

Consortium financing in large loans

Saifur slams bank directors for opposing the idea

STAR BUSINESS REPORT

Finance Minister M Saifur Rahman has criticised a section of bank directors, who had opposed mandatory consortium financing mandating disbursement of large loans. He said the bank directors did so because the introduction of consortium financing would have hurt their interests. "But I think good entrepreneurs are not facing any problem in getting such financing."

The finance minister was speaking at the formal launching of ceramic and porcelain tiles produced by Mir Ceramic Ltd at Sonargaon Hotel in Dhaka on Saturday. The Tk 60 crore project is supported by syndicated financing from five local banks.

Commerce Minister Amir Khosru Mahmud Chowdhury, Disaster Management and Relief

Minister Chowdhury Kamal Ibne Yusuf and State Minister for Energy and Mineral Resources AKM Mosharraf Hossain also spoke at the function.

When some banks jointly consider a large loan, they look into several aspects like project viability, product quality, local as well as export market but when a single bank does it there may have a lot of risks and problems, Saifur viewed.

"Consortium financing improves the overall quality of lending," he added.

The finance minister advised the sponsors of Mir Ceramic Ltd and prospective exporters to find markets in the east Asian and middle eastern countries, saying "if they do well, we will support them by providing export incentives."

Responding to a request of the sponsors to remove tariff anomalies in importing raw materials of

ceramic sector, Saifur assured them of asking the National Board of Revenue to examine the matter. "If there is any anomaly, it will be removed."

The minister termed ceramic industry a growing labour intensive industry in Bangladesh generating substantial employment.

Amir Khosru Mahmud Chowdhury in his speech laid stress on expanding the export basket by adding new products. He cited the example of CR coil, which is now becoming a major export item. "Earlier, CR coils were imported from Japan, Korea and we even did not think of exporting it to other countries."

Chowdhury Kamal Ibne Yusuf said local investment must increase to attract foreigners to invest in the country. "An increase in local investment means it will give signal to foreign entrepre-

neurs to come and invest here."

AKM Mosharraf Hossain praised local value addition in ceramic products to the tune of 50 per cent and said, "gas consumption in ceramic industry is high and by using cheap gas the entrepreneurs can produce and export ceramic items in a bigger way."

Mir Nasir Hossain, managing director of Mir Ceramic Ltd, said it is possible to make high quality ceramic products in Bangladesh by using local raw materials and bringing in modern technology from abroad.

"For importing raw materials of ceramic tiles we have to pay 20 per cent supplementary duty but it is five per cent in case of sanitary ware and zero per cent in table ware," he said urging the finance minister to remove the tariff anomaly.

Prime Bank leads Tk 1000m syndicated loan for Nasir Glass

Prime Bank Limited has arranged a Tk 1000 million syndicated term loan for Nasir Glass Industries Limited.

The loan will be utilised by the company to set up a float glass sheet plant at Sreepur in Gazipur, says a press release. The plant will be the first of its kind in the country.

A loan facility agreement signing ceremony was held at a city hotel yesterday.

The loan was sanctioned under lead arrangement of Prime Bank Limited and it is the biggest syndication in Bangladesh with the highest number of participation of 14 banks and financial institutions including a foreign bank.

Mizanur Rahman Bhuiyan, chairman of the Board of Directors of Prime Bank Limited, was the chief guest and Peng Shou, secretary of the Communist Party, Committee of China Triumph and general manager of China Triumph International Engineering Co, was the special guest.

Managing directors of Prime Bank, Mutual Trust Bank, Arab Bangladesh Bank, Dhaka Bank, Mercantile Bank, The Trust Bank, United Commercial Bank, Dutch-Bangla Bank, Export Import Bank of Bangladesh, International Leasing and Financial Services, Premier Leasing International Limited, Uttara Finance and Investments, Standard Bank, Nasir Glass Industries and chief executive officer of State Bank of India signed the agreement on behalf of their organisations.

EU, PRIP Trust sign \$3m deal

UNB, Dhaka

The delegation of European Commission to Bangladesh and PRIP Trust have signed a contract worth 2.56 million euro (approximately US\$3.09 million) for implementing "Small Initiative by Local Innovation NGOs" (SMILING Project). Esko Kentrschynskij, ambassador and head of EU delegation, and Aroma Dutta, executive director of PRIP Trust, signed the contract on behalf of their respective organisations at a ceremony here yesterday.

The SMILING project aims at enhancing the capacity of small, local NGOs involved in the implementation of small-scale initiatives in the areas of health, education, water supply, sanitation and environment protection at grassroots level.

The project, to be implemented over a period of five years, will cover small NGOs in 90 upazilas of 11 districts.

Square Pharma holds sales conference

Square Pharmaceuticals Limited held Sales and Marketing Conference-2004 at Savar in Dhaka yesterday.

Tapan Chowdhury, managing director of the company, inaugurated the conference, says a press release.

A number of 700 participants from field and corporate headquarters attended the conference.

Among others, M Ashiqul Hoque Chowdhury, executive director (Administration), Muhammadul Haque, director (Marketing) of the company, and KM Saiful Islam, director (Sales), attended the conference.

BB auction

UNB, Dhaka

The 276th auction of the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year treasury bills was held here yesterday.

Tk 425.39 crore, Tk 30.00 crore, Tk 60.00 crore, Tk 46.10 crore, Tk 15.00 crore and Tk 355.20 crore were offered respectively for the 28-day, 91-day, 182-day, 364-day, 2-year and 5-year bills.

Of these, Tk 370.39 crore, Tk 25.00 crore, Tk 55.00 crore, Tk 11.10 crore and Tk 307.20 crore in total of Tk 768.69 crore of the 28-day, 91-day, 182-day, 364-day and 5-year bills were accepted respectively.

The range of implicit yields of the accepted bids was 3.90-4.10 per cent, 5.10 per cent, 6.00 per cent, 6.50 per cent and 8.00-8.08 per cent per annum respectively.

The bids offered for the 2-year bill were not accepted.

Mentionable that bills worth Tk 263.60 crore will retire in the current week and net issuance would increase by Tk 505.09 crore during this week, said a press release.

DSE seeks WB help in market development

Country director visits bourse

STAR BUSINESS REPORT

The Dhaka Stock Exchange (DSE) has sought technical and financial assistance from the World Bank (WB) for development of an efficient capital market.

DSE also urged the bank to help attract more foreign direct and portfolio investment both in primary and secondary markets when bourse Chairman Ahmed Iqbal Hasan had a meeting with WB Country Director Christine Wallich yesterday.

Wallich visited the bourse, witnessed its activities and exchanged views with the DSE chairman, councillors and members. The DSE chairman and chief executive officer briefed journalists after the meeting.

"The mainframe computer for automated trading system at DSE needs to be upgraded or replaced and it would cost \$1 million. So we are looking for assistance from World Bank or other donor agencies," DSE Chairman Ahmed Iqbal Hasan said at the briefing.

Wallich did not pledge but assured DSE officials of considering their proposal of technical and financial assistance.

"Weak auditing system and lack of quality initial public offerings (IPOs) are the main problems of the capital market here," she was quoted as saying by the DSE chairman.

Wallich expressed surprise at the absence of any telecommunications companies in the capital market. Telecommunications sector is the most booming in Bangladesh, why they are not coming to capital market, she said.

The WB country director asked how people's confidence will grow if there is a few quality companies in market.

About market development, she said WB will raise the issue with the government and take necessary steps. The government should designate an agency to work for market development paving way for good companies to enter capital market, she said.

DSE also sought WB help for establishing a Securities Market Training Institute which will develop skilled manpower for Securities and Exchange Commission, Dhaka and Chittagong stock exchanges, brokerage houses and merchant banks.

The DSE chairman said government and donors initiatives can contribute to making the capital market vibrant as the market capitalisation to GDP ratio is still less than three per cent while institutional finance dominates the overall market operation.

These issues should be addressed to help securities market become a source of savings mobilisation and capital stock development, he said.

CEO Salahuddin Ahmed Khan said secondary market is not growing in volume as government bonds are not coming to capital market. "If secondary market transactions of government bonds is held in capital market, the market will definitely grow."

Bank holiday on Dec 25

BSS, Dhaka

Bangladesh Bank (BB) and all scheduled banks of the country will remain closed on December 25 on account of Christmas, a press release of BB said here yesterday.

BDCOM Online declares 10pc cash dividend

BDCOM Online Limited has declared a 10 per cent cash dividend for the shareholders for the year 2003.

The dividend was announced at the 7th annual general meeting of the company held in Dhaka on Saturday, says a press release.

Wahidul Haque Siddiqui, chairman of the company, presided over the meeting. Among others Director Quratul Ann Siddiqui, Director Sumon Ahmed Sabir and Company Secretary Syed Naymul Hassan were present.

BDCOM Online Limited, a premier ISP (Internet Services Provider) in Bangladesh, has earned a marked success in respect of all financial indicators at the end of the year ending June 30, 2003.

Global Online starts operation in Chittagong

CU CORRESPONDENT

After Dhaka, Global Online Services Limited has come up with its internet services in Chittagong.

Global Online will provide internet services to only corporate offices and data connectivity solution between Dhaka and Chittagong through radio modem and DSL.

Syed Maghrub Murshed, chairman of Bangladesh Telecommunication Regulatory Commission (BTRC), formally announced the launching of the service at a function held at a local hotel Saturday evening.

Chittagong Chamber of Commerce and Industry (CCCI) President Amir Humayun Mahmud Chowdhury attended the launching ceremony.

Texas Group Chairman Syed Faruk Ahmed, Managing Director Syed Farhad Ahmed and Global Online Chief Operating Officer Russel T Ahmed, among others, also spoke at the function.

Call money rate stable at 2pc

BSS, Dhaka

The call money rate remained stable at 2.00 per cent yesterday as most banks had sufficient funds when credit demand was low, fund managers said.

The call money rate ranged between 2.50 per cent and 4.50 per cent in most deals, fund managers of leading commercial banks said.

The demand for call money remained very thin since long as most private banks and financial institutions had adequate funds to meet their needs.

Poor profits prompt rice production fall

STAR BUSINESS REPORT

The state minister for agriculture yesterday sounded an alarm on the declining trend of rice production as farmers are deserting their profession.

The agriculture especially the rice cultivation will run into trouble as growers find farming non-profitable, said Mirza Fakhru Islam Alamgir.

"So, we have to make the agriculture more profitable," the state minister told the inaugural session of a workshop on 'Potential of Exporting Fine Quality Rice from Bangladesh'.

Bangladesh Rice Foundation

(BRF) organised the daylong workshop at the Department of Agriculture Extension Building in Dhaka.

Citing examples of China, Vietnam, Thailand and India where average nine tons of rice are produced on one hectare, Alamgir said, "We have to increase our production capacity by using modern biotechnology."

In Bangladesh, per hectare production capacity is only three tons of rice.

However, the government will help the BRF if the foundation takes initiatives to promote export of fine and aromatic rice, the state minister said.

Presenting the keynote paper, Dr Rezaul Karim Talukder, professor of Agriculture Economics of Bangladesh Agricultural University, highlighted the potential of fine and aromatic rice export from Bangladesh.

Unsatisfactory paddy grain quality, improper marketing, improper processing facilities and inadequate government support are the main problems in the fine and aromatic rice production, he pointed out.

M Syeduzzaman, chairman of BRF, also spoke at the inaugural function.



PHOTO: STAR

Romo Rouf Chowdhury (R), managing director of Rangs Limited, poses with 'Mitsubishi Outlander XLS', new model car of Japan's Mitsubishi Motors Corporation, yesterday in Dhaka at the formal launch of the vehicle. Rangs is marketing the 2400cc car in the local market.

Rangs Ltd introduces Mitsubishi Outlander

STAR BUSINESS REPORT

Rangs Limited, the sole distributor of Japan's leading carmaker Mitsubishi Motors Corporation, has introduced another Mitsubishi brand car in Bangladesh market and already received tremendous response from customers.

The 2400cc 'Mitsubishi Outlander XLS' car worth Tk 24 lakh has been available in local market for the last three weeks offering the car-loving people another option to choose high quality cars from a variety of Mitsubishi models.

"We have sold 20 Outlanders since we started its marketing early this month," said Romo Rouf Chowdhury, managing director of Rangs Limited, at a press conference marking the formal launching of the car at a local hotel yesterday.

"Outlander is introduced combining aggressive styling with off

road capability and compact urban utility to cater the young spirited individuals," he said.

Chowdhury said Rangs believes that the bond that will be created by Mitsubishi Outlander with its user will definitely offer the highest level of comfort, reliability and safety to each and every owner.

Describing safety features of the five-seated car Aftab Ahmed, deputy general manager of Rangs Limited, said there are air bags fixed in front of driver and passenger seats that automatically inflates in one-twentieth of a second during collision.

"These Supplemental Restraint System (SRS) air bags save driver and passengers' chest and face from being hurt in the event of accidents," Ahmed said.

He said the car having both automatic and manual gear is also equipped with anti-theft immobiliser, which reduces the

chance of being stolen.

Describing some technical facilities of the full time all-wheel drive car Ahmed said, "After reaching at desired speed level, the driver can fix the speed with 'cruise controller' switch for the time being. It helps drivers to relax for those moments."

The environment friendly Outlander, offering the best features of sport utility vehicle and sporty sedan, is also equipped with roof mounted DVD player, CD player, fog lamps and halogen multi-reflector headlamps.

Rangs Limited is providing one-year warranty for all parts of the car.

The 2.4 litre, 16-valve SOHC engine of Mitsubishi Outlander will consume 10.8 litre fuel to run 100 km, said Munir Uddin, deputy manager (Marketing and Customer Services) of Rangs Limited.



PHOTO: DSE

Dhaka Stock Exchange (DSE) Chairman Ahmed Iqbal Hasan and World Bank Country Director Christine Wallich are seen at a meeting held at the DSE yesterday.

Khulna unit of Dhaka Match closed down

STAFF CORRESPONDENT, Khulna

The management of Khulna unit of Dhaka Match Industries Ltd yesterday hung lockout notice at the factory gate, terminating all its employees excepting some of security and emergency departments.

Deputy General Manager of the private-owned match factory Mahbul Hossain said the management had no other alternative but to close down the factory due to severe financial crisis.

The factory has been incurring loss for the last two years and it now stands close to bankruptcy. Due to

the recurrent loss banks have been refusing to provide any more financial support to keep this factory running, he said.

According to reliable source of the management, arrears of retrenched employees will be paid within next 10 to 15 days.

Meanwhile, 517 retrenched workers and employees of the factory yesterday held a meeting in front of the factory gate. They demanded reopening of the factory and payment of their wages. The retrenched employees and workers will submit a memorandum to the deputy commissioner of Khulna today.

Russia now keen to buy RMG directly from Bangladesh

Ambassador tells FBCCI president

UNB, Dhaka

Russian Ambassador Oleg S Malginov has said his country's importers are keen to import Bangladeshi garments, but identified the banking system as a major problem.

"The Russian businessmen now buy Bangladeshi garments from Europe with European brands. They now want to import directly from Bangladesh," he told FBCCI President Abdul Awal Mintoos when he met him yesterday.

The Russian envoy mentioned that HSBC is operating both in Russia and Bangladesh and the banking problem could be resolved through it. The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) president assured to solve the problem in consultation with the HSBC.

Recalling Russia's role in developing Bangladesh's post-independence electricity infrastructure, Malginov said now the Russian businessmen are interested to participate in developing power sector of Bangladesh.

He also showed keen interest in development of Bangladesh's rail

Bashundhara, Harmac to develop two supermarkets

UNB, Dhaka

Bashundhara Group and Harmac Ltd, an American-Japan-Bangladesh joint venture company, will develop two supermarkets at Panthapath and Baridhara in Dhaka.

An agreement to this effect was signed between Bashundhara Group and Harmac Ltd here on Saturday said a press release.

Chairman of Bashundhara Group Ahmed Akbar Sobhan and Chairman of Harmac Ltd Manzur A Mazumder signed the agreement on behalf of their respective sides.

Vice-chairman of Bashundhara Group Mahaboob Morshed Hassan, Senior Executive Directors Khalequzzaman and Brig Gen (ret'd) Mustafizur Rahman and Managing Director of Harmac Ltd

Dollar strong against taka

BSS, Dhaka

The US dollar remained stronger against the Bangladesh taka yesterday in thin inter-bank trade, which was depressed by poor transactions due to holiday in most international markets, dealers said.

The dollar was quoted at its high at 58.5300 taka today and traded between 58.4900 taka and 58.5250 taka in most deals in line with its previous closing on Saturday, dealers of leading commercial banks said.

The volume of trade was very thin because payments process was disrupted due to holiday in most foreign exchange markets abroad.

Most international foreign exchange markets enjoy weekend holiday on Saturday and Sunday while local market starts remains open after a one-day weekend holiday on Friday.

Sentiment on taka was bearish due to low call money demand, they said.

The dollar remained stronger against the local currency as some banks had short-fall in dollar due to lower remittance earnings when importers are under pressure for payments in dollar, dealers said.