's wealth to rise.

Asia-Pacific was the only region which was hard on the heels of the Middle East's "happy few." The number of HNWIs in Asia-Pacific advanced last year by 1.6 percent to 3.37 million, though the investable wealth of Asia-Pacific HNWIs declined by 1.1 percent to 10.7 trillion dollars.

In relation to the number of HNWIs, Asia-Pacific surpassed North America for the first time. However, North America's 3.35 million HNWIs still accounted for the largest regional share of HNWI investable wealth — at 11.4 trillion dollars, but that was down by 2.3 percent from 2010 due to sluggish economic recovery.

The number of HNWIs in Europe rose by 1.1 percent to 3.17 million, "due to the growing numbers of HNWIs in key markets such as Russia, the Netherlands, and Switzerland," the report said. However, the aggregate wealth of European HNWIs fell by 1.1 percent to 10.1 trillion dollars, "as Euro zone jitters made HNWIs there more cautious and risk-averse in their investing strategies. " (June 22, 2012, The Financial Express)

BANKERS GROUP CALLS FOR GLOBAL MONETARY EASING

Major central banks should ease monetary policy in coordination to give a powerful boost to market confidence and help restore stuttering global growth, a leading group of international bankers said.

The Institute of International Finance called on the Group of 20 emerging and developed nations to deliver this medicine as part of a bold plan to revitalize economic growth and job creation at their summit in Los Cabos, Mexico, next week.

'This is a ripe opportunity,' said Charles Dallara, managing director of IIF, which represents many of the world's largest banks and finance companies.

Four or five central banks from industrialized and developing nations easing simultaneously, based on their own national economic conditions, would have substantial benefits, he said.

Given the current precarious state of economic, political and social conditions, the world needs the type of bold leadership the G20 last exercised at its London summit in 2009, he said. At that time, leaders agreed on USD 1 trillion in fiscal stimulus, which helped rescue the global economy from its worst financial crisis in more than 70 years.

In an open letter to Mexican president Felipe Calderon ahead of the G20 summit, the IIF said: 'Markets will be looking expectantly for evidence of a globally coordinated policy response targeted to revive growth prospects worldwide on a sustainable basis.'

The IIF urged European leaders to offer a clear road map, including a timetable, for moving toward fiscal and banking union to strengthen their monetary union. The first elements should be outlined in Los Cabos, ahead of the European Union summit at the end of the month, it said.

Leaders from the European Union also should show readiness to ease the fiscal adjustment timetable for Greece and be prepared to inject additional money into its bailout program on the scale of 10 billion to 20 billion euros, the IIF said. (June 16, 2012, The New Age)

CHINESE OFFICIALS FORCED TO SELL LUXURY CARS

Chinese local governments are trimming down on excess expenses as part of a revenue raising scheme, hoping to put an end to the misuse of and illegal purchase of official cars, which had been rife.

According to the Financial Times, local governments across the country were forced to sell their official cars amid an economic slowdown, bringing to light the underlying trend among officials using luxury cars with tinted windows and chauffeured sedans. Chinese officials are usually driven around in a black Audi A6 but Porsche, Maserati and a Toyota Land Cruiser were also included in the auctions. Some say that a slowing economy forced the auctions.

A local government expert at People's University Beijing, Tao Ran, told the Financial Times, "it is a sign of the difficulties facing the city finances". Wenzhou city, in the southeast, raised Rmb10.6 million (USD 1.7m) from 215 cars. Other cities, even poorer villages, are expected to follow suit. (June 26, 2012, The Asia Daily Wire)

OPENING OF RELOCATED MTB GULSHAN BRANCH & 1st MTB SMART BANKING (KIOSK)

Chief Guest: MTB Chairman, Dr. Arif Dowla

MTB Vice Chairman Rashed A Chowdhury, Directors Anjan Chowdhury; M A Rouf, JP; MTB Managing Director & CEO, Anis A. Khan; Gulshan Branch Manager Humayun Kabir, dignitaries and senior citizens, MTB customers and officials of the bank attended the ceremony.

Date: June 24, 2012
Venue: MTB Gulshan Branch, 120 Gulshan Avenue, Dhaka 1212

SIGNING CEREMONY ON PARTICIPATION AGREEMENT FOR JICA FUND

Signed by: Sukamal Sinha Choudhury, General Manager, SMESPD & Project Director (signed on behalf of Bangladesh Bank) and Anis A. Khan, Managing Director & CEO, MTB.

Governor, Dr. Atiur Rahman was present as chief guest in the signing ceremony between commercial banks and Bangladesh Bank. Chief Representative of JICA Mission Bangladesh, Dr. Takao Toda was also present in the ceremony.

Date: June 11, 2012
Venue: Jahangir Alam Conference Hall, Bangladesh Bank, Dhaka 1000

MTB RE-LAUNCHES NEW VERSION OF INTERNET BANKING

Chief Guest: Mahboob Zaman, President, Bangladesh Association of Software & Information Services (BASIS)

Special Guests: Md. Ahsan-uz Zaman, Additional Managing Director (AMD) of MTB was present as Special Guest

Md. Shah Alam Patwary, Chief Information Officer, Sami Al Hafiz, Group Chief Communications Officer and other senior officials of the bank also attended the program.

Date: June 12, 2012
Venue: Sky floor, MTB Centre, Gulshan 1, Dhaka 1212

MTB CUSTOMER NIGHT AT JESSORE

Chief Guest: Khondaker Rahimuzzaman, Executive Vice President (EVP), Head of NRB Division, MTB.

Syed Rafiqul Hossain, EVP, Wholesale Banking Division is handing over raffle draw winning prize to one of the lucky MTB Customers at the event.

Date: June 04, 2012
Venue: Begum Community Centre, Norail Road, Shupari Bagan, Jessore 7400

MTB FACILITATES FIRST EVER EXPORT CREDIT TRANSACTION

MTB Managing Director & CEO Anis A. Khan and Country Manager of DS-Concept factoring GmbH, Alexander Pinkas inaugurated the first ever such transaction, executed for one of the RMG (Ready-Made Garment) exporting clients of MTB.

Date: June 25, 2012
Venue: Sun floor, MTB Centre, Gulshan 1, Dhaka 1212

SENIOR MANAGEMENT TEAM OF MTB VISITS R.K. GROUP OF INDUSTRIES

Abdul Hamid, Managing Director, R.K. Group of industries is seen at the photograph along with Senior MTB Management Team.

Date: June 06, 2012
Venue: Dhakeswari Bazar Road, Godnail, Siddhirgonj, Narayangonj 1431

MTB OPENS ITS 77th BRANCH WITH COUNTRY'S FIRST GREEN ATM

Chief Guest: Md Motahar Hossain Mollah, Chairman, Upazila Parishad of Kapasia.

Alauddin Ali, Upazila Nirbahi Officer; Deputy Managing Directors, Quamrul Islam Chowdhury and Md. Hashem Chowdhury; Head of MTB Dhaka Division Branches Md. Zahid Hossain; local elite, leaders of the local business associations and people from different strata also attended the program.

Date: June 10, 2012
Venue: MTB Kapasia Branch, Thanar More Kapasia, Gazipur 1730

CLOSING CEREMONY - MTB MASTERS OF IDEATION 2012

Chief Guest: Professor Dr. Hafiz GA Siddiqi, Vice Chancellor, North South University

Special Guest: Md. Ahsan-uz Zaman, Additional Managing Director (AMD) of MTB was present as Special Guest.

Date: June 17, 2012
Venue: NSU Plaza, North South University, Bashundhara, Dhaka 1229

NATIONAL ECONOMIC INDICATORS

Total Tax Revenue

Total tax revenue collection in April 2012 increased by 24.90 percent to BDT 8489.88 crore from April 2011 level.

NBR tax revenue collection in May 2012 was 18.26 percent higher than the collection of May 2011. The NBR tax revenue collection during July-May, 2011-12 stood at BDT 80422.84 crore which is higher by BDT 13087.48 crore or 19.44% against the collection of BDT 67335.36 crore in July-May, 2010-11. Target for NBR tax revenue collection for FY 2011-12 remains fixed at BDT 91870.00 crore.

Liquidity Position of the Scheduled Banks

Total liquid assets of the scheduled banks stands higher at BDT 115147.47 crore as of end May, 2012 against BDT 100564.96 crore as of end June, 2011. Required liquidity of the scheduled banks also stands higher at BDT 78774.11 crore as of end May, 2012 against BDT 66493.75 crore as of end June, 2011.

Scheduled banks holding of liquid assets as of end May, 2012 in the form of cash in tills & balances with Sonali bank, balances with Bangladesh Bank and unencumbered approved securities are 5.93 percent, 30.18 percent and 63.89 percent respectively of total liquid assets.

Bank Group	As on end June, 2011 (BDT in crore)		As of end May, 2012 P	
	Total Liquid Asset	Required Liquidity (SLR)	Total Liquid Asset	Required Liquidity (SLR)
State Owned Banks	30146.85	19228.08	33979.47	21994.34
Private Banks	47857.65	34591.75	57041.43	39710.40
Private Islamic Banks	13418.07	6386.33	11452.34	9004.95
Foreign Banks	7969.63	5273.29	9930.72	5841.42
Specialized Banks	1172.76	1014.30	2743.51	2223.00
Total	100564.96	66493.75	115147.47	78774.11

Imports

Import payments in April 2012 stand higher by USD 60.00 million or 2.11 percent to USD 2906.50 million, against USD 2846.50 million in March 2012. This is however; lower by USD 322.70 million or 9.99 percent compared to USD 3229.20 million in April 2011.

Of the total import payments during July-April, 2011-12 imports under Cash and for EPZ stand at USD 28194.00 million, imports under Loans/Grants USD 215.8 million, imports under direct investment USD 91.00 million and short term loan by BPC USD 1352.40 million. The falling trend in cumulative import payments, consequential effect of BB's monetary policy stance, is contributing to ease pressure on gross foreign exchange reserves.

Exports

Merchandise exports in May, 2012 stands higher by USD 308.44 million or 16.31 percent at USD 2199.42 million as compared to USD 1890.98 million in April, 2012. The amount is lower by 4.17 percent than the export value of May 2011.

Remittances

Remittances in May 2012 stand higher at USD 1156.82 million against USD 1083.89 million in April 2012. This is also higher by USD 158.40 million against USD 998.42 million of May 2011.

Total remittances receipts during July-May, 2011-12 increased by USD 1161.16 million or 10.94 percent to USD 11772.57 million against USD 10611.41 million during July-May, 2010-11. Strong growth in remittances stabilized gross reserves and helped to maintain strength of local currency.

Foreign Exchange Reserve (Gross)

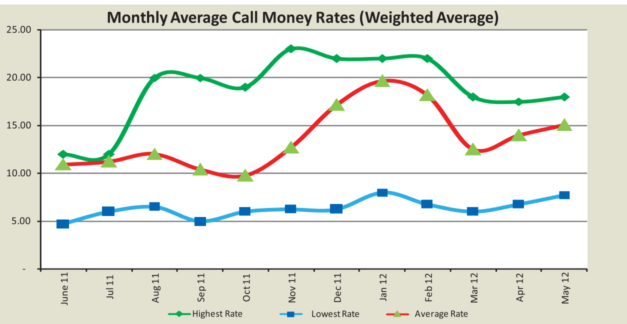
The gross foreign exchange reserves of the BB stood lower at USD 9520.43 million (with ACU liability of USD 336.91 million) as of end May 2012, against USD 10193.04 million (with ACU liability of USD 732.39 million) by end April 2012. The gross foreign exchange reserves, without ACU liability is equivalent to import payments of 3.06 months according to imports of USD 3004.62 million per month based on the preceding 12 months average (May-April, 2011-12).

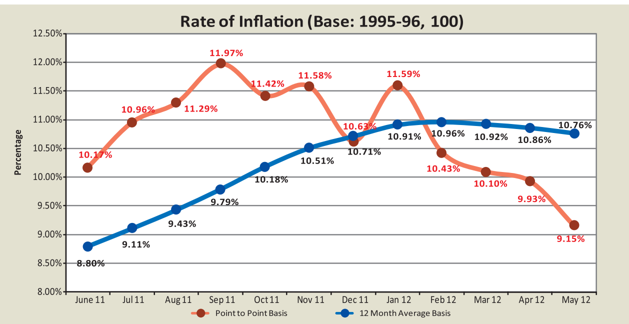
The gross foreign exchange balances held abroad by commercial banks stood lower at USD 1095.46 million by end May 2012 against USD 1164.05 million by end April 2012. However, this was higher than the balance of USD 903.12 million by end May 2011.

Exchange Rate Movements

Exchange rate of BDT per USD appreciated about 3.28 percent in the month of February and has since hover around that rate, resulted from moderate growth in remittances, foreign aid, and lower import pressures. At the end of May 2012 BDT has depreciated by 9.50 percent from its level at the end of June 2011.

(Source: Major Economic Indicators: Monthly Update, June 2012)





Rate of Inflation on CPI for National (Base: 1995-96, 100)	June 11	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Apr 12	May 12
Point to Point Basis	10.17%	10.96%	11.29%	11.97%	11.42%	11.58%	10.63%	11.59%	10.43%	10.10%	9.93%	9.15%
12 Month Average Basis	8.80%	9.11%	9.43%	9.79%	10.18%	10.51%	10.71%	10.91%	10.96%	10.92%	10.86%	10.76%

Source: Major Economic Indicators

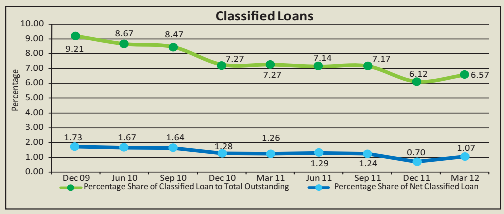
Monthly Average Call Money Market Rates (wt avg)	June 11	Jul 11	Aug 11	Sep 11	Oct 11	Nov 11	Dec 11	Jan 12	Feb 12	Mar 12	Apr 12	May 12
Highest Rate	12.00	12.00	20.00	20.00	19.00	23.00	22.00	22.00	22.00	18.00	17.50	18.00
Lowest Rate	4.75	6.00	6.50	5.00	6.00	6.25	6.25	8.00	6.75	6.00	6.75	7.75
Average Rate	10.93	11.21	12.03	10.41	9.77	12.70	17.15	19.66	18.18	12.51	13.98	15.05

Source: Economic Trends Table XVIII (Call Money)

BANKING AND FINANCIAL INDICATORS

Classified Loans	Dec 09	Jun 10	Sep 10	Dec 10	Mar 11	Jun 11	Sep 11	Dec 11	Mar 12
Percentage Share of Classified Loan to Total Outstanding	9.21	8.67	8.47	7.27	7.27	7.14	7.17	6.12	6.57
Percentage Share of Net Classified Loan	1.73	1.67	1.64	1.28	1.26	1.29	1.24	0.70	1.07

				Percentage Change (%)	
Monetary Survey	April, 2011	June, 2011	April, 2012 P	Apr l.12 over Apr l.11	FY 2010-2011 P
Reserve Money (BDT crore)	83227.50	97500.90	91691.80	10.17%	21.09%
Broad Money (BDT crore)	421461.50	440,520.00	493807.00	17.17%	21.34%
Net Credit to Government Sector (BDT crore)	63737.30	73436.10	89934.00	41.10%	34.89%
Credit to Other Public Sector (BDT crore)	18505.00	19377.10	18938.10	2.34%	28.72%
Credit to Private Sector (BDT crore)	330460.70	340712.70	390663.80	18.22%	25.84%
Total Domestic Credit (BDT crore)	412703.00	433525.90	499535.90	21.04%	27.41%



L/C Opening and Settlement Statement (USD million)	July-May, 2010-11		July-May, 2011-12		Percentage Change (%) Year over Year	
	Open	Sett.	Open	Sett.	Open	Sett.
Food Grains (Rice & Wheat)	2355.11	1821.22	795.19	834.93	-66.24%	-54.16%
Capital Machinery	2572.67	1846.42	2019.02	2281.64	-21.52%	23.57%
Petroleum	2948.03	3021.08	4343.96	4327.13	47.35%	43.23%
Industrial Raw Materials	14001.59	11215.58	13168.61	12387.13	-5.95%	10.45%
Others	14035.24	11327.84	13305.58	12597.53	-5.20%	11.21%
Total	35912.64	29232.14	33632.36	32428.36	-6.35%	10.93%

YEARLY INTEREST RATES						
End of Period	**Bank Rate**	**Call Money Market's Weighted Average Interest Rates on**		**Schedule Banks' Weighted Average Interest Rates on**		**Spread**
		Borrowing	Lending	Deposits	Advances	
2012*	5.00	15.05	15.05	....	....	....
2011	5.00	17.15	17.15	7.46	12.80	5.34
2010	5.00	8.06	8.06	6.08	11.34	5.26
2009	5.00	4.39	4.39	6.29	11.51	5.22
2008	5.00	10.24	10.24	7.09	12.40	5.32
2007	5.00	7.37	7.37	6.84	12.78	5.95
2006	5.00	11.11	11.11	6.99	12.60	5.61
2005	5.00	9.57	9.57	5.90	11.25	5.35
2004	5.00	4.93	5.74	5.56	10.83	5.27
2003	5.00	6.88	8.17	6.25	12.36	6.11

**: data upto month of May, 2012.*

Interest Rate Development *1/												
Period	**Treasury Bills**			**BGTB**				**Repo**	**Rev. Repo**	**Avg Call Money Rate**	**Lending Rate**	**Deposit Rate**
	91-Day	182-Day	364-Day	5-Year	10-Year	15-Year	20-Year	1-3 Day	1-3 Day			
2010-11 *r												
August	...	...	...	7.88	8.82	8.86	9.23	5.50	3.50	6.58	...	...
September	...	...	...	7.93	8.85	8.91	9.24	5.50	3.50	7.15	11.17	6.00
October	2.94	3.75	4.45	7.96	8.85	8.94	9.25	5.50	3.50	6.19	...	...
November	3.72	4.16	4.65	8.00	8.89	9.05	9.41	5.50	3.50	11.38	...	...
December	4.58	4.85	5.50	8.10	9.45	9.11	9.56	5.50	3.50	33.54	11.19	6.08
January	5.11	5.39	5.94	8.25	9.50	....	9.60	5.50	3.50	11.64	11.34	6.39
February	5.25	5.5	6.00	8.25	9.45	9.12	9.60	5.50	3.50	9.54	11.41	6.54
March	5.48	5.63	6.20	8.26	9.36	9.20	9.63	6.00	4.00	10.59	11.95	6.81
April	5.98	6.03	6.67	8.26	9.45	9.30	9.65	6.25	4.25	9.50	12.02	7.06
May	6.45	6.63	6.97	8.26	9.45	9.35	9.65	6.25	4.25	8.64	12.17	7.24
June	6.75	7.00	7.30	8.26	9.45	9.35	9.65	6.75	4.75	10.93	12.42	7.27
2011-12 *p												
July	7.04	7.28	7.60	8.26	9.45	....	10.00	6.75	4.75	11.21	12.55	7.32
August	7.40	7.65	7.90	8.30	9.50	9.65	10.25	6.75	4.75	12.02	12.63	7.40
September	7.73	8.30	8.65	8.35	9.53	10.30	10.85	7.75	5.25	10.41	12.72	7.42
October	8.12	8.40	8.65	8.50	9.55	10.99	11.50	7.75	5.25	9.77	12.80	7.46
September	8.73	8.90	9.13	8.50	9.55	11.00	11.50	7.75	5.25	12.70	12.83	7.53
December	9.50	9.18	10.00	8.50	9.55	11.00	11.50	7.25	5.25	17.75	13.01	7.55
January	10.50	10.63	10.88	9.00	11.25	11.50	11.95	7.75	5.75	19.67	13.43	7.86
February	11.00	11.23	11.31	11.25	11.35	11.60	12.00	7.75	5.75	18.18	13.63	7.95
March	11.00	11.20	11.25	11.3	11.40	11.65	12.03	7.75	5.75	12.51	13.69	8.11
April	11.21	11.29	11.33	11.37	11.50	11.70	12.07	7.75	5.75	14.18	13.72	8.17
May	11.34	11.36	11.37	11.40	11.56	11.75	12.10	7.75	5.75	15.05	...	...
June@	11.37	11.40	11.40	11.45	11.60	11.80	12.12	7.75	5.75	15.03	...	...

Source: MRP, DMD, Statistics Dept., Bangladesh Bank, *1/ Weighted Average Rate, *p Provisional, *r Revised, @ = upto 26th June, 2012, ... Data Unavailable

DOMESTIC CAPITAL MARKETS

CAPITAL MARKET – DSE
(For the Month of June, 2012)

Weekly Summary Comparison:

	June 24 - 28, 2012	June 03 - 07, 2012	% Change
Total Turnover in mn BDT	10,564	14,078	(24.96)
Daily Average Turnover in mn BDT	2,113	2,816	(24.96)

Category-wise Turnover

Category	June 24 - 28, 2012	June 03 - 07, 2012	% Change
A	84.23%	78.53%	0.057
B	1.22%	8.04%	(0.068)
G	0.00%	0.00%	0.000
N	10.86%	4.98%	0.059
Z	3.93%	8.45%	(0.045)

Scrip Performance in the Week

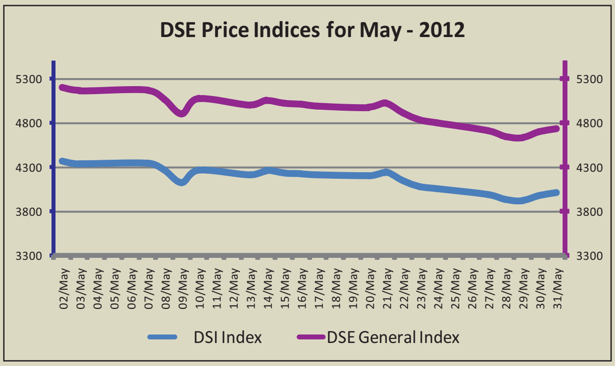
	June 24 - 28, 2012	June 03 - 07, 2012	% Change
Advanced	256	117	118.80
Declined	16	141	(88.65)
Unchanged	7	17	(58.82)
Not Traded	3	4	(25.00)
Total No. of Issues	282	279	1.08

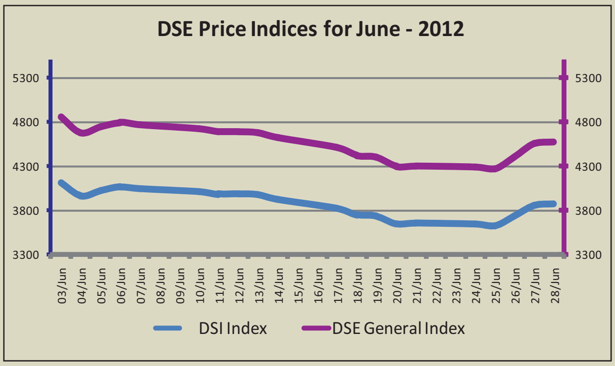
Top 10 Gainer Companies by Closing Prices, June, 2012

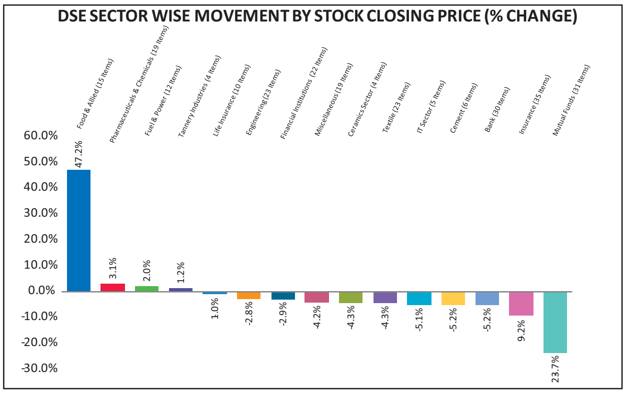
Sl	Names	Category	% of Change	Deviation % (High & Low)
1	Desh Garments	B	31.44	32.40
2	Eastern Cables	A	17.12	15.89
3	Tallu Spinning	A	15.30	35.74
4	Usmania Glass	A	15.24	18.31
5	Uttara Bank Ltd.	A	14.58	19.90
6	DESCO	A	13.47	16.99
7	The Dacca Dyeing	A	13.28	21.43
8	Power Grid Company Bangladesh Ltd.	A	12.4	16.47
9	Rahima Food	A	12.36	23.49
10	Mercantile Bank Ltd.	A	12.11	17.65

Top 10 Loser Companies by Closing Prices, June, 2012

Sl	Names	Category	% of Change	Deviation % (High & Low)
1	Northern Jute Manufacturing Co. Ltd.	Z	-9.75	0.00
2	Kohinoor Chemicals	A	-7.79	0.00
3	Samorita Hospital	A	-4.07	4.58
4	AIBL 1st Islamic Mutual Fund	A	-3.03	10.00
5	Legacy Footwear	A	-2.93	14.16
6	United Insurance	A	-1.88	7.80
7	Prime Finance First Mutual Fund	A	-1.82	8.65
8	Glaxo SmithKline	A	-1.23	3.88
9	AB Bank 1st Mutual Fund	A	-0.99	7.53
10	Shyampur Sugar Mills Ltd.	Z	-0.98	8.51







Stocks clock up highest weekly (June 24-28, 2012) gain this year, Dhaka stocks rose 6.3 percent this week. According to market experts, the investors somewhat became optimistic and opted for buying shares, as the legal battle was over and the securities regulator rejected the time extension plea for buying shares by the sponsor-directors.

The Securities and Exchange Commission's (SEC) timely steps taken after the High Court verdict acted as catalyst for the market uptrend, said a stock broker. "The SEC's decisions not to extend time for buying shares by the sponsor-directors and approval of panel recommendations of waiver of up to 50 per cent interest on margin loans and 20 per cent IPO quota had improved investors' sentiment," he said. The HC earlier on June 21 rejected all the five writ petitions filed challenging the SEC power in exercising Section 2CC. After the HC verdict, the SEC formally ruled out sponsor-directors' time extension plea for buying shares.

The benchmark General Index of the Dhaka Stock Exchange went up 272.71 points and closing at 4,572.88 points. Daily average turnover rose by 7.78 percent from previous week.

All sectors gained in last week of the moth, with banks topping the charts with its 7.39 percent rise. Fuel and power at 6.66 percent, non-bank financial institutions 6.02 percent, telecommunications 5.56 percent and pharmaceuticals 4.51 percent, being the other notable gainers.

Desh Garments, which posted a rise of 31.44 percent, was the biggest gainer of the week. While Northern Jute Manufacturing Company, slumping by 9.75 percent, was the worst loser.

DOMESTIC CAPITAL MARKETS

CAPITAL MARKET – CSE
(For the Month of June, 2012)

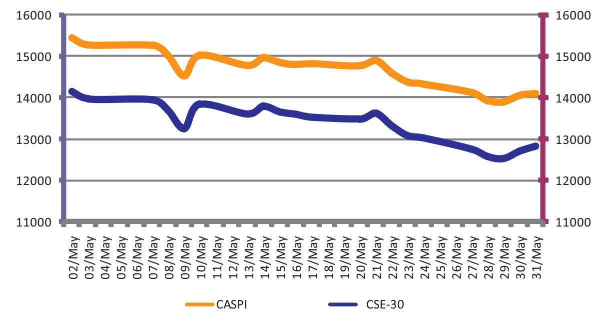
Top 10 Gainer Companies by Closing Price, June, 2012

Sl	Names	Category	Week Difference	Opening	Closing	Turnover (BDT)
1	Saiham Cotton Mills Ltd.	N	106.00	10.00	20.60	73,068,125.00
2	Uttara Bank Ltd.	A	16.62	38.50	44.90	7,584,930.80
3	Apex Tannery Ltd.	A	15.71	89.10	103.10	162,640.00
4	Paramount Insurance Company	B	13.60	25.00	28.40	52,600.00
5	Dhaka Electric Supply Co. Ltd.	A	13.35	80.10	90.80	9,683,030.00
6	Rupali Life Insurance Company Ltd.	A	13.02	155.10	175.30	849,305.00
7	Rangpur Foundry Ltd.	A	12.90	62.00	70.00	67,550.00
8	Asia Insurance Ltd.	A	12.50	35.20	39.60	2,761,150.00
9	Rahima Food Corporation Ltd.	A	12.50	17.60	19.80	514,150.00
10	Intl Finance Inv & Comm Bank Ltd.	A	12.09	39.70	44.50	3,561,630.00

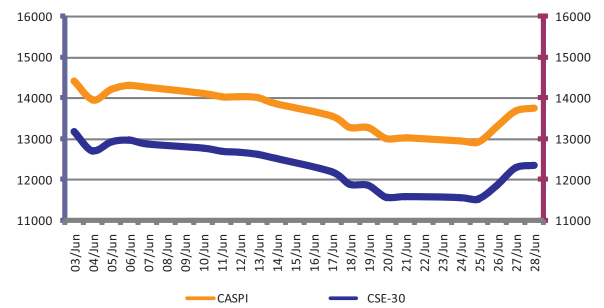
Top 10 Loser Companies by Closing Price, June, 2012

Sl	Names	Category	Week Difference	Opening	Closing	Turnover (BDT)
1	Pragati Insurance Ltd.	A	-13.33	72.00	62.40	136,900.00
2	Reliance Insurance Ltd.	A	-10.00	90.00	81.00	40,520.00
3	IBN Sina Pharmaceuticals	A	-9.90	92.90	83.70	8,370.00
4	Kohinoor Chemical Co (BD) Ltd.	A	-8.97	195.00	177.50	8,875.00
5	Aramit Ltd.	A	-7.89	228.00	210.00	10,500.00
6	ICB AMCL First Mutual Fund	A	-7.65	44.40	41.00	41,000.00
7	Southeast Bank 1st Mutual Fund	A	-6.25	9.60	9.00	18,300.00
8	Prime Insurance Company Ltd.	A	-5.43	46.00	43.50	78,500.00
9	Berger Paints Bangladesh Ltd.	A	-4.30	522.50	500.00	25,000.00
10	Pioneer Insurance Company Ltd.	A	-3.29	91.00	88.00	3,126,500.00

CSE Price Indices for May - 2012



CSE Price Indices for June -2012



INTERNATIONAL CAPITAL MARKETS

SELECTED GLOBAL INDICES

GLOBAL INDICES ROUND-UP FOR THE MONTH OF JUNE, 2012

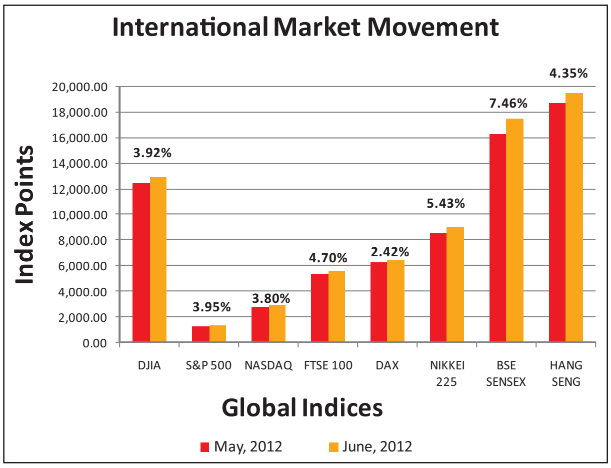
World stocks soared in last month (June, 2012), and all major indexes closed out the first half of 2012 up more than 4.5% on an average. A deal among European leaders to help struggling eurozone banks buoyed global markets, at least temporarily erasing investors' looming fears over the viability of the eurozone. While stocks have clocked broad gains for the year, all three indexes (DJIA, S&P 500 and NASDAQ) closed out the second quarter below first quarter highs. Fears over Europe pushed stocks down nearly 10% in early June. Still, investors looked solely at what was accomplished at the two-day European Union summit in Brussels. Expectations were so low heading into the summit that the surprise announcement sparked widespread euphoria. Investors were relieved to see sky-high bond yields in Spain and Italy retreat from 7% - the level that flashes bailout warning signals.

The Dow Jones industrial average (DJIA) closed the day up 486.64 points, or 3.9%. The S&P 500 gained 51.83 points, or 4.0%. The Nasdaq (NASDAQ) added 107.71 points, or 3.8%. The EU deal includes a mechanism to inject capital directly into banks, which may reduce what Investec bond analyst Elisabeth Afseth called "the bank-sovereign negative feedback loop." Afseth said the loop starts when a nation borrows to recapitalize its troubled banks, which then increases the country's debt, pushes up bond yields, reduces bond values and forces banks to require even more capital.

European stocks all closed higher. Britain's FTSE 100 jumped more than 4.5%, while the DAX in Germany gained 2.4%. In Asia, major indexes closed also higher at June after recovering from earlier losses. The HANG SENG increased 4.4%, Japan's Nikkei (NIKKEI 225) rose 5.4% and BSE Sensex gained 7.5%.

International Market Movements				
INDEX	VALUE (As of May 31, 2012)	VALUE (As of June 29, 2012)	CHANGE	% CHANGE
DJIA	12,393.45	12,880.09	486.64	3.9%
S&P 500	1,310.33	1,362.16	51.83	4.0%
NASDAQ	2,827.34	2,935.05	107.71	3.8%
FTSE 100	5,320.90	5,571.10	250.2	4.7%
DAX	6,264.38	6,416.28	151.9	2.4%
NIKKEI 225	8,542.73	9,006.78	464.05	5.4%
BSE SENSEX	16,218.53	17,429.98	1211.45	7.5%
HANG SENG	18,629.52	19,441.46	811.94	4.4%
Arithmetic Mean				4.5%

DOUBLE VIEW



(Compiled from Yahoo! Finance)

INTERNATIONAL ECONOMIC FORECASTS

International Economic Forecasts: Wells Fargo Securities Economics Group™ Monthly Outlook (July, 2012)

US OVERVIEW

Sustained Growth: Still Not Enough to Satisfy

In our annual outlook back in December, we made assertions such as "growth in the coming year will remain modest'" and "there is no double-dip or V-shaped recovery" and "every economic recovery is a new normal." This economic expansion has indeed lived down to our modest expectations. So it was in December and so it is now.

After a gain of 3.0 percent in the fourth quarter of 2011, growth shifted down to 1.7 percent in the first half of this year and is expected to remain in that vicinity for the second half. Positive contributions to growth have come from personal consumption, equipment & software spending, residential construction and structures, but in each case, the gains were more modest than expected. Net exports and federal & local spending are drags on growth. Consumption spending expectations have been lowered as job gains have been weak and real income gains have been limited. The economy continues to grow, but the pace of growth is not enough to satisfy job expectations by households, the profits of investors or the public purse at all levels of government. For decision makers, the challenge remains to find an operational guideline in an economy of modest positive growth with neither boom nor bust.

Inflation, as benchmarked by the FOMC's target core PCE deflator, should remain below the Fed's 2.0 percent target rate and thereby keep monetary policy biased toward easing this year. We expect 10-year benchmark Treasury rates to remain in the 1.5 percent-2.0 percent range. Corporate profit growth should remain positive but slow.

INTERNATIONAL OVERVIEW

Global Expansion Continues, but It Is Fragile

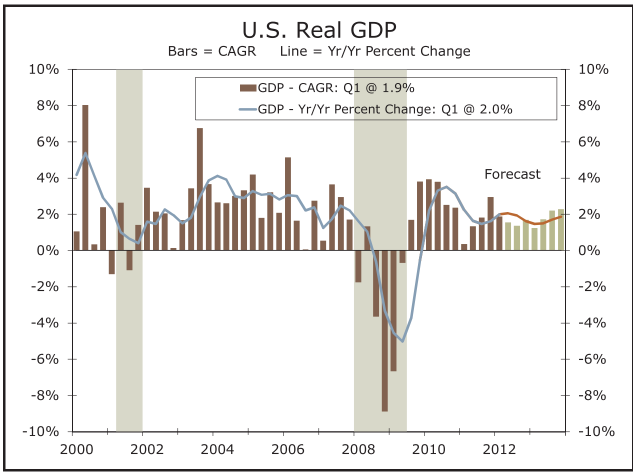
The global economy has clearly lost momentum this year. The United States continues to expand, but at a subpar pace, and China is registering the slowest growth rates in three years. Many European countries have slipped back into recession.

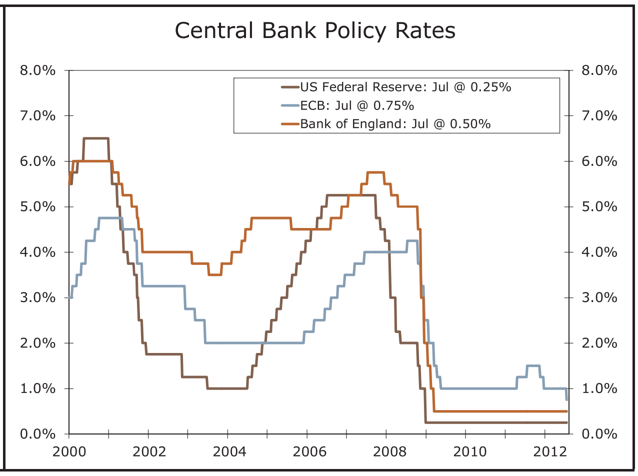
In response, many central banks have eased policy recently. Under the assumption that Europe does not "blow up," we project that global GDP will grow about 3 percent this year, not a global recession, but the slowest year since the global downturn in 2009.

Europe Remains the Biggest Risk

Under a worst-case scenario—one in which one or more members of the European Monetary Union abandons the euro—another global financial crisis could ensue. European leaders are caught between the rock of radically restructuring their economic and political systems and the hard place of potential financial crisis and a very painful recession.

In our view, the most likely scenario is one of "muddle through." We believe that each time the crisis rears its ugly head European leaders will do enough in terms of a policy response to make the crisis die down temporarily. As the record of the past two years shows, however, they likely will not completely "fix it" and tensions in financial markets will ultimately resurface. In this base-case scenario, therefore, the European sovereign debt crisis will continue to wax and wane for the foreseeable future. In other words, we do not see the uncertainty emanating from Europe subsiding anytime soon.





Source: U.S. Department of Commerce, Bloomberg LP and Wells Fargo Securities, LLC

This report is available on wellsfargo.com/economics and on Bloomberg WFEC.

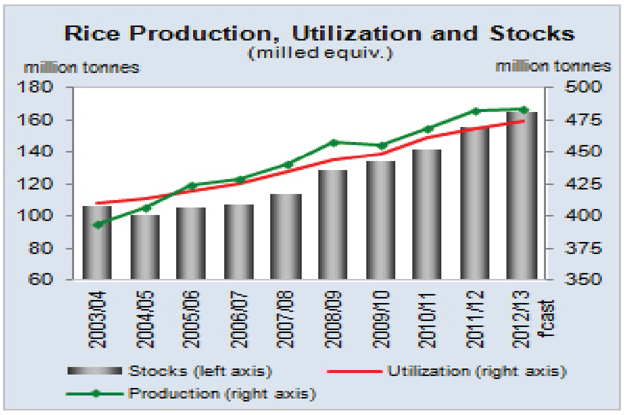
RICE MARKET MONITOR (RMM)

The FAO Rice Market Monitor (RMM) provides an analysis of the most recent developments in the global rice market, including a short-term outlook.

ROUND-UP

FAO has lowered its April forecast of global paddy production in 2012 by 7.8 million tonnes following a worsening of the outlook in Asia. The downward revision mainly concerned India, where the critical monsoon rains were 22 percent short of the Long Period Average by mid-July. As the season progressed, production forecasts for Bangladesh, Brazil, Cambodia, the Democratic People's Republic of Korea, the Republic of Korea, Mali, Pakistan and Sri Lanka were also downgraded. On the positive side, the 2012 production forecasts in China (Mainland), Indonesia, the United Republic of Tanzania, Thailand and the United States were all scaled up. At the new forecast level of 724.5 million tonnes (483.1 million tonnes, milled basis), global production in 2012 would be only marginally above the excellent 2011 results, recently further revised upwards.

Across the various regions, Asia is predicted to reap 657 million tonnes in 2012, 0.4 percent above the outstanding 2011 performance. Such a modest growth reflects expectations of a poor season in India, but also in Cambodia, the Chinese Province of Taiwan, the DPR Korea, the Rep. of Korea and Nepal, all of which may see production drop in 2012. By contrast, China (Mainland), Indonesia and Thailand are anticipated to record sizeable gains, with smaller, but widespread, increases expected in the rest of the region. Production in Africa looks set to recover in 2012, possibly jumping by 3 percent, which, to a large extent, draws on expectations of an improved performance in western Africa. Prospects are also positive in Eastern and Northern Africa, but the season may end negatively in the Southern part of the continent.



In Latin America and the Caribbean (LAC), a lack of precipitation and a shift towards more remunerative products in Brazil, Argentina, Paraguay and Uruguay are behind a 7 percent drop of production in the region in 2012. Yet, prospects remain positive for Bolivia, Colombia, Guyana, Peru and Venezuela. In the other regions, Australia already concluded the season with an outstanding 32 percent area-led increase. As for output in the United States, it is officially anticipated to recover from last year's low, yet remaining well short of pre-2011 volumes. By contrast, production may fall in the EU, owing to a lingering drought in Spain.

Based on trade performance so far this year, FAO has lowered its April forecast of global rice trade in calendar 2012 by 160 000 tonnes to 34.2 million tonnes. Import forecasts were trimmed for Bangladesh and Indonesia, but raised for China (Mainland) and the Islamic Republic of Iran. As for export forecasts, deliveries from Pakistan, Thailand and Viet Nam have been lowered since April, outweighing upward revisions for Argentina, Brazil, India and the United States. At 34.2 million tonnes, global rice trade in 2012 would be about 1.0 million tonnes smaller than the 2011 record. Reduced import demand by countries in Far East Asia are behind this fall, as deliveries to Africa, LAC, Europe and North America are expected to rise compared with 2011. As for exports, Thailand is predicted to face a sharp decline in 2012, with Argentina, Brazil, China (Mainland), Myanmar, Uruguay and Viet Nam also foreseen to ship less. Parts of these reductions are expected to be offset by greater sales, especially by India, but also Australia, Cambodia, Pakistan and the United States.

Global rice utilization in 2012/13 is projected to hover around 474 million tonnes (milled basis), 6 million tonnes more than the 2011/12 estimate. Of these, 400 million tonnes are estimated to be used as food, up from 395 million tonnes in the previous year. This would keep rice food consumption per capita stable around 56.6 kilo per annum, even though domestic prices in many locations are above those prevailing one year ago. Utilizations of rice for feed and for other uses are anticipated to change little, at 12.6 million and 61.4 million tonnes, respectively.

The FAO forecast of global rice inventories at the close of the 2012-2013 marketing years has been revised up by 200 000 tonnes to 164.5 million tonnes (milled basis). At that level, carryover stocks would be 6 percent (or 8.6 million tonnes) larger than the previous year, marking the eighth consecutive season of stock accumulation. As a result, the global stock-to-use ratio would be up to an estimated 34 percent in 2013. Much of the reserve building this season is expected to be concentrated among exporting countries, while reduced imports may result in smaller reserves held by traditionally importing countries.

After gaining 2 percent in May, international rice prices have remained surprisingly stable, in sharp contrast with trends observed in the maize and wheat markets. Although the abundance of rice supplies lessens the prospect of a strong rebounding of prices in the coming months, still much uncertainty prevails as to their future direction. For instance, the necessity for Thailand to release stocks ahead of the new harvest in October must be weighed against India's possible consideration of a reinstatement of export restrictions, in spite of the country's ample inventories. Developments in the other cereal markets will also need to be closely monitored.

Source: Food and Agriculture Organization of the United Nations (FAO)

JANATA-SADAT-JUTE

Two brother Najmul Huq and Mahmudul Huq own respectively two world class Jute Mills in private sector 1) Janata Jute Mills Ltd. 2) Sadat Jute Industries Ltd. They sell 80% of their products to Central Europe and rest to USA, Japan, East Europe, Turkey etc.

Najmul Huq
Managing Director
Janata Jute Mills Ltd.

Janata Jute Mills Ltd., is a public limited company, which was established in the year 1966, in the wake of Bengali nationalism. The factory is located in Polash, Ghorashal in the district of Narsingdi. It is situated on the bank of river Sita-Lakshya, which is about 45 k.m. north-east of Dhaka city on the Dhaka-Sylhet highway covering an area of 50acres of land. The factory's trial production commenced in 1968 and commercial production started in 1969. The unit had an installed capacity of 150 Hessian and 100 sacking looms primarily weaving to produce and export Hessian cloth and sacking bags having annual weaving production capacity of 9,000 tons per annum.

After the emergence of Bangladesh, government's policy towards socialism it was nationalized in May, 1972 and again denationalized on January 10, 1983. After denationalization, the company immediately went into expansion by adding 18 Hessian looms under its expansion plan. But due to change in the global economic scenario and closing down of the jute spinning in Europe, the company took the opportunity to import second-hand jute mill machinery for producing jute yarn for the carpet industries in Europe. This is how the jute yarn manufacturing section came into existence. The first yarn unit started production in 1986 with 16 spinning frames and a production capacity of 12 tons per day of specialized jute yarn for the carpet industries. The unit has the capacity to manufacture jute yarn from 3.5 lbs. (8.2nm) to 16 lbs (1.8nm) of 1 to 3 plies for specialized carpet industries. Now Janata has two sections a) Weaving: Jute Bags, Hessian Bags, Full Bright Hessian Bags, Soil Saver b) Spinning: Jute Yarn and Twine, Dyed Yarn, Coated Yarn, Heavy count yarn etc.

Mahmudul Huq
Managing Director
Sadat Jute Industries Ltd.

Sadat Jute Industries Ltd., is a private limited company, which was established in the year 1984 as a 100% export oriented Jute Yarn producing unit. The factory is located in Jafarpur, Debidwar, in the district of Comilla. It is situated on the road side of Dhaka-Chittagong Highway, which is about 85 k.m. north-east of Dhaka city and 12 k.m. South-West from Comilla town covering an area of 15 acres of land. Trial production of the company commenced in 1986 and commercial production was started in 1987. The unit had an installed capacity of 18 spinning frames. Since then, a new yarn unit has been added in 1994 which had an installed capacity of 23 spinning frames and primarily both the unit produces and export yarn/twine having production capacity of 10,000 tons per annum.

In addition to that the company had undertaken a new industrial project of 100% export oriented for manufacturing special type of Jute Fabrics (Lenoleum hessian) based on its backward linkage industry in the name of Weaving Plant of which production commenced in the year 2000. This plant produce and export Linoleum Hessian (special types of Jute Fabrics) having production capacity of 2.25 million linear meters per annum.

The first yarn unit started production in 1986 with 18 spinning frames and a production capacity of 12 M.tons per day of specialized jute yarn for the carpet industries. The unit has the capacity to manufacture jute yarn from 4.00 lbs. (7.25 nm) to 30 lbs (0.96 nm) of 1 to 5 plies for specialized carpet industries. In the backdrop of good demand of its yarn in the foreign market an expansion of the existing yarn unit was undertaken for manufacture of yarns of 8 lbs. (3.60 nm) to 72 Lbs. (0.40 nm). Sadat has two sections a) Spinning: Jute Yarn & Twine, White Batch Yarn etc. B) Fiber Divisions: Jute/Kenaf Cut to Length, Jute Sliver, Bleached Fibre, Bleached Fire Retardant Fiber, Rot Proof Fibre, 100% smells free fiber etc.

Achievements: Janata-Sadat

They have received National Export Awards from the Government of Bangladesh

- GOLD - 1999-00, 2000-01, 2001-02, 2004-05, 2005-06, 2006-07
- SILVER - 1994-95, 1998-99, 2002-03, 2007-08, 2008-09
- BRONZE - 1990-91, 1991-92, 1996-97, 2009-10

In addition, they have also received the following awards

- "Exporter of the Year - 2002" award by Dhaka Chamber of Commerce & Industries Industries.
- "CNCI Achiever of Industrial Excellence Awards-2005" by Ceylon National Chamber of Industries.
- "Best Producer of Jute Diversified Product Trophy" in 2005 and 2006, by the Jute Diversification Promotion Centre, Ministry of Textiles and Jute, Government of Bangladesh.

Corporate Social Responsibility (CSR)

- Janata has complete infrastructure facilities including residential accommodation for nearly 2,000 employees. It has a Medical Center with 2 Resident Doctors.
- Janata has its own School – "Janata Adarshya Biddyapit" for the children of employees community exemplary its and of the local community with exemplary performance.
- The founding Managing Director, late Mozammel Huq, had set-up several Trust Funds for meritorious and poor students.
- "Eye Camps", in collaboration with Lions Club, were organized in 2008 & 2011 at Janata Mill premises for cataract operations for the employees & the community provided local community. At the same time primary Dental Care was also for the employees & the local community.

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Bangladesh Association of International Recruiting Agencies

BAIRA is an association of national level with its international reputation of co-operation and welfare of the migrant workforce as well as its approximately 800 member agencies in collaboration with and support from the Government of Bangladesh.

History & Background

Bangladesh Association of International Recruiting Agencies (BAIRA) is one of the largest trade bodies in Bangladesh affiliated with the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), the apex body on Trade & Industry, established in 1984 with a view to catering the needs of the licensed recruiting agencies who are engaging themselves in promoting manpower market abroad and deploy a good number of unemployed Bangladeshi manpower in various foreign countries after imparting necessary training. Currently BAIRA has about 700 Government Approved Recruiting Agents as its member.

Aims and Objective

BAIRA has been working for its members with the following objectives:

- To promote and protect the rights and interests of the members of the association in particular and the trade, commerce and industries of Bangladesh in general;
- To promote, advise and assist in the business activities of the members of the association, to make all out efforts for providing Bangladeshis with job abroad;
- To co-ordinate the activities of the licensed recruiting agents approved by the Government of the People's Republic of Bangladesh for arranging employment's of Bangladesh abroad and to create unity amongst the licensed recruiting agents;
- To develop an understanding and awareness of Government notification, rules and regulations regarding the overseas employment of manpower amongst the member recruiting agents;
- To advise Government to amend, alter or modify orders in this regard from time to time keeping the interest of the country;
- To take all steps by lawful means that may be necessary for promoting, supporting or opposing legislation or any other action effecting the general interests of member recruiting agents;
- To establish close and intimate liaison with foreign missions in Bangladesh with a view to provide employment of Bangladeshi citizens in their respective countries;
- To keep in touch with Bangladesh Embassies or other reliable agencies for creating job opportunities for Bangladeshi citizens in different countries;
- To invite delegations from countries having potential for employment of skilled and un-skilled Bangladeshi workers with a view to acquainting them with the vast hard working manpower available in Bangladesh, after getting prior permission form the Government;
- To send delegation from the association abroad for creating proper awareness amongst the intending employers about skilled and un-skilled workers of Bangladesh;
- To make efforts to ensure distribution of all privileges and facilities to all member recruiting agents fairly and equitably;
- To create association's own Trade Institute in order to assist each and every member-recruiting agent appropriate and capable manpower;
- To establish association's own training center to assist and offer training to all candidates selected for employment abroad on manners, customs and foreign languages etc;
- To assist all member-recruiting agents about rules, regulations, procedures, visa entry permits by procuring them from different countries and making them available to the members;
- To make all efforts and take all steps to remove difficulties and bottlenecks faced by the member-agents;
- To make efforts to remove complaints and misunderstanding amongst the foreign employers about manpower sent by member-recruiting agents;
- To organize welfare measures for the Bangladeshi workers abroad and their beneficiaries at home;
- To encourage the Bangladeshi workers working abroad for remit maximum of their foreign exchange earning to the country through regular official channels;
- To encourage and advise the Bangladeshi migrants abroad and their beneficiaries at home for investments of investments of their foreign exchanges in the productive pursuits in the country;
- To undertake initiatives for repatriation and payment of compensation to the persons wrongly selected and sent abroad;

Manpower is one of the major national resources of Bangladesh. About 35 million people constitute this vast reservoir of manpower. Fortunately Bangladesh is steadily turning her manpower into an asset through training and skill development with a view to meeting the needs of a modern economy. With a modes beginning in 1976, Bangladesh has, by now, become a notable exporter of manpower. Between 1976 to 2001 a total of more than three million Bangladeshis have been able to secure employment in foreign countries, particularly in countries of the Middle East and Malaysia, Singapore of South Korea through the members of BAIRA.

Availability of Manpower in Bangladesh

Unemployed labor force of Bangladesh is estimated to be about 15 million. Beside a huge number of un-skilled labor force, skilled, semi-skilled and professional manpower is also available for foreign employment. There are 51 Vocational Training Institutes (VTI's) and 13 Technical Training Centers (IIC's) and 1 Bangladesh Institute of Marine Technology (BIMT) which caters to the training needs for craftsmen in the basic trades. Diploma in Marine Technology is also offered from BIMT. The Marine Academy at Juldia, Chittagong turn out certificated officers for merchant navy. 13 TTC's and 1 BIMT produce annually about 7,000 highly skilled technicians on different trades, suitable for overseas employment.

Major Countries of Manpower is Exported

K.S.A, Kuwait, UAE, Qatar, Iraq, Libya, Bahrain, Oman, Malaysia, Korea, Singapore, Brunei, Laos, Mauritius Spain Lebanon USA

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NEW EVENTS

UPCOMING TRADE SHOWS

International

Upcoming Top 10 International Trade Shows			
Event Name	**Date**	**Industry**	**Venue**
Magic	20-23 August 2012	Apparel & Garments	Las Vegas, USA
India International Trade Fair	14-27 November 2012	Home Supplies	New Delhi, India
Americas Beauty Show	09-11 March 2013	Cosmetics	Chicago, USA
34th Indian Handicrafts & Gifts Fair	15-18 October 2012	Arts & Crafts	Greater Noida, India
IBS New York- The International Beauty Show	14-16 April 2013	Cosmetics	New York, USA
NSSF Shot Show	15-18 January 2013	Sporting Goods, Toys & Games	Las Vegas, USA
Cosmoprof Bologna	15-18 March 2013	Cosmetics	Bologna, Italy
Guangzhou International Lighting Exhibition	09-12 June 2013	Electronics & Electrical	Guangzhou, China
Atlanta Fall Gift & Home Furnishing Market	21-23 September 2012	Architectural Services	Atlanta, USA
AAPEX	30 Oct.-01 Nov.2012	Automobile	Las Vegas, USA

source: www.biztradeshows.com

National

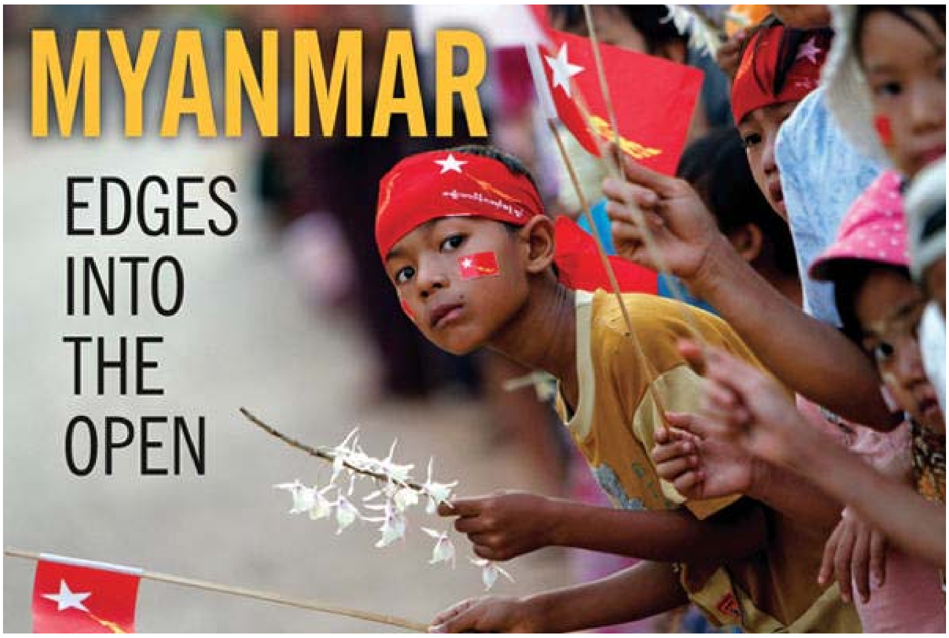
Upcoming National Trade Shows			
Event Name	**Date**	**Industry**	**Venue**
CONExpo Bangladesh	12-15 September 2012	Real Estate (Construction Materials, Method & Equipment)	Bangabandhu International Conference Centre, Dhaka, Bangladesh
Bangladesh Architectural Construction & Engineering Industry TradeShow	19-22 September 2012	Real Estate (Construction Materials, Method & Equipment)	Bangabandhu International Conference Centre, Dhaka, Bangladesh
International Fabrics & Accessories Sourcing Fair Dhaka	16-19 January 2013	Apparel Fabrics and Garment Accessories	Bangabandhu International Conference Centre, Dhaka, Bangladesh
GARMENTECH BANGLADESH	16-19 January 2013	Textile & Garment Machinery & Accessories	Bangabandhu International Conference Centre, Dhaka, Bangladesh
Bangladesh Int'l Plastics Packaging Printing Industry Exhibition	23-26 January 2013	Packaging Industry	Bangabandhu International Conference Centre, Dhaka, Bangladesh
Bangladesh IPF-Foodtech	23-26 January 2013	Process foods and Bakery	Bangabandhu International Conference Centre, Dhaka, Bangladesh

source: www.biztradeshows.com

NEW APPOINTMENTS DURING JUNE, 2012

BANKS, FINANCIAL & OTHER INSTITUTIONS				
Name	Current Position	Current Organization	Previous Position	Previous Organization
Alhaj Nasiruddin	Chairman	Social Islami Bank Ltd. (SIBL)	Director	SIBL
Md. Nurun Newaz Salim	Chairman (re-elected)	NCC Bank Ltd.	Chairman	NCC Bank Ltd.
Anwer Hossain Khan	Chairman (re-elected)	Shahjalal Islami Bank Ltd.	Chairman	Shahjalal Islami Bank Ltd.
Mahmudul Huq Taher	Chairman (re-elected)	National Life Insurance Co Ltd.	Chairman	National Life Insurance Co Ltd.
M. Matiul Islam	Chairman	Financial Institutions Promoters' Association	N/A	N/A
Mostafizur Rahman Dulal	Vice-Chairman(re-elected)	NCC Bank Ltd.	Vice-chairmen	NCC Bank Ltd.
Noor-a-Alam Choudhury	Vice-chairmen	Social Islami Bank Ltd. (SIBL)	Director	SIBL
A Jabbar Mollah	Vice-chairmen	Social Islami Bank Ltd. (SIBL)	Director	SIBL
Pradip Kumar Dutta	Managing Director and Chief Executive Officer	Sonali Bank Ltd.	Managing Director	Rajshahi Krishi Unnayan Bank
N. Janakiram Raju	Managing Director	BASF Bangladesh Ltd.	Chief Executive	Coatings Division (BASF India Ltd.)

Myanmar Is Opening Up and the World is at Its Doors



When the military coup took place in Burma (now Myanmar) some half a century ago, the first victims were members of the very large Indian community. Burma had traditionally been an integral component of the trade route between India and China. In later years, Burma was part of the British Empire.

Disaster struck in the middle of the last century and worsened after the military coup in 1962. Indian businesses were nationalized, their money and bank accounts were confiscated, and they were exiled from the country with just their shirts on their backs.

Last Frontier for Reforms

Burma is one of the last large countries to take the reform route. It has two choices. It can either muddle along as India has been doing; the problem of a democracy is that you must take everybody on board. Things move slowly. It takes a new crisis -- as is being experienced by India now -- to get the ship of government back on the rails. Or you can fly -- like China. If you are lucky, you manage; if you are not, the pressure cooker will explode. The liberalization process will get a setback from which it may take years to recover.

There don't seem to be too many doubts that Myanmar President U. Thein Sein has some reformist aspirations. Over the past few years, he has patched up relations with pro-democracy Nobel Prize winner Aung San Suu Kyi, who leads the opposition. He has held some sort of elections, where Suu Kyi's party bagged 43 of the 45 seats on offer. (The Myanmar Parliament has more than 600 seats, so a transition to an elected government has a long way to go.)

The Indian Prime Minister is not alone in accepting the democratic credentials of the ruling general. US Secretary of State Hilary Clinton is also a convert. On May 17, after meeting Myanmar foreign minister U. Wunna Maung Lwin in Washington, Clinton told a press conference at the state department's Treaty Room: "Today we say to America's businesses: invest in Burma." US President Barack Obama added. "As an iron fist has unclenched in Burma, we have extended our hand,". He lifted the trade sanctions that have been in place since 1993. He also nominated Derek Mitchell as ambassador to Myanmar. Mitchell has previously served as the state department's special representative to that country.

There was some excitement in Yangon. But it was muted. The generals have promised democracy on several occasions. But they have always ended with the people asking for more and brutally repressed uprisings. Why should this time be any different?

Corporate America too didn't show much visible excitement about investing in Myanmar. When Vietnam was thrown open by President Bill Clinton in 1994, Coke and Pepsi rushed into the country. Bottles of the soft drink were made available -- free -- on the streets of Ho Chi Minh City in just a few hours. Today, US investment will come, but in more measured fashion.

Stream of Visitors

Besides, the world has changed. In Myanmar, instead of leading the way, the US has been content to be a follower. Visitors to the country in recent times include British Prime Minister David Cameron, U.N secretary-general Ban Ki-moon, Indian Prime Minister Manmohan Singh, Malaysian Prime Minister Mohammad Najib Abdul Razak and Thai PM Nayok Ratthamontri Haeng Ratcha-anachak Thai. Hilary Clinton did stop by last December, but she spent more time with Suu Kyi than with Sien. It's a measure of Myanmar's isolation that Clinton is the senior-most US official to visit Myanmar since Secretary of State John Foster Dulles in 1955.

Early Birds

Some Indian firms already have a presence in Myanmar. The Ruias have won the contract for the USD 214 million Kaladan Multimodal Transit Transport Project. The TATAs have entered into a distribution agreement with Apex Greatest Industrial Co to sell its commercial vehicles and passenger cars in Myanmar. "Other products may be added to the list later," says a TATA spokesperson. The TATAs have been assembling heavy trucks in the country for the past two years.

Investment apart, trade is one front in which there is ample scope for growth. According to a report by the Confederation of Indian Industries (CII), titled 'India-Myanmar -- Expanding bilateral cooperation': "India and Myanmar have seen substantial increase in their bilateral trade." That may be technically correct. But in absolute terms, it was only USD 1.35 billion in 2010-11. "This implies that the sky is the limit," says a CII spokesperson. Myanmar's trade with China is around USD 6.5 billion.

Rivalry for Natural Resources

India and China – among the fastest-growing large economies in the world -- have been competing in many places in their quest for natural resources. "The two Asian giants are focusing on Africa as never before," says Businessweek. Myanmar is the latest arena. It has energy resources both the countries are hungry for and a lot else besides. China is clearly ahead. Since 1988, it has enjoyed a sort of most-favored nation status.

Will reforms in Myanmar be faster than China, Vietnam or India? "Can't say," responds M.P. Bezbaruah of the department of economics, Guwahati University, and the author of 'Indo-Myanmar Cross-Border Trade. Vibhanshu Shekhar, research fellow, Indian Council of World Affairs, Delhi, "It will take place at the pace the Myanmar generals are comfortable with." Rajiv Biswas, Asia-Pacific chief economist for IHS Global Insight, feels that Myanmar is set to become Asia's latest tiger economy. "But only if the pace of reform is sustained."

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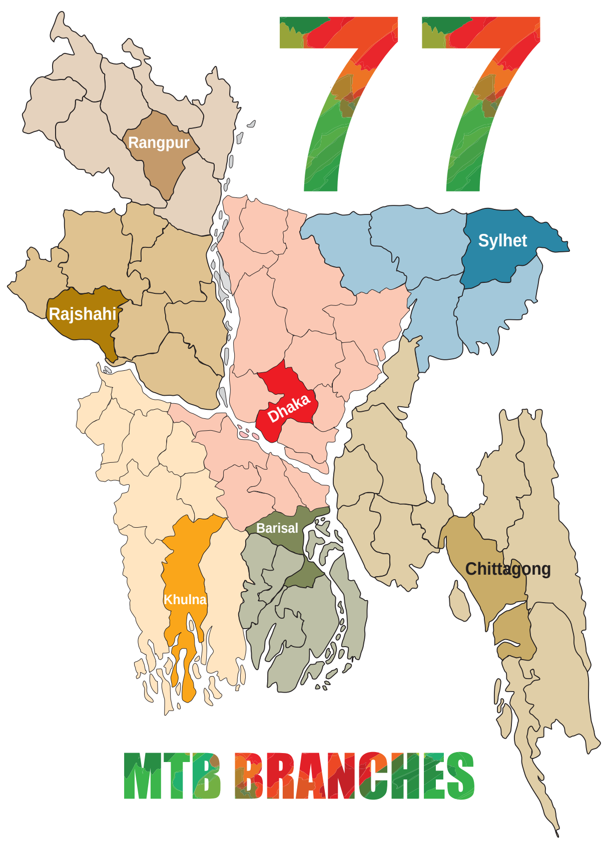

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