

DSE move to revise status of listed companies

General index continues declining

STAR BUSINESS REPORT

The Dhaka Stock Exchange (DSE) has decided to place six listed companies in higher categories and relegate eight others taking into account the fundamentals of those companies as well as their recent performances.

DSE Chief Executive Officer Salahuddin Ahmed Khan said companies declaring dividend amounting to 10 per cent or above will be promoted to A category while those who declare dividend below 10 per cent will be placed in B category.

"The companies which are not holding regular annual general meetings and declaring dividends will be downgraded to the Z category," he told The Daily Star yesterday about DSE's latest move to adjust status of listed companies.

"This is a regular practice to help investors evaluate economic performances of the companies," the CEO said. He, however, admitted that investors find little information about companies as DSE can hardly provide them with such information.

To address the problem, DSE has planned to upgrade its website incorporating adequate information about listed companies. "Investors will find a company's disclosures of last five years in the website."

Companies that will be upgraded are Fuwang Ceramics, Mutual Jute Spinners, Standard Ceramic, Sajib Knitwear, BD Plantation and AlHaj Textile.

Fuwang Ceramics will be upgraded to A category from B on December 28 while Mutual Jute Spinners will be upgraded to A from B category on January 1.

Standard Ceramic, Sajib Knitwear and BD Plantation will be upgraded from Z category to A, B and A categories respectively on December 27. But the date of upgradation of Al Haj Textile from B to A category has not been fixed yet.

On the other hand, six low performing companies will be demoted to Z category and two to B category. Anlima Yarn & Dyeing and Bengal Fine Ceramics will be degraded to B category from A category on December 27 and December 29 respectively.

Modern Cement, Wonderland Toys and Raspi Data Management will be relegated to Z category from A category. Modern cement will be degraded on December 18 while Wonderland Toys and Raspi Data Management on December 27.

The three companies that will be degraded to Z category from B

category on December 27 are All Tex Industries, Dhaka Fisheries and Tripti Industries.

Meanwhile, falling of General Index of DSE continued yesterday for the second consecutive day after a record-breaking performance on Saturday. The General Index in DSE dipped further by 22.83 point yesterday to stand at 975.77 points.

On Sunday, the DSE General Index was 998.60, which was also 17.36 point lower than that of Saturday. The index on Saturday was over 1015 points.

Among 185 issues traded yesterday, 62 gained, 116 declined and seven remained unchanged. The turnover was Tk 19.3 crore. Among the declined issues, 83 are from A category, 17 from B category and 16 from Z category.

Weighted average index withdrawn

STAR BUSINESS REPORT

The Securities and Exchange Commission (SEC) yesterday withdrew the Weighted Average Index from Dhaka and Chittagong stock exchanges with effect from today (Tuesday).

Dhaka Stock Exchange (DSE) Chief Executive Officer Salahuddin Ahmed Khan yesterday said the board received the formal letter from SEC abolishing the index.

Earlier on Sunday, the SEC assured of withdrawing the index at a meeting between SEC Chairman Mirza Azizul Islam and DSE members and councillors. Chittagong Stock Exchange (CSE) also requested the market regulators to withdraw the index which they said does not reflect real strength of the market.

Market operators as well as investors were demanding the withdrawal of the weighted index from the very beginning of its introduction.

Introduced in November, 2001 the Weighted Average Index, which excludes Z category shares, was virtually seen stagnant in last two years. The index is calculated on the basis of day's traded shares of A and B categories by applying weighted average method.

The Weighted Average Share Price Index, which was introduced with initial base points of 817.62, touched 824.39 points on Saturday. The index never witnessed major changes.

"The index has failed to reflect the market situation. As it remained virtually static it also gave wrong signal to investors," DSE Chairman Ahmed Iqbal Hasan said Sunday after the meeting with SEC chairman.

Trade thru' Benapole disrupted

UNB, Benapole

Export-import through the Benapole land port was disrupted yesterday.

Officials at the port said that the problem was created by Indian BSF at Petrapole. BSF obstructed the representatives of Indian C&F agents and transport owners from coming to Benapole to deposit the documents of export consignments for unknown reasons.

The movement of cargoes through the port came to a halt and hundreds of trucks with goods, including the perishable ones, were stranded on both sides of the border.

Citigroup awarded best bank in e-cash management

Citigroup, the holding company of Citibank NA, has been awarded the best bank in electronic cash management by the Euromoney Magazine in 2003.

Citigroup has won the award for differentiating itself in the services related to online payment and collection services, real-time access to accounts, the ability to view cash balances and transactions done with other banks, reporting, the ability to export information for integration with clients' own systems, secure mail for inquiries and cash pool administration, says a press release.

In Bangladesh, Citibank has been a pioneer in offering world-class cash management solutions along with the CitiDirect Online Banking platform for corporate and institutional customers to increase efficiency and improve the ability to make critical cash management decisions, the release added.

The opening session of the seminar was chaired by Toru Shibuichi, country director, ADB, and addressed among others by Matsushiro Horiguchi, Ambassador of Japan, and John Samy, Deputy Director General, ADB.

Saarc officials meet Dec 27 to finalise Safta document

UNB, Dhaka

Commerce secretaries of the seven Saarc countries will meet in Islamabad from December 27 to finalise the Safta document for forwarding it to the forum's Summit, scheduled for January 4-6 in the Pakistan capital.

Proactive attitudes demonstrated by the region's two economic powers -- India and Pakistan -- in recent trade talks reinforced the hopes for bringing the jettisoned issue of Safta back on the table, officials here said yesterday.

If the document is signed at the summit of the Saarc leaders, South Asia will enter into a free trade regime, a long-felt need for making the 18-year-old regional bloc truly useful.

Just one week ahead of the apex-body meet, the Saarc trade bureaucrats will take a last-minute effort for getting the document through the Summit meet.

"It's nothing to be over-enthusiastic as the matter rolled to the eleventh hour. At the same time

it won't be frustrating if it's not signed during this summit," a senior trade bureaucrat here told the newsagency.

Although much progress has not been achieved over the years, trade officials of the South Asian Association for Regional Cooperation (Saarc) recently proceeded along way in setting the yardsticks for the Safta in the hope to get it done in the near future.

Senior trade officials of Bangladesh, India, Pakistan, Sri Lanka, Nepal, Bhutan and the Maldives have prepared a draft for the South Asian Free Trade Area (Safta) in a recent round of talks in Nepalese capital Kathmandu.

The Safta draft, which advocates for drastic tariff cuts for promoting intra-regional trade, also proposes special and differential treatment for the four least developed countries (LDCs) within the Saarc domain -- Bangladesh, Bhutan, Nepal and the Maldives.

Besides, poorer economies also felt that there should be a special fund to compensate LDCs for the revenue loss caused by tariff cuts.

Commerce Ministry officials said that the prospect of the free-trade document being signed appeared brighter as the two bigger economies agreed to further include 500 tariff lines for tariff concessions, ranging from 10 to 25 per cent.

Pakistan agreed to grant tariff concessions on 23 items for non-LDCs and 52 items for LDCs within the region.

The LDCs would be given longer periods for tariff-rate cuts and allowed to have longer 'negative lists of items' to protect their own industries.

Bangladesh's Commerce Secretary Suhel Ahmed said, "It's difficult to hope too much. Again, we shouldn't be pessimist even."

As an LDC within the bloc, Bangladesh will naturally hope for some special trade benefits, as promised also in the WTO regime, he said.

If necessary, he said, the LDCs within the Saarc may sit together to forge a common position, the Secretary said, citing to the united spirit of 49 LDCs in global forum.

Square Pharma, CDBL sign deal on conversion of shares

Square Pharmaceuticals Limited signed an agreement with the Central Depository Bangladesh Limited (CDBL) on Sunday for conversion of its physical share certificates into electronic ones in the Central Depository System (CDS) of CDBL, a process commonly known as dematerialisation.

Samson H Chowdhury, chairman of Square Group, and M H Samad, managing director and CEO of CDBL, signed the deal on behalf of their respective sides, says a press release.

Ahmed Iqbal Hasan, chairman of Dhaka Stock Exchange, Md Ziaul Haque Khondker, managing director of Investment Corporation of Bangladesh (ICB), AKM Rafiqul Islam, managing director of Pragati Insurance, and Abu Haniff Khan, managing director of Arab Bangladesh Bank, were present also present.

The Securities and Exchange Commission will set the date from which Square Pharma shares traded in the Dhaka and Chittagong Stock Exchanges can only be settled through CDS.

Thai Airlines celebrates 30th anniversary of Bangkok-Frankfurt connection

Thai Airlines has celebrated the 30th anniversary of its Bangkok-Frankfurt connection at Sheraton Airport Hotel in Germany recently.

That was the first airline to start non-stop service from Europe to Southeast Asia in 1973, the year when the airlines launched the operation on Bangkok-Frankfurt route, says a press release.

Currently, Thai Airlines operates to 73 cities in 34 countries, covering four continents with a fleet of 83 aircraft.

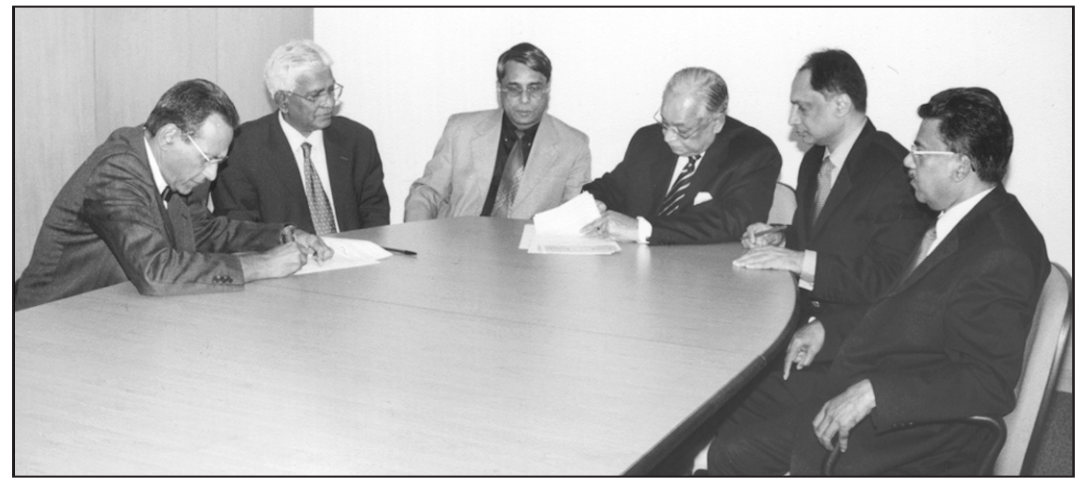
New chairman of Pragati Ins



Khalilur Rahman, chairman of KDS Group, has been elected chairman of Pragati Insurance Limited.

He has replaced Abdul Awal Mimto, who earlier resigned due to his preoccupation with Federation of Bangladesh Chamber of Commerce and Industry (FBCCI) as its president, says a press release.

Rahman is also a former first vice-president of BGMEA.



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Double-digit GDP growth possible if violence curbed

STAR BUSINESS REPORT

Finance and Planning Minister M Saifur Rahman has said the country can achieve a double-digit GDP growth rate if the nation can contain violence, cut down unnecessary expenditures and reach political consensus.

"We need to end violence originating from conflicts of various vested interest groups," he told a seminar in Dhaka on Sunday.

The minister said donors frequently shift their development strategies for Bangladesh that pose another problem. "You, the multi-lateral and bilateral development partners, go from one strategy to another, one institutional reform to another."

The finance minister was speaking at the seminar on "Economic Growth and Poverty Reduction in Bangladesh" organised by the governments of Bangladesh and Japan, and the Asian Development Bank (ADB) at Hotel Sonargaon.

Commenting on the weakness in prioritising development projects Saifur said populist or vote-oriented projects are now getting more priority than schemes that are really important for the economic development of the coun-

try. He noted that the roads and highways sector has the highest incidence of fund-wastage. "Hardly any of the 10,000 projects in roads and highways sector and of the flood protection schemes sees full implementation."

Citing example of corruption the minister said in flood protection embankment projects official records show utilisation of several thousand trucks of sand but in reality only several hundred trucks of sand are used. "When an enquiry is made the officials concerned reply that flood has washed away the rest of the sand."

Stressing the need for undertaking greater number of irrigation projects, he regretted that only a few irrigation projects had been proposed to him in the past few months.

Moreover, Saifur said, there are several weaknesses in the country's planning procedures that have resulted in inconsistencies and irregularities in cost assessment and appraisals. "If the cost of a project is estimated at Tk 40 crore before placing it to the Enec, usually it is reduced to Tk 20 crore upon appraisal," he said.

The findings of a study on "Eco-

omic Growth and Poverty Reduction in Bangladesh" presented in the seminar says the present scenario suggests the GDP growth rate is unlikely to exceed seven per cent by 2009 that is required for poverty reduction.

In order to achieve a 7 per cent or more GDP growth per annum, Bangladesh needs to mobilise around 28 per cent of its GDP as investment resources, which now stands at 23 per cent, says the study.

The study identifies Bangladesh's economy as one of the world's most vulnerable economies, which is characterised by an extremely high population density, low resource base, high incidence of natural disaster and persisting political instability.

It however pointed out that poverty declined to 49.8 per cent in 2000 from 58.8 per cent in 1991-92, while per capita income doubled in the last three decades.

The opening session of the seminar was chaired by Toru Shibuichi, country director, ADB, and addressed among others by Matsushiro Horiguchi, Ambassador of Japan, and John Samy, Deputy Director General, ADB.

Asian developing economies poised for higher growth in '04

AFP, Manila

Asia's developing economies are expected to post higher-than-expected average growth of 5.7 per cent in 2003 and 6.2 per cent next year, the Asian Development Bank (ADB) forecast Monday.

Tadao Chino, the Japanese president of the Manila-based bank, said the region was expected to shrug off the fallout from the Iraq war, SARS, volatile oil prices and terrorism to chalk up higher growth in the next two years.

He said China should lead the region, with the bank forecasting a strong 8.5 per cent economic growth for the world's most populous nation this year, 8.0 per cent for 2004 and 7.7 per cent for 2005.

In a September report, the ADB had put China's GDP growth at 7.8

percent this year and 7.9 percent in 2004.

"Developing Asia will remain the fastest growing region," Chino said, according to the text of remarks given in Tokyo and made available here.

The ADB, which tracks growth of more than 41 developing economies in Asia, had earlier projected the region would grow 5.3 per cent this year but Chino said it should now be higher at 5.7 percent, followed by 6.2 percent in 2004 and 6.3 percent in 2005.

"The outlook for a rebound in the industrialized countries in 2004-2005 and the resilience demonstrated by developing Asia in 2003 indicate the region is poised for higher growth over the next two years," he said.

He said Asia's economic outlook

should become less vulnerable to downturns in the industrialized countries as China-led intra-regional trade expanded and the regional economies focused on policies to spur domestic demand.

Chinese exports are expected to surge 20 percent in 2004 and 2005 while its imports are seen rising by a higher 25 percent in each of those years, Chino said.

"As a result, China will post a small deficit in the current account in 2004, estimated at 0.1 per cent of its GDP (gross domestic product)," he said.

Chino also said that growth in intra-regional trade posed opportunities and challenges for the rest of Asia, pointing out that the countries need to raise productivity and competitiveness through reforms over the medium term.

Int'l architectural building materials exhibition ends

STAR BUSINESS REPORT

The four-day international architectural building materials exhibition, which began at Dhaka Sheraton Hotel on Friday, concluded yesterday.

Although some international companies took part at the show for the first time this year, the response from the visitors was very poor, organisers said.

Standing in front of the stall of Macdonald Steel Building Products Ltd, Wahidur Rahman, an official of the company, said as the event was only meant for displaying products, the fair failed to attract more visitors.

A total of 27 companies from six countries including Bangladesh showcased a wide array of products at the exhibition.

The products on display were

home, office and hospital furniture, kitchen cabinet, paints, tiles, electrical equipment, plumbing materials and elevators.

The Institute of Architects Bangladesh (IEB) organised the four-day show. Companies from Japan, Thailand, Singapore, Malaysia, Saudi Arabia and host Bangladesh took part in the exposition.

Some of the participating companies were Otobi, Partex, Navana Furniture, Berger, Asian Paints, Mirpur Ceramic, Brothers Furnitures, Zamil Glass, Macdonald Steel Building Products Ltd, Index Furniture and Mitsubishi Chemicals.

The exhibition was organised as part of Architects Regional Council of Asia (ARCASIA) Forum-12. IAB is a member institute of the ARCASIA.

EU again rejects end to biotech ban

AFP, Brussels

The European Union postponed again Monday a decision on lifting a four-year ban on bio-engineered crops which has angered the EU's trading partners, in particular the United States.

EU experts handed over to ministers a decision on allowing the import of import a type of a form of genetically modified (GM) sweetcorn, Bt-11. Under EU rules, ministers will have three months in which to make a decision.

EU health commissioner David Byrne's spokesman said the required majority was not secured on the standing committee for the food chain, which gathers scientific representatives from the 15 member states.

"We've always realized that this is a difficult decision," said spokesman Beate Gminder. "It's a difficult situation for the member states, it's something that's difficult to explain to citizens and consumers," she added.

Environmental group Friends of

the Earth welcomed the decision.

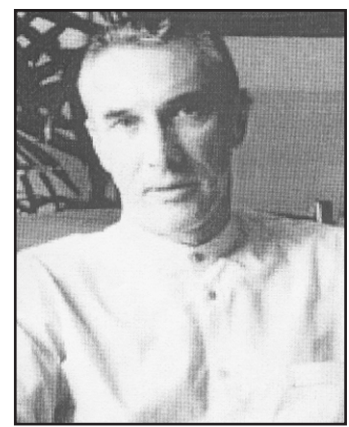
"There is clearly no scientific consensus over the safety of this modified sweet corn. The decision not to approve it is a victory for public safety and common sense," said Geert Ritsema of Friends of the Earth Europe.

Six countries of the 15-member bloc -- Britain, Finland, Ireland, the Netherlands, Spain and Sweden -- voted in favour. Three countries abstained -- Belgium, Germany and Italy -- while six voted against: Austria, Denmark, Greece, France, Luxembourg and Portugal, she said.

The EU had already delayed the vote last month, after a number of EU countries sought "clarification" before taking the decision.

The decision is likely to be put to ministers in January, the European Commission, the EU's executive body, said. Chief spokesman Reijo Kemppinen noted that if ministers fail to agree on action within three months, the file returns to the Commission for a decision.

Grey Worldwide high official in Dhaka



Grey Worldwide Regional Creative Director Jeff Orr is now in Dhaka to conduct a two-day workshop for the creative and account management teams of Grey Southeast Asian region that starts today.

Prior to joining Grey in 1996, Orr worked with Doyle Dane Bernbach and DDB Needham, says a press release.

Emirates signs deal with HSBC to buy Airbus

Emirates has signed a US\$11.4 million (12.1 billion Japanese yen) financing agreement with HSBC for a new Airbus A340-500.

The financing, structured as a Japanese yen operating lease over a 12-year term, was arranged and funded by HSBC, combining export credit and commercial debt provided by HSBC Group entities in London, Paris and Bahrain, says a press release.

The export credit debt is guaranteed by the UK's Export Credit Guarantee Department and by its German and French counterparts HERMES and COFACE.

The financing is for the airline's second A340-500, due to be delivered this week, with two more expected to arrive in Dubai by the end of the month. They will be used on various routes from December, 2003 including non-stop services between Dubai and Osaka, Japan.

The new aircraft will take Emirates' total fleet to 57.

Thai restaurant opens in Dhaka

STAR BUSINESS REPORT

With a wide array of authentic Thai dishes a restaurant -- @ Corner -- has started its journey in Dhaka.

Thai Ambassador in Dhaka Phithak Phrombubpha formally inaugurated the restaurant on Sunday.

The restaurant located at Navana Shopping Complex in Gulshan area serves more than hundred items of Thai cuisine.

The eatery will serve authentic Thai foods, Ariya Islam, the owner of the restaurant, said. @ Corner is managed by Thai professionals and it provides only Thai foods, she added.

More than Tk 2 crore has been invested in this restaurant, which has a capacity to serve 140 people at a time, said an official of the restaurant.



Thai Ambassador in Dhaka Phithak Phrombubpha formally inaugurates a Thai restaurant -- @ Corner -- at Navana Shopping Complex at Gulshan in Dhaka on Sunday.