

Govt to study ICAB call for forming watchdog, updating companies act

STAR BUSINESS REPORT

Prime Minister Khaleda Zia has directed the ministry of commerce to look into two proposals by the chartered accountants, which sought updating the companies act and forming a board to review the application of international accounting standards.

She said she has advised the ministry concerned to take necessary steps to review the proposals.

The Prime Minister was speaking at the inaugural ceremony of the 30th founding anniversary of the Institute of Chartered Accountants of Bangladesh (ICAB) at the Bangladesh-China Friendship Conference Centre in Dhaka yesterday.

"Accounting and auditing play a significant role in ensuring transparency and

accountability in administration and financial management," the prime minister observed.

The present government is putting emphasis on reforms to accelerate development activities, she said. "To keep the wheels of development moving, reforms will have to be continued."

Khaleda felt all sorts of wastage and corruption in development activities must be stopped to bring transparency and accountability everywhere.

"It is essential to maintain strict financial discipline to implement development programmes properly. Even the slightest relaxation is not acceptable in this regard," she added. "The old practices have now become redundant and are hindering development."

Eminent economist Professor Wahiduddin Mahmud presented the theme paper on 'Financial Sector Reforms' at the conference, which was presided over by Jamal Uddin Ahmad, a renowned chartered accountant and former deputy prime minister.

In his presentation, Professor Mahmud said a delicate balance between regulation and entrepreneurial freedom, in financial sector in particular, is needed.

"Much of the present malaise in the financial sector can be attributed to the fact that we went for liberalisation without providing for adequate regulation and supervision," he concluded.

The economist felt the ICAB might now consider taking steps, through legal provisions and professional self-disciplinary

measures, to ensure mandatory compliance of the adopted standards by all its members.

Earlier, Jamal Uddin Ahmad said companies act should be revised and updated which has become too old in the present context of globalised business environment.

Chartered accountancy profession requires a legislation to review and monitor the application of the International Accounting Standards (IAS) and International Standards in Auditing (ISA), he felt.

AK Gulam Kibria, president of ICAB, said the institute adopted the IAS and ISA but due to shortage of logistics supports it could not monitor its implementation. A draft proposal for forming a multidisciplinary monitoring board for IAS and ISA has been submitted to the commerce ministry, he added.



Chairman of Industrial Development Leasing Company of Bangladesh Ltd (IDLC) Anwarul Huq presides over the 18th annual general meeting of the company in Dhaka yesterday. CEO and Managing Director Anis A Khan, Director and Company Secretary Yongbok Jo and directors Khan Tariqul Islam, Akhter Ahmed, Abbas Uddin Ahmed and Ahmed Rajeeb Samdani are also seen.

Vegetable export processing project awaits NEC nod

RAFIQ HASAN

The government is taking up a Tk 200 crore project to develop export-oriented vegetable gardens to increase vegetable export.

According to sources, the Ministry of Agriculture submitted a project proposal and is awaiting the approval of the National Economic Council.

"There may be some contribution in foreign funds but it would not be dependent on the donors," said a high official at the ministry.

Five government and non-government organisations will implement the massive project in the next five years.

The organisations are the Department of Agricultural Extension (DAE), Bangladesh Agricultural Development Corporation (BADC), Bangladesh Agricultural Research Institute (BARI), Hortex Foundation, and Department of Agricultural Marketing.

"The main objective of the project is to motivate farmers into producing high quality vegetables items," said Agriculture Minister Motiur Rahman Nizami, who is now the industries minister.

He told The Daily Star that some

demonstration fields would be developed under the project to motivate the farmers. The agriculture minister said the Export Promotion Bureau would also get involved with the project to ensure overseas export markets.

According to the project, high quality vegetables producing gardens would be developed and the produce would be marketed in the developed world after proper quality assurance and packaging.

The demonstration of fields would be developed in the main vegetables producing districts of Comilla, Kushtia, Chapainawabganj, Chandpur, Jessore, Narail, Gazipur and Narsingdi.

Bangladesh has been earning around \$15 million dollars by exporting fresh vegetables every year.

The expatriate Bangladeshis are the main consumers of fresh vegetables from Bangladesh. Six Middle East countries and Europe are the main market of Bangladeshi vegetables.

The super markets of the developed world do not as yet import fresh vegetables from Bangladesh for want of quality assurance and lack of proper freezing and pre-

serving facilities.

The Hortex Foundation has developed a number of high quality vegetable gardens in the country and exported vegetables abroad through BRAC.

The export prospects of Bangladeshi vegetables are huge, as there is an annual market of \$2,000 billion worth of fresh and processed vegetables in the world.

The main competitors of Bangladeshi products are India, Kenya, China, Turkey and Thailand.

Finance Minister M Saifur Rahman had on several occasions said the agriculture sector would get the highest priority in the next budget. He said the government would provide full support to develop agriculture sector and improve the quality of agriculture items.

However, agriculture minister Nizami said this project was taken up having integrated some other projects that started last year. During a pre-budget discussion with the finance minister, the agriculture ministry sought special allocation for agriculture research and agriculture sector rehabilitation in the event of any natural calamities.

New chairman of Prime Bank

BB discourages private placement in bank IPO

STAR BUSINESS REPORT

The central bank on Monday advised the Securities and Exchange Commission (SEC) to encourage banks in raising funds through floating initial public offering (IPO) rather than private placements.

Sources said most of the third generation private commercial banks have applied to the capital market regulator seeking permission to raise funds from the capital market through share floatation.

In most of the cases, the banks wanted to offer only a small portion of the total amount to the public and manage the rest through private placements.

Sources said the stock market recently had been riding on bank stocks giving higher returns to the shareholders. The new banks showed interest in pre-IPO placement for majority of their shares and submitted a list of prospective investors to the SEC, leaving aside a very small amount for public.

A bank, which went public last

month, raised Tk 30 crore through pre-IPO placement and offered shares worth only Tk 10 crore to the public.

Considering the above, the SEC sought opinion from the Bangladesh Bank whether to encourage or discourage private placements in banks' shares. The central bank advised the commission to discourage private placement before offering shares to general shareholders.

IDLC approves 30pc dividend

Industrial Development Leasing Company of Bangladesh Limited (IDLC) approved a cash dividend of 30 per cent for the year 2002, says a press release.

The approval came at the 18th annual general meeting of the company yesterday in Dhaka.

Anwarul Huq, chairman of the Board of Directors of the company, presided over the meeting. Directors Abbas Uddin Ahmed, Akhter Ahmed, Khan Tariqul Islam, Ahmed Rajeeb Samdani, and Yongbok Jo, attended the meeting.

Anis A Khan, CEO and managing director of the company responded to the shareholders' questions and comments on the Directors' Report and Financial Statements for the year 2002.

Profit before tax and after tax for 2002 stood at Tk 194.6 million and Tk 118.6 million. The after tax net profit recorded a growth of 30 per cent over the previous year. Total assets of the company stood at Tk 4.8 billion at the end of the year.

PDB, IIFC sign agreement to set up wind-based power plant

BSS, Dhaka

Power Development Board (PDB) and Infrastructure Investment Facilitation Centre (IIFC) yesterday signed an agreement to set up a 10-mw wind-based power plant in the coastal region.

Under the agreement, IIFC will extend assistance to PDB for a feasibility study in coastlines, inviting international quotations for installing the plant, arranging necessary aid and appropriate investor and getting a licence from the proposed Energy Regulatory Commission, a PDB press release said here.

The IIFC services will be free of cost, the release added.

AB Bank holds customer night in Sylhet

Arab Bangladesh Bank Ltd Sylhet region organised a customer night in Sylhet recently, says a press release.

Senior Executive Vice-President of AB Bank Ali Reza Iftekhar presided the meeting.

Among others Yusuf Haroon Abedi, general manager of Bangladesh Bank, Sylhet region, Professor Abdul Aziz, treasurer of Shahjalal Science and Technology University, Professor Md Shafiqul Islam and former Director of Agrani Bank M Muhibur Rahman also spoke.

M A Wadud, vice-president Corporate Banking Division, Md Mahmudur Rahman, vice president Marketing Division of AB Bank head office, and dignitaries were present.

Kuwait gives \$15m for Afghan road

AFP, Kabul

Kuwait has donated 15 million dollars to Afghanistan to help rebuild a major link road between the main southern city of Kandahar and Spin Boldak on the border with Pakistan, the Asian Development Bank (ADB) said Tuesday.

"The funds, from the Kuwait Fund for Arab Economic Development, will co-finance rehabilitation of Afghanistan's 105-kilometre (65 mile) Kandahar-Spin Boldak road, one of the country's major links with its neighbours," the Manila-based bank said in a statement received here.

Lift new condition for releasing raw materials

Corrugated carton manufacturers urge govt

STAR BUSINESS REPORT

Corrugated carton manufacturers yesterday demanded repealing of a recent National Board of Revenue (NBR) order that made it mandatory for them to produce bank guarantee before customs for releasing raw materials imported under bonded warehouse facilities.

In an eight-point demand, the Bangladesh Corrugated Carton and Accessories Manufacturers and Exporters Association (BCCAMEA) called for fixing an annual import requirements after estimating the production capacity and requirement of the buyers.

They said the government should discuss these issues with the association to support the growth of the sector. The association placed the demands at a press conference at the Dhaka Reporters Unity.

"If the government does not take appropriate measures by June 10, we will have no way but to close the factories," BCCAMEA President Iqbal Hossain said. "And it will render about 80 thousand workers in the industry jobless."

Hossain said when the provision of bank guarantee for customs clearance comes into effect, about 70 to 80 per cent accessory facto-

ries will be closed.

Companies will have to shoulder extra burden of bank interests and other related expenses to procure bank guarantee, he said. So, the production cost will also increase by about 50 per cent, he added.

The government's effort in developing the small and medium enterprises (SMEs) like the accessory industries is really insignificant, alleged Saifullah Chowdhury, adviser of the association.

BCCAMEA General Secretary Mir Mahmood Ali, Vice-presidents Abdul Kader Khan and Nazim Uddin Chowdhury were also present at the conference.



PHOTO: PARTEX BEVERAGE

Showkat Aziz Russell, director of Partex Beverage Limited, and Hemraj Ramdath, director of International Business of Chubby Soft Drinks of SM Jaleel and Company Limited, sign a memorandum of understanding in Dhaka recently. Under the deal, Partex Beverage Limited will launch Chubby soft drinks in Bangladesh.

Partex Beverage to launch Chubby drinks

Partex Beverage Limited has a plan to launch Chubby Soft Drinks in Bangladesh within this fiscal year, says a press release.

The company is likely to invest \$14 million to implement the project.

A Memorandum of Understanding to this effect was signed in Dhaka recently between Partex Beverage Limited and Chubby Soft Drinks of SM Jaleel and Company Limited of Trinidad/Cott Canada.

Showkat Aziz Russell, director of Partex Beverage Limited, and Hemraj Ramdath, director of International Business of Chubby Soft Drinks of SM Jaleel and Company Limited of Trinidad/Cott Canada.

Amir Khosru Mahmud Chowdhury, Commerce Minister, was present at the signing ceremony.

SouthAsia Enterprise Development Facility (SEDF) of the International Finance Corporation (IFC) organised the visit of Hemraj Ramdath to Bangladesh in cooperation with the Canadian Manufacturers and Exporters Association (CME) from May 19 to 23, 2003.

StanChart, Siemens sign deal

Siemens and Standard Chartered Bank have signed an agreement on payment through Visa and MasterCard credit cards at its sales and service centres across the country, says a press release.

Christian Laufer, chief financial officer of Siemens Bangladesh Limited, and Ahsan Afzal, head of Cards of Standard Chartered Bank Bangladesh, inked the deal on behalf of their organisation in Dhaka recently.

Under the accord, customers can buy Siemens products and services by using their Visa or MasterCard credit cards issued by Standard Chartered Bank and other local banks and financial institutions.