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DHAKA FRIDAY, JUNE 5, 1998

Investment seminar on Bangladesh in Italy ends

A two-day special investment seminar on Bangladesh concluded in Milan, Italy on Wednesday, reports UNB.

The Board of Investment (BOI), Bangladesh Embassy in Italy, Italian Institute of Foreign Trade, Confederation of Italian Industries (CONFINDUSTRIA) and Italian Embassy in Dhaka jointly organised the seminar.

Prof Fabrizio Onida, Economic Adviser to the Italian Prime Minister, inaugurated the seminar, first of its kind in Italy.

Eighty representatives from over 60 Italian companies attend the seminar.

BOI Executive Chairman Farooq Sobhan made a multimedia presentation on the investment opportunities in textiles and leather goods and other sectors in Bangladesh.

The seminar was organised as a follow-up of Italian Prime Minister Romano Prodi's visit to Bangladesh.

The two-way trade between the two countries will exceed 400 million US dollars this fiscal with the balance of trade strongly in favour of Bangladesh.

A high profile investment team from Italy is expected to visit Bangladesh soon, said a BOI press release yesterday.

Low-cost maize peeler devised

MYMENSINGH, Jun 4: A local agriculturist has devised a low-cost and indigenous maize peeler, reports UNB.

The leg-operated peeler was devised by Kayem Uddin with the locally available spare-parts which can extract a huge quantity of maize seeds in a short time.

Kayem said an operator would be able to extract 90 to 100 kg seeds per hour with the machine. Two operators together can collect 170 to 190 kg within this period, he claimed.

The hand-driven machine, invented earlier by Bangladesh Agriculture Research Institute, can be used to extract 25 to 30 kg seeds per hour.

Kayem, who is the Agriculture Officer of Trishal thana, said he came to know that the hand-driven machine was time consuming and laborious. Agriculture Research Institute has an electric or diesel-driven machine which is expensive for the farmers.

Taking into consideration the financial condition of the farmers and capacity of the extracting machine, he invented the leg-driven machine with easily available and locally made parts.

The farmers of Boilour, Dhaniakhali and Kathal Unions of Trishal thana are using the new device. Kayem said the device has already gained popularity among the farmers. He also said the machine has no mechanical complexity and its spare-parts are easily available and repairable.

According to a primary estimate, the production cost of the machine is Tk 3,000. But the cost will be reduced substantially in case of commercial production, he added.

Workshop on evaluation of Dutch aid held

A Bangladesh delegation has participated in a workshop on the findings of a recent evaluation of the Netherlands aid to Bangladesh during the period 1972-1996. The workshop was held at the Netherlands Ministry of Foreign Affairs recently.

The evaluation by the Policy and Operations Evaluation Department of the Netherlands' Foreign Ministry was characterised by a high degree of participation by Bangladeshi stakeholders, says a press release.

The evaluation was concluded in December 1997 when the findings were discussed with representatives of the government of Bangladesh in a workshop, held in Dhaka. The minutes of this meeting were fully incorporated in the evaluation report.

The report has, meanwhile, been sent to Dutch Parliament, together with a policy reaction of Jan Franck, the Netherlands' Minister of Development Cooperation.

The meeting concentrated on issues regarding poverty alleviation, institutional and social change as well as on the need for an open development policy dialogue between the two countries.

Apart from the Joint Secretary, ERD, Abu Saleh, the Bangladesh delegation comprised Dr Debapriya Bhattacharyya of BIDS, former minister of state, Dr A Moayeen Khan, Chief Engineer, Planning, Abdur Rahman, Nasreen Huq of Naripokho and Secretary, Ministry of Health, Mohammad Ali, Dick Den Haas, Netherlands Ambassador in Bangladesh, Gyash Uddin, Ambassador of Bangladesh in the Netherlands and his First Secretary Md Abu Zafar also attended the workshop.

Charges of insider trading, manipulation

SEC decides to sue ACI chairman, company secretary

By M Shamsur Rahman

The Securities and Exchange Commission (SEC) is filing a criminal suit against the chairman and company secretary of a pharmaceuticals and chemicals major charging them with "manipulation" and "insider trading" by using highly price-sensitive information.

According to sources, the capital market watchdog detected huge insider trading by the management of Advanced Chemical Industries (ACI) Ltd, listed with both Dhaka and Chittagong stock exchanges.

The SEC inquiry was instituted on ACI chairman M Anis Ud Dowla and company Secretary Sheema Huq were found to have resorted to large-scale fraud and insider trading taking advantage of their access to price-sensitive information.

The sources said the decision to sue the two was taken by the SEC Board yesterday. One source said the cases would be filed "in 2-3 days".

The SEC inquiry was instituted on April 16 after a formal request by the Council of the Dhaka Stock Exchange (DSE) on January 21 to inquire into the alleged ACI irregularities. The committee submitted its report late last month.

Earlier, DSE itself had suspended trading of ACI shares after the company postponed its rights offer. The CSE also followed suit by suspending trading of the blue chip stock.

Anis Ud Dowla however denied any wrongdoing and shrugged off SEC plans for a criminal suit. "No problem. The court should decide," Dowla told The Daily Star. But he hastened to add: "I have not had a chance to explain our position."

Rights offer postponement
On October 20 last year, the

company offered nine rights for every five holdings at a premium of Tk 20 against a face value of Tk 10, a 30 per cent cash dividend and one bonus share against every five.

The offer was fully underwritten -- 50 per cent by company directors, 20 per cent by banks and DFIs, 8.5 per cent by the manager to the issue and rest by DSE and CSE members.

The company gave the first call of rights offer to raise 50 per cent of the total amount of Tk 39.68 crore. The subscription date was open from December 28 to January 10 which was later extended until January 20.

On January 19, the company postponed its rights offer and decided to make the refund of the amount deposited by investors with a 13 per cent interest rate.

"They knew the rights offer was being underwritten. Against an offer of Tk 19.84 crore, the subscription was only 3.84 crore," an SEC source said. "And to avoid liability of Tk eight crore on the directors' part they decided to postpone the rights offer attributing the postponement to Peregrine liquidation (in early February)."

The offer was in fact cancelled," the inquiry was learnt to have concluded.

"But the offer cannot be cancelled. The rights offer document does not permit the company to postpone or cancel the offer because it was fully underwritten," the official said.

SEC sources also suggested that the ACI argument did not hold much water. "Peregrine Bangladesh, being the manager to the issue, had completed most of its work -- the offer document was published, it only had to take over the 8.5 per

cent of the unsubscribed amount being an underwriter. Even if they had failed, the shortfall would not have disturbed the future plan of the company," one source explained.

The SEC inquiry said all these established that there was a deliberate attempt to manipulate the situation to individuals' advantage.

Insider trading
According to listing laws of stock exchanges and SEC regulation, the companies should inform the bourses and the regulators of its price sensitive information within 24 hours. "But the company on many occasions suppressed the facts and was involved in insider trading," the source said.

The inquiry found that Chairman Dowla, also CEO of two ACI sister concerns namely ACI Foundation and Consolidated Chemicals Ltd (CCL), sold 26,600 shares held by the Foundation, 80,000 ACI shares owned by CCL along with 64,000 shares owned by himself as ACI director.

Company secretary Sheema Huq was also found to have sold 93,000 shares, the sources said quoting the committee findings.

The investigators concluded that both the chairman and the company secretary took advantage of the price-sensitive information and traded shares by suppressing facts, the sources said.

The inquiry said the shares had been sold through Meen Har Securities Ltd, a CSE broker, and Harunur Rashid & Company, a DSE member.

The regulators had been in a dilemma whether to file a crim-

inal suit or exercise its power by asking the company to change its management. Finally, the SEC Board decision went in favour of criminal suit.

The sources also explained the reasons behind the SEC dilemma. "If the SEC files a criminal suit, the case may continue for years and the investors would suffer," said one.

To protect the investors, they said, the regulators had been thinking of other options practised in developed countries.

One such option could be to ask the accused persons to resign from the board of the company and never allow them to be part of the management.

"This option has proved effective in the US and other developed countries where investors are protected and the company continues with its normal activities with a different management."

In this case, they said, the Commission could have asked the accused chairman and the company secretary to resign and submit the money they raised by "insider trading" to the company account.

The sources said the SEC had made such a proposal, verbally, to the company which was to be resolved by May 28.

The company wrote back on the last day seeking an extension of the deadline by one week and asking for a copy of the investigation report to discuss the issue with other board members.

At this stage, the SEC decided "not to communicate with the company any more" and found itself left with the option to sue them, the sources said.

Asked, SEC legal advisor Dr Mohammad Ali told The Daily Star that the SEC laws only allow it to file criminal suit or to

impose fine.

The SEC is also considering appointing an auditor to know the actual health of the company.

Meanwhile, on May 27, the SEC suspended Md Shahidul Islam, personal assistant to the inquiry committee chief Mansur Alam, as he was caught trying to steal a copy of the investigation report. Alam is an executive director at SEC.

He was charged with "misconduct, breach of trust, information leakage, misappropriation and fraud as he tried to steal a very confidential important report from the Commission," according to the charge sheet framed by the SEC.

Sources said Shahidul Islam managed to print a copy of the report on ACI, which was later found in his brief case.

According to the sources, Islam admitted that he was stealing the report for "a certain person".

Dowla vows to fight it out
Pleading innocence, Dowla said he was being "disturbed" by certain quarters when he was on way to striking joint venture deals with foreign companies.

The ACI chairman also resented the delays in conducting the SEC inquiry, called the regulators "ignorant" and "unprofessional," and alleged that he had not been given a chance to "explain".

The Commission took five months to investigate, Dowla pointed out. "If I have done anything wrong, why don't you go and punish me?"

Responding to Star queries, he refused to admit what SEC defined as "insider trading" and "harassing" him to the regulators "ignorance, high-handed-

WB to provide sufficient aid for development of CHT areas

World Bank President James D Wolfenson on Wednesday highly appreciated the efforts of the Prime Minister Sheikh Hasina in establishing peace in Chittagong Hill Tracts, reports UNB.

According to a message received here from Washington, specially mentioning the signing of the CHT peace treaty accommodating people of all categories here to live together, the President assured of more World Bank help and assistance for the development of the under developed CHT areas.

He said, "We will provide sufficient assistance for the development of Bangladesh especially the CHT areas."

He was talking to the Bangladesh delegation led by Commerce and Industries Min-

ister Tofail Ahmed now visiting the USA to attend the inaugural meeting of the US-Bangladesh Business Council at the WB headquarters.

The minister briefed the WB President about the efforts of the present government to expand trade and environment and to bring discipline in the financial sectors including the banking sector.

The WB President expressed deep satisfaction over the progress made by Bangladesh through implementation of reform programmes. He said on the basis of the performance, the WB has increased the annual credit line to Bangladesh from 450 million US dollars to 650 million dollars.

He said, "we will do more, if needed, for the socio-economic

development of Bangladesh."

Chief Whip of the Parliament Abul Hasnat Abdullah, Deputy Minister for Shipping, Saad Hossain Chowdhury, FBCCI president Yusuf Abdullah Haroon, past World Bank Country Director to Bangladesh Pierre Landell Mills and WB Alternate Director Sayed Ahmed were also present at the meeting.

Later, the Commerce and Industries Minister met the US Under Secretary for Economic and Agriculture Affairs at US State Department.

During the discussion, the minister reiterated the Bangladesh plea to increase 30 per cent textiles quota for the Bangladesh exports to the USA.

He requested for the State Department support in this re-

spect to appreciating child labour-free apparels production in Bangladesh. He also requested for letting off the debt payment under PL 480.

Conveying the good wishes of the Prime Minister Sheikh Hasina to President Clinton and the people of US to him, the minister said, the people and the government of Bangladesh are eagerly waiting to receive President Clinton in Bangladesh.

He said, Bangladesh has taken all-out measures to attract foreign investment. He said, "We want to strengthen further the bilateral relations with the USA through expanding mutual trade and investment."



Navana Limited, the distributor of Toyota vehicles in Bangladesh, has been honoured with prestigious Performance Award for the year 1997 by Toyota Motor Corporation, Japan. The award was handed over to Shaful Islam Kamal, Chairman & Managing Director of Navana Limited, by Y Takada, the representative of their trading house M/s Toyota Tsusho Corporation, recently.

Small enterprises should get increased institutional support, workshop told

Star Business Report

Speakers at a workshop yesterday underscored the need for increased institutional support to the small enterprises for poverty alleviation and improving the quality of life of the poor through employment and income generation.

Small entrepreneurs can contribute a lot in the economy if they are provided with more support in investment, marketing, storage, transportation and technological upgradation, they said.

The workshop titled "Small Enterprise Promotion and Development of Bangladesh" was jointly organised by Bangladesh Unnayan Parishad (BUP) and Swiss Agency for Development (SDC) at the BUP auditorium.

The workshop discussed various matters relating to the

problems and prospects of small enterprises and formulation of a programme direction for viable promotion and development of small enterprises in Bangladesh.

Each enterprise has an average investment of Tk 1.1 million -- ranging between Tk 12.7 thousand and Tk 6.7 million and the average employment recorded at 15, ranging between five and 52, according to the report based on 47 sample enterprises from 10 districts of six divisions in the country.

The share of women in total employment increased by 130 per cent since inception of the enterprises and the latest share of women was 19.7 per cent, Dr Ahmad said.

The entrepreneurs at the inception faced various problems including bad production discipline, shortage of space for production and related activi-

ties, non-availability of required machinery in local market, lack of technical know-how, management, marketing and transportation problems, he added quoting the study report.

The discussants suggested that a package of services involving capital, technology, training and information should be easily accessible to the existing and potential entrepreneurs for expected development of the small enterprises sector.

They also proposed a central level agency to be established in the private sector which will serve as the information centre for all types of small enterprises and that a thana level Small Enterprises Trade Association be set up to organise and assist small entrepreneurs.

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Exchange Rates

Amex Express Bank Ltd foreign exchange rates (indicative) against the Taka to clients.

Currency	Selling TT & OD	Buying TT Clean	Selling BC	Buying OD Sight	Buying TT & OD
USD	46.5050	46.1100	46.5450	45.9570	45.8850
GBP	76.5286	75.2100	76.5945	74.9605	74.8430
DEM	26.3978	25.9526	26.4205	25.8655	25.8260
JPY	0.3385	0.3321	0.3388	0.3310	0.3305
FRF	7.9210	7.6951	7.9278	7.6696	7.6576
SAR	12.4315	12.2591	12.4422	12.2184	12.1992
MYR	11.9243	11.7928	11.9340	11.7537	11.7553
AED	12.6966	12.5190	12.7075	12.4775	12.4579
RWD	157.0054	145.7332	157.1404	145.2497	145.0221
QAR	12.8113	12.6294	12.8223	12.5875	12.5678

US dollar London Interbank Offered Rate (LIBOR) as of June 4, 1998

TT Dec	30 Days	60 Days	90 Days	120 Days	180 Days
46.0112	45.7258	45.3415	44.9573	44.5730	43.8045

Exchange rates of some Asian currencies against US dollars

Indian Rupee	Pak Rupee	Thai Baht	Malaysia Ringgit	Indonesia Rupiah	Korean Won
41.785/41.792	44.48/44.49	42.55/42.65	3.9550/3.9650	11475/11575	1390/1398

Amex notes on Thursday's market

The supply crunch of US dollar persisted in the local interbank foreign exchange market which kept the pressure on the Bangladesh Taka. Many banks went to Bangladesh Bank to meet their foreign currency L/C payment requirements. USD/BDT traded within a range of 46.4500 to 46.4800.

There was a maturity of 30 days Treasury bills worth Tk 1.16 billion which injected with enough liquidity to bring the call rates down slightly. Call rates ranged mostly between 9.25% and 10.25%.

In the international market, the US dollar was down against the Japanese yen in late Tokyo trade on Thursday. The greenback was put under slight pressure when the reserve Bank of Australia sold dollars against the Australian dollar.

Market was eying the G7 deputy finance ministers meeting which capped the upside of the dollar. Though the basic sentiment for dollar was still bullish, the dollar would pass through a corrective phase until G7 meeting held on June 9 and 10.

German mark was higher against the dollar in the morning Europe trade. The rise of deutsche mark against dollar was highest since 1990 as German quarter-1 GDP growth rate was higher than expected. Sterling was very high against dollar as Bank of England increased the base interest rate by 0.25% to 7.50%.

At 1800 local time in the international market, the USD traded at 1.7713/18 DEM, 138.40/45 JPY, 5.9400/9410 FRF, 1.7441/51 CHF, and GBP at 1.6444/54 USD.

New DG of BR

Atikul Husain Khan, a member of BCS (Railway: Engineering) cadre, has been appointed Director General of Bangladesh Railway, says a press release.

Before assuming the office of DG yesterday, he was Additional Director General (Marketing and Corporate Planning).

He joined the Railway in 1964 as an Assistant Engineer and served in various capacities including Chief Engineer/Project, Additional General Manager and Chief Planning Officer.

Khan obtained his graduation degree in Civil Engineering from the then EPUEAT, Dhaka in 1963 and received advanced technical as well as professional training at home and abroad.

GQ opens depot at Comilla

A new distribution depot of the GQ Group of Companies, producer of renowned Econo ball pens, Elephant King brand mosquito coil and Krispy Curl Chips was opened at the Housing Estate of Comilla recently.

Presided over by Masud Reza Bhuiya, Managing Director of GQ Marketing Ltd., the depot was opened by Fakhruul Islam, Additional Deputy Commissioner of Comilla as chief guest. Bhuiya lauded the role of GQ Group in the field of industrialization and customer services. He appreciated the quality of the product and assured all sort of co-operation. He welcomed the opening of a distribution depot at Comilla and said people of greater Comilla district and Sylhet division will get the goods at a shorter time.

In his opening remarks, Bhuiya gave a brief history of the origin and growth of GQ Group and its expansion over a period of time.

The other accused, Sheema Huq, could not be reached for her comment and was abroad during the period of preparing this report.

Russia seeks \$ 10b in emergency aid

TOKYO, Jun 4: Russia has asked the Group-of-Seven (G7) industrial nations and private banks for more than 10 billion dollars in emergency aid to help settle its financial crisis, report said here Wednesday, reports AFP.

A top Japanese government spokesman denied earlier Japan was considering extending emergency loans to help Russia restore stability in its volatile stock and currency markets.

Russia's financial markets bounced back on Tuesday amid signals of imminent international help in the form of a possible emergency package involving G7 countries and international financial institutions.

The leading economic daily Nihon Keizai Shimbun said in its evening edition the request was "unofficially" made to the G7 nations and private financial institutions in the United States, Europe and Japan.

G7 comprises Britain, Canada, France, Germany, Italy, Japan and the United States.

In response to the request, the G7 will hold a meeting of deputy finance ministers next week in Paris to discuss ways to help Russia, the newspaper reported from Moscow quoting Russian government sources.

Russia is expected to make an official request for aid at the meeting, it added.

The Moscow government and central bank had previously insisted they could stabilize the country's financial markets by themselves and had no need of outside support.

In Tokyo, Japan's Chief Cabinet Secretary Kaneko Muroaka said: it is not true that the (Japanese) government for its part is making such consideration.

Emirates introduces headsets for younger passengers

Emirates, international airline of UAE, has introduced smaller-sized headsets onboard for its younger passengers, says a press release.

Don Foster, Senior General Manager Inflight Services, said: "We continually monitor the comfort of our passengers, of all ages. These new, smaller-sized headsets will enable our younger passengers to listen to our inflight entertainment in greater comfort than is possible with the larger adult-sized headset."

Available in bright colours -- green for use on Airbus aircraft and red for the Boeing 777 -- the 300 Ohm Ferrite stereo headset is suitable for children under nine years of age. Every seat in the airline's fleet has a personal video screen which features easy-to-operate, touch-screen controls.

Emirates provides a varied selection of video and music programmes for younger passengers.

Another feature onboard is the Airshow, a moving map display, on the personal video screen or the main cabin screen, which shows the route, height, speed and position of the aircraft.

On Emirates' Boeing 777 aircraft, cameras fitted to the exterior provide a pilot's-eye view of take-offs, landings and en route scenery.



Managing Director of Agrani Bank, Mosharraf Hossain, recently distributed certificates and motor cycles among the 25 micro-credit project branch managers of "Employment Generation Project for the Rural Poor," a project of the bank with assistance of IFAD for poverty alleviation.

Amendment to export policy Agro-processing, computer software may be thrust sectors

The government is planning to incorporate computer software and agro-processing as thrust sectors in its export policy. Commerce Ministry sources said yesterday, reports BSS.

They said a recent meeting discussed amendments to the export policy for 1997-2002. The meeting chaired by Finance Minister Shah AMS Kibria was attended by Commerce and Industries Minister Tofail Ahmed, Commerce Secretary Syed Alamgir Faruq Chowdhury, Bangladesh Bank Governor Lutful Rahman Sarkar and other senior officials con-

cerned.

According to the sources, the export policy for 1997-2002 is being amended following the decision of the cabinet to incorporate the computer software export and agro-processing as thrust sectors. The cabinet last year approved the five-year export policy.

An announcement on government's decision to identify the computer software export and agro-processing as thrust sectors is expected to be made by the Finance Minister during his budget speech in the coming session of Parliament, the sources pointed out.