

CDS in bourses from Jan 24

STAR BUSINESS REPORT

The Central Depository Bangladesh Limited (CDBL) will begin its operation from January 24 next year as the company got business commencement licence yesterday.

In the first phase, share transactions of Square Pharma will be settled through central depository system (CDS), provided by the CDBL.

The CDS will facilitate scripless trading under the present automated system in both Dhaka and Chittagong bourses.

The CDBL will extend the service through the depository participants who will be account-

able to the CDBL and Securities and Exchange Commission (SEC). So far the SEC has issued 25 licences for depository participants.

The SEC yesterday handed over the final licence to the CDBL. Addressing a press briefing after commission meeting, SEC Executive Director Forhad Ahmed said this is a major development for the country's capital market.

"The launching of CDS will quicken settlement process, remove risk of fake shares and loss of shares, eliminate hassle of shareholders as they do not need to go to the company for transfer," he said.

Dhaka and Chittagong stock exchanges will arrange spot trad-

ing of Square Pharma from January 10 to 15 as the company will declare book closure for transfer settlement. Trading of Square Pharma will be suspended during January 17-22 to pave way for dematerialisation of shares. After dematerialisation, there will be no lot system, shares will be traded in odd.

He said shares of all the listed companies will be dematerialised for settlement through CDS by phases but there is no deadline. Issues of A category companies may be given priority for dematerialisation, he added.

But from now on distribution of all initial public offering will be held through CDS. Intended

investors in IPO have to open account with a depository participant and investors have to mention depository account number in the IPO application. If anyone wins lottery, the investor will not be issued any allotment letter and share certificate. Shares will be credited to the investor's account, he said.

Companies with paid-up capital of Tk 5 crore has to pay Tk 20,000 a year to the CDBL for CDS service, Tk 50,000 for companies with paid-up capital of Tk 20 crore and Tk 1,00,000 for firms with paid-up capital above Tk 20 crore. The CDBL is currently giving service for electronic settlement of treasury bills of Bangladesh Bank.

Dhaka looks to Southeast Asia to boost economy

Foreign minister says

AFP, Dhaka

Bangladesh, struggling to free itself from dependency on aid, pursued a 'Look East' policy in 2003 and is hoping to further strengthen ties with Southeast Asian countries to boost its economy.

"The market is here in Asia and we will pursue our 'Look East' policy to further strengthen ties with the countries of Southeast Asia, but mind you, not at the expense of our good ties with other countries," Foreign Minister Morshed Khan told the news agency in an interview at his office.

"The Asian markets have tremendous potential compared to any other market now and we cannot sit idle as to be static means going backward," he said.

Khan, a businessman turned politician, said other markets like Europe and the United States would not be ignored.

The European Union is currently Bangladesh's biggest trading partner, with trade worth 2.5 billion dollars in 2002-2003.

Bangladesh exports mainly tea, jute and jute products, ready-made garments, knitwear, food including shrimps.

Khan also said South Asia, with a fifth of the world's population, was a huge market for each of the seven countries which make up the region -- Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka.

"If we can live harmoniously and build confidence among ourselves it will open new avenues," he said.

Khan, who was previously a roving ambassador for Bangladesh Prime Minister Khaleda Zia during her first five years in office in 1991-1995, is one of Bangladesh's top entrepreneurs and credited with introducing the country's first mobile phone service in 1993.

"The time has come for Bangladesh to have a self-drive economy and we need to expand our market," he said.

Commerce Secretary Suhel Ahmed said the Look East policy had already started to reap benefits.

"The policy has already started to pay dividends and we are very hopeful as the response from Southeast Asian countries has been very encouraging," he said.

"We expect that trade with the

countries of Southeast Asian region will go up."

Bangladesh is seeking to enter the Asian Regional Forum, the first step in becoming a dialogue partner of the Association of South East Asian Nations (Asean), while a high-powered Bangladeshi business team toured Singapore, Vietnam and Cambodia in November to draw investors to the cash-strapped country.

Ahmed said a trade pact with Myanmar was almost ready to be signed, while ties with Thailand had been boosted "immensely" this year.

This month Thailand agreed to construct a 517 million dollar express highway in Dhaka to ease traffic congestion.

Trade between Bangladesh and Thailand was worth 260.7 million dollars in 2002-2003.

Foreign affairs analysts said ties with neighbouring Myanmar were now warmer than at any time since the country's independence in 1971, with several visits being exchanged, while Vietnam reopened its embassy in Dhaka in August.

Dollar hits new record against taka

BSS, Dhaka

The US dollar continued to gain against the Bangladesh taka in inter-bank trade yesterday and hit another record high on strong dollar-buying by importers ahead of series of holidays both in domestic and international foreign exchange markets.

Dealers said the dollar yesterday shot up further to its another record high at 58.72 taka from its earlier high at 58.60 taka on Monday and 58.5300 taka on Sunday due to strong dollar buying pressure from importers who are under pressure to pay their bills this month.

In most deals, the dollar, however, traded between 58.5050 taka and 58.6550 taka yesterday compared to its previous range between 58.4800 taka and 58.5950 taka on Monday, dealers of leading commercial banks said.

"We experienced robust demand for the US currency Tuesday even though sentiment is still clearly dollar-negative in international markets" dealer of a leading commercial bank said.

"As most international markets will remain closed for some days from tomorrow dealers Tuesday thronged to the market and bought dollar," he said.

BGMEA starts training course on compliance

UNB, Dhaka

After successful removal of child labour from the readymade garment industry, stakeholders have now initiated steps trying to establish the country as an ethical sourcing hub for the international apparel buyers.

Bangladesh Garment Manufacturers and Exporters Association (BGMEA), the apex body in the trade, yesterday launched a training programme for its 45 mid-level officers who will later pursue the production units into complying with the buyers' demand.

"Hard days ahead... we have to take strategic decision at this moment," BGMEA president Quazi Moniruzzaman told the inaugural function of the two-month training workshop for the BGMEA Compliance Cell officers at a local hotel.

Local compliance experts of various disciplines will be responsible for around a one-month foundation course while some 12-13 compliance heads from major US and European buying companies would apprise the requirements of their individual companies, organisers said.

Representatives from international compliance authority WRAP are also expected to attend the training programme as resource persons. The classes of the programme will begin Saturday next and continue up to end February.

Upon completion of their training, the trained officers would suggest the factories to ensure compliance with the buyers' demand.

Repo auction

UNB, Dhaka

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

Six bids of 1-day tenor amounting to Tk 247 crore was received, of which four bids amounting to Tk 108.50 crore were accepted.

The rate of interest against the accepted bid was 5 per cent per annum, said a press release.

China, Russia to jointly engineer metro systems in India, SE Asia

AFP, Shanghai

China and Russia have joined forces to develop subway systems in India, Iran and various Central and Southeast Asian countries, where potential deals could be worth billions of dollars, state press reported Tuesday.

China's CITIC International, an arm of state-owned China International Trust and Investment Company, and Russian transportation engineering firm Engecocom are in negotiations on a major cooperation partnership in hopes of winning deals, the China Business Weekly reported.

"Although the companies declined to say whether they would form a joint venture, various plans are foot for a partnership, the newspaper said, citing Sun Yang, a high ranking official with CITIC International.

Permanent trade fair complex

EPB int'l tender fails to attract companies

M ABDUR RAHIM and ZAHIDUL HAQUE

The international tender floated by the Export Promotion Bureau (EPB) for building a permanent trade fair complex in Dhaka failed to attract any company as last date for submission of bids was over on Thursday.

The EPB published advertisements in eight national dailies in August inviting proposals from interested companies to build the fair complex on built, operate and transfer (BOT) basis at Sher-e-Bangla Nagar.

"But no company has submitted any bid during the period," a high official of EPB told The Daily Star. He said the EPB has already sent a letter to the Ministry of Commerce seeking two-month extension of the submission date.

Businesspeople have long been

demanding a permanent trade fair complex as they have to spend a lot of money for building make-shift stalls and pavilions at the Dhaka International Trade Fair (DITF) venue every year.

Officials of EPB could not explain the reasons behind the lack of response to the international tender but sources concerned identified lack of publicity throughout the world and shortage of time as two major reasons.

EPB put the tender details on its website and prepared a compact disc (CD) containing all relevant information about the project and the tender. The CDs have been sent to 15 Bangladeshi trade missions abroad for publicity.

However, a high official of EPB said four-month time is not sufficient for companies to take all necessary preparations before submitting tenders for such a big

project involving several hundred crores of taka.

In the tender notice, EPB invited interested companies to submit conceptual and architectural design and management process of the complex to be built on 39.45 acres of land jointly owned by Air Force and Civil Aviation Authority of Bangladesh.

Besides, some 11 cases are now pending on 18 acres of disputed land, sources said.

The huge fair complex will have shopping mall, restaurant, car parking area and computer centre for the convenience of the fair organisers, exhibitors as well as the visitors, EPB sources said.

The EPB is now taking last minute preparations to hold the DITF 2004 scheduled to begin on January 1 at Sher-e-Bangla Nagar.

Tea auction closes mixed

UNB, Chittagong

The weekly tea sale here yesterday witnessed quality of offerings generally showing a decline.

Well made good liquoring teas were well sought after by both export and internal buyers often at dearer levels, but all other varieties were an easier market as buyers followed quality closely, according to a market report.

Pakistan buyers were fairly active but there was a little less support from the blenders. CIS lent a fair support while loose tea trade was not as active as last.

Better liquoring dusts continued to meet with a stronger demand at dearer rates.

CTC Leaf: 27,428 g/s 3,110 ppps, 2,040 c/s, and (66 g/s of old season) on offer met with a good demand with buyers following quality closely.

Broken: Well made liquoring broken were a strong feature and advanced by Tk 2 to Tk 3 and often more following competition and realised prices between Tk 77 and Tk 80.50.

Medium broken were a good market and mostly sold at around last levels. Clean small broken were a strong and were generally fully firm whilst the poor fibrous types were easier.

Fannings: Well made good liquoring fannings were a strong market and sold around last levels and these fetched between Tk 71.50 and Tk 77/50. Medium fannings sold well but tended slightly easier whilst all other fannings were easier following quality.

CTC Dust: 3,317 g/s, 158 c/s, 394 ppps, and (24 g/s of old season) on offer met with a strong demand. Good liquoring types continued to meet with keen competition and were dearer by up to Tk 5. Medium types sold around last levels whilst the plainer types eased slightly.

Blenders and loose tea buyers lent strong support with selective enquiry from Pakistan.

Emirates-CAE Flight Training centre opens

The new Emirates-CAE Flight Training Centre was officially opened on December 6 in Dubai, says a press release.

The centre is the first of this kind outside North America to offer pilot and maintenance training for the Hawker 800/800XP and the Gulfstream IV and V full flight simulators, and it will be adding a second Boeing 737/NG/BBJ simulator.

The Crown Prince of Dubai and the UAE's Minister of Defence, General Sheikh Mohammed bin Rashid Al-Maktoum, officially inaugurated the centre.

Sheikh Ahmed bin Saeed Al-Maktoum, chairman of Emirates, and Derek H Burney, CAE's president and chief executive officer, were also present.

The three-storey state-of-the-art facility is the result of an agreement signed in 2001 between Emirates and CAE.

Qatar Airways starts flight to Singapore

Qatar Airways has started its new non-stop flight to Singapore, says a press release.

Mohammed Saleh Fakhri, general manager (Commercial) of the Qatar Airways and leader of a delegation of the airline's senior officials, inaugurated the service at Changi Airport in Singapore on December 11.

Singapore is the airline's 47th destination.



Sunil Duggal, director of Dabur International, speaks at the launching ceremony of Asian Consumer Care (ACC) Pvt Ltd, a joint venture between ACI Limited and Dabur International, held in Dhaka yesterday. Anis ud Dowla, chairman and managing director of ACI, and Arbind Das, chief operating officer of ACC, are also seen in the picture.

ACI-Dabur joint venture starts production today

STAR BUSINESS REPORT

Asian Consumer Care (ACC) Pvt Ltd, a joint venture between ACI Limited, a local business house, and Dabur International, a subsidiary of Dabur India, starts production today.

The ACC will produce Dabur Amla hair oil, Vatika shampoo and hair oil and Anmol coconut oil at its plant in Narayanganj, said Arbind Das, chief operating officer of ACC, at the launching of the company held in Dhaka yesterday.

Anis ud Dowla, chairman and managing director of ACI Limited, Sunil Duggal, director of Dabur International, and Syed Alamgir,

executive director of ACI, also attended the launching ceremony.

"We are happy to announce our direct presence in Bangladesh through this joint venture with ACI and this is our second major joint venture after Dubai's," said Duggal.

The ACI managing director said the joint venture is a win-win partnership between Dabur and ACI and it will offer world class products to Bangladeshi customers.

"Initially ACC will manufacture hair oils only and later it will produce other Dabur items also," he said.

Speaking at the function, the ACI executive director said with the setting up of ACC, they hope to provide customers with Dabur products at 30 per cent cheaper rates.

ACI Limited has its presence in pharmaceuticals, consumer products, agri-business and animal health industries sectors.

Products of Dabur International, whose annual turn over is \$25 million, are found in different brand names including Dabur, Vatika, Hajmola, Real and Anmol.

The company has its international manufacturing facilities in UAE, Egypt, Nepal and India.

Steel mill owners start indefinite strike

Re-rolling mills cease production from Saturday

STAR BUSINESS REPORT

Steel mill owners yesterday went into strike for an indefinite period to press home their demands.

Bangladesh Steel Mill Owners Association demanded of the government to simplify raw materials import process and ensure smooth gas and power supply to their factories.

"We have stopped production in our mills as the government is not fulfilling our demands," said Sheikh Masadul Alam Masud, general secretary of Bangladesh

Steel Mill Owners Association.

Re-rolling mill owners will also cease production in their factories from Saturday for an indefinite period if the government does not take steps to fulfill their demands.

In a press statement yesterday, Bangladesh Re-rolling Mills Association demanded of the government to withdraw VAT on retail sale of MS rod, revise the tariff structure and ensure smooth power and gas supply to factories.

The association leaders also said the existing problems are

making re-rolling and steel mills non-competitive and leading many of them to closure.

"The government should take proper initiatives to resolve the problems," Shafiuddin Ahmed, general secretary of Bangladesh Re-rolling Mills Association, said.

"If local re-rolling and steel industry collapses it will not only affect the country's booming construction sector but also create unemployment for more than 100,000 people," said Bashir Ullah, a leader of the re-rolling mills association.



Real Estate and Housing Association of Bangladesh (Rehab) President Towfiq M Seraj speaks at a press conference held at Jatiya Press Club yesterday. Rehab organised the conference to inform reporters of the 4-day Housing Fair 2003 that starts at Dhaka Sheraton Hotel today.

\$20m ADB loan for livestock project

STAR BUSINESS REPORT

The Asian Development Bank (ADB) has approved a US\$ 20 million loan for a livestock enterprises project aimed at income generating activities in rural areas of 20 north-western districts of Bangladesh.

The loan will be distributed through Palli Karma Sahayak Foundation (PKSF) to implement the Second Participatory Livestock Development Project that will help raise incomes of the very poor by 20 per cent.

ADB estimates that some nine lakh people will be benefited from

the loan through activities involving goat, poultry, dairy and vegetable farming, nursery and small trading enterprises.

Under the project, training and micro-finance will be provided to 6.60 lakh households, particularly aimed at the disadvantaged class such as the land-less and destitute women, says a press release.

The total cost of the project is \$55.8 million, to which the government, NGOs, PKSF, and beneficiaries will contribute a total of \$35.3 million while the Danish international development assistance will provide \$500,000.

Rehab Fair begins today

UNB, Dhaka

Real Estate and Housing Association of Bangladesh (Rehab) is organising a 4-day Housing Fair 2003 at Dhaka Sheraton Hotel, beginning today.

Organisers at a press conference at Jatiya Press Club yesterday said 58 developers, 10 material providers and three financial institutions are taking part in the fair.

Rehab President Dr Towfiq M Seraj said this year entry fee has been fixed at Tk 10 and the money collected would be distributed among the distressed people.

The real estate traders held that price rise of different construction materials was responsible for increased cost of construction by 6 to 10 per cent making apartments, shopping and commercial spaces beyond the reach of most buyers.

Protesting price-hike of MS rod, they claimed that the rod price alone shot up by 40 per cent in one year and demanded bringing down the price to its earlier level.

They, however, said that although construction cost has increased, but it did not affect the buying price as financial institutions have decreased their rate of interest for individual buyers.

On allegations of cheating the buyers by some apartment and plot developers, the Rehab president said they are soon going to frame a policy for the Rehab members and if allegations are found true, legal action would be taken against the offender.

He, however, denied another allegation of grabbing public and private properties by some developers.