

Failure to pay dividend

SEC fines MDs of two cos

NAZRATUN NAYEEM MONALISA

The Securities and Exchange Commission (SEC) yesterday penalised managing directors of two publicly traded companies for defaulting in dividend payment.

Gachihata Aquaculture Farms Limited has been fined Tk 1.5 crore while Raspit Data Management and Telecommunications Limited Tk 55 lakh for failing to pay dividends to their shareholders on time.

Both the chief executives have been directed to deposit the penalty amount within 30 days.

Gachihata Aquaculture

Gachihata Aquaculture declared 10 per cent dividend for general shareholders for financial year,

which ended on June 30, 2002. As per the securities law, a company is given a 60-day period to complete disbursement of dividend amount.

But the company failed to pay within the stipulated time. Gachihata Aquaculture attributed the delay to legal problem as one of its sponsor shareholders appealed before a court and obtained an injunction, restricting the company to pay dividend.

The capital market regulators had served a show-cause notice on the managing director of the company asking him to explain why appropriate actions should not be taken against him for failure of his company to settle the dividend disbursement.

Raspit Data and Telecommuni-

cation Ltd

Raspit had declared a 10 per cent dividend for its shareholders in its annual general meeting on December 29, 2002 but failed to pay it within the stipulated 60-day time.

Earlier, the company in a written letter to the Dhaka Stock Exchange (DSE) submitted that it could not distributed dividend as one of the shareholders filed a case with the court of a district judge seeking more dividends.

The shareholder contended that the SEC had directed the Raspit management to deposit an Tk 80 lakh which SEC suspected the company has siphoned off in showing fictitious expenditure.

The SEC had also threatened to

initiate legal action if the company refused in doing so. "You are also advised to rewrite the accounts of the company on the basis of actual expenditure," according to the letter to three directors of the company on January 9, 2003.

Based on the SEC directive, a shareholder of the company filed the case claiming more than the declared 10 per cent dividend.

Talking to The Daily Star, an SEC official said that they penalised the managing director of the company as the company failed to comply with dividend payment schedule.

The company in August 2000 raised Tk one crore through public subscription and another Tk one and a half crores through private placement arrangements.

BAT okays 60pc final dividend

British American Tobacco Bangladesh Company Limited (BAT) has approved a 60 per cent final dividend for the shareholders for the year ending December 31, 2002.

The dividend was okayed at the 30th annual general meeting of the company in Dhaka on Monday, says a press release.

M Mujibul Huq, chairman of the company, conducted the meeting.

The meeting unanimously passed the accounts for the year ending December 31, 2002, directors report and auditors report.

A large number of shareholders attended the meeting.

Director Kanak Kanti Barua, Director Paulus J Hiltermann, Director Md Nurun Nabi, Deputy Managing Director Golam Mainuddin, Managing Director Stephen W. Daintith, Finance Director Alan Jude King, Director Md Ziaul Haque Khondker and Company Secretary Md Mahbubur Rahman were present at the meeting.

Pubali Bank to lend Tk 50m term loan to Prime Finance

Pubali Bank Limited will provide a Tk 50 million term loan to Prime Finance and Investment Limited.

An agreement to this effect was signed between the two organisations at the bank's head office in Dhaka recently, says a press release.

Helal Ahmed Chowdhury, general manager of Credit Division of Pubali Bank Limited, and Tapan K Poddar, managing director of Prime Finance and Investment Limited, signed the deal on behalf of their organisations.

Khondkar Ibrahim Khaled, managing director, A H Ziauddin Ahmed, deputy managing director, Mirza Ali Insaif, general manager, M Mustafizur Rahman, DGM, M A Aziz, DGM of Pubali Bank Limited, and Akter Hossain Sannamat, SVP of Prime Finance and Investment Limited, were present at the signing ceremony.

India plans to export 10m kg tea to Pakistan

REUTERS, Karachi

India plans to triple tea sales to Pakistan by December to 10 million kg by offering internationally competitive prices, Indian tea exporters said Monday.

An Indian Tea Association trade delegation is visiting Pakistan to promote Indian tea in an attempt to secure a slice of Pakistan's 140 million kg annual tea market.

"We have been exporting 3-3.5 million (kg) to Pakistan" Bharat Bajoria, head of Indian tea delegation, told reporters after a meeting with his Pakistani counterparts in Karachi.

"We are planning to increase our exports to 10 million kgs by December."

However, Pakistani traders have said India's high tea prices and stiff competition from other producers were likely to thwart Indian chances of winning a large chunk of the market.

Indian tea producers are aware of Pakistani importers' concerns about pricing and quality, and they were willing to offer competitive prices, Bajoria said.

Regional cooperation dearth retards South Asian growth

Foreign minister tells workshop

STAR BUSINESS REPORT

Inefficiency in using available resources and failure in reaping benefits from intra-region al cooperation among the South Asian countries have turned the region into the poorest in the world, said Foreign Minister M Morshed Khan yesterday.

"Nearly 40 per cent of the world's total poor population live in this region, which is home to almost one fifth of the humanity," said the minister while delivering his inaugural speech at a regional workshop on "Strengthening Cooperation and Security in South Asia - Post 9/11".

The two-day workshop, scheduled to conclude today, was organised by Bangladesh Enterprise Institute (BEI) at its auditorium. BEI President Farooq Sobhan presided over the inaugural session of the workshop while outgoing US Ambassador in Dhaka Mary Ann Peters and American Center Director Karl Fritz were present.

Young intellectuals, aged below forty, from the South Asian countries are taking part at the

workshop.

Morshed said in 1949 the per capita income of Bangladesh, India, Sri Lanka and Pakistan was higher compared to the Far Eastern and Southeast Asian countries but now the situation has just reversed.

He said the region also remains one of the world's most malnourished regions with almost half of its children suffering from stunted growth.

The foreign minister said SAARC summit is not held for long time, member countries should initiate talks among them, to reap benefits from the regional forum by using it as an umbrella, on continuous basis at the academic, ministerial, intellectual and private sector levels.

Morshed said it is not a reason of complacency for us that the region has not experienced any major outbreak of conflict in recent years and does not face any major security threat from outside. "Nuclearisation of two South Asian neighbours has put the region into uncertainty," he said.

He said conflict between India

and Pakistan, and the Maoist movement in Nepal are not only their local problems but also for the whole region.

Holding of random talks between two countries could reduce the problem of India and Pakistan, Morshed observed.

He said fundamentalism, whether it is Muslim, Hindu or Christian, is harmful for the world. "We hate this...The country is ready to take all kinds of actions against it," he said.

However, the minister said in these days, the word security means economic, health and environmental security, rather than military security. "So time has come for us, the region members, to think security from these perspectives," he said.

BEI President Farooq Sobhan said inter-state conflict between India and Pakistan and nuclearisation of those countries have emerged as the biggest threat for this region's peace. "A SAARC summit, which is facing continuous postponement, may help reduce this threat," he opined.



Officials of British American Tobacco Bangladesh Company Limited pose for a photograph at the 30th annual general meeting of the company in Dhaka on Monday.

Top UN officials urge US, EU for fairer farm trade

REUTERS, Geneva

Two of the United Nations' top officials pleaded with the United States and the European Union on Monday to drop subsidies benefiting big farmers or face driving millions in rich and poor countries deeper into poverty.

The two -- Secretary-General Kofi Annan and Rubens Ricupero, head of the world body's trade and development agency UNCTAD were speaking as negotiators at the World Trade Organisation (WTO) struggled to agree on how to free up agriculture markets.

"The time has come for all parties to show more flexibility, and give priority to the global interest," Annan told a session of the UN's Economic and Social Council (ECOSOC) in a reference to the WTO's troubled Doha Round of trade talks.

"Poor farmers in developing countries want to trade their way out of poverty," he told reporters later. "They must be allowed to do that."

Agreement on working to end subsidies which developing countries say mean they cannot sell their produce on major markets because they allow US and EU farmers to dump theirs at artificially low prices is seen as vital for the round.

But only 10 weeks away from a key ministerial conference in

Cancun, Mexico, which could decide its fate, WTO countries still appear far from settling their differences.

Ricupero, also addressing ECOSOC, said the subsidy system in the United States and France was intensifying "distress and misery" for small-scale farmers in the two countries while wrecking peasant agriculture in the developing world.

The former Brazilian finance minister cited figures showing small farmers increasingly abandoning the land or falling into poverty in the United States and a similar picture in France where it was accompanied by a surge in rural suicides.

"How can this happen in a country well known for its vigorous defence of farm subsidies?" he asked.

In both countries the world's two largest agricultural exporters large-scale farming which is often in industrial-sized agro-complexes cornered most of the government support, leaving smaller operators on the margin.

Ricupero hailed efforts by EU Farm Commissioner Franz Fischler in achieving agreement last week among the 15 member states amid fierce French resistance to radical change on reforming the Europe's Common Agricultural Policy (CAP).

It was, the UNCTAD chief,

declared, "an encouraging change in the right direction" which the United States should follow.

But he said it was still far from clear whether the compromise accord aimed at decoupling subsidies from production would be less distorting to global trade in agricultural produce.

A similar wait-and-see view was voiced at a Geneva news briefing on Monday by US chief agriculture negotiator Allen Johnson, who said Washington wanted to see how far the CAP reshape would go to meeting key aims of the Doha Round talks.

"It is not fully clear to us what this CAP reform means," Johnson told reporters, after several days of informal discussions among the WTO's 146 member states on how subsidies and barriers to farm trade can be lowered or removed.

But he said Washington appreciated the efforts of EU Trade Commissioner Pascal Lamy and Fischler to get changes to the CAP. "That is why we are trying to be very constructive," he added.

The United States has said it will agree to start dismantling its subsidy system which it argues is much smaller than the EU's -- when Brussels commits to real change.



A worker gives finishing touches to a mixer machine used for making mortar for building construction at Dholakhal in Dhaka. The price of a locally made mixer machine is half of a foreign one.

Outgoing US envoy calls for consensus on gas export

STAR BUSINESS REPORT

Outgoing US Ambassador to Bangladesh Mary Ann Peters has said Bangladesh must reach a consensus on gas export and regional trade cooperation for its economic wellbeing.

Termining excessive bureaucracy a breeding ground of corruption, she said the pervasive bureaucratic red tape and over-regulation could further cripple economic progress of the country.

She, however, stressed on establishing rule of law, an independent judiciary and anti-corruption commission to protect the interest of investors and commoners.

The ambassador was speaking at the monthly luncheon meeting of American Chamber of Commerce in Bangladesh

(AmCham) held at a local hotel yesterday. President of AmCham Aftab ul Islam, Vice-president Andrew Fawthrop and Executive Director A Gafur were also present.

Peters, who came to Bangladesh in September 2000 as American ambassador, is leaving here shortly. Ambassador Harry Thomas will replace her.

"Bangladesh must reach a consensus on gas exports and regional trade cooperation. The export opportunities resulting from Bangladesh's fortuitous geography--between India and southeast Asia, near China, and on top of plentiful natural gas reserve - has the potential to improve dramatically the nation's economic wellbeing," she observed.

Lauding Bangladesh's economic progress, the outgoing envoy said it reduced the budget

deficit from over five per cent of GDP in fiscal year 2001 to a projected deficit of over 4 per cent in fiscal year 2003. Besides, Bangladesh floated taka and created regulatory commission in the energy and telecommunications sectors, she added.

Bangladesh's software and pharmaceutical sectors have the potential to compete globally, the ambassador remarked.

But the trademark, patent and copyright piracy still remains as a serious and growing problem in Bangladesh, she said.

Excessive bureaucracy feeds corruption, which must be controlled before Bangladesh develops as the Asian tiger, she said, adding that she believed Bangladesh is capable of becoming the same.

On the issue of contract sanctity, she said once an agreement is signed both parties are obliged to adhere to letter of intent of the contract.

"Undoing contracts signed during previous governments have done a great deal to dissuade foreign investors from coming to Bangladesh."

Expressing her dissatisfaction, she said Bangladesh could not come into a decision on a few critical issues like gas export, building container port in Chittagong and independent judiciary for the last three years.

"Given that each of these issues remains on the agenda today, we may be tempted to conclude that Bangladesh's future may end up resembling its immediate past," she lamented.

Safko Spinning declares 5pc dividend

Safko Spinning Mills Ltd has declared a five per cent dividend for the shareholders for the year ending December 31, 2002.

The dividend was announced at the 9th annual general meeting of the company held at mill premises in Habiganj on Monday, says a press release.

Syed Md Qaisar, chairman of the company, presided over the meeting.

The company has earned a gross profit of Tk 4,56,26,652 during the year. It has paid Tk 4,53,75,000 to Sonali Bank against long-term loan.

The company has also paid Tk 2,15,58,330 to Dhaka Bank Ltd.

The meeting approved audited accounts and directors report for the year 2002.

STB, MPM sign MoU on Singapore Flyer development

Singapore Tourism Board (STB) signed a memorandum of understanding (MoU) with Melchers Project Management Pte Ltd (MPM), an engineering services company, on Friday to develop the Singapore Flyer for tourist attraction.

The Singapore Flyer is a rotating giant observation wheel from which 45 km panoramic views of Singapore and scenery of Indonesia and Malaysia can be enjoyed.

The journey time in the Flyer will be 35 minutes. The \$8200 million project is the largest foreign direct investment in a visitor attraction in Singapore, says a press release.

There will have a total of 32 fully air-conditioned capsules, each of them can accommodate 25 passengers in the Flyer.

"The Singapore Flyer is expected to attract more than 2.5 million visitors," said STB Deputy Chairman Lim Neo Chian.

Tea market witnesses strong demand

UNB, Chittagong

The weekly tea sale yesterday witnessed a stronger demand following increased interest of buyers from all sections of the market.

The Afghan buyers operated in strength with strong support from Pakistan, according to a market report.

Internal buyers, particularly the Blenders, were more active while CIS buyers lent a fair support.

Dusts met with a good enquiry but often at lower rates.

CTC Leaf: 1,423 c/s, 20,816 g/s, 2,097 p/p/s, 10 p/s and (96 g/s of old season) on offer once again met with a strong demand.

Brokens: Well-made small and Medium Brokens were generally a stronger market and were fully firm to occasionally dearer. Others were slightly easier. Well-made larger Brokens were a firm market whilst the plainer types were mostly easier following quality.

Fannings: Black well-made types were a stronger market selling at higher rates whilst below best were about steady. All others ended easier.

CTC Dust: 195 c/s, 2,765 g/s, 252 p/p/s, 4 p/s and (6 g/s of old season on offer) met with a good demand.

Well-made good liquoring varieties continues to meet with a good competition and were generally firm to occasionally dearer.

Below best were slightly easier whilst plainer sorts eased further. CD's met with less demand and mostly eased by Tk 5 and often more.

Internal buyers, including the Packeteers, were quite active with some support from the buyers for Pakistan.

Pakistan wants South Asia free trade talks in August

AFP, Islamabad

Pakistan on Monday said it had suggested to India that the next round of South Asian free trade talks take place in August.

"We are committed to SAFTA (SAARC Free Trade Agreement) and ... to negotiations," Pakistan's foreign ministry spokesman Masood Khan said at a weekly briefing.

"What we have suggested to India and other members is that these negotiations be held sometime in late August."

The South Asian Association for Regional Cooperation (SAARC) -- a regional grouping founded in 1985 -- comprises Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan and Sri Lanka.

Four rounds of talks have already been held.

"We are looking forward to

participating in the fifth round and I think that if South Asia moves towards free trade area this would be a big positive development," Khan said.

Khan said Indian claims that Pakistan was not fully cooperating were "a misperception."

Foreign secretaries of SAARC countries are to meet next month in Nepal's capital Kathmandu to finalise the dates of a summit-level meeting of leaders.

Over the past decade, SAARC heads-of-state summits have become a favoured hunting ground for India and Pakistan to take up bilateral disputes over Kashmir.

The 12th SAARC summit was supposed to take place in Islamabad in January this year but was put off due to hostilities between the neighbours.

Since the January postpone-

ment, however, dramatic changes have unfolded on the subcontinent.

On April 18, Indian Prime Minister Atal Behari Vajpayee offered a surprise "hand of friendship" to Pakistan, ending a 17-month deadlock following a militant attack on the Indian parliament that brought the two countries close to war.

The offer was reciprocated by Pakistan with President Pervez Musharraf hailing it as a "good beginning."

Both sides have since appointed new envoys and are set to revive roadlinks.

Pakistan's ambassador-