

Intech 10 times oversubscribed

BSS, Dhaka

Intech Online Ltd has received tremendous response from local investors to its primary shares offered by the company recently. The subscription of shares surpassed the offer by over 10 times till the last day. According to sources, the company received a total subscription of Tk 250.87 million from general public, excluding the amount received from non-resident Bangladeshis, against initial public offerings of Tk 25 million.

The company offered 2,500,000 ordinary shares of Tk 10 each at par, according to company sources.

According to the financial statement for the period ended June 30, 2002, the company's net profit amounted to Tk 2.5 million on 1,500,000 ordinary shares. The earning per share was Tk 1.67, which is annualised at Tk 3.34. The book value per share is Tk 10.67.

As on June 30 this year, the gross profit of the company was 70.94 per cent, while its net profit was 22.13 per cent. The return on assets was 11.71 per cent and return on equity was 15.69 per cent. Its total assets amount to Tk 21.45 million.

Intech Online, an Internet solutions company was founded in October 2000. It is offering a comprehensive set of products and services to residential and commercial customers throughout the country.

It is also offering dial-up Internet access and web page hosting. Intech Online is also providing line connections, large managed dial-up services, VPN solutions, and Internet consulting, company source added.

Prime Finance & Investment Limited is the issue manager for the IPO, while underwriters include Prime Finance & Investment Limited, Bay Leasing & Investment Limited, Raspi Securities Management Ltd, Capital Market Services Limited and Grameen Capital Management Ltd.

HSBC, Prime Bank sign cash management, payment deal

The Hong Kong and Shanghai Banking Corporation Ltd (HSBC) and Prime Bank Ltd have signed an agreement for payment and cash management, says a press release.

David J H Griffiths CEO of HSBC, and Shah Md Nurul Alam, MD of Prime Bank Ltd, signed agreement on behalf of their respective organisations.

The agreement will allow the customers of HSBC to expedite their countrywide payments and cash collections in the geographical locations where HSBC is not present. The whole process will continue under HSBC's e-banking solution Hexagon.

Among Others, Adil Islam, corporate banking head of HSBC, and M Shahjahan Bhuiyan, additional MD, and Shafiqul Alam, executive vice-president of Prime Bank Ltd, attended the signing ceremony.

Afghanistan plans emergency steps as currency nosedives

AFP, Kabul

Afghanistan's central bank is planning emergency measures to prop up the country's beleaguered currency which is rapidly losing value despite the introduction of new banknote, the bank's governor said.

Anwar-ul-Haq Ahady, governor of Da Afghanistan Bank (central bank) told AFP the government was preparing to liquidate its dollar assets to buy back large amounts of the troubled afghani and reduce the amount in use.

The move comes as the currency nosedived to a recent all-time low just two weeks after new banknotes were brought into circulation - an attempt to stabilise fluctuating exchange rates and shore up the country's economy.

"We will be intervening in the market by selling dollars to buy back afghanis and reduce the amount of money in circulation, although we do not want to interfere too much," Ahady said.

The new money also called the afghani but worth 1,000 of the old notes, was introduced on October 7 and began entering general circulation this week.

Old afghanis, to be phased out by December 4, come in three different versions, one worth half of the others, and have caused widespread confusion on the currency markets with no one knowing exactly how much is in use.

SEC fines 23 directors of 9 cos

FBCCI vice-president fined Tk 10 lakh for blocking special audit

M SHAMSUR RAHMAN

In an effort to ensure discipline in the capital market, the Securities and Exchange Commission (SEC) yesterday fined 23 directors of nine publicly traded companies on allegation of violating a number of securities laws.

The directors include incumbent Vice President of the Federation of Bangladesh Chamber of Commerce and Industry (FBCCI) Mohammad Ali.

The companies are four of Doel Group, Bangladesh Welding Electrodes, Meghna Shrimp, Dhaka Vegetables, Orion Infusion and Pharmaco International.

SEC officials said all these companies violated securities laws which include failure to disburse declared dividend to its shareholders, hold annual general meetings and submit audited accounts of the company.

Bangladesh Welding Electrodes

The SEC slapped Tk six lakh to four of its directors. Managing Director of the company S M Nurul Islam has been fined Tk three lakh and Chairman of the company AR Khan has been fined Tk one lakh while directors Aminur Reja Khan and Mrs Hosne Ara Khan have been fined Tk one lakh each.

All the four have been fined for the failure of the company to pay interest against the debentures. The four have been asked to pay the penalty amount within 15 days or face Tk 10,000 fine for each day default.

Orion Infusion

The Managing Director of the

company Obaidul Karim has been fined Tk 15 lakh while Directors Mrs Arjuda Karim, Salma O Karim and Mrs Zarin Karim have been fined Tk three lakh each.

The directors have been fined for failing to hold annual general meeting of the company for the year 2001. The company has been asked to hold the AGM within the next 30 days or face Tk 10,000 fine for each day default.

Doel Group

On September 19 this year the group was fined Tk 40 lakh for defaulting on the payment of dividends and debentures of its four companies listed in the stock markets.

The group failed to pay Tk 8.55 crore to institutional investors, general shareholders and debenture owners until July this year.

The companies are Bangladesh Luggage Industries Limited, Bangladesh Zipper Industries Limited, Bangladesh Dyeing and Finishing Industries Limited and Bangladesh Chemical Industries Limited.

Managing Director of the Doel Group Ashok Kejriwal has been fined Tk 15 lakh and directors -- DN Kejriwal, Uttam Kejriwal, Kanchan Kejriwal, Kanchan Devi and Bhagwati Devi Kejriwal -- were fined Tk 5 lakh each.

As per the order of September 19, the directors were asked to settle claims from the shareholders and debenture holders within 15 days or pay Tk 10,000 fine for each day default.

Dhaka Vegetables

The Managing Director of the company and incumbent Vice President Mohammad Ali has been fined Tk 10 lakh and Directors MA Rashid, Shuruzzaman, ATM

board members of the groups to pay the entire amount within seven days.

Meghna Shrimp

The SEC imposed Tk five lakh fine on the Managing Director of the company Md Sariful Islam on allegation of non-payment of substantial dividend amount to shareholders of the company.

The company declared 12 per cent dividend on December 27 last year. The SEC order yesterday asked the MD to pay the amount within 15 days or face Tk 10,000 fine for each day default.

Govt may stop cash incentives: Saifur

Three-day plastic fair begins

STAR BUSINESS REPORT

Finance and Planning Minister M Saifur Rahman said the government is not considering any new sector for providing cash incentives rather it may stop the benefit.

The government has paid Tk 900 crore as cash subsidy to the exporters from July 2001 till date, he said speaking as chief guest at the inaugural ceremony of a three-day plastic products fair organised by Bangladesh Plastic Goods Manufacturers Association (BPGMA) at Bangladesh-China Friendship Conference Center in the city yesterday.

"But where do you think the money comes from," he said referring to comments from his cabinet colleagues who on different occasions had requested Saifur for further cash incentives. Commerce Minister Amir Khosru Mahmud Chowdhury, State Minister for Commerce Barkat Ullah Bulu and Federation of Bangladesh Chambers of Commerce and Industry President Yussuf Abdullah Harun were present at the function as special guests.

Earlier, BPGMA leaders urged

the finance minister to provide cash incentives for plastic exporters.

The finance minister said he feels reluctant to attend such programme these days as the organisers place so many demands which he is unable to meet.

He said readymade garment manufacturers are not paying any taxes and other industries are also enjoying tax holiday. "Can you show me the way from where I can get the money and give you the cash subsidy?"

The tax-GDP ratio in the country is the lowest and duty on import is gradually coming down. The development projects so far were financed from foreign aid, the finance minister said adding if the macro economy is not stable, no one will come and invest here.

Responding to the demands put by the BPGMA leaders, the finance minister said the government will encourage plastic chair and furniture in the country's 65,000 primary and 25,000 secondary schools provided these are durable for at least five years.

"The policy will create a good market at home for the plastic

industries. Besides, the government will contribute two third in setting up a modern testing laboratory and technology centre," he added. Plastic products can help protect the environment if people use more plastic products instead of wooden furniture and refrain from destroying trees.

Earlier, Commerce Minister Amir Khosru said the policymakers should not be confused with plastic products and poly bags. "Plastic industries should be developed to support the export sector for packaging materials."

He urged the entrepreneurs in the plastic industries to expand their market, saying there are around 13,000 Bangladeshi restaurants in UK who are keen to buy products from home.

FBCCI president said the government should recognise plastic sector as industry.

BPGMA President Yussuf Asraf said it has become necessary to produce quality plastic products in order to increase exports. "At present, plastic products are used as garment accessories and the earning from this sector is around Tk 500 crore in foreign exchange."



Two girls admire a plastic product at a three-day fair organised by Bangladesh Plastic Goods Manufacturers Association (BPGMA) in the city yesterday

Poverty reduction drive to continue even without aid

Saifur tells WB-ADB workshop

STAR BUSINESS REPORT

Finance and Planning Minister M Saifur Rahman yesterday said the country has to continue its poverty reduction programme even if there is no aid from the donors.

"We have to go ahead with the programme through proper utilisation of our own resources," the finance minister said stressing the need for improving institutional skills.

Poverty eradication is the main

objective of the government, said Saifur while speaking at a workshop on "Poverty Assessment", jointly organised by the World Bank (WB) and the Asian Development Bank (ADB).

He observed that sitting in the capital, it is impossible to get the country's true poverty scenario.

In the afternoon session of the workshop, renowned Economist Dr. Wahid Uddin Mahmud observed that different groups of donors come up with different prescriptions. A

section of donors suggested reform as well as privatisation of nationalised commercial banks while the other section suggests flourishing small and medium industries, he said.

Among others, WB Country Director Frederic T Temple, ADB Country Director Toru Shibuichi, Finance Secretary Zakir Ahmed Khan, ERD Secretary Anisul Haq, former ERD secretary Dr. AKM Mashur Rahman and economist Binayak Sen took part in the discussion at the seminar.

Prices of essentials soar in Ctg

CU CORRESPONDENT

As the prices of daily necessities, especially fruits and vegetables, are soaring up in the port city markets they are going beyond the range of the common consumers. The price of different kinds of pulses has gone up. Each kilogram of masur pulse is now being sold between Tk 38 and Tk 40 as against Tk 36, mug pulse at Tk 45 as against Tk 35, mashkolai pulse between Tk 28 to Tk 30 as against Tk 26 and khesari pulse at Tk 22 as against Tk 20.

Vegetable like patal is being sold at Tk 14 instead of Tk 12 per kg, brinjal between Tk 16 and Tk 20 as against Tk 14, lady's finger at Tk 16 as against Tk 12, potato at Tk 12 as against Tk 8 and green chilli at Tk 50 as against Tk 40.

Some winter vegetables have appeared in the local markets but the quality is inferior and the price is high. Beans are now being sold in the local markets between Tk 36 and Tk 40 per kg. Tomato is also being sold between Tk 35 and Tk 40 and cabbage at Tk 30 per kg.

Price of onion has again shot up by Tk 4 per kg this week. The locally produced onion is now being sold at Tk 18 per kg as against Tk 14 while the imported one at Tk 20 and 22 per kg instead of Tk 18 and Tk 16.

The price of fishes also went up in the markets of the port city. Hilsa appears in the markets irregularly. Big size hilsa is not at all available in the markets. Hilsa sells between Tk 120 and Tk 140 per kg. Although the sale is illegal, Jhatka (fishes smaller than the standard size) is available in different markets of the city.

The concerned authorities should take stringent measures immediately to stop the fishing and selling of jhatka to ensure abundant production of the hilsa fish.

Prices of most all fruits including dates, apple, orange, banana, papaya, malta and grapes also rose slightly. Price of poultry birds and eggs are also high. Poultry birds are now being sold between Tk 75 and Tk 100 per kg, eggs at Tk 8 per pair, mutton at Tk 120 per kg and beef at Tk 100 per kg.

Soyabean oil is selling at Tk 45 per litre while mustard oil between Tk 55 and Tk 77. The prices of other edible oil and all kinds of spices have also gone up in the markets this month. Iodised salt is selling at Tk 10 a kg while non-iodised salt, a banned item, is selling openly at Tk 7 only.

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ECNEC approves 7 projects

BSS, Dhaka

The Executive Committee of National Economic Council (ECNEC) yesterday approved seven projects involving Tk 966.55 crore, including Tk 593.41 crore project assistance.

The projects were approved at the ECNEC meeting held with Prime Minister and NEC Chairperson Khaleida Zia in the chair at Sher-e-Bangla Nagar NEC conference room here.

The projects approved in the meeting are: Female education

stipend project-phase 2 (4th amended); construction of portable steel bridge with Japanese assistance (amended); community based wealth management project; project for sewerage, development in health sector and water supply in rural areas (2nd amended); construction of cable stayed bridge over the river Surma in place of old Kin Bridge and construction of Ambarkhana bypass road; further development of Islamic University (amended); and project for construction of a national theater (1st phase), 1st amended.

Finance and Planning Minister M Saifur Rahman, Agriculture Minister Motiur Rahman Nizami, Communications Minister Barrister Nazmul Huda, Industries Minister M K Anwarul Hossain, Post and Telecommunications Minister M Aminul Haq, Education Minister Dr Osman Farruk, State Minister for Cultural Affairs Begum Selima Rahman and State Minister for LGRD and Cooperatives Ziaul Haq Zia attended the meeting.

Members of the Planning Commission and secretaries of the ministries concerned and other high officials were present.

Qatar to help boost export

UNB, Dhaka

Qatar has assured of its all-out cooperation in increasing export of agri-products from Bangladesh to the Middle East country.

The assurance came when Ambassador of Qatar to Bangladesh Abdullah Saad Al-Mana called on Agriculture Minister

Matiur Rahman Nizami at his office here today. The minister informed the envoy about some rich agri-products of Bangladesh, including vegetables and fruits, and the present situation in the country's agriculture sector.

Nizami urged the envoy for taking steps to raise the import volume of vegetables, seasonal

Shirajuddin have been fined Tk one lakh each.

The SEC fined the directors for blocking SEC engaged special audit against the company for the year 1999 and 2002.

The directors have been asked to allow the auditors to conduct the special audit within a month or face a fine of Tk 10,000 for each day default.

Pharmaco International

The Chairman and Managing Director of the company AKMA Matin has been fined Tk three lakh while directors Mrs Rashida Matin, MRS Rokhsana Sultana and Amzad Hossain have been fined Tk one lakh each.

The penalty has been imposed for failure to submit audited accounts of the company for the year 2000 and 2001.

Oil tanker owners elect new leaders

STAR BUSINESS REPORT

Election of Bangladesh Oil Tanker Owners' Association (BOTOA) was held on Sunday at its office, says a press release.

According to preliminary results of the election, TM Ghyasuddin Ahmed, former minister and ex-president of BOTOA, Habibul Alam, ex-senior vice president, and MH Khan Monju, ex-vice president, with their 11-member panel won the election against a panel of Nur Uddin Khan, KM Mahmudur Rahman and M Bakhtiar.

UK policymakers split on interest rate decision

AFP, London

British policymakers were split on whether to hold interest rates steady at their meeting earlier this month, official records showed Wednesday, raising expectations the central bank may cut rates before the end of the year.

Three members of the central bank's nine-member monetary policy committee voted for a rate cut but were outvoted by the remaining six who preferred to see rates left unchanged at a 38-year low of 4.0 per cent for the 11th month in a row.

Nevertheless, the meeting was the first occasion in eight months when any members had voted for a monetary loosening.

"The news over the past few months suggested that prospects for the world economy were slightly weaker than envisaged in the (Bank of England's) August inflation report projections, largely reflecting developments in the euro area," the central bank said.

"Moreover, the downside risks to the world economic outlook appeared greater.

"If sustained, the recent falls in equity prices posed a risk, both to the global and domestic economy, although there had recently been a contrast, at home and abroad, between the weakness of equity prices and the general resilience of most confidence measures," it said.

But it added that domestic demand remained quite resilient and a rate cut was likely to affect house prices household borrowing and consumption, which were already increasing strongly.

Malaysian growth forecast cut

AFP, Kuala Lumpur

The Malaysian Institute of Economic Research (MIER) on Wednesday cut its economic growth forecast for this year from 4.5 per cent to 4.0 per cent, but maintained its 2003 estimate at 5.7 per cent.

The private think-tank's expectations are now at the bottom end of the government's own forecast of 4.0-5.0 per cent growth this year. For 2003, the government's prediction is expansion of 6.0-6.5 per cent.

MIER attributed its more pessimistic outlook for this year to external factors including the global economic slowdown, the recent problems at US West Coast ports, weak financial markets and the increasing risk of war in Iraq.

"Although downside risks... could very well extend beyond 2002 into 2003, we are fairly optimistic that the world economy and trade activities will improve in 2003, barring any unforeseen and highly disruptive events.

"On the back of a better external environment, a healthier private sector and continuing expansionary fiscal policy, GDP (gross domestic product) growth could reach 5.7 pct in 2003," the report said.

Taiwan export up 22pc

AFP, Taipei

Taiwan's export orders in September stood at 12.79 billion US dollars, up 22 per cent from a year earlier but down from August's 12.99 billion dollars, the economic ministry said Wednesday.

The September figure, which marked the sixth consecutive period of double-digit year-on-year growth, reflects seasonally stronger demand for information technology/communications and electronics products, the ministry said.

It added there was also a low comparative base caused by the September 11, 2001 terrorist attacks on the United States.

In the nine months to September, export orders increased 10.5 per cent from a year earlier to 111.04 billion dollars.

The ministry said export orders from the US in September amounted to 3.65 billion dollars, up 10.27 per cent year-on-year.



David J H Griffiths, chief executive officer of HSBC, and Shah Md Nurul Alam, managing director of Prime Bank Ltd, sign a payment and cash management agreement on behalf of their respective organisations. Also seen in the picture are Adil Islam, corporate banking head, HSBC, and M Shahjahan Bhuiyan, additional managing director of Prime Bank Ltd.