

New deadline to sell Rupali Bank

The state-run bank to be privatised by August 31: Privatisation Commission

STAR BUSINESS REPORT

The Privatisation Commission yesterday at a meeting with the WB and IMF set August 31 deadline to privatise state-run Rupali Bank.

The bank will be handed over to buyers by the new deadline, Privatisation Commission Inam Ahmed Chowdhury told the representatives of World Bank and International Monetary Fund at the meeting in Dhaka.

This fresh deadline has revived the bank's privatisation process that was earlier stalled due to legal complications. The government earlier decided to sell 67 percent shares of the bank.

Recently, the WB and IMF, in separate letters, notified the commission that Rupali Bank must be

privatised by June 2006.

At the meeting, Chowdhury explained to the IMF and WB representatives that the commission will not be able to complete the numerous steps in the privatisation process by the June 2006 deadline due to various reasons.

Chowdhury told The Daily Star that both the IMF and WB agreed to the new deadline. "By August 31 we will announce the names of buyers of Rupali Bank and we will proceed to hand over the bank soon after."

The commission has already announced that the "Expressions of Interest" (EoI) to purchase the bank will have to be submitted to the Commission by February 28.

Meanwhile, the commission will showcase Rupali Bank's assets

in five locations worldwide to woo potential buyers. The five locations for the 'road show' include Mumbai, Kuala Lumpur, Karachi, London and Dubai.

The commission will then select the eventual buyer or buyers from the EoIs based on internationally recognised criteria, such as efficiency, management expertise and financial viability.

The selected buyers will then have to submit their tenders by June 21, 2006 through purchasing the tender document worth US\$2,000. A would-be buyer will also have to make a US\$100,000 deposit with the commission.

The commission will open a 'data cell' to make detailed information on Rupali Bank available for the selected buyers.

"Rupali Bank will be sold to the highest bidder among the selected buyers," said Chowdhury.

The commission will finalise the financial and technical evaluation to select a buyer or buyers July 24, which will then be sent to the government for approval.

If approved the names of buyers will be announced on August 31.

When asked if it will be possible to hand over Rupali Bank only a few months before the government hands over power to the interim government, Chowdhury said if the numerous steps of the sale process are fairly completed, handing over of the bank should not be a problem.

He also said buyers from India, Malaysia, Pakistan, UAE, Saudi Arabia and UK have shown interest in purchasing Rupali Bank.

Govt to change sizes of Tk 100, Tk 500 notes

BDNEWS, Dhaka

The government is going to bring changes in the sizes of Tk 500 and Tk 100 notes and in their security features to stop counterfeiting.

The decision was announced yesterday after a meeting of the Standing Committee on the Finance Ministry with Committee chairman Mushfiqur Rahman in the chair.

"The size of the Tk 500 and Tk 100 notes and their security features will be changed soon to avert menace of fake notes," Bangladesh Bank (BB) Governor Dr Salehuddin Ahmed told reporters after the meeting.

The committee also asked for quick disposal of the pending cases involving fake notes and finalised a report on the Negotiable Instruments (Amendment) Bill, 2005 that has already been placed in the parliament.

Committee members Saedul Haque, A M Riasat Ali Biswas, Azizur Rahman Chowdhury Gazi Mohammad Shahjahan and Abdul Khaleque were present. State Minister for Finance and Planning Shah Abul Hussain attended the meeting on special invitation.

Thailand proposes \$38b budget for fiscal '07

AFP, Bangkok

Thailand on Tuesday approved an outline budget worth 1.48 trillion baht (38 billion dollars) for the year starting in October, up 8.5 percent from the current financial year.

The budget, which was endorsed by the cabinet of Prime Minister Thaksin Shinawatra, will go to parliament for approval, which normally happens mid-year.

Government spokesman Surapong Suebwonglee said the Thai economy in 2007 would grow 5.5-6.0 percent, driven by public spending and foreign investment.

Japan welcomes record number of tourists

AFP, Tokyo

The number of foreign tourists to Japan in 2005 rose 9.7 percent to a record 6.73 million, the transport ministry said Tuesday.

The second straight annual increase can be attributed to the World Exposition held in central Aichi prefecture from March to August, for which Japan waived visas for tourists from South Korea and Taiwan, the ministry said.

The government has been promoting a "Visit Japan" campaign to double the annual total of visitors to 10 million by 2010 from 5.21 million in 2003.

It aims to boost the number to 7.5 million this year.

SEC asks DSE to explain action on Eagle Box delisting order

STAR BUSINESS REPORT

The Securities and Exchange Commission (SEC) yesterday sought explanation from the Dhaka Stock Exchange (DSE) for its action on the regulators' directive to delist Eagle Box and Carton Manufacturing Company Ltd.

Earlier on January 3, the SEC directed the DSE to delist Eagle Box and Carton from the bourse within two months.

The DSE at a board meeting on January 8 decided to ask Eagle Box and Carton to send reports to the DSE and the SEC about the status of buying back all of its shares within six weeks. The DSE also asked Eagle Box and Carton to deposit balance funds with the SEC for buying back the remaining outstanding shares.

The capital market watchdog in two separate letters to the president and chief executive officer of DSE asked to submit written explanations within seven days as to how the DSE board adopted such resolution without any lawful authority and violating the commission's directive, sources said.

The SEC in the letters explained that the directives of the DSE do not conform to the commission's order.

"The DSE has no lawful authority to contradict the SEC directives and it is very unfortunate that the DSE disregarded the commission's directive," said Mansur Alam, executive director of SEC.

The regulatory body also issued another letter to the CEO of DSE requesting him to send the list of directors, who attended the January 8 board meeting, to the commission. The SEC in the letter also asked the CEO to send an exact copy of the resolution adopted on Eagle Box and Carton and the note of dissent (if any) given by any director in the meeting to the commission.

The capital market watchdog in another letter to the managing director of Eagle Box and Carton asked the company to disregard the DSE directive on the status of buyback.

In an immediate reaction, DSE President Shahiq Khan said he is yet to go through the letter. "Of course, we will submit written explanations to the commission," he added.

"The DSE board took the decision on delisting of Eagle Box only to ensure the interest of the company's shareholders."

CEO of DSE Salahuddin Ahmed Khan said, "We have received

letters from the SEC and we will submit written explanations to the commission in time."

The SEC's directive to the DSE on delisting of Eagle Box and Carton was made upon application by company Chairman and Sponsor Director MA Martin on the grounds of closure of commercial operation of the issue since October 31, 2003.

In the directive the commission directed the chairman and sponsor directors to ensure immediate payment of money to the public and institutional shareholders willing to sell their shares to them at Tk 25.90 per share.

In this regard, they were asked to notify shareholders at least in three widely circulated newspapers and send letters to the shareholders.

The SEC announcement said Eagle Box faced closure due to heavy losses and having no income resulting in termination of all the employees with benefits.

Under the circumstances, the company declared its intention to purchase all shares at a price claimed to be more than twice the face value of the shares.

Trading of the Eagle Box shares remains suspended for a long period.

Ministry mulls FBCCI electoral reforms

UNB, Dhaka

The Ministry of Commerce is actively considering bringing electoral reforms in the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), the apex trade body of the country.

Commerce Minister Altaf Hossain Choudhury said this when a four-member FBCCI team called on him at his secretariat office on Monday.

FBCCI President Mir Nasir Hossain led the team comprising the first Vice-President Md Ali, Vice-President Dewan Sultan Ahmed and Director Abdul Wahed.

When contacted, FBCCI President Mir Nasir said that the previous executive committee placed a reform proposal to the commerce ministry a couple of years ago.

"We have discussed that proposal and the ministry in principal has agreed to cooperate with us," he said, adding: "We have explained the grounds on which the reforms are required."

Sources in the FBCCI said that electoral reforms proposed to the ministry include proposals for ensuring sector-wise representation, representation of one female businessperson from the association group, scrapping the nomination system and representation through association-wise election.



Golam Dastagir Gazi Bir Pratik, chairman of the Audit Committee of Jamuna Bank Ltd, inaugurates the 21st branch of the bank in Bogra recently. Other directors and high officials of the bank are also seen.

UK proposes EU-India FTA

OUR CORRESPONDENT, New Delhi

Britain on Monday proposed free trade agreement (FTA) between European Union and India even as New Delhi flagged its concerns over tariff and non-tariff barriers face by Indian products in EU.

The suggestion for the FTA was made by visiting British Trade Minister Ian Pearson at a meeting with Indian Commerce and Industry Minister Kamal Nath here.

Britain is India's largest trading partner in EU with Indo-UK two-

way trade estimated at seven billion dollars in 2004-05.

Nath said India's trade engagement with the world was going up and all measures to further increase it would be examined.

Pearson brought up the issue of greater Indian market access for banks in Britain and high custom duties for alcoholic beverages to India. India in turn contended that Indian whisky be classified as whisky for market access purposes. Indian whisky is not allowed to Europe as it molasses-based and the EU stand is that whisky must be manufactured out of grain-based

alcohol.

Nath also raised the issue of Britain's according recognition of medical, accountancy and law degrees of India in a move aimed at securing greater market access in the services sector.

The Indian Commerce Minister said India would continue to focus on issues of tariff peaks and tariff escalation in developed country market access in Non-Agricultural Market Access (NAMA) negotiations saying these adversely affected exports of value-added products from India.

Indo-Pak trade to hit \$1b this fiscal year

Says Indian trade body

UNB, New Delhi

Annual bilateral trade between India and Pakistan is expected to touch one billion dollar during the current fiscal year, according to Confederation of Indian Industry (CII) report.

There was tremendous potential to increase the trade even though it highlighted some impediments like protectionist policies, the CII report said, adding the lists of complementarities in trade between India and Pakistan included textiles, engineering, sugar, pharmaceuticals and tourism.

The increase in bilateral trade was attributed to improvement in political relations between the two neighbours that used to be the main hurdles in the consolidation of economic ties. The two countries were first time trading directly while in the past it was through UAE.

India has recently imported onions from Pakistan when there was shortage in the country. Similarly, Pakistan imported sugar to overcome domestic requirement.

Greater interaction among businessmen and industrialists of the two countries have thrown open many opportunities of coop-

eration in trade and other sectors.

With the operationalisation of Free Trade Area from January, Delhi-Islamabad trade ties are expected to grow further in future, the CII said.

Bangladesh and Sri Lanka remained major trade partners of India in the South Asian region with the turnover touching two billion dollars.

The CII report said that the two countries can together develop strong manufacturing base as both have large pools of well trained engineering and managerial workforce.

S'pore lifts ban on US beef

AFP, Singapore

Singapore on Tuesday lifted a two-year ban on US beef imports imposed after the United States detected mad cow disease.

"The Agri-Food and Veterinary Authority (AVA) will be lifting the ban on beef imports from the United States of America," the government agency said in a statement.

Singapore imposed the ban on US beef imports in December 2003 after a case of mad cow disease was detected in Washington state.

Oil hits three-month highs

AFP, London

World oil prices hit the highest levels for over three months on Tuesday, breaching 65 dollars in New York and 64 dollars in London, on rising geopolitical tensions in Iran and Nigeria, dealers said.

New York's main contract, light sweet crude for delivery in February, jumped 1.46 dollars to 65.38 dollars per barrel in electronic dealing. It had earlier climbed to 65.53 dollars -- the highest since October 3, 2005.

In London, the price of Brent North Sea crude for March delivery

rose 95 cents to 64.13 dollars per barrel. The February contract had expired Monday at 62.93 dollars per barrel.

Earlier Tuesday, the March contract reached 64.28 dollars, the best level since September 29 last year.

In Tuesday trade "both Brent and New York light crude futures were higher as concern about Iran's restarted nuclear enrichment programme and the supply problems from Nigeria" continued, analysts at the Sueden brokerage said.

Crude futures have gained

around 5.0 percent since the start of 2006.

However, they remain below the record levels of August 2005, when Hurricane Katrina devastated US Gulf Coast energy installations and prices struck 70.85 dollars per barrel in New York and 68.89 dollars in London.

Europe's leading nations were pressing for an emergency meeting of the UN atomic watchdog over Iran's nuclear programme, amid signs that Tehran may yet agree to a compromise proposal from Russia.