

Govt to offload holdings of three Z-category companies

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Five years after a decision to offload government holdings in three companies, the ICB Securities Trading Ltd, a subsidiary of the Investment Corporation of Bangladesh (ICB), has finally been assigned with the task.

A total of 47 lakh government shares of Shyampur Sugar Mills, Bangladesh Monospool Paper and Renwick Jaineswar will be injected into the stock market. The securities trading arm of

the ICB will start the process by the end of this month.

The latest decision came from a meeting of ICB and Privatisation Commission officials held in Dhaka yesterday, in the wake of arguments that lack of quality shares was the key reason behind the depressed state of capital market.

Market operators had long been demanding offloading of government holdings in profitable companies to boost the stock market. But they think

the latest decision would rather increase sufferings of the investors.

"Such a decision will hardly benefit investors since all the three companies are already placed in Z category, a category where the worst performing companies are placed," a stock market analyst told The Daily Star yesterday.

The government earlier instructed the ICB to expedite the offloading process which was delayed due to lack of consensus over formation of a committee comprising brokerage houses,

Privatisation Commission and ICB, sources said.

The government holds 95 per cent shares of Rupali Bank, 53 per cent of National Tubes, 64 per cent of Zeal Bangla Sugar Mills, 95 per cent of Shyampur Sugar Mills, 100 per cent of Bangladesh Services Ltd and 88 per cent of Bangladesh Shipping Corporation.

The government stakes in Eastern Cables, Atlas Bangladesh, Renwick Jaineswar and Usmania Glass are 51 per cent each.

Dollar under pressure against taka

BSS, Dhaka

The US dollar was under pressure against the Bangladesh taka in inter-bank trading yesterday, as it plunged against Asian currencies after G-7 meet, dealers said.

In early Asian trade, dealers said the dollar plunged to a 33-month low against the yen, which then led the Asian currencies sharply higher.

The dollar traded at 58.4050 taka and 58.4250 taka per unit, compared to its previous rates at 58.4150 taka and 58.4300 taka on Sunday, dealers of leading commercial banks said.

The demand for the US unit was strong but importers and traders refrain themselves from buying dollar after its record fall against the yen that sparked concerns about the region's exports after the G7 weekend call for flexible exchange rate systems, dealers said.

Sentiment on Taka was strong and some fund managers had to sell their dollar funds to meet their cash crises. The call money rate jumped to 11.50 per cent from its earlier high at 7.00 per cent, they said.

Call money rate jumps to 11pc

BSS, Dhaka

After a periodic lull, the call money rate jumped to its high at 11 per cent yesterday following liquidity problems of some private commercial banks, fund managers said.

The call money rate jumped to its intra-high high at 11.50 per cent in a few deals and nose-dived to its low at 6.00 per cent, fund managers of leading commercial banks said.

"We experienced high demand for call money in late hours as some private banks faced liquidity problems due to deposit withdrawal", dealers of leading banks said.

But in most deals the call money rate ranged between 9.00 per cent and 11 per cent today compared to yesterday's range between 2.50 per cent and 5.50 per cent yesterday, fund manager said.

The demand for call money remained very thin during last few months due to lower government borrowing from banking system and thin credit flow to the private sector.

Repo auction

UNB, Dhaka

The reverse Repo auction of Bangladesh Bank for commercial banks and financial institutions was held here yesterday.

One bid of one-day tenor amounting to Tk 15 crore and one bid of seven-day tenor amounting to Tk 150 crore were received and that were not accepted, said a press release of Bangladesh Bank.

Premier Bank holds workshop on CAMEL rating

Premier Bank Limited organised a workshop on CAMEL (Capital, Assets, Management, Earnings and Liquidity) rating for the senior management staff of the bank in Dhaka on Saturday.

SK Sur Chowdhury, deputy general manager (Off Site Supervision Department) of the bank, conducted the workshop and elaborately discussed CAMEL rating.

All branch managers of Dhaka city and divisional heads in head office participated in the workshop, says a press release.

Japan's trade surplus jumps 23.1pc in Aug

AFP, Tokyo

Japan's trade surplus in August jumped 23.1 per cent from a year earlier to 787.2 billion yen (7.0 billion dollars), lifted by robust Asia-bound exports, the finance ministry said Monday.

The August surplus marked the second consecutive monthly rise as exports grew 6.4 per cent to 4.33 trillion yen while imports increased 3.3 per cent to 3.54 trillion yen, the ministry said in a statement.

"Exports grew faster than imports thanks to strong Asia-bound shipments, particularly toward China," said a ministry official.

Japan's trade surplus with the rest of Asia surged 42.0 per cent to 541.6 billion yen with exports rising 13.9 per cent to 2.11 trillion yen and imports up 6.6 per cent at 1.57 trillion yen.



Commerce Minister Amir Khosru Mahmud Chowdhury speaks at a press briefing on 'Post Cancun Ministerial Conference and Present WTO Perspective' in Dhaka yesterday as Commerce Secretary Suhel Ahmed looks on.

Small, medium firms face fund constraints

STAR BUSINESS REPORT

Infrastructure dearth and fund constraints coupled with natural calamities are hindering growth of micro, small and medium enterprises (MSMEs) in Bangladesh, says a draft report of a survey on such enterprises.

Owners of around 4,000 micro, small and medium enterprises identified frequent power disruptions, limited access to finance, flood and natural disasters as major deterrents to small businesses, the report reveals.

The survey was conducted jointly by International Consulting Group (ICG) of Australia and Micro Industries Development Assistance and Services (MIDAS) during March to June this year covering a total of 10,096 enterprises.

Department for International Development (DFID), United States Agency for International Development (USAID), Swiss Agency for Development and Cooperation (SDC) and Swedish International Development Cooperation Agency

(Sida) funded the survey.

The draft survey report was presented at a seminar organised at a local hotel yesterday.

Commerce Minister Amir Khosru Mahmud Chowdhury, Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) President Abdul Awal Mintoo and British High Commissioner to Bangladesh David Carter spoke at the seminar.

Lisa Daniels of ICG, Eric Knepper, project manager, and K Bashar, general manager of MIDAS, jointly presented the survey findings.

According to the report, presently there are six million MSMEs in Bangladesh contributing 20 to 25 per cent to country's gross domestic product (GDP). These small enterprises employ about 31 million people.

The enterprises employing two to five workers are contributing more to the GDP than enterprises having higher number of workers.

The study was conducted on 52,036 households, 10,096 of them

were considered as income-generating units as they market at least 75 per cent of their products.

Terming MSMEs the heart of economy, the commerce minister said owners of those enterprises are not organised, which is a major hindrance to the growth of the sector.

"Neither they belong to any chamber body nor they have adequate knowledge to identify their problems and put them forward to authorities concerned," he said.

FBCCI President Mintoo said Bangladesh is facing a challenge of absorbing about 2 million labour forces annually where MSMEs can play a significant role. "MSMEs should hold the key to national development," he said.

Momtaz Uddin Ahmed, professor of Dhaka University, SM Al-Hosainy, former member of Planning Commission, and Rokia A Rahman, president of Women Entrepreneurs' Association of Bangladesh (WEA), were panel discussants at the seminar.

Seminar for stronger trade ties with Spain

STAR BUSINESS REPORT

Speakers at a seminar have called for building up stronger trade relations between Bangladesh and Spain through intensive interactions between the governments and businesspeople of the two countries.

They suggested the two governments and private sectors to explore all the business opportunities for improving the current meager level of bilateral trade.

The suggestion came from the seminar titled 'Spain Bangladesh Business Development: Present and future' organised by the Spain Bangladesh Chamber of Commerce and Industry (SBCCI) at a local hotel in Dhaka yesterday.

Spanish Ambassador to Bangladesh Don Rafael Conde De Saro and Executive Chairman of Bangladesh Export Processing Zones Authority (BEPZA) Brig Gen (Retd) Mofizur Rahman spoke, among others, at the seminar.

Editor of The New Age AZM Enayetullah Khan presented keynote paper while editor of The Financial Express Moazzam Hossain discussed



Spanish envoy to Bangladesh Don Rafael Conde De Saro

on it. SBCCI President Sharif M Afzal Hossain moderated the seminar.

The ambassador said Spain is now exploring potential Asian markets, including Bangladesh. A Spanish business delegation will visit Bangladesh next month to find business opportunities, particularly in agro-based sector, he added.

He said Spain is the eighth largest economy in the world with 41 per cent of its export earnings coming

from capital machinery. Seventy three per cent of the Spanish exports go to the European Union (EU) member countries.

Anwar-Ul Alam, additional secretary of the ministry of foreign affairs, said the business between the two countries is not expanding due to lack of interactions between the two governments and businessmen.

He sought the Spanish ambassador's intervention in introducing a separate GSP (generalised system of preference) scheme for Bangladesh with relaxed rules of origin.

Abdul Karim, joint secretary of commerce ministry, emphasised signing of a bilateral framework agreement between Bangladesh and Spain for holding regular discussions on bilateral trade and investment.

Bangladesh exported goods worth Tk 762 crore to Spain and imported goods valued at Tk 110 crore in 2002-2003 fiscal year, he said.

Major exporting items from Bangladesh include woven garment, knitwear, leather and leather goods.

Asean urged to open up to stay competitive

AFP, Putrajaya, Malaysia

Southeast Asian nations must speed up efforts to integrate their economies and liberalise their markets to stay attractive to foreign investors, a business group said Monday.

Rudy Pesik, chairman of the Asean Business Advisory Council, said the 10-member Association of Southeast Asian Nations (Asean) had emerged from the 1997/98 economic crisis on a stronger

footing and was working on a series of free trade pacts with China, India, the US and others.

However, it must accelerate steps to ease the movement of goods and capital so that when foreigners "invest in one Asean country, it's like investing in the whole region," he said.

"Asean is now a prima donna, everyone wants to work with us," he told reporters at the start of a two-day council meeting here.

"But we should be prepared to be more competitive vis-a-vis the rest of the world. When foreign investors look at any one country in Asean, they will be dealing with 550 million consumers, not only 22 million in Malaysia."

The abolition of tariffs under the Asean Free Trade Area, having standard rules of origin for products and visa-free travel in the region would be a boon, he said.



PHOTO: STAR

Rangs Group Chairman A Rouf Chowdhury talks to Hiroshi Doi, service manager (Technical Service Section) of Mitsubishi Automotive Engineering Co Ltd, on the opening day of a two-week free service programme for Mitsubishi vehicles -- Mitsubishi Service Week -- at the company's Tejgaon workshop in Dhaka yesterday.

HSBC offers new home loan product

The Hongkong and Shanghai Banking Corporation (HSBC) Limited in Bangladesh has launched new home loan product, Home Loan Plus.

Under the offer, customers can apply for a mortgage of between Tk 750,000 and Tk 10,000,000 depending on property value, with a loan repayment period of up to 15 years.

HSBC will also arrange discounted premiums on home insurance policies from enlisted insurance companies for Home Loan Plus customers, says a press release.

Customers can get personal installment loan with a discount of one per cent from the existing interest rate to purchase household items they may need for their new homes.

Rangs launches Mitsubishi vehicles service week

Car owners to get free service

STAR BUSINESS REPORT

Rangs Limited yesterday launched 'Mitsubishi Service Week', a two-week free service programme for Mitsubishi vehicles.

The programme was jointly organised by Rangs Ltd, the sole distributor of Mitsubishi vehicles in Bangladesh, and Rangs Workshop Limited (RWL).

During the service period, all Mitsubishi vehicles in Bangladesh will be catered with free diagnosis, manned by a Mitsubishi service expert from Japan.

Rangs Group Chairman A Rouf Chowdhury formally launched the

programme at the company's Tejgaon workshop in Dhaka.

Speaking at the function, Rouf Chowdhury said the programme has been organised to ensure after sales service of Mitsubishi brand vehicles marketed by the company.

"It will also help the technicians and engineers of RWL in extending smooth and prompt service to the customers for their satisfaction," he said.

The service will be provided under the guidance of Hiroshi Doi, service manager (Technical service section) of Mitsubishi Automotive Engineering Co Ltd.

"The main objective of the

programme is to improve our quality and extend after sales service to our customers," Hiroshi Doi said.

RWL is also offering complementary free wash, vacuum cleaning and topping of vehicles and 15 per cent discount on all necessary works and spare parts during the service week.

Gulf Oil Bangladesh Ltd and Rahim Afroz Bangladesh Ltd are supporting the programme and also offering free lubes and various gifts to the customers.

The programme will continue up to October 2.

Rangs Group Executive Vice-chairperson Zakia Rouf Chowdhury was also present at the function.