

## SEC seeks full autonomy

### STAR BUSINESS REPORT

The outgoing chairman of the Securities and Exchange Commission (SEC) yesterday sought full autonomy of the commission for the growth of capital market.

Dr Mirza Azizul Islam, who passed the last day as the commission chairman yesterday, said although the commission enjoys autonomy in certain areas, it depends on finance ministry for funds.

"Financial independence of the SEC is vital for its autonomy. And

we have informed the finance ministry of the issue," he said while addressing a press conference at his office.

He also said the capital market watchdog also needs legal provision to compensate investors.

Although the SEC has made various regulatory changes to help boost the capital market, there are number of issues that need to be addressed, he said.

Referring to the necessity of amending the 1969 Ordinance, he said there is no provision to compensate the investors holding shares of delisted companies.

He said as the Registrar of Joint Stock Companies is ill-equipped, the SEC should be given the authority to carry out certain functions of the Registrar of Joint Stock Companies, he observed.

"We have requested the government to form a special Bench at the High Court for quick disposal of the securities related cases. We have also discussed with the finance ministry and it forwarded the matter to the law ministry," he continued.

Islam said as the country's capital market lacks skilled manpower, process of setting up a Capital Market Institute is going

on, he noted.

Islam took over the charge of the SEC on October 2003 as its 5th chairman and completed his term yesterday. His position will remain vacant from today as none is selected for the post yet.

SEC members Saleh Ahmed Chowdhury, Mohammad Ali Khan and Abbas Uddin Khan, Executive Directors Mansur Alam, Anwarul Kabir Bhuiyan, Abdul Hannan Zoarder, Farhad Ahmed, Shuvra Kanti Chowdhury and Rukhsana Chowdhury and Director ATM Tariquezaman were also present at the press conference.



## Regional CEO of KPMG due today

Jean-Paul Thill, chief executive officer of KPMG EMA (Europe Middle-East & Africa) region, will arrive in Dhaka today to formally announce the award of Member Firm status by KPMG International to Rahman Rahman Huq, Chartered Accountants, says a press release.

KPMG, headquartered in The Netherlands, is one of the four largest audit firms in the world. With worldwide revenues exceeding US\$ 14 billion, it has offices in 148 countries, over 6,000 partners and over 110,000 professional staff.

## Rahman Rahman Huq becomes global

### Audit firm achieves KPMG affiliation

#### MONJUR MAHMUD

The country's leading audit firm -- Rahman Rahman Huq -- has achieved highest level of affiliation with one of the four major global players.

With effect from January 1, 2006, Rahman Rahman Huq (RRH) got member firm status with KPMG, one of the four largest audit firms in the world.

"By achieving the status, we are now able to offer the services to any country where KPMG does not have its operation," Hafiz Choudhury, senior partner of RRRH, told The Daily Star.

RRH's status is now no different from that of KPMG member firms anywhere in the world within its network.

With global revenues exceeding US\$ 14 billion, KPMG has its offices in 148 countries, more than 6,000 partners and over 110,000 professional staff.

Member firm is the highest level of affiliation within KPMG, head-

quartered in The Netherlands. RRRH now becomes the only audit firm of chartered accountants in Bangladesh holding such highest level of affiliation.

"All RRRH clients will now receive KPMG branded service, with instant international recognition and respect," Hafiz Choudhury mentioned.

Member firms' key service lines are audit, tax and advisory. Advisory services include valuations, due diligence reviews and mergers or takeovers.

"Achieving such member firm status is a matter of pride not only for Rahman Rahman Huq, but also for Bangladesh," Choudhury went on. "Our firm underwent over 950 partner hours of testing, reviewing and presentations to achieve this distinction."

Founded in 1962, RRRH is a partnership firm of chartered accountants operating in Dhaka and Chittagong. The firm has seven partners and 200 professional staff. RRRH received KPMG represen-

tative firm status in Bangladesh in 1988. In order to achieve member firm status, RRRH has had to demonstrate to KPMG headquarters consistent global standards in quality of professional work done, practice management and risk management.

Standard Chartered Bank, HSBC, BAT, BOC, Bata, GrameenPhone, Banglalink, CityCell, Siemens, Ericsson are just a few clients of RRRH to mention.

Jean-Paul Thill, chief executive officer of KPMG Europe-Middle East-Africa, Mike Gabriel of KPMG Europe-Middle East-Africa, Collin Holland, chairman, and Reyaz Mihlar, regional executive partner of KPMG Middle East-South Asia sub region, and Aidan Walsh from KPMG USA will be present at a formal ceremony in Dhaka today to mark the celebration of attainment of KPMG member firm status by RRRH. Senior partners from KPMG member firms in Egypt, Pakistan and Sri Lanka will also attend the programme.

## Airlines deals hotting up in Indian civil aviation

### PALLAB BHATTACHARYA, New Delhi

The airlines deals in the growing Indian civil aviation sector are hotting up.

At the same time as India's budget airlines Spicejet placed a \$ 700 million order for ten Boeing 737 aircraft on Tuesday, three other Indian carriers Air India, Indian Airlines and Jet Airways signed agreements to buy engines worth \$ 3.3 billion.

Air India ordered US engine maker General Electric (GE) for engines valued at \$ 2.2 billion to drive its new Boeing 777 and 787 aircraft while Indian Airlines (now christened Indian) is buying engines worth \$ 500 million from CGM International, a joint venture between GE and French aero engine major Snecma, for its newly-acquired fleet of Airbus A320 planes.

Indian Airlines last year ordered 43 planes from European aircraft manufacturer Airbus Industrie in a \$ 2.5 billion deal.

India's largest domestic private carrier Jet Airways said it would purchase engines of GE Aviation, an unit of GE, for its ten Airbus 330-200 aircraft in a deal worth more than \$ 300 million.

Civil aviation in India has grown by more than 25 percent last year and the scenario is set to brighten up further with the entry of more low-cost airlines, which offer fares close to or at par with air-conditioned train travel.



(From left) FBCCI President Mir Nasir Hossain, Commerce Minister Altaf Hossain Choudhury, BGMEA President Tipu Munshi, former BGMEA president Annisul Huq and former commerce minister Tofail Ahmed are seen at a seminar titled 'WTO Hong Kong Myth of 97%-3% and ultimate gains for Bangladesh' held in Dhaka yesterday.

### WTO NEGOTIATIONS

## Dhaka still undecided about strategy

### Seminar observes

#### UNB, Dhaka

The country is still struggling to decide the strategy about WTO negotiations ahead, on which will depend the extent of benefits out of the Hong Kong Declaration.

The policymakers, government machinery, experts and trade body leaders -- as a whole the 'so-called' stakeholders -- were still 'doing research' about the strategy at a critical moment when the country should have gone for action, a seminar observed here yesterday.

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) organised the seminar titled 'WTO Hong Kong Myth of 97%-3% and ultimate gains for Bangladesh' at Dhaka Hotel Sheraton.

Former BGMEA president Annisul Huq concluded his keynote speech at the seminar saying it is the 'time to think, time to research' while Commerce Secretary Abdul Karim thought it was the time for action.

Earlier, Commerce Minister Altaf Hossain Choudhury told the seminar that a high-powered national committee comprising representatives of trade bodies,

research institutes and stakeholders would be formed soon to derive meaningful benefits.

The developed countries have decided to finalise the list of three percent products from the least developed countries (LDCs) they would not give duty-free access by September this year while the developing countries would decide the duty-free products by December the same year.

Negotiators in WTO Hong Kong Ministerial had agreed that the negotiations on the lists would have to be finalised by April 30 this year.

Most of the speakers at the seminar expressed their belief that Bangladesh has some potentials to get benefits out of the Hong Kong declaration, but it largely depends on the success of negotiations ahead in Geneva and Washington.

Awami League leader and former commerce minister Tofail Ahmed said Bangladesh has gained zero from the Hong Kong ministerial for lack in nine areas including adequate homework, relations with other LDCs, alternative approaches and anticipation of opposition by Pakistan and Sri Lanka.

In his keynote paper, Annisul Huq said the US authorities might limit 304 items in their sensitive list of products that would include 224 apparel items out of their total 524 tariff lines of product.

"It's true it (Hong Kong declaration) opens up some opportunities. Let us see how much advantage we can take out of it," said former commerce minister Amir Khosru Mahmud Chowdhury MP.

"The task now is to look forward," CPD Research Director Prof Mustafizur Rahman told the seminar that was a bit critical about what Bangladesh achieved from the WTO Ministerial conference in Hong Kong.

## Ecneec okays 19 projects

#### UNB, Dhaka

The Executive Committee of the National Economic Council (Ecneec) yesterday approved rehabilitation project of Karnaphuli Hydro-Power Station (unit 4-5) with a target to get 100 megawatt electricity in next two years.

The project will be implemented at a cost of Tk 140 crore, including a foreign aid component of Tk 100 crore, Finance and Planning Minister M Saifur Rahman told reporters after the Ecneec meeting at the NEC conference room.

The meeting, chaired by Prime Minister Khaleda Zia, approved 19 projects worth Tk 5,021 crore, including a foreign aid component of Tk 871 crore.

"The Prime Minister has directed the authorities concerned to implement all the projects rapidly," Saifur said.

He said a project of DESA sub-station construction worth Tk 196 crore, including project aid of Tk 123 crore, was also approved to facilitate Desa provide 75,000 new electricity connections.

## GMG starts daily flight to Cox's Bazar

GMG Airlines, a privately operated airline, yesterday launched direct flight between Dhaka and Cox's Bazar.

The flight will be operated seven days a week--three days directly and the remaining four days via Chittagong, says a press release.

State Minister for Civil Aviation & Tourism Mirza Fakhru Islam Alamgir was present at the launch.

Unprecedented increase in tourism-related activities attracting large number of visitors from home and abroad has prompted GMG to operate uninterrupted flight between the capital and the tourist spot.

## Offloading of govt shares in SoEs by April

#### UNB, Dhaka

The finance ministry has issued a circular mentioning the timeframe to offload government shares in the state-owned enterprises (SoEs) in the capital market within April this year.

The circular was issued January 30, said Dr Mirza Azizul Islam, the outgoing chairman of the Securities and Exchange Commission (SEC), at a press conference at his office yesterday.

"If the government's shares came in the capital market, the depth of the market will be raised," he said.

The planned offloading of government shares in the SoEs was hanging in the balance for the last

couple of years, although the finance and planning minister directed the authorities concerned to do it by October 31 last year.

The state-owned companies set to offload their shares in the stock market include Bangladesh Hotels, Bangladesh Services Limited, Bangladesh Shipping Corporation, Eastern Cables, Eastern Lubricants, National Tubes, Renwick Jaineswar, Zeal Bangla Sugar, Usmania Glass, Shyampur Sugar, Rupali Bank, Reckitt & Benckiser and Padma Oil.

The SEC official said these government shares could come in the market through the Investment Corporation of Bangladesh (ICB) or in the form of initial public offerings (IPOs).

## Dearth of expertise, poor accountability obstacles to CSR

### BEI roundtable told

#### STAR BUSINESS REPORT

Speakers at a roundtable yesterday said lack of expertise and poor accountability of corporate houses are obstacles to implementation of CSR (corporate social responsibility) in Bangladesh.

The speakers also said many CSR activities by Bangladeshi corporate houses are centred mainly around publicity and short-term implications.

CSR Center of Bangladesh Enterprise Institute (BEI) organised the roundtable on 'Corporate Social Responsibility Practices and Challenges in Bangladesh' in the capital as part of its 'Dialogue

Series on CSR in Action'.

Sanjiv S Mehta, chairman and managing director of Unilever Bangladesh Ltd, Mohammad Abu Musa, deputy managing director of Dhaka Bank Ltd, and Mohin Khan, executive assistant (Board Affairs) of Brac, spoke at the discussion.

BEI President Farooq Sobhan said corporate entities should understand what CSR is and why it is important.

The private sector enterprises will remain weak unless and until they practise CSR in their ventures, the BEI president said, adding that when it comes to adopting good corporate governance, Bangladeshi companies are lag-

ging far behind those in India, Pakistan and Sri Lanka.

"Properly implemented CSR programmes help the companies meet legal and societal expectations and benefit governments, employees, citizens and businesses," noted Farooq. On the other hand, poorly implemented CSR programmes are nothing but public relations exercises, he mentioned.

Representatives of Unilever Bangladesh, Dhaka Bank and Brac briefed the roundtable about their CSR activities.

Around 20 high-level executives from local and international corporate houses and donor agencies participated in the roundtable.



Farooq Sobhan (C), president of Bangladesh Enterprise Institute, speaks at a roundtable on 'Corporate Social Responsibility Practices and Challenges in Bangladesh' in Dhaka yesterday. Sanjiv S Mehta (L), chairman and managing director of Unilever Bangladesh Ltd, and Mohammad Abu Musa, deputy managing director of Dhaka Bank Ltd, are also seen.