

SEC clearance mandatory for pre-IPO placement

Move to ensure greater transparency and discipline in market

STAR BUSINESS REPORT

The Securities and Exchange Commission (SEC) has made it mandatory for companies willing to raise fund from the public to take the commission's approval for parties involved in the pre-IPO placement.

The decision was taken yesterday at a commission meeting chaired by SEC Chairman Mirza Azizul Islam. The meeting also decided to continue the suspension on trading of 12 Z-category companies until they go into production.

Under the present rules, companies require the regulators' consent prior to raising fund through pre-IPO (initial public offering) placement but it is not practice, SEC Executive Director Mansur Alam said.

"Now companies will require

clearance from SEC on parties involved in pre-IPO placement," he told reporters after the meeting.

The companies have to submit detailed information about and background of each individual and party involved in pre-IPO placement. SEC will have the authority to declare any party disqualified if specific allegations are found.

Persons involved in any errant company and accused of any financial anomaly will not be eligible to take part in pre-IPO placement of a new company.

Mansur Alam said the decision will bring more discipline and transparency in the capital market. "SEC will act on existing provisions for eligible participants in pre-IPO placement."

Bangladesh Bank has long been

advising SEC to encourage banks in raising funds through IPO rather than private placements.

Sources said most of the third generation private commercial banks have applied to the capital market regulators seeking permission to raise funds from the capital market through share floatation. But in most cases the banks wanted to offer only a small portion of the total amount to the public and manage the rest through private placements.

SEC on December 3 last year suspended trading of 16 Z-category companies with weak fundamentals following abnormal surge in their share prices.

The companies were Bengal Steel Ltd, Karim Pipe Ltd, AB Biscuit Ltd, Dhaka Vegetable Ltd, Paragon Leather, Rupan Oil Ltd, National

Oxygen Ltd, STM, Gem Knitwear, Bangla Process, TBL, JH Chemical, Mark Bd Shilpa, Texpic Industries Ltd, Highspeed Shipbuilding and Heavy Engineering Ltd and Meghna Vegetable.

Of them, Highspeed Shipbuilding and Heavy Engineering Ltd, Bengal Steel Ltd and STM applied for delisting and Dhaka Stock Exchange on Sunday delisted Highspeed Shipbuilding and Heavy Engineering.

Besides, SEC withdrew trading suspension of Bangla Process on January 17 following resumption of its production as suggested by regulators.

The suspension on 12 other companies will continue until they resume production.

Canadian HC meets Saifur

UNB, Dhaka

Canadian High Commissioner Gerry Campbell called on Finance and Planning Minister M Saifur Rahman at the latter's office yesterday when they discussed economic situation, matters of trade and investment in particular.

The minister and the envoy exchanged views on the means of expansion of trade and commerce as well as Canadian investment in Bangladesh's development programme, an official release said.

Both sides expressed the hope that "mutual cooperation between the two countries would be further expanded in future.

Agrani Bank signs remittance deal with Malaysian bank

Agrani Bank signed a remittance agreement with Bhumiputra Commerce Bank, Malaysia recently.

Under the deal, Bhumiputra Commerce Bank will collect money from Malaysia and transfer the fund to Agrani Bank in telegraphic process and Agrani Bank will distribute the money to recipients, says a press release.

ASM Imdadul Haque, managing director of Agrani bank, and Nik Hassan Nit Mohd Amin, executive vice-president, Corporate and Institutional Banking of Bhumiputra Commerce Bank, Malaysia, signed the memorandum of arrangement on behalf of their organisations in Malaysia.

Among others, Agrani Bank representative to the Bangladesh High Commission to Malaysia Mahmudul Ameen Masud and senior and mid-level executives of Bhumiputra Commerce Bank were present.



PHOTO: AFP

An elderly vendor carries vegetable as he makes his way through morning fog to sell his produce in Dhaka yesterday. Hundreds of villagers come to the capital to sell their fresh products at a better price than they would fetch in their villages.

US, Australia clinch historic trade deal

AFP, Washington

The United States and Australia Sunday unveiled a "historic" multibillion-dollar free trade pact after an Australian climbdown in a row over access to US sugar markets which almost scuppered a deal.

Australian Prime Minister John Howard signed off on the tariff-busting pact during a telephone call Saturday with President George W. Bush, aware that his decision would spark a domestic political backlash.

"This is the most significant immediate cut in industrial tariffs ever achieved in a US free trade agreement, and manufacturers are the big winners," said US Trade Representative Robert Zoellick.

It is the first free trade deal negotiated between the United States and a developed country since a US-Canada pact in 1988.

Australian Trade Minister Mark Vaile said the deal, clinched after

two weeks of grueling talks here, would give a leg up to Australian firms keen to reap the benefits of the world's most dynamic economy.

Howard was already being battered early Monday in Australia by a political storm, as critics charged the United States got the best of the bargain after keeping Australian sugar out of its jealousy guarded markets.

Howard's government had repeatedly warned there could be no deal unless it included all trade sectors.

"What faced over the weekend was a decision as to whether we were going to scupper a deal that gave enormous benefits to the rest of the economy because we couldn't get additional access for the Australian sugar industry," Howard told Australian commercial television here.

But opposition spokesman Wayne Swan said Howard could expect a backlash.

Australian Trade Minister Mark Vaile said the deal, clinched after

"This is a huge kick in the guts for the cane-growing industry in Queensland and will have significant political ramifications," he said.

Zoellick had earlier made the US position crystal clear: "before we started these negotiations, I spoke to both the Prime Minister and Mark about our inability to include sugar.

"The Australian side pressed very hard, as is their right to do," he said, arguing that Australian producers already had a "sizeable" quota on exports to the United States.

The powerful US farm lobby had exerted intense pressure on Bush for no concessions on sugar in key agricultural states which could be crucial to his reelection effort in November.

The United States and Australia will grant one another immediate duty-free market access to most manufactured goods and services when the deal is signed and ratified.

Citibank NA Bangladesh arranged a training session on foreign exchange products and future direction of products at the Bangladesh Bank Training Centre in Dhaka yesterday.

Officers from the central bank participated in the training, conducted by Vinay Awasthy, assistant vice-president of Citibank India, and Bashar M Tareq, country treasurer of Citibank Bangladesh, says a press release.

Mamun Rashid, chief executive officer of Citibank NA Bangladesh, and Asaduzzaman Khan, executive director of Bangladesh Bank, were present at the opening session.

SIBL signs agreement with ETN

Social Investment Bank Limited (SIBL) has signed an agreement with Electronic Transactions Network Limited (ETN), an ATM service provider.

Kazi Anwarul Mahbub, managing director of the bank, and K M A Shamim, chairman of ETN, signed the deal on behalf of their organisations in Dhaka yesterday, says a press release.

Kamaluddin Ahmed and Mohammed Shamsuzzaman, vice-chairmen of SIBL, along with other Board Members and senior officials of the bank and ETN were present.

Under the deal, the bank has become a member of ETN through which account holders of the bank will be able to obtain e-cash ATM/Debit Card services from 20 ATMs of the network, located in Dhaka, Chittagong and Sylhet.

IT to buy Kodak unit for \$725m

REUTERS, New York

Industrial conglomerate ITT Industries Inc. said on Monday it agreed to buy Eastman Kodak Co's remote sensing systems unit for \$725 million to broaden its space services business.

Kodak, which has been looking to sell business units that do not fit with its strategy of building a digital imaging company, said it would realize about \$475 million in cash from the sale.

The White Plains, New York-based maker of industrial water pumps and ground-station satellite control services said the purchase of the Kodak's satellite imaging systems unit will be "modestly accretive" to ITT Industries' earnings in 2004.

Ctg int'l trade fair begins Feb 18

STAFF CORRESPONDENT, Ctg

The month-long Chittagong International Trade Fair-2004 will begin at Polo Ground here on February 18.

Chittagong Chamber of Commerce and Industry is organising the 12th version of the annual exposition to be participated by 11 countries.

Commerce Minister Amir Khasru Mahmud Chowdhury is expected to inaugurate the fair. State Minister for Environment and Forest Jafir Islam Chowdhury will be present at the inaugural function, organisers said.

Apart from Bangladesh and Thailand, the partner country of the fair, nine other countries -- the US, Canada, Russia, China, Hong Kong, Singapore, Pakistan, India

China's farmers to suffer great losses if poultry not eaten

AFP, Beijing

China's poultry farmers could be severely affected if domestic consumers decide not to eat poultry, a top official said Monday, warning against alarming the public.

"I think stepping up (poultry) quarantining and (bird flu) prevention work is very important," said Chen Xiwen, deputy director of the office of the Central Financial Work Leading Group of the Communist Party of China.

"But this work cannot be excessive and lead to the mistaken impression by the public that they cannot eat poultry. If that was the case, the loss to farmers will be too great."

Chen, who was speaking after a press conference on boosting farmers' incomes, said the country should adopt a "scientific attitude" towards prevention of the H5N1 bird flu spreading and of poultry consumption.

"If the inspection and quarantine process is very strict, and the process of killing and preparing the poultry is very strict -- and since we all know bird flu virus can be killed in high temperature -- cooked poultry food should be no problem," Chen

2.6m new jobs in '04: White House

REUTERS, Washington

The US economy should shed its jobless label this year with the creation of about 2.6 million new positions, the White House forecast on Monday.

If realised, the jobs turnaround could help President Bush's re-election prospects. Bush has faced withering fire from Democrats over the lack of new jobs.

In the annual Economic Report of the President, the White House said the number of workers on U.S. non-farm payrolls was likely to rise to an average of 132.7 million this year from a 2003 average it thought would come in at 130.1 million.

According to the latest jobs figures released by the Labor Department on Friday, which incorporated data revisions, payroll employment averaged just 129.9 million last year.

Last year, the Bush administration was looking for the creation of about 1.7 million jobs. But the economy actually lost 53,000 jobs, bringing the total number of jobs lost since Bush took office to 2.2 million.

Nokia takes control of Symbian software

REUTERS, Helsinki

Top mobile phone maker Nokia moved to take control of the world's leading cell phone software group, Symbian, on Monday, drawing a line in the sand between the Finnish firm and rival Microsoft.

Nokia said it would buy around one-third of Symbian from Psion, with the British software firm to get an estimated 135.7 million pounds (\$250.7 million) in a deal that values all of Symbian at 436.2 million pounds.

Nokia said the purchase pushes its stake to some 63 percent in the venture, which it expects to be loss-making for the foreseeable future. The deal is expected to close in the coming months.

For handset makers, in an industry which expects to sell over 550 million phones in 2004, the takeover narrows their choice of suppliers for new software to two major players -- Nokia and Microsoft.

Leading handset makers Samsung Electronics from South Korea and Germany's Siemens as well as other handset makers are Symbian shareholders, and the deal will force them to buy key software from a firm controlled by an rival.

Some Asian countries ban US poultry imports

AP, Dover, Delaware

Some Asian countries were banning US poultry imports following the outbreak of avian influenza discovered last week at a Delaware farm.

Delaware state authorities, meanwhile, spent the weekend testing chickens at 12 farms within two miles of the farm where the infected poultry was discovered, officials said.

Scientists won't release the results of a first round of tests until a second round is complete, Anne Fitzgerald, a spokeswoman for the Delaware Department of Agriculture, said Sunday. It wasn't immediately clear when the results would be released.

Officials were testing chickens at 12 farms in a two-mile radius.

Fitzgerald said five farms were tested Saturday, three farms Sunday, with officials planning to test four more.

The flu strain is different from the one that has spread to the human population in Asia, and experts say there's no threat to human health. Some Asian countries, however, have banned US poultry imports following the outbreak in Delaware.

Japan, Singapore and South Korea banned US poultry imports, while Hong Kong and Malaysia banned the import of live birds and poultry from Delaware only.

Delaware authorities on Saturday began testing flocks near the one in Kent County, where officials on Saturday destroyed 12,000 chickens. The exact location of that farm hasn't been disclosed.

The U.S. government has banned the import of birds from eight Southeast Asian countries.

Avian influenza spreads easily among animals through nasal and eye secretions, as well as manure.

The strain found in Delaware, known as H7, has the potential to cause severe economic damage if it spreads to the commercial broiler industry, a linchpin of the region's agricultural economy.

A different form of bird flu has ravaged poultry farms across Asia, where more than 50 million chickens have been slaughtered to stem the disease's spread. At least 18 people have died in Asia from the H5N1 strain. Experts there say there's no sign the virus is changing into one that could spread widely among people.

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