

Star BUSINESS

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DSE LISTING RULES

Submission of final draft on amendments by Jan

CEO says investors to get better service

SARWAR A CHOWDHURY

Dhaka Stock Exchange (DSE) will submit a final draft on amendment of the bourse's listing regulations to the Securities and Exchange Commission (SEC) in January for the commission's approval.

The DSE has already prepared a draft to bring about some changes in its listing regulations in order to develop the capital market and protect the investors' interests.

"We need another meeting to finalise the draft, as some issuer companies have put some recommendations on the proposed amendments. And we are hopeful we can submit the final draft on the changes to the SEC in January for its approval," said DSE Chief Executive Officer Salahuddin Ahmed Khan.

He said the DSE listing rules need amendments to provide better service to investors and also to facilitate the manufacturing and service sector companies' enter into the capital market.

On commencement of Central Depository Bangladesh Limited (CDBL), some operational changes are brought about in the bourses, but the changes are yet to be covered by the DSE Listing

Regulations, according to the draft proposal.

The DSE plans inclusion of the criteria of the SEC corporate governance guidelines that were issued early 2006.

The DSE is also likely to define specifically a company's eligibility for being listed on the stock exchanges as the present regulations lack in such a clear definition.

The draft has proposed that the bourse should consider some financial aspects of a company while granting it to be listed with the bourse.

Any intending company must have commercial operations for at least three years and a minimum paid-up capital of Tk 10 crore, up from Tk 1 crore required now. In case of having any accumulated loss, the company concerned would be considered disqualified for being listed, a proposal in the draft added.

For category A listing, the company needs to have good earning per share.

The draft amendments also seek incorporation of a fresh rule allowing the stock exchange to visit the office/factory or other related site of the issuer company before taking any decision on listing.

The company shall maintain its books of accounts as per requirements of International Accounting Standards (IAS) as well as International Standards for Auditing (ISA), the draft read.

The drafting sub-committee also proposed a new section regarding undertakings from the issuer company about full compliance with the guidelines of corporate governance as prescribed by the SEC.

As the DSE seeks to toughen the de-listing rules, the draft proposed that a company might be de-listed, suspended or placed on the 2nd Board of trading, if its securities are quoted below 50 percent of face value or issue price in a span of one year on an average.

Existing rules state that a listed company may be de-listed or suspended if its securities are quoted below 50 percent of face value for a continuous period of three calendar years.

Under the proposed amendments, the DSE body includes a new sub-rule seeking that a company should be de-listed if it refuses to join the Central Depository System even after its securities are declared eligible for the system.

Living cost goes 13.52pc up in '06

STAR BUSINESS REPORT

The cost of living in the year 2006 went up by 13.52 percent while the prices of essentials marked a 15.22 percent rise over the previous year, according to the Consumers Association of Bangladesh (CAB).

The CAB in a press statement released in Dhaka yesterday said in 2005, the cost of living and prices of essentials shot up by 9.77 percent and 6.32 percent respectively.

The statement said in 2006, the price of rice increased by 6.65 percent while the price of flour 8.10 percent, edible oil 12.45 percent, spices 18.56 percent, egg 18.91 percent, lentil 36.80 percent, vegetable 27.24 percent, meat 23.34 percent, fish 12.22 percent, milk 13.40 percent, soap 3.93 percent, salt 4.23 percent, tea 3.35 percent, betel leaves and nut

12.87 percent, sugar and molasses 20.18 percent, fruits 15.82 percent, clothing 14.73 percent, house rent 14.14 percent, fuel 4.76 percent and utility 5.07 percent.

The price of gold and silver increased by highest rate of 62.03 percent.

To control the situation and keep pace in economic activities, the CAB demanded introducing the suspended Hoarding Act of 1956 and revising the Essential Commodities Distribution Act of 1970.

The association also urged the government to constitute a national council under the Bangladesh Bank comprising economists to control the price of dollar.

The CAB further asked the government to circulate the Consumers' Protection Act as soon as possible.

Low tea output, few tourists add to Lankan woes

AFP, Colombo

Sri Lanka's Central Bank on Friday cut its 2006 economic growth estimate to 7.0 percent from 7.4 percent, blaming the reduction on poor tea production and falling tourist arrivals.

A decline in the tea harvest, the main export commodity, tourism and other trade-related services contributed to slower than expected growth, the Central Bank of Sri Lanka said.

The previous best performance was in 1978, when the economy grew 8.2 percent after the government dropped socialist policies for free-market reforms.

The bank said Sri Lanka's economy grew 7.5 percent in the third quarter alone, up from 6.9 percent in the same three months a year ago.

"This expansion was broad-based, with higher growth in telecommunications, cargo handling, financial services, trade and from the higher usage of hydro-power due to extreme weather," the bank said.

"The services sector continued to dominate, contributing 63 percent to the growth, while the industry and agriculture sectors contrib-

uted 27 percent and 10 percent, respectively."

The third quarter figure boosted nine months total output to 7.8 percent, against 5.8 percent reported in the corresponding period of 2005.

However, the island's worsening ethnic conflict could hit growth in 2007, analysts warned.

In its annual review known as the Article IV consultations released last Friday, the International Monetary Fund said Sri Lanka's quest for higher growth hinges on an improved business climate, rationalising trade regimes and financial sector reforms.

"However Sri Lanka's near- and medium-term economic prospects depend critically on progress on the peace front and on implementing essential reforms," the global financial watchdog warned.

Over 3,600 people have died since fighting between government forces and Tamil Tiger rebels intensified last December, leaving the February 2002 Norwegian-brokered truce in shreds.

The central bank made no reference to the security situation in its forecasts.



Visitors are heading for home after shopping at Dhaka International Trade Fair-2006 yesterday. The month-long show at Sher-e-Bangla Nagar in the capital comes to a close tomorrow.

DITF ends tomorrow

Foreign participants express satisfaction

STAR BUSINESS REPORT

Foreign participants in the Dhaka International Trade Fair (DITF)-2006 yesterday expressed satisfaction over their sales, with the month-long extravaganza coming to a close tomorrow.

Most of the foreign stalls are drawing a huge number of visitors everyday, salespersons at the stalls said.

"At the outset of the show sales were low due to political upheavals, but we could make up the loss with an increase in selling on the last few days," M Ashraf, a trader at Iran Bangla Trade Impex, said.

"The sales volume ranged between Tk40,000 and Tk1 lakh these days," he mentioned.

Cosmetics, stone ornaments,

garments, showpieces, carpets, footwear and food items were among the best selling items at the foreign stalls at the 12th version of the premier trade fair in the country.

"We sell cheap food items and everyday our sales volume is ranging between Tk12,000 and Tk30,000, which is very much satisfactory," a salesman at a Thai food shop said.

The stall owners from Pakistan and Malaysia also expressed satisfaction over their sales at the fair.

This year a total of 53 companies from seven countries - Malaysia, India, Iran, Pakistan, Singapore, Thailand, and the USA -- have participated in the fair.

As the DITF will come to a close tomorrow, the Export Promotion

Bureau (EPB) will hold a concluding ceremony at 3pm today at the fair venue.

Finance Adviser Dr Shoab Ahmed is expected to join the function as chief guest.

EPB officials said this year the DITF was a success in consideration of better law and order situation as well as management.

"As there was no political government this year, we did not need to maintain protocol for ministers, and hence we could concentrate more on maintaining discipline," an EPB official said, preferring not to be named.

Italy invites bids for flag carrier Alitalia

AFP, Milan

The Italian Economy Ministry on Friday officially invited bids for the acquisition of financially troubled flag carrier Alitalia, giving interested parties until January 29 to put forward their offers.

The appeal, appearing on the ministry website, said the buyer would have to bid for a stake of between 30.1 and 49.9 percent of the airline.

The Italian state, which currently owns 49.9 percent of Alitalia, intends to sell at least 30.1 percent, with the stipulation that the buyer or buyers bid for the whole company.

The ministry said buyers would have to maintain a controlling stake in Alitalia until the airline completed its recovery plan.

Other ministry conditions included a commitment to safeguarding the Italian identity of the carrier and guaranteeing service and coverage quality.

Alitalia has been struggling for several years, losing 3.1 billion euros (4.1 billion dollars) from 1996 to 2006, according to government figures.

The state committed 4.58 billion euros to keep the carrier afloat between 1998 and 2005, when Alitalia was saved from bankruptcy by a 1.0-billion-euro recapitalization, accompanied by a new business plan that eliminated 3,700 jobs.

The company at the end of June this year employed 10,050 people after having transferred 8,433 workers to a new entity, Alitalia Servizi, that combined maintenance services under the Finteca holding company.

Vietnam's first low cost airline to start operation next year

AFP, Hanoi

Vietnam's first budget carrier, Pacific Airlines, will start operations in February and hopes to cash-in on a growing tourism sector, officials said on Thursday.

Pacific Airlines, currently a full cost carrier, will become a low cost company offering both domestic and international flights, said Luong Hoai Nam, the airline's managing director.

"This is a step towards the country's airlines integration into the regional and international markets," he told AFP.

The company will start with flights between Hanoi, central Danang and southern Ho Chi Minh City, as well as two routes from the southern business capital to Taipei and Kaohsiung in Taiwan, he added.

New bank branches

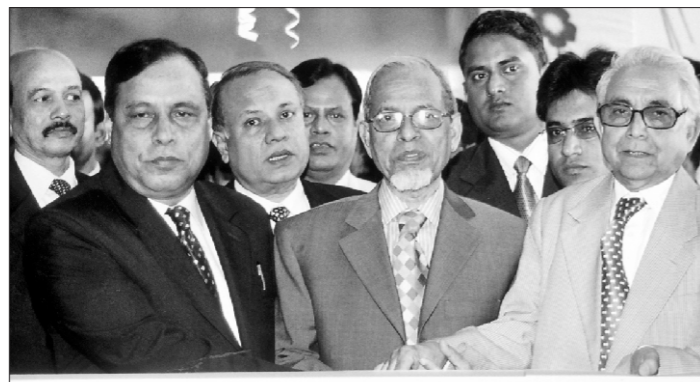


PHOTO: PUBALI BANK

Director of Pubali Bank Ltd Mohammad Yakub inaugurates the 353rd branch of the bank at Sherpur Bazar in Moulvibazar recently. Director Moniruddin Ahmed and Managing Director Helal Ahmed Chowdhury, among others, are seen.



PHOTO: PRIME BANK

Imam Anwar Hossain, chairman of Prime Bank Ltd, inaugurates the 49th branch of the bank in Naogaon on Sunday. M Shahjahan Bhuiyan, managing director, and other senior officials were present at the opening ceremony.



PHOTO: ONE BANK

Chairman of ONE Bank Ltd Sayeed Hossain Chowdhury inaugurates the 23rd branch of the bank on Jubilee Road in Chittagong on Tuesday. Other senior officials are also seen.



PHOTO: EXIM BANK

Suraiya Begum, director of Export Import (EXIM) Bank of Bangladesh Ltd, inaugurates the 30th branch of the bank at Fenchuganj in Sylhet on Tuesday. Abdullah Al-Zahir, director, Mohammed Lakotullah, managing director, and other senior officials are also seen.

US, India set up forum to boost trade in legal services

AFP, Washington

The United States said Thursday it has set up a forum with India to facilitate trade in legal services.

"Legal services are integral to today's complex global economy," Deputy US Trade Representative Karan Bhatia said as he announced the formation of a working group of US and Indian legal experts.

Bhatia and his Indian counterpart, Commerce Secretary Gopal Pillai, agreed on establishing the forum during recent meetings in New Delhi, said a statement from the US Trade Representative's office in Washington.

"It is a priority in our bilateral dialogue," Bhatia said of the Bilateral Working Group on Legal Services comprising prominent legal professionals, including representatives of US and Indian law firms, the American Bar Association and the Bar Council of India.

The forum would "promote greater interaction between legal professionals in India and the United States and to facilitate trade in legal services between the two countries," the statement said.

The working group was identified as a priority of the US-India Trade Policy Forum, launched during the visit of Indian Prime Minister Manmohan Singh to Washington in July 2005.

Bilateral trade between the two countries in goods and services totals some 40 billion dollars annually, which the two sides want to double in three years.

Commercial and military ties have transformed since they were on opposite sides of the fence during the Cold War. A landmark civilian nuclear deal which won US legislative approval in early December is seen as the highwater mark of their new relationship.

China may grow 10.5pc in 2006

AFP, Beijing

China's economic growth is likely to hit 10.5 percent this year, although inflation will remain low, the government's statistics office said Thursday.

Yao Jingyuan, chief economist of the National Bureau of Statistics, also told reporters in Beijing that next year's economic growth was expected to be about 10 percent.

Yao also said that a key objective for economic planners for the new year is to ensure that fast

growth does not overheat.

In the first three quarters of this year, growth in the world's fourth-largest economy reached 10.7 percent.

The consumer price index for 2006 is expected to come in at between 1.3 and 1.4 percent, while the trade surplus will hit about 170 billion dollars, he said.

The combination of double-digit growth and low inflation is frequently attributed to China's massive investment in new industrial capacity in recent years.

Oil prices slip at end of volatile year

AFP, London

World oil prices fell on Friday to trade about 23 percent below their record high points of more than 78 dollars struck in July and August.

Crude futures were ending the year on a weak note as the market dismissed a sharp drop in US crude stocks, dealers said.

It preferred to focus on the mild winter in the United States, which has led to a drop in demand for heating fuel.

New York's main contract, light sweet crude for delivery in February, dropped 12 cents to 60.41 dollars per barrel in electronic deals before the official opening of the US market.

In London, Brent North Sea crude for February delivery also lost 12 cents to reach 60.55 dollars in electronic trading.

Oil prices have tumbled since rocketing to record high points during the northern hemisphere summer, owing to unrest in the oil-rich Middle East and supply disruptions.

In July, light sweet crude hit a peak of 78.40 dollars per barrel in New York. In August, Brent North Sea crude reached an all-time high of 78.64 dollars per barrel in London.

These levels put oil prices 20 dollars higher compared with the start of 2006 and four times higher compared with 2002.

However they have since dived owing to high levels of US energy inventories and mild temperatures in the United States, while traders are beginning to overlook unrest in oil producing countries such as Nigeria and Iran.

On Friday, "crude futures were slightly lower as market participants square positions before the long weekend, amid mild weather conditions in the US", Sudden analyst Michael Davies said.

World oil prices had firmed only slightly on Thursday, despite a massive drop in stockpiles of US crude last week.

The US Department of Energy said Thursday that crude oil stockpiles slid 8.1 million barrels to 321 million in the week ended December

22. The drawdown was much steeper than the 2.5-million-barrel decline expected by Wall Street analysts.

"The fact that the market hardly responded to the report suggests that most market participants are far more concerned by the milder weather in the US, which is expected to continue throughout the rest of the winter," Davies added.

The DoE report also showed that levels of distillate products, which include heating oil, increased 500,000 barrels to 133.6 million over the week, in line with most forecasts.

Tetsu Emori, chief commodities strategist with Mitsui Bussan Futures in Tokyo, meanwhile said Friday that he expected the market to continue its downward slide next year, adding that people were unlikely to see 78-dollar oil again for years to come.

"Most of the people are quite bullish. I'm kind of a contrarian," Emori said, forecasting that prices could drop below 40 dollars in 2007.

"The downside risk is much bigger," he said, citing bullish expectations for the dollar, limited growth in demand and increased availability of oil sands and other biofuel products.

"We must be careful," Emori added.

French jobless rate falls to 8.7pc in Nov

AFP, Paris

French unemployment fell to 8.7 percent in November from 8.8 percent in October, official data showed on Thursday, marking the continuation of a downward trend which began in February 2005.

The number of jobseekers fell by 17,400 to 2.11 million during the month, the French employment ministry said.

French unemployment had been unchanged in October, the second such pause this year, but joblessness has otherwise been in steady decline over the last 22 months.

New executive body of Indenting Agents Assoc



Obaidur Rahman



Rafiqul Islam M Shahid Ullah

A 21-member executive committee of the Bangladesh Indenting Agents Association has been constituted for a two-year term (2007-2008) with Obaidur Rahman, Advocate Rafiqul Islam Masum and M Shahid Ullah as its president, senior vice president and vice president. The association's new body was elected at its 25th annual general meeting (AGM) on Wednesday, says a press release.

Other members of the executive body are: Maj General (ret) KM Abdul Wahed, Bahulul Mansur, MS Siddiqui, Md Shahidul Ahsan, M Anwarul Ghani, Mohammad Masum, KMH Shahidul Haque, Md. Shafiqul Islam, SM Manzurul Alam, M Bashirullah Bhuiyan, Md Anwaruzzaman, Shahab Uddin Khan, Shabbir Ahmed Khan, Md Abul Bashar, Sk Azhar Hossain, Mirza Khorshed Alam, ABM Kaiser and Mrs Nafisa Akbar.

Obaidur Rahman is the managing director of the Dorasco Ltd & Rahmania Aluminium Factory. A former director of FBCCI and DCCI, Rahman is now a director of the Bangladesh French Chamber of Commerce & Industry, the release added.