

Faruk Ahmed Siddiqi new chairman of SEC

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Former commerce secretary Faruk Ahmed Siddiqi has been appointed chairman of capital market watchdog Securities and Exchange Commission (SEC), sources said.

Career bureaucrat Siddiqi also served as secretary in the education and telecommunications ministries.

The post fell vacant when the contract of Dr Mirza Azizul Islam, the immediate past chairman of the SEC, expired on February 22.

Protectionism storm clouds EU talks

AFP, Brussels

A growing storm over protectionism is increasingly dividing the European Union as finance ministers meeting in Brussels Tuesday argued over the role of the state in their economies.

State intervention in a series of recent high-profile corporate deals has deeply divided member states, leaving the European Commission scrambling to defend the benefits of the EU's common market.

"We need to recall the big benefits of the internal market," Economic and Monetary Affairs Commissioner Joaquín Almunia said as he arrived for the finance ministers' meeting.

"We need to have competitive companies at the global level," he stressed.

But Luxembourg Prime Minister Jean-Claude Juncker warned that open European markets meant little to individual citizens as they look for security from the state in the face of upheavals caused by big corporate deals.

"We must not believe that our compatriots will turn towards Europe when they feel they are threatened by industrial projects that they don't understand," he said late Monday after chairing a meeting of eurozone finance ministers, which featured a "healthy, wise and virtuous" debate about protectionism.

Concerns about protectionism have so far focused on Rome's claims that Paris has engineered a merger between state-controlled Gaz de France and the energy group Suez to thwart a rival bid for the latter from Italian energy group Enel.

French Finance Minister Thierry Breton and Italian Economy Minister Giulio Tremonti met Monday to try to ease tensions between Rome and Paris over the GDF-Suez deal but agreed on little other than need for further talks.

The news of the merger came only weeks after the European Commission warned that EU gas and electricity markets were already overly concentrated in the hands of a few companies and that consumers were not reaping the benefits of gradual market liberalisation.

Exports grow 16.92pc in seven months

MD. HASAN

The country earned US\$ 5.8 billion by exporting goods in the first seven months of the current fiscal year, showing a 16.92 percent growth.

The export earnings stood at \$ 4.96 billion during the corresponding seven months of 2004-05 fiscal year, according to Export Promotion Bureau (EPB) statistics.

The knitwear export grew by 28.57 percent to fetch \$ 2086.23 million, exceeding the growth target by 1.58 percent set for the first seven months of the current fiscal year.

However, the overall export target set for the July-January in FY '06 surpassed 0.09 percent. But the export target for the month of January in 2006 fell 2.63 percent,

EBP statistics shows.

An official of the EPB said if the current trend continues export target for this fiscal year will be achieved.

He however said product diversification and maintaining international quality are key to boosting Bangladesh's export.

Woven garments continued to maintain positive growth in July-January period of the current fiscal year, fetching \$ 2262.54 million.

The country earned \$ 274.81 million and \$ 140.11 million by exporting frozen foods and leather goods during the period, registering 0.80 percent and 11.89 percent growth.

EPB statistics shows the country earned \$ 28.82 million by exporting textile fabrics during the period,

registering the highest growth of 310.99 percent among the major export items.

Jute goods fell 8.77 percent short of target for July-January period but the export earnings from the sector were \$ 208.19 million in July-January, an increase by 18.81 percent.

Agricultural products and raw jute exports fetched \$ 58.27 million and \$ 81.90 million during the period, showing a growth of 39.67 percent and 70.98 percent. Petroleum by-products and by-cycle exports also increased by 165.92 and 17.68 percent.

Exports of tea, home textile and vegetables registered a negative growth during the period.

DSE General Index sheds 41.52 points

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The DSE General Index lost 41.52 points yesterday because of sharp price fall in Pubali Bank shares after the book closure.

The index shed 41.52 points to close at 1572.91 points from 1614.43 points of previous trading day.

The DSE All Share Price Index also declined by 29.94 points to close at 1205.62 from 1235.56 points.

A total of 3,723,438 shares of 202 issues worth Tk 22.34 crore changed hands on the DSE against previous day's 3,372,319 shares of 201 issues worth Tk 19.28 crore. Of the issues traded, 132 closed in gains, 55 suffered losses and 15 remained unchanged.

Talking to The Daily Star, DSE CEO Salahuddin Ahmed Khan said the indices witnessed slump mainly due to price correction of Pubali Bank's shares. "Investors should not be worried. It is a temporary event and the market will see upward trend within a short time," he said.

Beximco Pharma takes part in Myanmar fair

Beximco Pharmaceuticals Ltd participated in the March 10-12 'Pharmaceutical Product Show' in Myanmar with a massive market expansion plan, says a press release.

Jointly organised by Export Promotion Bureau (EPB) of Bangladesh, Bangladesh Association of Pharmaceutical Industries and Bangladesh Embassy in Myanmar, the three-day show was held at Hotel Sedona in Yangon.

The show was inaugurated by Commerce Minister of Myanmar Brig Gen Tin Naing Thein and Bangladesh Ambassador to Myanmar Khairuzzaman.

On the sidelines of the fair, seminars were organised to educate physicians, consumers and distributors to have first hand knowledge of the latest drugs on offer.

Nazmul Hassan, Beximco Pharma chief executive officer, while making keynote presentation in two seminars said, the WTO rules on drugs have opened the prospects of good business in foreign market by Bangladesh companies like Beximco Pharma having modern quality research and development units.

Under the WTO rules, least developed countries (LDCs) will be able to produce drugs without patent rights until 2016.

China announces price, import caps on iron ore

AFP, Shanghai

China said Tuesday it will impose unspecified restrictions on iron ore imports, citing the need to create a level playing field in the sector's international trade.

Restrictions on prices and quantities of imported ore would ensure a more "healthy" development of its ore-dependent industries, the Ministry of Commerce said on its website.

No further details on the price and import caps were provided.

China is currently involved in negotiations with Australia's Rio Tinto, BHP Billiton and Brazil's Companhia Vale do Rio Doce, the world's three largest iron ore exporters.

The ministry's release partially confirmed reports last week that said China had moved to impose a ceiling on iron ore prices in a bid to hold down charges during annual contract talks.

Chinese iron and steel companies have made it clear that they want prices reduced rather than increased after they were forced to accept a 71.5 percent price hike from suppliers last year.

In a report to clients last week Goldman Sachs said the potential price caps seem directed primarily at China's big three suppliers of iron ore - Australia, India and Brazil, which together accounted for 86 percent of total Chinese imports in 2005.

It estimates China's booming economy will account for 45 percent of global imports of iron ore in 2006.

Xu Zhongbu, chief executive of Beijing Metal Consulting said that China's strategy was a risky one, especially since Beijing had little power to control international prices.

Only good laws not enough to improve governance: Saifur

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Finance Minister M Saifur Rahman yesterday observed enactment of good laws cannot help improve good governance unless people behind scene are not good.

Referring to the recently enacted procurement law, Saifur said it is one of best laws in Asia. But it will not help ensure transparency in procurement if people working behind are not good, he added.

The finance minister was speaking as chief guest at the 'Conference on Corporate Governance - Bangladesh Perspective' organised by The Institute of Cost and Management Accountants of Bangladesh (ICMAB) at the Bangladesh-China Friendship Conference Centre in Dhaka.

"Limited resource is not our problem rather it is a manmade trouble we are facing," he felt.

Social responsibility took a back seat and earning and profit making issues became dominant factor, Saifur noted. "I found emergence of irresponsible behaviour of companies and interest of the shareholders and consumers have been ignored."

Citing examples of Enron and Worldcom, he said the developed world has also failed to ensure corporate governance.

State Minister for Education ANM Ehsanul Hoque spoke at the inaugural session of the two-day conference as special guest while Fakhruddin Ahmed, managing director of Palli Karma-Sahayak Foundation (PKSF) presented the keynote paper.

Ehsanul Hoque cited poor corporate governance in the Bangladesh and said he was told that presently companies usually prepare three financial reports - one for board of directors, one for other shareholders and another one for the income tax people.

In his keynote address, Fakhruddin said not only the financiers of a com-

pany, but the buyers, suppliers, customers and civil society are becoming very conscious about corporate governance related issues.

Much depends on the competence and integrity of the accounting and auditing professions. Some recent cases of accounting frauds like Enron and Worldcom have raised questions about the integrity of the accounting and auditing professions, he mentioned.

Fakhruddin noted that auditing and accounting standards play a crucial role in improving corporate governance.

Satipati Moitra, president of ICMAB and Chowdhury Hafizur Rahman, chairman of the conference committee also spoke at the inaugural session.



A band performs at East West University in Dhaka yesterday as part of a promotional campaign for '7up Ice', the newly introduced mint flavoured drink of Pepsi family, organised by Transcom Beverages Ltd, the official franchisee of Pepsi in Bangladesh.

Sri Lanka-Bangladesh chamber launched

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In a bid to promote bilateral trade relations between Bangladesh and Sri Lanka, business leaders of the two countries yesterday launched Sri Lanka-Bangladesh Chamber of Commerce and Industry (SLBCCI) in Dhaka.

S Renganathan, country manager of Commercial Bank of Ceylon in Bangladesh, was elected president of the new chamber while Haniksha Wijesekera, chief executive of Royal Park Residence, and Fahim Sinha, director of Acme Group, were elected vice presidents.

Commerce Minister Altaf Hossain Chudhury and Foreign Affairs Adviser Reaz Rahman were present at the newly launched chamber's meeting. Gamin S Munasinghe, high commissioner of Sri Lanka to Bangladesh, was also present.

Addressing the function, the commerce minister urged the members of the chamber to identify areas to increase trade between the two countries.

The Sri Lankan high commissioner urged Bangladesh to take initiative to start Dhaka-Colombo direct flights.

He said at present Bangladesh-Sri Lanka annual trade volume is only \$21.06 million. "But it is possible to increase the trade between the countries, if we look forward with political and economic commit-

ment," he added.

Meanwhile, T D Packir, head of operations of Rahimafrooz Super Stores Ltd, and Athula Talagala, chief executive officer of El and M (Bangladesh) Ltd, were elected secretary and treasurer of the chamber.

The other members of the chamber are Mohammad Salim Ullah, managing director of Jayson Group of Companies, Tanvir Assan, managing director of Track and Trade Ltd, Lalindra Wijekoon, general manager of Barcode Automation (BD) Ltd, Malek Shamsheer, acting managing director of Lanka Bangla Finance, and V Wishwanath Aponu, second secretary of Sri Lankan high commission in Bangladesh.

Oil rebounds

AFP, New York

World oil prices shot higher on global markets Monday as traders were unsettled by tensions in major crude producers Iran and Nigeria.

New York's main contract, light sweet crude for delivery in April, soared 1.81 dollars to close at 61.77 dollars a barrel, rebounding from a six percent slide last week.

In London, the price of Brent North Sea crude for April delivery gained 1.37 dollars to 62.20 dollars per barrel in closing deals.



Foreign Minister M Morshed Khan formally inaugurates a three-day America Week 2006 at Hotel Agrabad in Chittagong yesterday. Chittagong City Mayor ABM Mohiuddin and US Charge' d' Affaires Judith Chammas in Dhaka are also seen.

EC invites balanced proposal for relaxation of rules of origin

EC-Bangladesh meet begins

UNB, Dhaka

The European Commission invited a balanced proposal for relaxation of the EU Rules of Origin (ROO) on trade facilities as the issue was tabled at the EC-Bangladesh Joint Commission meeting that began here Tuesday.

They assured Bangladesh of providing technical and vocational training, training to shrimp farmers and shrimp testing machines as part of their assistance for building Bangladesh's trade capacity.

The Commission of European nations--who are Bangladesh's largest trading partner as a bloc--also assured support in moving the country's cause at the next trade negotiations under the World Trade Organisation (WTO).

The European Commission will make a proposal on trade-related supports to Bangladesh in next few weeks, an official attending the two-day meeting said Tuesday.

"We're willing to buy Bangladeshi products... we're willing to buy Bangladeshi shrimps. But the problem is that the (shrimp) producers use too much antibiotics," EC delegation leader Herve Jouanjan told reporters after deliberations on the trade issues covering Bangladesh's major export items.

"The solution is, therefore, how to use antibiotics," he said, suggesting appropriate analysis of the problem.

He apprised that steps have been taken to find solutions. "So, we hope, the shrimps in future will meet

the EU standards. You'll be able to export to the EU and all over the world," he said.

ERD Secretary Ismail Jabihullah, who is the co-chair of the meeting, said a EU technical team had visited Bangladesh earlier and identified some problems of the shrimp industry.

To solve the problems, they (EC) have agreed to offer training to producers as well as provide some expensive testing machines.

He said the meeting also discussed the rules-of-origin issues as stakeholders in the export-oriented textile industry submitted different

proposals making it difficult to take a decision.

"The EC is ready to offer the benefits out of the RoO, but they need a proposal which will ensure benefits for all the stakeholders," said the Bangladesh delegation leader.

He said the government will sit together with the parties concerned shortly to make a common proposal in this regard.

An EC trade official said they were facing a very difficult situation due to the heterogeneous proposals -- some want more flexibility in the RoO while some want it to be frozen.

He, however, expected that a revised modality would be published by middle of the year.

Through relaxation of the RoO concerning the import of fabrics for readymade garments, Bangladesh's biggest export sector, the European Union has allowed the imports from the SAARC countries.

But the major textile-industry stakeholders - BGMEA, BKMEA and BTMA - were at loggerheads over the issue, as there was a fear of market glut to the detriment of the fledging main backward-linkage industry--textiles.

They, however, say that they could not tap the full potential of the duty-free market access to EU due to stringent rules of origin.

Jabihullah said the EC would provide 67 million euros this year for development of areas that include trade-capacity building.

Japan's factory output hits new high

AFP, Tokyo

Japanese plants and factories boosted output by 0.4 percent in January, more than previously thought, taking industrial output up to new record high levels, the government said Tuesday.

It was a sixth straight month of expansion and reinforced the view that the world's number two economy remains on a steady recovery path after a slump stretching back over a decade.

Industrial output was up 2.2 percent in January from a year earlier, figures from the Ministry of Economy, Trade and Industry showed.