

DHAKA, TUESDAY, APRIL 19, 1994

## SEC will take action against cos accused of irregularities

Securities and Exchange Commission has asked shareholders to bring specific allegations against listed companies regarding irregularities in holding AGM and declaring dividend which impede development of the country's capital market, reports UNB.

SEC Chairman Sultan-uz Zaman Khan told UNB in the city yesterday that they had already received a number of allegations from the shareholders against some companies listed with the Dhaka Stock Exchange (DSE).

"We sent letters to those companies requesting them to hold annual general meeting on schedule and declare dividend for the shareholders," he said, adding a number of companies had already fixed dates for AGM responding to the request.

The SEC Chairman said as

per rule, every listed company should hold annual general meeting and declare dividend which should be cleared within 60 days of holding AGM. The shareholders, he said, have every right to know and exercise their decisions for the wellbeing of the company of which they purchase shares.

"Holding of AGM is a very fundamental thing to ensure accountability to the shareholders," the SEC Chairman observed.

Khan said SEC had been closely monitoring the capital market since its inauguration in November. But, he noted, some of the companies listed with the DSE do not hold AGM regularly.

He said his commission was persuading the companies to hold AGM and declare dividend. "We think that we have

to make them conscious first before going for any straight-way legal action.

Khan said it was the prime duty of the SEC to supervise smooth functioning of the securities and protect the due interest of investors in the capital market.

Talking on punitive measures against those companies who do not hold AGM and declare dividend, he said there are provisions for punitive measures. If anybody files specific allegation, the SEC can take punitive measures against that company, he added.

About the non-holding of AGM, the SEC Chairman noted with dissatisfaction that corporate culture, which ensures the right of the shareholders had not yet developed in the country.

But the companies are taking advantage of tax relaxation

by listing them with the DSE, he said.

The listed companies are now enjoying a difference of five per cent corporate tax relaxation. Khan pointed out and said further widening of the difference between listed and non-listed companies is under consideration.

Sources at the DSE said some companies had offloaded their issues in the capital market but not held AGM or declared dividend for long.

The market is now facing an acute shortage of good issues while, on the other hand, a large number of issues are lying untraded because of low demand for non-issuance of dividend by the companies.

Such irregularities stand in the way of flourishing the capital market further, they observed.

## BFFEA team off to Euro states

CHITTAGONG, Apr 18: A four-member delegation of the Bangladesh Frozen Foods Exporters' Association (BFFEA) left the country recently for the European states to explore market for the Bangladesh frozen foods today, reports BSS.

The team, led by BFFEA president Syed Mahmudul Huq, includes association members Shahidur Rahman, Mahmudul Hasan and Syed Zaidul Huq.

The delegation attended a seminar on frozen foods at Rotterdam, Netherlands held from April 14 to 16. They will also participate in another seminar on European sea food exposition to be held in Brussels, from April 19 to 21.

The delegation will also visit France to obtain business before returning home at the end of April.

## China's industrial output grows 18.55 pc

BEIJING, Apr 18: China's industrial production grew 18.55 per cent in the first quarter of 1993 over the same period last year, the State Statistical Bureau (SSB) was quoted as saying Sunday, reports AFP.

The figure compared with an annual growth of 23.6 per cent in 1993 and a surge of 33.2 per cent in January this year indicating that efforts to slow the economy brought industrial production down dramatically in February and March.

Foreign-funded and private enterprises fuelled growth with output up 79.05 per cent in the first quarter, while ailing state enterprises — suffering from cash shortages as the government clamps down on easy credit — registered a rise of only 2.2 per cent, the China Daily Business Weekly said.

The report said output in the energy sector too grew just 2.8 per cent between January and March compared with the same period last year.

## South African businesses fear post-polls uncertainty

JOHANNESBURG, Apr 18: South Africa's largely white business sector is nervously contemplating its future after the country's first all-race election on April 26-28, hoping for a boom but fearing a bust, reports AFP.

"Everybody is extremely uptight," said Tracey Ledger, an economist at a leading Johannesburg Stockbroker.

The financial and currency markets have been bearing the brunt of local and foreign investor nervousness, the rand plunging to a record low of 3.60 against the dollar during the week.

The financial rand for overseas investors, a barometer of international confidence in South Africa, took a battering during the week, plummeting from under five to the dollar to a shell-shocked 5.1 to the dollar.

But it is not only foreign investors who are nervous about

prospects for Africa's largest economy after the end of white rules local businessmen are also uncertain about their future.

"I don't know whether to gear up for a boom, or sellup while I still can and get out of here," the owner of a small mining engineering firm told AFP.

The businessman said he was worried what economic policies would be followed by the African National Congress (ANC) expected to be the senior partner in the government of national unity to come into force after the election.

"What happens to me if the communists (the ANC's election allies) get too much say," the businessman questioned.

It is not only small companies that are anxious — large corporations are also adopting a wait-and-see attitude.

Ledger said the uncertainty of the economic direction of a

new government was paralysing the fledgling economic recovery.

"We have a new government coming in that does not have a concrete plan," she said.

There was no policy on the things that mattered to business, namely, exchange control, currency policy and taxation and trade policy, Ledger said.

It would take a new government until "at least the beginning of 1995" to sort out its policies, Ledger said, adding that very little private investment, either domestic or foreign, would happen until there was clarity.

If the spiralling violence and the ongoing problems surrounding the demands of Zulu nationalists are added to the equation, Ledger said, it would be an "extreme optimist" who would predict economic growth in the short term.

## Negotiations for high speed train system in ROK completed

SEOUL, Apr 18: The Anglo-French consortium Gec-Alsthom has successfully completed negotiations with the South Korean government for a 2.3 billion dollar high speed train system, Yonhap news agency said, reports AFP.

The agency said a formal announcement that Gec-Alsthom "has been selected as the main contractor" would be made at 0400 GMT.

Officials of the Korean High Speed Railway Construction Authority (KHRC) said the announcement had been embargoed, and Gec-Alsthom sources repeated the statement.

But sources told AFP that the contract would be signed in May, ending years of tough negotiations over the price and technical transfer details of the contract, which had been hotly contested by Siemens AG of Germany.

The High Speed TGV Train (Train a Grande Vitesse) is designed to link the South Korean capital of Seoul with the Southern Port City of Pusan.

## Turkey, Iraq reach accord to repair oil pipeline

AMMAN, Apr 18: Turkey said on Sunday it had reached agreement with Iraq on a plan to repair a pipeline that will be used for exporting Iraqi crude oil once a UN trade embargo is lifted, reports Reuters.

Ozdem Sanberk, Turkish Foreign Ministry Secretary-General, said after returning to Amman from an unprecedented trip to Baghdad that both sides had to work out modalities of the operation before it could begin by June or July.

"Yes, there is an agreement for a rescue operation of the pipeline within the framework of the United Nations Security Council's sanctions system," he said, in an interview with Reuters.

The 986-km (616-mile) pipeline, shut down since the UN imposed economic sanctions on Iraq after it invaded Kuwait in August 1990, runs from Iraq's northern Kirkuk oilfields to terminal on Turkey's Mediterranean coast.

The pipelines can carry 1.2 million barrels per day (BPD), more than half of Iraq's oil exports before the Gulf crisis.

Turkey, during talks with Iraq's Foreign Ministry under-secretary Ryad Al-Qaisi in January, offered to draw an estimated 12 million barrels of oil trapped inside the twin oil pipelines to prevent corrosion. But the talks came to nothing.

Under the plan, the pipelines must be flushed and refilled for correct maintenance until regular flow is resumed, Sanberk said.

"The oil (inside) is not going to be injected to the oil market and it is not for oil exportation. It is going to be put and kept in the Turkish refineries," he added.

Sanberk said technicians now had work out "modalities of the technicalities of the flushing-out (operation) ... once such arrangements are in place, the rescue operation for the whole Iraqi-Turkish oil pipeline system could start.

"The pipeline has not been used for almost three years, it is a very valuable asset and we do not want to let it deteriorate," he added.

The purpose was to see whether corrosion had set in and repair the pipeline to have it ready for the day when the embargo is lifted, Sanberk said.

In the past few months, Iraq has been involved in a number of negotiations with foreign companies who it said were ready to buy Iraqi oil once sanctions were lifted.

Talks between Qaisi and Sanberk, on his first trip to Baghdad since the 1990 Gulf crisis, also covered trade and political issues, including Iraq's latest diplomatic campaign to get the sanctions or eased.

Iraq says it has met all the relevant clauses of UN Security Council resolution 867 on scrapping weapons of mass destruction.



Farhad Mazhar of UBINIG (C) speaking at a press conference on toxic fertilizer at the Jatiya Press Club in the city yesterday. Shamsul Huda (R) of the Association for Land Reform and Development and Philip Gain (L) of the Society for Environment and Human Development are also seen in the picture. — Star photo

## Yen gains against Greenback over week

HONG KONG, Apr 18: Several Asian currencies closed weaker against the US dollar this week, while the Japanese yen gained strength, despite continuing political uncertainty following the resignation of premier Morihiro Hosokawa, reports AFP.

**JAPANESE YEN:** Japanese yen advanced on the Tokyo foreign exchange market, closing at 103.95 yen to the dollar Friday, up one yen from the 104.95 finish a week ago.

After opening at 105.07 yen, the Japanese currency moved between 102.90 yen and 105.10 yen here this week.

Prospects of US pressure to bring the yen's exchange rate higher to reduce the trade deficit with Japan sent the yen to a high of 102.90 to the dollar on Tuesday.

**AUSTRALIAN DOLLAR:** The Australian dollar surged during the week to close one US cent higher Friday, due to market expectations of low inflation data and a reduced budget deficit, analysts said.

The domestic currency finished at 72.65 US cents from last Friday's close of 71.65 US

cents.

**HONG KONG DOLLAR:** The Hong Kong dollar closed the week at 7.225-7.265 from the previous week's 7.272-7.282. The effective exchange rate index on Friday was 125.4.

**INDONESIAN RUPIAH:** The Indonesian currency closed Friday at 2,147 rupiah, unchanged from last week's finish, after opening the week's trading Monday at 2,148 rupiah.

**MALAYSIAN RINGGIT:** The ringgit close the week 68 points lower against the US dollar at 2.6878 from 2.6810 previously.

Dealers attribute the Greenbacks' rise to stronger demand from off-shore banks which held on to large sums of the dollar for most of the week.

**SINGAPORE DOLLAR:** The Singapore dollar strengthened against the US dollar at an exchange rate of 1.5610 here Friday against last week's level of 1.5700.

Dealers said demand for the US dollar was very subdued and the Greenback was constantly around the 1.5600 level throughout the week.

**NEW ZEALAND DOLLAR:** The New Zealand dollar closed Friday worth 56.80 US cents, slightly down from the previous week's close of 56.85 cents.

Dealers say light trading during the week saw the Kiwi riding on the back of a stronger Australian currency.

**SOUTH KOREAN WON:** South Korea's won ended the week unchanged from last

week at 809.20 won per dollar.

**TAIWAN DOLLAR:** The Taiwan currency declined slightly to close Friday at 26.38 to the US dollar, down 0.4 Taiwan cents from the previous week's finish of 26.384.

**THAI BAHT:** The Bank of Thailand's Exchange Equalisation Fund (EEF) Friday fixed the official mid-rate at 25.28 baht to one US dollar.



MOER organised a round-table discussion on free market at the auditorium of Scouts Bhavan, Kakrail, in the city yesterday. Dr Wahiduddin Masud, Syed Ali Kabir and Nizam Ahmad (from left to right) are seen in the picture. — Star photo

## Food situation in Asia satisfactory this year: FAO

Overall food situation in Asia satisfactory, with some countries still facing low food security, FAO reports.

While the global supply of cereals will remain tight in the near future, the UN Food and Agriculture Organisation (FAO) has said for most of the countries in Asia, the outlook for wheat and rice crops in 1994 is favourable.

In a report prepared for its Committee on World Food Security, FAO called the food situation in Asia satisfactory.

FAO also published for the first time an Aggregate Household Food Security Index for developing countries, based on three elements of the Organization's broadened concept of food security, namely availability and stability of food supplies and access to food.

The 1993 estimates for 93 developing countries indicate that the food status in nearly three-fourths deteriorated compared to 1992.

Among Asian countries, only Afghanistan ranked critical while Bangladesh, Cambodia, Nepal, Sri Lanka and Vietnam were classified as having a low level of food security.

China, Laos, Myanmar, Pakistan, Philippines, Sri Lanka, and Thailand were classified as

having a medium level of food security while Indonesia and the Republic of Korea are at the high levels. However, the Democratic People's Republic of Korea dropped in 1991-93 from high to modest levels of food security and Sri Lanka from modest to low levels.

China, while maintaining its medium level of food security, was among nations suffering more than a two percentage points decline in its food security status between 1988-90 and 1991-93.

FAO estimates that the number of chronically undernourished people in Asia and the Pacific has dropped from 751 million people (1969/71) to 528 million (1988/90). The proportion of the population affected by undernutrition declined in that period from 40 to 19 per cent.

While world cereal production in 1993 was estimated to be more than 40 per cent lower than in 1992, mainly due to sharply reduced coarse grain production in the United States, in Asia, total cereal production in 1993 declined by less than one per cent compared to 1992, when output was above average.

However, the region produced a new record of wheat

crop of 224 million tons, some 8 million tons more than in 1992. Above-average to record crops were harvested in all major wheat producing countries, including China, India, Pakistan and Bangladesh, while harvests were sharply reduced in Afghanistan.

Coarse grains output in Asia was estimated at 186 million tons for 1993, or 5 million tons less than 1992, with sharpest drops in India and Indonesia.

Supplies on the world rice market were anticipated to tighten considerably as paddy production was estimated lower by nearly two per cent, or 9 million tons, to 519 million tons in 1993. The decline, the steepest in the past decade, was mainly a result of substantial reductions in China, Japan, the Republic of Korea and the Democratic Republic of Korea.

The paddy output in the development countries of Asia in 1993 was about 465 million tons, nearly 4 million tons less than in 1992. Production was higher in Bangladesh, India, Pakistan, Malaysia, Nepal, Sri Lanka and Vietnam. As a result of the tightening of world market supplies, and therefore higher rice prices, some countries in

Asia may cut back their commercial imports of rice.

Most important for food security are high-protein staples like pulses. Global output in 1993 was estimated at 58 million tons, 4 per cent more than in 1992. Asia accounted for most of the increase, India and China, which together account for about one third of world output, produced more than the average level.

Food production in some Asian countries:

**Afghanistan:** The country's already tight food position has deteriorated further with the return of refugees from Iran and Pakistan. Together with the internally displaced people, there is need for urgent international food aid. Agriculture is limited by short supply of inputs, damage and lack of maintenance of the irrigation network, and insecurity. Despite overall favourable weather, production of cereals in 1993 is estimated at 2.5 million tons.

**Cambodia:** The country still faces a tight food supply situation. Yields are still being constrained by the shortages of farm inputs, particularly fertilizers. However, the 1993 paddy crop is estimated at 2 million tons (1992: 1.9 million

tons), and 11 per cent above average.

**China:** The food supply situation remains stable. The wheat harvests were estimated in 1993 at 105 million tons, 4 million tons more than 1992. Coarse grain harvests remained stable at 110 million tons. Paddy output, estimated at 180 million tons, was 6 million tons down over 1992 output.

**India:** Its foodgrain harvests in 1993/94 are forecast at 179 million tons, against the target of 188 million and the 1992/93 output of 180 million tons. The food supply situation of the country remains satisfactory, foodgrain stocks are estimated at an above-normal level.

**Indonesia:** The food situation remains stable, reflecting adequate rice stocks. Despite flood damage to crops in some areas, overall crop prospects for the main paddy crop are satisfactory.

**Japan:** The 1993 output in paddy is estimated at 9.7 million tons and some 23 per cent below normal (1992: 13.1 million) due to a cold and wet summer and a series of typhoons. Japan therefore started importing rice to cope with the shortfall.

**Republic of Korea:** Paddy output in Korea was 6.5 million tons, or 16 per cent below average in 1993 (1992: 7.3 million). The shortfall is expected to be met from the above average government held rice stocks and imports.

**Nepal:** The output of cereals in 1993 recovered sharply from the previous year's poor harvest of 4.9 million tons, but remained below average. The food supply situation remains tight. Food aid will be needed to cover most of the shortfall.

**Pakistan:** Pakistan's output of cereals in 1993 is estimated at a record 23.1 million tons, some 11 per cent above average. Wheat production prospects in the irrigated areas are rated as satisfactory, with some deterioration for the rained wheat crop.

**Laos:** The output of paddy in 1993 is estimated at 1.25 million tons, some 17 per cent below the previous year's harvest reflecting drought in the south and parts of the north and floods in the central region. The overall food supply situation is tight with critical food shortages. External food assistance is urgently needed to cope with the shortages.

**Govt of Bangladesh**  
Office of the Executive Engineer, PHE, 18 DTP  
Dhaka Zone, Manikganj Division, Manikganj

### Tender Notice

- Tender Notice No : 19/1993-94.
- Description of works: 1) Construction of Pump Drivers' Quarter building under Manikganj water supply system, Manikganj.  
2) Construction of platform for existing Hand Tube Wells at Manikganj Pourashava.
- Estimated Cost : 1) For Pump Drivers Quarters Building, Tk 2,45,409/-.  
2) For Platforms, Tk 96,000/-.  
3) For Sherpur Furniture Supply Tk 26,800/-.
- Earnest money : 1) For Tk 300/-.  
2) For Tk 100/-.  
3) For Tk 100/-.
- Time allowed : 1) For time 50 (fifty) days.  
2) For 20 (twenty) days.  
3) For 15 (fifteen) days.
- Qualification of contractors : DPHE enlisted 1st/2nd class 'C' category contractor for 1993-94.
- Tender available with : Executive Engineer, PHE, 18 DTP, Manikganj Division, Executive Engineer, PHE, 18 DTP, P&D Division, 190 Arambagh Inner Circular Road, Dhaka and Sub-Divisional Engineer, PHE, 18 DTP, Sherpur, Sub-Division, Sherpur.
- Receiving Office of Tender : Executive Engineer, PHE, 18 DTP, Manikganj Division, Executive Engineer, PHE, 18 DTP, P&D Division, 190 Arambagh, Inner Circular Road, Dhaka and Sub-Divisional Engineer, PHE, 18 DTP, Sherpur, Sub-Division, Sherpur.
- Last Date of Selling Tender : 23.4.94 at office hours.
- Last Date & Time for receiving Tender : 24.4.94 at 1.00 PM.
- Date and time for Opening Tender : 27.4.94 at 2.30 PM.

**Md Delwar Hossain**  
For Executive Engineer, PHE, 18 DTP  
Manikganj Division, Manikganj

DFP(G) 7166-12/4  
G-660