



## Ahmed Iqbal Hasan re-elected DSE president

UNB, Dhaka

Ahmed Iqbal Hasan was re-elected president of the Dhaka Stock Exchange (DSE) yesterday.

Abdul Haque was re-elected senior vice-president and Mohammad Feroz Khan elected vice-president of the bourse.

They were all elected unopposed by the Board of Directors of the DSE for the year 2004.

With this, Hasan and Haque were elected for third consecutive term as president and senior vice-president.

Earlier, the 42nd annual general meeting of the DSE was held with bourse President Ahmed Iqbal Hasan in the chair.

The meeting attended by a large number of members unanimously approved the minutes of 41st AGM, approved Board of Directors report, audited accounts and balance sheet for the year 2002-2003.

The meeting also inducted the four newly elected directors Mohammad Shakil Rizvi, AS Shahudul Huque Bulbul, Md Shahjahan and Md Shahiq Khan in place of four retiring directors -- Md Abdullah Bokhari, Sharif Ataur Rahman, Habib Abdul Mushtaque and Anwar Hossain.

## Japan Housing corporate client of CityCell

Japan Housing Co Ltd has become corporate client of Pacific Bangladesh Telecom Limited (PBT), owing company of CityCell.

Japan Housing signed a corporate agreement with PBT to this effect, says a press release.

Under the deal, Japan Housing will avail some exclusive services from CityCell, says a press release.

The overall communication requirement of Japan Housing will be complemented by the coverage of CityCell.

Hiroshi Inoue, managing director of Japan Housing Co Ltd, and Chris Maloy, chief executive officer of PBT, signed the agreement on behalf of their companies.

## Disney CEO Eisner faces no confidence vote

AFP, New York

Walt Disney Company chairman Michale Eisner faces a possible vote of no confidence at the annual shareholder meeting Wednesday, as critics rallied the opposition, raising more questions about his leadership.

Roy Disney and Stanley Gold, two former board members at Disney who are leading the opposition to Eisner, on Tuesday pressed shareholders to withhold support for the top executive.

At a news conference some 24 hours ahead of the shareholder meeting, the opponents declined to predict the percentage of votes opposed to Eisner.

## Farm concerns hamper Bush trade deals

REUTERS, Washington

A top US senator said Tuesday the US sugar industry's opposition to a new free trade agreement with five central American countries could kill chances for Congress to vote on the pact this year.

Senate Finance Committee Chairman Charles Grassley, an Iowa Republican, said prospects for a vote on a free trade pact with Australia were also in doubt because US farm groups were still mulling their position.

Grassley, whose committee has jurisdiction over trade legislation in the Senate, said the outlook for a vote on the US-Central American Free Trade Agreement "depends upon the power of sugar.

# Default loans dip 15pc in 2003

REJAUL KARIM BYRON

The volume of default loans declined by 15 percent or Tk 3,643 crore in 2003 as a result of the banks' wary lending policy and writing off of bad loans.

The reforms also helped improve the portfolio health of the nationalised commercial banks (NCBs) which are still burdened with huge classified loans.

But banking experts are in doubt over any real improvement in the NCBs which tried to reduce their default loans mainly by writing off bad loans.

Sources said the banks wrote off about Tk 4,500 crore in total in 2003 calendar year.

"The image of our banks will improve internationally because of the decline in classified loans," Managing Director of Pubali Bank Khondkar Ibrahim Khaled said. "Writing off loans is an internation-

ally recognised system."

He said the private banks have made real success in reducing their bad loans.

Because of the improvement, the amount of classified loans accounted for 22 percent of the total portfolio on December 31, 2003, showing an improvement from 28 percent as on December 31, 2002.

The NCBs cut their classified portfolio by 12.40 percent as on December 31 to 29 percent, the private commercial banks (PCBs) reduced it 11 percent to 12 percent, and the development financial institutions (DFIs) by 23 percent to 47 percent.

Classified loans of foreign commercial banks (FCBs) increased to 2.68 percent, though these banks have few defaulted loans.

On December 31, 2003, the total loans of the banking sector stood at Tk 91,827 crore, of which Tk 20,319 crore were in classified amount. The

figures were Tk 85,273 crore and Tk 23,962 crore on December 31, 2002.

The NCBs reduced their classified amount by Tk 1,511 crore during the 12 months of 2003 to Tk 10,668 crore.

The PCBs reduced their classified loans by Tk 622 crore to Tk 4,861 crore on December 31 last year from Tk 5,483 crore a year ago.

The DFIs reduced their classified loans by Tk 1,434 crore to 4,727 crore on December 31, 2003 from Tk 6,161 crore on December 31, 2002.

Classified loans of FCBs increased by Tk 34 crore to Tk 171 crore as on December 31, 2003 which was Tk 137 crore one year ago.

Sources said the total classified loan of foreign commercial banks increased in 2003 due to rise in defaulted loan of two such banks.

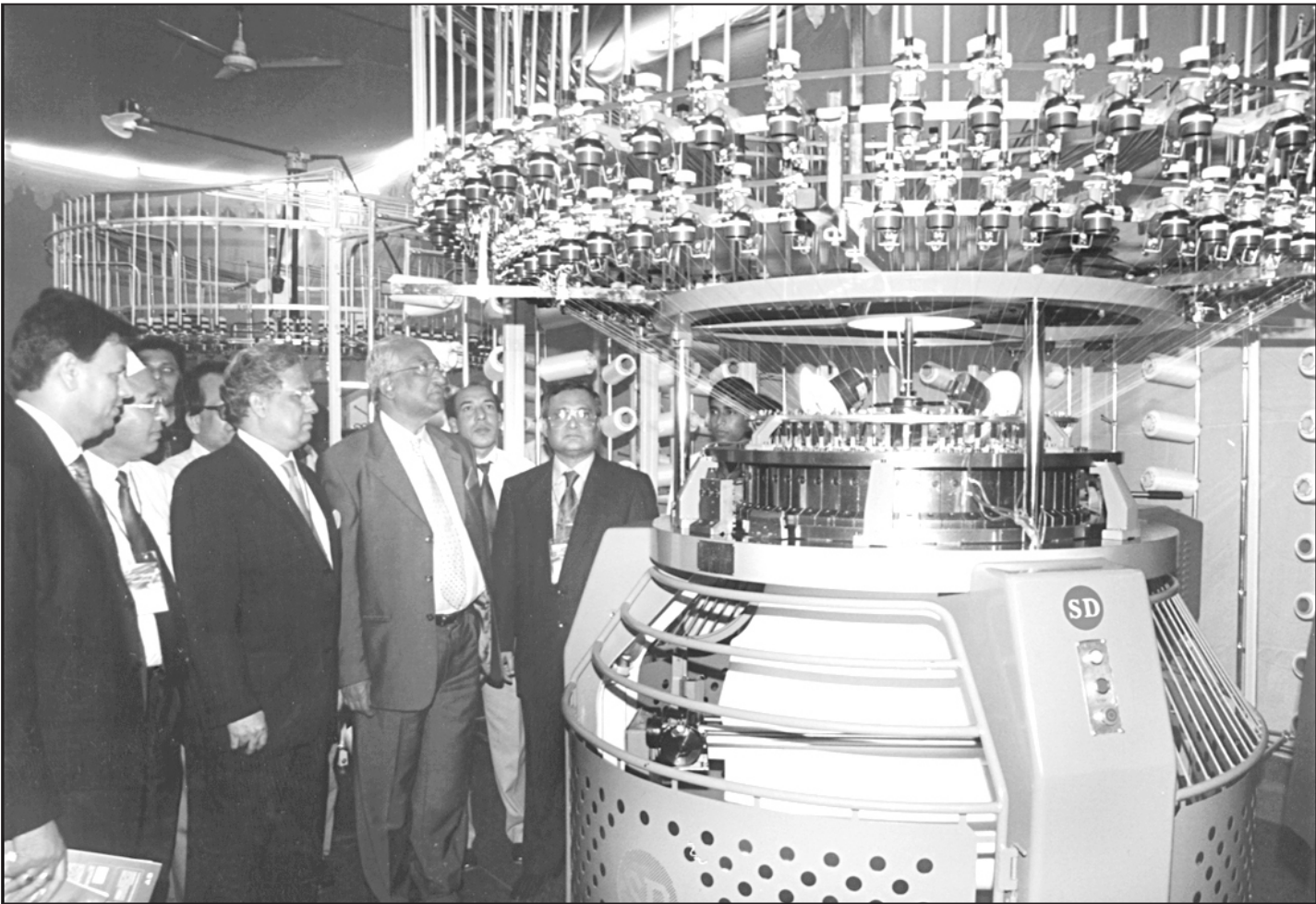


PHOTO: STAR

Finance Minister M Saifur Rahman along with Bangladesh Textile Mills Association (BTMA) Chairman MA Awal visits a stall at the four-day 1st Dhaka International Textile and Garment Machinery Exhibition-2004 that began at Dhaka Sheraton Hotel yesterday. The exposition remains open to all from 10am to 6pm.

## Poor countries press Europe to boost sugar imports

AFP, Brussels

A grouping of poor countries called on the European Union Wednesday to increase nearly 20-fold the level of duty-free sugar imports allowed into the bloc over the next decade.

Ministers from Sudan, Mozambique, Bangladesh and Nepal pressed the expanding Union to open its doors to imports Least Developed Countries (LDC) as it reforms its own policy on the sugar industry.

Specifically they called for the current limit on duty-free imports of less than 100,000 tonnes to more than 1.6 million tons by 2012/13.

They voiced fears that EU sugar reform planned from 2006 could deprive poor countries of the preferential treatment granted under the 2001 Everything But Arms (EBA) which allowed duty-free access for all products from least developed countries, except arms.

"Only by allowing us to sell sugar at certain guaranteed price can EBA become meaningful to our economies," said Sudanese trade minister Abd al-Hameed Musa Kasha, ahead of a meeting with EU farm commissioner Franz Fischler.

The poor states' key fear is that lowering production guaranteed sugar prices in the EU -- where prices are over three times the world market average -- and liberalizing imports will play in the hands of large competitive producers.

## China seen fuelling world feed grain boom

REUTERS, Canberra

World demand for feed grains for livestock was expected to grow strongly over the next 10 to 15 years, led by an economic boom in China, and Australian grain supplier said Wednesday.

Changes in food consumption patterns and population growth meant China and other developing countries would focus on producing food for human consumption, rather than livestock feed, said Ray Johnson, national technical manager for grains supplier Ridley Agriproducts RIC.AX.

"It's a massive change in world food consumption," Johnson told the Australian Bureau of Agricultural and Resource Economics (ABARE) outlook 2004 conference.

China's near-term milling wheat imports could also be substantially higher-than-expected because of falling stocks and continued demand, ABARE analyst Rohan Nelson told the conference.

Australia has already sold China one million tons of wheat, in December, while the United States has also recently scored large-scale wheat export contracts with the Asian giant.

China has previously imported some wheat, but recent imports mark a big increase as stocks decline and as China meets World Trade Organisation obligations, which included importing wheat.

# Govt should persuade multinationals to float IPOs

## Re-elected DSE president says

STAR BUSINESS REPORT

The government should persuade or force big multinational companies to float initial public offerings (IPOs) which only can rejuvenate the flagging capital market, said Ahmed Iqbal Hasan who was re-elected president of Dhaka Stock Exchange (DSE) yesterday.

"Only companies like GrameenPhone can change the capital market scenario of the country. The big companies will also increase confidence of investors which is another vital instrument to revitalise the market," he told journalists after the election.

Hasan is the first person to be elected president of the country's premier bourse for three consecu-

tive terms.

"I wonder why the government do not approach the big multinationals who nurture good corporate governance. The companies can show quality guarantee needed to improve investors' confidence," he said mentioning that Indian parliament has enacted a law making IPO issuance mandatory for multinational companies.

He said suspension of trading and delisting is not enough to bridle the AGM and dividend defaulting companies. "Suspension of trading or delisting do not bring in financial loss to them. Setting deadline for errant companies to resume production works little. They should be punished monetarily," he said about bring-

ing in more discipline to the capital market.

About government move to offload shares of Padma Oil Co through direct auction, he said shareholders may go to court as the government bypass the brokerage house which is legal way of selling shares of all listed companies.

The 42nd annual general meeting of DSE was held yesterday. The new board of directors also reelected Abdul Haque senior vice-president for third consecutive terms. Feroz Khan was elected new vice-president at the first board meeting of the board.

# First ever Pak trade fair kicks off in Delhi

AFP, New Delhi

India opened Wednesday its first-ever trade fair of Pakistani goods amid thawing relations between the longtime foes but traders at the carnival spoke of backup plans if ties soured again.

The nine-day fair showcases Pakistani handicrafts, fashion, onyx products, glassware, consumer goods, hi-tech electronics and glitzy motorbikes.

The fair followed a decision last month by the rivals to draw up a peace roadmap after they nearly went to war against each other for the fourth time in 2002.

Azim Premji, chairman of Wipro, India's third-largest software services company by sales, told the fair the governments of the two countries needed to realise bilateral business was the "grease" that bettered ties.

"Official bilateral trade is merely 250 million dollars, another one

billion dollars takes place through third countries and there's potential to enhance it to four to six billion dollars in the short-term," the billionaire said.

The fair coincided with the start of a relaxed visa system for Indian sports fans seeking to attend this month the first Indian cricket series to be held on Pakistani soil in 15 years.

But an Islamic separatist militant raid in disputed Indian Kashmir that left six dead Wednesday reminded participants many outstanding issues remained to be settled before the nuclear rivals before relations can be normalised.

The two countries have fought two of their three wars over the divided Himalayan territory of Kashmir that both claim.

"Hence we have Plan A, B and C in case things go wrong again," said Riyaz Mukadam, one of the 385 exhibitors visiting India to take

advantage of new climate of relaxed tensions many hope will replace five decades of hostility.

India's Privatisation Minister Arun Shourie said official-level business would end clandestine trading valued at almost two billion dollars annually.

"Many of the (tax) barriers are meaningless as contraband trading is 10 times the size of our formal trade, which is damaging and encourages the wrong types of enterprise and people," he said.

India and Pakistan endorsed South Asian Free Trade Agreement (Safat) among the seven South Asian nations. But while India has granted Pakistan most favoured nation trading status, Islamabad has yet to reciprocate.

"SAFTA is a great landmark because the great benefit of trade is competition," Shourie said.

# Japan, China dismiss Greenspan warnings over forex reserve

AFP, Tokyo

Japan and China, which between them have amassed foreign reserves of more than one trillion dollars as they seek to manage their currencies, Wednesday dismissed warnings from US Fed chairman Alan Greenspan that they must change course or risk serious economic consequences.

"Japan's policy will not change just because certain people outside of Japan made a comment," said Hiroshi Watanabe, director-general of the Ministry of Finance's International Bureau.

"We will change our policy whenever we think it is necessary," he added.

China, perhaps even more in the firing line for its alleged unfair currency and trading practices in a US election year, had a similar, simple message.

"We've seen the report," said an official at the People's Bank of China's press office.

"We will maintain our consistent monetary policy which is a unified, managed floating exchange rate regime," he said, referring to the yuan's pegged system against the dollar.

Up to now, the basic US charge against Japan, China and the Asian region generally is that these countries have intervened continually in the forex markets to keep their currencies weak and so boost

exports unfairly.

The result has been a series of massive and growing trade surpluses with the United States combined with a mountain of reserves -- 741 billion dollars for Japan, 416 billion dollars for China, according to the latest figures.

Add to this some 200 billion dollars in Taiwan, another 112 billion dollars in Hong Kong and you get a figure near an astonishing 2.0 trillion dollars for the region as a whole at the end of January, up some 100 billion dollars in just a month, according to investment house UBS.

# Set up agro-based industry to spur rural economy: Sircar

UNB, Dhaka

Speaker Barrister Muhammad Jamiruddin Sircar said rural economy would have to be augmented by setting up agro-based industry.

"It is not possible to reach the desired target of national development if development of agriculture could not be quickened," he said while addressing a three-day seminar on "Agro-Tech-2004: Bangladesh" arranged by Techbangla and its alliances at Bangladesh-China Friendship Conference Centre yesterday.

Chaired by former adviser to the caretaker government and convener of Agro-Tech, 2004 Syed Monzur Elahi, the inaugural

session was addressed, among others, by State Minister for Agriculture Mirza Fakhru Islam Alamgir.

"Agricultural production will have to be increased by proper utilization of the government's subsidy," he said adding "quality produces will have to be exported after increasing the production volume by using modern technology and diversification of agriculture."

He also called for bolstering the country's agricultural economy by setting up agro-based and labour-intensive industries. Later he went round different stalls.

## StanChart holds workshop on L/C advice, transfer

Standard Chartered Bank organised a workshop for its customers of the Financial Institutions Department on "L/C Advising and Transfer: UCP Rules and Regulatory Issues".

The workshop participated by representatives from RMG buying houses and leather sector was aimed to discuss various issues regarding foreign exchange transactions, says a press release.

Kh Khalidur Rahman, deputy general manager, Foreign Exchange Policy Department of Bangladesh Bank, conducted the workshop, highlighting some of the significant aspects of country's foreign exchange transactions.

SAA Masrur, head of Client Relationship, Standard Chartered Bank, Bangladesh, inaugurated the workshop.