

Mercantile Bank IPO sees 36 times oversubscription

BSS, Dhaka

The subscription for shares of Mercantile Bank Limited oversubscribed by 36 times to around Tk 7800 million from its Initial Public Offerings of Tk 213.19 million.

"The higher growth in business of the bank in four years created tremendous demand for shares among the small investors, which resulted to huge collection as subscription charges," an official in the share division of the bank told.

The bank, which started its operation on June 2, 1999, offered 2,131,900 shares at Tk 100 each to public from its total 3,197,650 shares worth Tk 319.760 million. Partner-investors subscribed the rest 1,065,750 shares of Tk 106.575 million.

The initial public offering (IPO) was open to public on October 21 and 22.

The company started its business with paid-up capital of Tk 245 million. Bank earned Tk 256.54 million net profit after tax during the year ended December 31, 2002, from Tk 214.96 million during the previous year, showing a rise by Tk 41.58 million or 19.34 per cent.

Total operating income of the bank during 2002 amounted to Tk 669.194 million from Tk 567.9 million during 2001 indicating a growth of Tk 101.294 million or 17.84 per cent. Of the total operating income during last year, Tk 302.24 million was net interest income.

Bangladesh apparel show ends in Toronto

UNB, Dhaka

A Bangladeshi apparel show began in Toronto, Canada Monday with an assurance of supplying quality apparels to the newfound duty-and-quota-free market at competitive prices.

Bangladeshi garment manufacturers and exporters are displaying their RMG products in 40 stalls at the Westin Harbour Castle Hotel in Toronto, according to a message received in Dhaka.

Trade Facilitation Centre of Canada and Canadian Manufacturers and Exporters Association have jointly organised the single-country show with financial support from South-Asian Enterprise Development Facility (SEDF), a project of the World Bank group.

"Bangladeshi manufacturers will maintain quality of the products, competitive price and timely shipment," BGMEA president Quazi Moniruzzaman assured the buyers at the inaugural ceremony of the two-day show.

Another two-day clothing fair will be held in Montreal October 30-31.

SkyCargo introduces new route to Brisbane

Emirates SkyCargo introduced a new daily route to Brisbane in Australia on Sunday, says a press release.

"This new route has established a direct trade route between Queensland, the UAE and the entire Middle East region," said Peter Sedgley, Emirates vice president of Cargo Commercial Operations.

Initially, the flights will be operated with an Airbus A330-200, capable of carrying 15 tonnes of cargo in each direction and the route will be served by a Boeing 777-300 capable of carrying 25 tonnes of cargo from December 1.

With this new route, Emirates now serves all of Australia's major commercial cities, with daily flights to Perth, Melbourne, Sydney and Brisbane.

Bangladesh re-elected ASOSAI member

Bangladesh has been re-elected a member of the governing body of the Asian Organisation of the Supreme Audit Institutions (ASOSAI) for the year 2003-2006.

Bangladesh secured the second highest votes in the election at the ninth convention of the organisation held in Manila last week, says a press release.

Comptroller and Auditor General Asif Ali led a four-member delegation to the convention.

PSI companies get fresh extension

STAR BUSINESS REPORT

The government yesterday granted the three pre-shipment inspection (PSI) companies another three-month extension.

The National Board of Revenue in an order asked the three companies to continue their activities up to January 31, 2004, sources said.

This is the fourth time extension of the tenure of Bureau Varitus, ITS

and Inspectorate Griffith which were appointed in February 2000 for a three-year term.

Though their terms expired in February this year the government could not appoint new companies for pre-shipment inspection because of legal tangle.

Before expiry of the existing firms' tenure the NBR floated international tender but it was cancelled following the allegation of inconsis-

tency in the tender documents.

Then the NBR went for a fresh tender and five companies participated in the bid. But a scrutiny committee cancelled the bid of three companies because of technical flaws.

The aggrieved companies filed a case with the high court which issued an stay order on the process of appointing new PSI companies.

Forex reserves rise to \$2.6b

STAR BUSINESS REPORT

Bangladesh's foreign exchange reserves rose to US\$ 2.6 billion yesterday, according to latest available figures from the central bank.

The amount was \$1.73 billion in September last year.

Officials have attributed the increased reserves to the rise in export earnings and remittance.

The export earnings amounted to \$1.315 billion in July-August of 2003-04 fiscal, which was \$1.221 billion during the same period of

2002-03.

According to Bangladesh Bank statistics, expatriates sent \$734.7 million during July-September of financial year 2003-04 while the amount was \$728.34 million during the same period of last fiscal.

Meanwhile, Saudi Arabia-based exchange house Al-Razi Commercial Foreign Exchange Company has started payment of foreign currencies to Bangladesh as the existing problems are solved, resulting in remittance increase this month.

Al-Razi had stopped paying cover funds to Sonali, Agrani and Islami Bank at the beginning of August due to some internal problems. As a result, remittance amounting to around \$50 million of Sonali and Agrani Bank had been blocked.

The problem was solved in September when the Ministry of Finance, Bangladesh Bank and Bangladesh Embassy in Saudi Arabia intervened in the matter, officials said.

WB country director calls on foreign minister

UNB, Dhaka

World Bank Country Director Christine Wallich called on Foreign Minister M Morshed Khan at his office yesterday and exchanged views on reform programmes in different sectors for smoothly growing of trade and investment in the country.

During the meeting, the Foreign Minister said that the goal of the government is to facilitate investment and business in the private sector and added that government has been offering very attractive packages for investment especially for the foreign investors.

The World Bank Country Director emphasised on the need for continued reform programme in various sectors like banking, telecommunication and shipping.

In the meeting, they also underscored on regional and sub-regional integration for the better exploitation of economic benefit in the South Asian region.

Belarus keen to import RMG, jute products

UNB, Dhaka

Belarus is keen to import Bangladeshi garments and jute products.

This was disclosed by Uladzimir A Sakalowski, the Belarus Ambassador to Bangladesh, based in New Delhi, when he met with FBCCI President Abdul Awal Mintoo at his Federation office yesterday.

The Ambassador also informed that one businessman in his country is interested to set up a rag carpet industry in joint venture in Bangladesh.

With Belarus being the largest potash fertiliser producer in the world, he told the FBCCI President that apart from potash fertiliser, Bangladesh can import agriculture machinery, steel and steel products, and ball bearings.

Sakalowski emphasised on signing a joint chamber agreement between the apex business bodies of Bangladesh and Belarus for further expansion of trade, cooperation and investment.

Call money rate steady

BSS, Dhaka

The call money rate was steady yesterday as the demand for cash and credit was lower from both private and public sector.

Fund managers of different commercial banks said the call money rate ranged between 4.00 per cent and 6.50 per cent.

The market was packed with surplus liquidity as the central bank injected Tk 100 crore funds through reverse repo at a very low rates ranging between 2.40 per cent and 2.50 per cent, they said.

The banking sector is suffering various problems due to surplus funds that are costly. But the demand for credit and investment is very low due to high interest rates and too cautious policies, fund managers said.

Reverse Repo auction

UNB, Dhaka

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

Three bids of one-day tenor amounting to Tk 280.00 crore and one bid of seven-day tenor of Tk 100.00 crore were received and accepted.

The rates of interest against the accepted bids of one-day and seven-day tenor ranged from 2.40 to 2.50 per cent per annum respectively, said a press release of the central bank.

Acme opens new sales centre

Acme Laboratories Limited has opened its new sales centre in Dinajpur recently.

Azalur Rahman Sinha, deputy managing director of the company, inaugurated the sales centre, says a press release.

Among others, Rezaur Rahman Sinha, Tanvir Sinha, Sabrina Sinha, Motiur Rahman Sinha, directors of the company, and Golam Rabbani Bhuiyan, marketing manager, were present.



PHOTO: STAR

(From left to right) Industries Secretary Shoab Ahmed, State Minister for Energy and Mineral Resources AKM Mosharrar Hossain, Australian High Commissioner to Bangladesh Lorraine Barker, Shapthahik 2000 Editor Shahadat Chowdhury and Junior Chamber Bangladesh Dhaka West chapter President Safina Rahman are seen at a roundtable on 'Potential opportunities from beach sand minerals deposit in Bangladesh.' Junior chamber and Shapthahik 2000 jointly organised the seminar in Dhaka yesterday.

Sand mineral resources

Conduct feasibility study for commercial use

Speakers suggest at JCB-Shapthahik 2000 roundtable

STAR BUSINESS REPORT

As an estimate shows over 1.7 million tonnes of proven reserve of sand minerals in Bangladesh, experts yesterday urged the government to conduct a feasibility study on commercial viability of the resources.

Bangladesh Atomic Energy Commission (BAEC) estimated in its survey that the beaches of the country have sand minerals deposits of zircon, aluminite, magnetite and garnet that could be extracted for commercial utilisation.

Scientists discovered the huge reserves of valuable minerals called 'black gold' in Cox's Bazar, Teknaf and Kuakata sea-beaches and Saint Martin's, Kutubdia, Nijhum Dweep and Maheshkhali islands in 1960s.

But the government is yet to undertake any commercial survey which is vital for going for extraction, observed discussants at a roundtable on 'Potential opportunities from beach sand minerals deposit in Bangladesh' in Dhaka.

Junior Chamber Bangladesh (JCB) Dhaka West chapter and Shapthahik 2000, a weekly news magazine, jointly organised the discussion at Brac Centre Inn.

Expressing concern over the gradual depletion of the minerals stock the speakers said indecision of government is exposing the

resources to depletion with increasing human habitation and construction on the reserves sites.

They said if government does not intend to do the feasibility study it should engage private sector to do it. The commercial extraction of the minerals would give value addition to ceramics, glass, plastic, iron and paint industry, they observed.

Speaking at the roundtable, State Minister for Energy and Mineral Resources AKM Mosharrar Hossain said the ministry would soon sit with experts and stakeholders to work out a strategy on how to best utilise the resources.

"The government with the help of experts will soon formulate a policy on the beach mineral resources giving priority to private sector-led exploration and commercial production," he said.

For optimum utilisation of the resources, coordination among BAEC, Geological Survey of Bangladesh and Petrobangla is imperative. "Experts of different universities, private sector people and users should also come forward with suggestions," Mosharrar said.

Australian High Commissioner in Dhaka Lorraine Barker assured help in extraction of such resources and said Bangladesh should extract its mineral resources at the maximum level as it gives more value addition to export products.

"Being world's largest extractor

of beach mineral resources Australia would provide technical help to Bangladesh in exploring its sand resources," she said.

Referring to International Titanium Company which is conducting a primary survey in Cox's Bazar beach, the envoy said the Australian company has termed Bangladesh's sand mineral resources having 'international standard.'

Industries Secretary Shoab Ahmed said government and private sector should work together and share information for optimum utilisation of the resources.

Presided over by Safina Rahman, president of JCB Dhaka West, the roundtable was also addressed by Anwar Hossain, former chairman of BAEC, ASMA Haseeb, department of Minerals and Metallurgical Engineering, BUET, ASW Kurny, department of Minerals and Metallurgical Engineering, BUET, Lufur Rahman, vice chancellor of Pundra University of Science and Technology, Md Minhazul Islam Chowdhury, director, Beach Sand Minerals Exploitation Centre, Cox's Bazar, BAEC, AKM Shahidul Hasan, former director of Geological Survey of Bangladesh, Shapthahik 2000 Editor Shahadat Chowdhury, The Daily Star Editor Mahfuz Anam and Syed Almas Kabir, national president of JCB.

Malpractice in manpower export to Malaysia

Govt to show cause recruiting firms

STAR BUSINESS REPORT

The government has decided to serve show cause notices on the recruiting agencies involved in malpractice in sending people to Malaysia.

The agencies now receiving passports and money from job seekers will be given seven days time to explain why their licences would not be cancelled for the

irregularities.

At least six recruiting firms will be served with show cause notices following complaints by the overseas job seekers, sources said.

The job seekers raised the allegations during a surprise visit by State Minister for Expatriates Welfare and Overseas Employment Mohammad Quamrul Islam at some medical centres at Banani in Dhaka

on Monday.

The state minister visited the centres and found many people gathering there for advance medical check up though manpower export to Malaysia is yet resume.

The job seekers told the minister that they were advised by local agents and recruiters for conducting medical check ups for going to that country, the source said.

DFID unveils assistance plan for Bangladesh

STAR BUSINESS REPORT

The UK Department for International Development (DFID) yesterday announced its country assistance plan (Cap) for Bangladesh titled 'Women and Girls First' involving some 80 million pounds each year during 2003-06.

The Cap will mainly focus on health, education and governance as the country is lagging behind in these sectors, said Paul Ackroyd, head of DFID Bangladesh, while announcing the plan to a group of newsmen at his office in Dhaka.

Ackroyd detailed the priorities, partnerships and modalities of the projected aid during the three-year plan under which the DFID will provide assistance to enhance livelihood and basic services in Bangladesh.

During the plan period, DFID will have a special gender focus in all of its funded programmes and projects in Bangladesh. The plan will be subject to annual revisions and the aid amount may change.

Although the DFID resources are estimated at 80 million pound as 'base case' for each year, it would increase up to 140 million pound in the 'high case'. The project year of the DFID starts from April each year.

DFID has chalked out the Cap based on the lessons learned and recommendations from the Country Strategy Plan (CSP) of 1998-2002.

"Women and girls will get priorities in all of our programmes as gender inequality in Bangladesh is constraints on progress towards achieving the position of women," said Ackroyd elaborating the theme of the plan.

He said CAP has adopted the objectives of Bangladesh's poverty reduction strategy.

"The poverty reduction strategy covers a lot of areas. But it is not possible for us to cover all these areas. Therefore, we will concentrate on seven important priority areas," said the head of DFID Bangladesh.

The areas include creation of more and better jobs for the poor, strengthening delivery and management of land, reduction of maternal mortality, improved access for women and girls to food, safe water and hygiene, Universal Primary Education and Education for All programmes and making the public sector more accountable and responsive to the interests of poor people.



PHOTO: UNITREND

Peter E Albrich, managing director and CEO of Siemens Bangladesh Limited, and Asghar Karim, chairman of Pacific Telecom Bangladesh Limited (PBT), the owning company of CityCell phone, sign an agreement recently in Dhaka. Under the deal, Siemens Mobile Communications will install SDH microwave radio and MUX system between Dhaka and Khulna for PBT.

ADB project fails to revitalise capital mkt

DSE officials say

STAR BUSINESS REPORT

Dhaka Stock Exchange (DSE) officials yesterday were critical of the ADB project on capital market development, saying the project failed to yield desired results due to lack of participation of all related institutions.

During a meeting with a delegation of Asian Development Bank (ADB) at the DSE office, its members and executives said the project concentrated on the Securities and Exchange Commission (SEC) but ignored others.

However, after the discussion the ADB team agreed with the DSE about undertaking a comprehensive new project based on greater participation of SEC, stock exchanges and other parties involved in the capital market.

They said such a project would strengthen the institutions and bring dynamism in the stock market in Bangladesh. They also emphasised capacity building of the institutions under a fresh ADB loan programme now under consideration.

The ADB provided 80 million US dollars to implement its 'Capital Market Development Programme Loan 1580' to strengthen the capital market.

The four-member ADB delegation was led by its Country Director Toru Shibuichi. The team included ADB's Head of Economic Unit Purnima Rajapakse, Senior Economist Zahid Hossain and Rezaul Karim Khan.

DSE Chairman Ahmed Iqbal Hasan, Senior Vice-chairmen Abdul Haque, Vice Chairman Abdullah Bokhari, some councilors and members were present.

Briefing journalists after the meeting, DSE Chief Executive Officer (CEO) Dr Salahuddin Ahmed Khan said the stock exchange officials had told the ADB team to pay attention to other market players in its future assistance programme.

He said the previous project was much biased to the SEC. "We think ADB should include some new issues such as mid-term review, consultation with all market players, upgradation of rules and

regulations in the new project," he said.

The DSE officials suggested for undertaking mid-term review, which was not in the last project, to monitor the project work and oversee its progress.

They said ADB should discuss with the market players concerned and focus on more objectivity to achieve the goal of its project. "The ADB officials however assured us of consulting with the market players," Salahuddin Ahmed said.

In the meeting, demutualisation of bourse and merger of DSE and CSE (Chittagong Stock Exchange) were also discussed. But the DSE chief executive officer said these issues could not be addressed at the moment.

The ADB officials told the meeting that the Capital Market Development Programme Loan had helped in stock market reforms that included automation, rules and regulations, central depository system and private mutual fund.