

## SEC suggests speedy trial court

BSS, Sangsad Bhaban

The Securities and Exchange Commission (SEC) has recommended establishment of a speedy trial court for disposing of cases of the bourses for strengthening the capital market.

The recommendation came at the report of the SEC of 2001-2002, which was presented yesterday in the House by Finance Minister M Saifur Rahman. The report said the steps taken by the capital market.

The SEC had taken actions against 66 listed companies for irregular practices during the fiscal 2001-2002. The companies which to undergo the actions included Brokerage House, Issuer Company, Merchant Bank, Asset Management Company, Stock Exchange and individuals.

The report said the share market scam of 1996 was regrettable, when a big number of new investors had to lose everything and fell into deep frustration.

## Workers demand welfare fund

STAR BUSINESS REPORT

Construction workers and carpenters demanded formation of a welfare fund and a separate labour law for them.

At a press conference yesterday in Dhaka, Bangladesh Sanjukta Building and Wood Workers Federation (BSBWWF) placed an 11-point demand.

Addressing the press conference, Md Mokaddem Hossain, president of the federation, urged the government to fix Tk 5,000 minimum monthly wage for unskilled workers and Tk 10,000 for skilled workers.

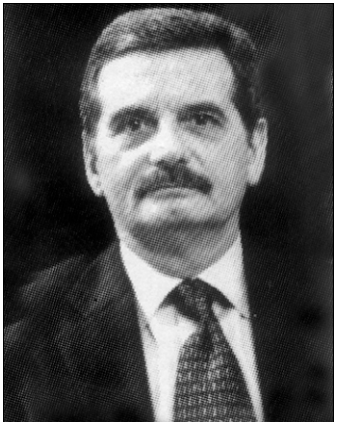
He also demanded for keeping provision in the labour law for a compensation of Tk.2 lakh to the family of a worker died in construction process.

He also demanded arrangement for group insurance for the workers and implementation of ILO convention.

"As prevailing labour law does not cover construction workers, they are being deprived of fair wages, vacation, bonus and other benefits. To remove their miseries a separate labour law is required," he said.

Tofazzal Hossain Bagu, vice-president, Mohsinul kabir, secretary, Md Shah Alam, joint secretary of BSBWWF, were present.

## Singer regional VP due today



Jim Kelly, regional vice-president of Singer World Corporation, arrives in Dhaka today on a three-day visit to Bangladesh, says a press release.

During his visit Jim, who is based in Bangkok, will visit different establishments of Singer Bangladesh Management.

He will also visit International Leasing and Financial Services Limited, an associated company of Singer.

## Dutch-Bangla bank workshop on money laundering held

The concluding workshop on Money Laundering Prevention Act-2002 was held at the training centre of Dutch-Bangla Bank Limited in Dhaka on Thursday, says a press release.

Abul Hashem Khan, managing director in-charge of the bank, was the chief guest at the concluding workshop.

With a view to familiarising its employees with all the salient features of the act, Dutch-Bangla Bank organised a total of eight workshops in Dhaka and Chittagong.

Speaking at the workshop, Khan said Dutch-Bangla Bank has been giving due emphasis on making the employees aware of prevention of money laundering.

# Bourses rejoice in budget incentives

## Textile, cement stocks witness spectacular gains

M SHAMSUR RAHMAN

The share markets have welcomed the incentives announced in the proposed budget for the 2003-04 fiscal with the Dhaka Stock Exchange General Index gaining 11 points to 799.53 points in the last two days.

In a bid to revitalise the capital market, the finance minister made several proposals in the budget, making dividend income tax-free and increasing the tax gap between listed and non-listed companies.

However, if a listed company fails to declare at least 10 per cent dividend or declines to distribute the declared dividend within the time limit specified by the Securities and Exchange Commission (SEC), the company will be taxed at the rate of 37.5 per cent, the finance minister said.

Besides, Saifur proposed investment in purchase of shares of listed companies, during the period from July 1, 2003 to June 30, 2005, be accepted without explanation by tax department.

"However, if the shares are sold or transferred within two years of purchase, this facility will not be allowed," Saifur said.

"The role of capital market in industrialisation is very important." The measures will revitalise the capital market, he hoped.

According to the existing tax laws, shareholders are to pay tax on the dividend they receive.

Following the announcements, the textile stocks rallied spectacularly with M Hossain Garment gaining 9.09 per cent followed by Monno Fabrics gaining 8.42 per cent in two days' trade.

The textile sector was followed by cement sectors with Aramit Cement taking the lead gaining 4.50 per cent in two days' trade followed by Meghna Cement gaining 3.50 per cent.

Experts attributed the rise to protection to the sector which came in the form of supplementary duty on imported cement.

Market analysts predict good days ahead as some more companies are expected to cash in on similar protection announced in the FY 2003-2004 budget.

He said the local companies like Usmania Glass and Eastern Cables should get some protection along with the cement sector which should enable these companies to improve their financial statements in the coming year. The government

announced supplementary duty on imported glass and imported copper/aluminum wire

### Lucrative IPO ahead

The year 2003 and 2004 may open the window of opportunities for investment in the primary market.

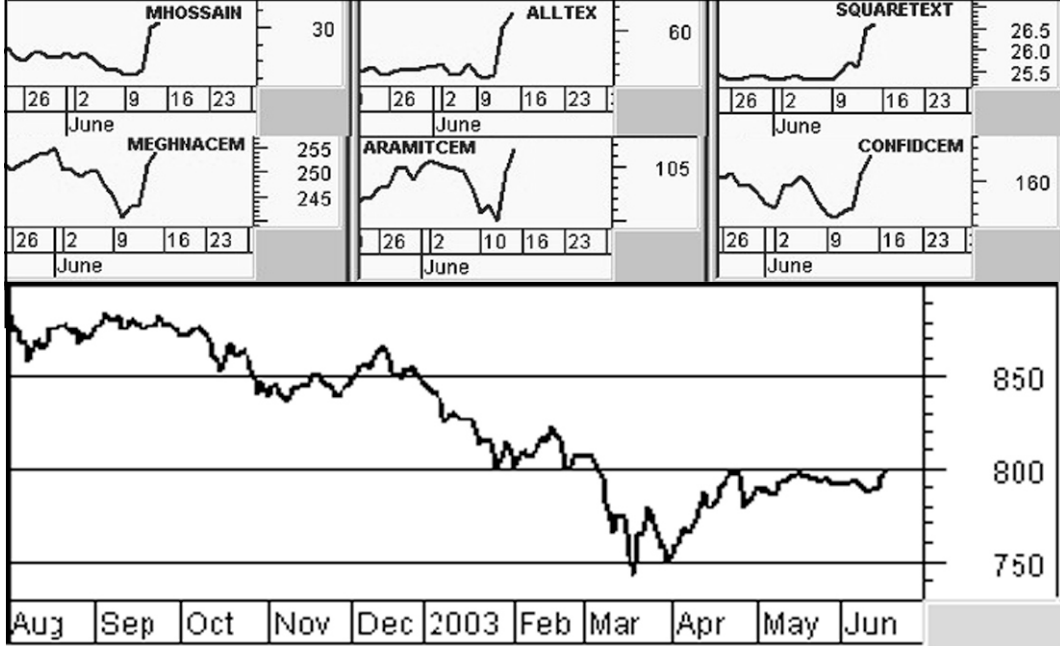
Sources said a total of 11 private commercial banks and six leasing companies are going public during the period. Banks and leasing companies have a good profit and dividend track records, which should help in broadening the capital base of the market and give higher yield to the investors.

Stock market sources said most of the issues are expected to be offered at face values while few may charge premium.

"But the prices would still be at a discounted price compared to respective book-values," one expert said.

He said the institutional players like merchant bankers, banks and other institutions are also on the rise and it will increase with the Investment Corporation of Bangladesh (ICB) coming up with a new mutual funds.

Meanwhile, price index at Chittagong Stock Exchange marked slight rise for the second consecutive day yesterday with the



Prices of three textiles and three cement companies rally following incentives proposed in the budget for the next fiscal (top) and the DSE General Index shoots on buying spree (bottom).

gainers dominating over the losers.

CSE Selective Index also gained 4.28 points or 0.37 per-

cent to close at 1154.72 points

yesterday from previous day's 1150.44 points.

Of the 60 listed issues traded

yesterday, 28 gained, 22 declined and 10 remained unchanged.

# Assess 'illegal trade prior to FTA with India'

STAR BUSINESS REPORT

Economists at a lecture yesterday called for intensive studies of the volume of illegal trade and *hundi* operation across the border prior to negotiating a free trade agreement with India

They said political relation, difference of attitude, regional interest and religious conflict should also be taken into account before going for a free trade with India.

The BRAC University organised the discussion on 'Bangladesh-India Economic Relations' held in Dhaka.

BRAC University Vice Chancellor Professor Jamilur Reza

Chowdhury moderated the dialogue. Professor Nurul Islam, the first deputy chairman of Bangladesh Planning Commission, was present as the main resource person.

Among others, Chairman of Centre for Policy Dialogue (CPD) Professor Rehman Sobhan, economists Wahid Uddin Mahmud, Atiur Rahman, Binayak Sen and Sri Lank's envoy in Dhaka Gamin Saraph Munasinghe spoke at the discussion.

Professor Nurul Islam said Bangladesh should not go for free trade with India before assessing the volumes of cross border illegal trade and hundi, an illegal money

transfer system.

He said Bangladesh should analyse the economic indicators of Sri Lanka, which already has benefited from free trade agreement with India.

Sri Lankan high commissioner said his country benefited from free trade agreement with India.

Professor Rehman Sobhan said Bangladeshi industrial goods will be hit hard if free trade agreement with India is signed.

He blasted M Saifur Rahman for lowering import tariff drastically in 1991, which enabled Indian products to enter Bangladesh.

# Rev up SAARC chamber for regional uplift

## Two-day meeting urges

STAR BUSINESS REPORT

Participants at a regional meeting yesterday put accent on increasing the activities of SAARC chamber of Commerce and Industries for economic development of South Asian countries.

SAARC chamber is the only body, which can pursue the region's trade interests in different international forums, they said.

They were speaking at the inaugural session of the two-day meeting on 'Standards for Sustainable Trade' organised by the Bangladesh Centre for Advanced Studies (BCAS) in Dhaka.

Federation of Bangladesh Chamber of Commerce and Industries (FBCCI) President Yussuf Abdullah Harun, who was present at the seminar as chief

guest, put emphasis on maintaining high standard of the products to compete in the international market.

Harun said steps should be taken to develop national testing institutes of these countries.

Experts from South Asian countries attended the meeting.

Harun also said free trade agreements between India and three other South Asian countries that include Nepal, Bhutan and Sri Lanka will help improve the bilateral trade among the countries.

Shaheen Rafi Khan of the Sustainable Development Policy Institute of Pakistan identified political unrest as one of the major hindrances to economic development in the region.

Shashi Sareen, director of Export Inspection Council of India, called for maintaining the interna-

tional standards of exporting items to compete in the highly competitive market.

Underscoring the need for frequent exchange of views on technical and research among the countries, Sareen suggested building up an export control system including test capabilities and sharing such facilities.

She said South Asia has a bright future as it has a large population with a big market size.

"A common human resource development and quality development centre should be established in the region," she said.

"Intra-trade could not be flourishing in the region due to lack of cooperation among the countries," said A Atiq Rahman, executive director of the BCAS.

# 10-month exports post \$378m growth

STAR BUSINESS REPORT

Exports fetched US\$ 5,255 million in the first 10 months of the current financial year, up by \$378 million from last fiscal's same period.

However, earnings during the July-April period of 2002-03 still remain inadequate to meet the huge annual target of \$6.75 billion.

After passing a stagnant situation for a long time, exports showed a boost during March and April, according to Export Promotion Bureau (EPB).

Export earnings during February-April of the FY03 amounted to \$1,528 million, against only \$1,343 million during the corresponding period of last fiscal year.

"Bangladeshi commodities had been facing continuous price falls in the global market over one and half years but statistics show that things are improving gradually," said an

EPB official.

Some major earning sectors including knitwear, frozen food, jute goods, raw jute, chemical products have performed better during the period while readymade garment, leather, tea, could not achieve their respective targets.

During July-April period of the current fiscal, RMG exports fetched \$2589.12 million, up by only \$29 million from last fiscal's same period.

Knitwear worth \$1328.10 million was exported till April, crossing the target by 6.73 per cent and recording a 14.13 per cent growth from last fiscal's same period.

In the first 10 months of FY03, frozen foods worth \$264.72 million were exported, up by 4.43 per cent from the target and also marking a 20 per cent rise from last fiscal's corresponding period.

Leather export fetched \$156.66

million, down by 15.02 per cent from the target and also posting 8.05 per cent negative growth from last fiscal's corresponding period.

Jute goods worth \$209.77 million were exported, up by 1.15 per cent from the target and recording a 1.29 per cent growth from the earning of last fiscal's corresponding period.

During the period, chemical products worth \$87.14 million were exported against the \$61.45 million target.

Raw jute worth \$65.39 million was exported against the target of \$49.93 million, up by 30.96 per cent from the goal and showing a 24.32 per cent growth from last fiscal's same time.

Tea export amounted to \$13.29 million during the period, down by 13.53 per cent from the goal and also a 18.22 per cent fall from last fiscal's same period.

# Set up BSTI-proposed accreditation body

## Speakers at BCI seminar urge govt

STAR BUSINESS REPORT

Speakers at a seminar yesterday urged the government to immediately set up the separate national accreditation body proposed by the Bangladesh Standard and Testing Institute (BSTI).

Bangladesh Chamber of Industries (BCI) President AK Azad said the government should form the national accreditation body considering the necessity of product authorisation before marketing to other countries.

He said products certified and recognised by an accreditation body can easily be adopted by any country of the world.

He was speaking at a seminar on

'Protection of Consumer Interest by Standardisation and Quality Control' jointly organised by BCI and BSTI at Hotel Purbani in Dhaka.

Industries Secretary AFM Sarwar Kamal said the government has already taken some initiatives to strengthen the BSTI.

"The draft law for the formation of the accreditation body is now under the government's consideration."

BSTI director General Ahmed Mahmudur Raza said, along with the accreditation body, the consumer protection act should be implemented immediately by the government.

Besides, the BSTI does not have enough laboratories and experts for ensuring the surveillance system of

the standardisation process, he said.

Earlier at the seminar, Anwar Hossain, dean of School of Business of American International University, Bangladesh, presented the keynote paper where he mentioned the present problems and results of the BSTI.

He said though the customers of our country are now well informed, conscious and demand standard and quality products, there is a general tendency amongst Bangladeshi manufacturers to short-change the customers for quick profit.

## Proton officials meet govt high-ups

BSS, Dhaka

Malaysian automobile producer Proton yesterday held a joint meeting with commerce ministry, Board of Investment and three state-run and private enterprises here to review prospects of installing an assembling plant in Bangladesh.

Commerce Secretary Sohel Ahmed chaired the meeting where chief executive of the international commerce division of Proton Aznita Binte Nazir Abdul Aziz discussed the proposed assembling and spare-parts producing plant with officials of Bangladesh Machine Tools Factory, Progati Industries Limited, Gulfra Habib Ltd, commerce ministry and BOI.

A 7-member committee was formed at the meeting to suggest overall measures for installing the proposed plant with vice-chairman of Export Promotion Bureau Habib Abu Ibrahim as its convener. The committee will also review comparative price scenario of imported cars and assembled ones.

Aznita told the meeting that a high-powered Proton technical team was due to visit Dhaka shortly to carry to assess feasibility of the proposed plant.

The commerce secretary told the meeting that the prospect of particularly exporting spare-parts from Bangladesh were very bright.

As a developing country, Bangladesh gets some privileges in exporting products abroad and Malaysian enterprises could avail the opportunity through installing plants here, he said.

## Taka steady Against dollar

BSS, Dhaka

The Bangladesh taka was steady against the US dollar yesterday in thin inter-bank trade, which was depressed by weekend holiday in the most international markets, foreign exchange dealers said.

The dollar traded at 58.44-50 to the taka yesterday in line with its previous day's closing on Saturday when sentiment for taka was strong from fund managers, dealers said.

Only a few amount of foreign currency was transacted against the Bangladesh taka while cross currency trade was almost nil yesterday, they said.

"We have a very thin demand for the dollar and other foreign currencies because importers could not pay their payments due to holiday in the most international foreign exchange markets," dealers said.

Sentiment on taka, however, was strong yesterday as some private banks faced liquidity crunch that pushed up the call money rate shot up to above 25 per cent from yesterday's 15 per cent, they said.

## Refrigeration, airconditioning merchants for lowering duties

STAR BUSINESS REPORT

Bangladesh Refrigeration and Airconditioning Merchants Association yesterday urged the finance minister to reduce the supplementary duties slapped on airconditioners and refrigerators.

Supplementary duties have been increased from 30 per cent to 40 per cent on new airconditioners and from 20 per cent to 25 per cent on reconditioned A.C.s. Supplementary duty on refrigerators has been increased from zero to 15 per cent.

They urged the minister to lower these duties to 7.5 per cent, saying that the reduction will increase the government's revenue collection rather than lower it.

"Due to higher duty, some dishonest traders may import refrigerators and airconditioners through tax evasion," said association president Delwar Hossain in the paper presented to the minister.

He said if the duties are reduced, traders will be encouraged to import these items using proper channels.

According to the president, the price of a 8cft refrigerator will increase by Tk 2,500 to Tk 3,000 for duty imposition. "Airconditioner prices will rise by Tk 4,000 at least".

He said the proposed duties are yet to affect the market but price hikes may start within a few days.