

## Share trading of Tripti suspended for seven days

### STAR BUSINESS REPORT

The Securities and Exchange Commission (SEC) yesterday suspended share trading of Tripti Industries for seven days following unusual rise in trade volume and price hike of the company's shares.

The capital market watchdog also constituted a four-member committee to investigate the unusual transaction during the last seven days.

The committee, headed by SEC Executive Director Mansur Alam, will submit its inquiry report within a month. The other members of the committee are directors Shuvra Kanti Choudhury, ATM Tariqzaman and Sirajul Huq.

The committee will conduct an inquiry into transactions of the securities of the company in stock exchanges since February in Dhaka and Chittagong.

Mansur Alam said, "We informed the two bourses about the abnormality of the securities and asked them to contact the company management to find out whether there was any corporate disclosure. But the company said that there were no disclosures in the recent past."

SEC took the decision to bring the situation under control. "We will investigate and find out the reason," he said.

"This is a red signal to syndicated buyers and sellers to warn that they can no longer manipulate bids in secondary market," he said.

With the suspension of Tripti Industries, the toll of companies under trading embargo rose to 12. SEC suspended share trading of 16 companies on December 3 to counter similar situation. The issues of five companies were resolved through delisting and trade resumption.

## NYK Line (BD) hosts first ever 'Shipper's Nite'

### STAR BUSINESS REPORT

NYK Line (Bangladesh) Ltd hosted its first ever 'Shipper's Nite' at the Pan Pacific Sonargaon Hotel on Sunday.

Matsushiro Horiguchi, Japanese ambassador to Bangladesh, Abdul Awal Minto, president of Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), Tadamasu Ishida, senior managing director of NYK Line, Tokyo, and Takamitsu Wakita, chairman of NYK Line (Asia) Pvt Ltd, attended the dinner.

Speaking at the programme, Tadamasu Ishida said "We recognise Bangladesh as one of the opportunity areas for growth and development. We believe that the nation has potential for development and that the business to and from Bangladesh is very much likely to have a positive growth in the next decade and beyond."

Rashed A Ali, director and chief operating officer of NYK Line (Bangladesh) Ltd, gave an introduction to NYK Line and NYK Line (Bangladesh) Ltd at the dinner. The company is operating in Bangladesh for the last two and a half years.

Talking to The Daily Star, Kutubuddin Mahmud, executive (ICD Operations and EQC) of NYK Line (Bangladesh) Ltd, said the shipping line carry mainly garment items to all the North American countries and some European ports also.

According to Mahmud, NYK Line (Bangladesh) carried nearly 7,000 TEUs (twenty equivalent units) goods last year.

## Airbus parent EADS swings back to profit

### REUTERS, Paris

EADS, Europe's largest aerospace company, swung to a larger-than-expected net profit in 2003 as a strong fourth quarter at its Airbus plane-making unit and a drop in charges offset losses in its space division, the company said on Monday.

EADS, which makes commercial jets, missiles and fighter aircraft, also cheered investors by announcing a 10 cent increase in its 2003 net dividend to 40 euro cents per share.

In its fourth set of annual results since it was formed in 2000 from a merger of France, Germany and Spain's largest aerospace firms, EADS posted a net profit of 152 million euros (\$185.4 million), up from a loss of 299 million in 2002, when results were penalized by 936 million euros in goodwill charges.

# SEC relaxes BO account rules for IPO applicants

### STAR BUSINESS REPORT

In a move to encourage people in participating in initial public offerings (IPO), the Securities and Exchange Commission (SEC) has relaxed its rules on opening beneficiary owner's (BO) account before applying for shares through IPO.

Now only the IPO applicants who will get share through allotment draw will have to open accounts with depository participants (DPs) for transaction.

Earlier, anybody applying for IPO shares had to mention his/her account number in the subscription form. Though SEC does not fix any rate, investors are to pay Tk 300 to Tk 500 for opening the beneficiary owner's account with DPs.

Dhaka Stock Exchange (DSE) was pressing for lifting the BO account requirement for IPO applicants since it was a discouraging factor for the applicants.

CEO of the bourse Salahuddin Ahmed Khan said this requirement used to discourage the new investors as they knew that they would lose the money paid for BO account, which would be of no use if they do not get a share in the lottery.

The companies whose prospectus are currently pending with SEC for approval to float IPO also requested the regulators to relax the rules as they feared that their subscription offer might witness under-subscription.

Sources however said SEC was in a fix on BO account requirement as the relaxation of the rule would hurt the business of DPs.

SEC was not willing to take risk in the changing scenario of capital market after launching of the central depository system (CDS) which requires new IPO issuing companies to come under the electronic settlement system right from the beginning.

SEC Executive Director Mansur Alam said, "We give investors time to get accustomed with CDS. The relaxation would erase the speculation that investors might shy away IPO subscription due to hassle of opening the account."

Since introduction of CDS with

shares of Square Pharmaceuticals on January 24, none of the companies got SEC permission to float IPOs.

Opposing the decision, brokers and depository participants said the relaxation would slow down operation of CDS. Had opening of BO account been mandatory for IPO applicants, the de-matting process would also get a boost, they said.

They alleged that some people are opposed to the compulsion of opening of an account as they cannot apply many times in different names.



Finance Minister M Saifur Rahman formally inaugurates the second branch of Janata Exchange Company, a subsidiary of the Janata Bank, in Milan, Italy on Sunday. Janata Bank Managing Director Murshid Kuli Khan is also seen.

# BTRC for Tk 1,000 flat duty on cellphone set

### MUSTAK HOSSAIN

In a bid to spur growth of cellular telephony, the Bangladesh Telecommunication Regulatory Commission (BTRC), has proposed to the government to fix a flat import duty of Tk 1,000 on a mobile handset.

Now, the import duty is fixed at Tk 3,000 for a set priced up to Tk 10,000 and Tk 4,000 priced above Tk 10,000.

In a letter to the Prime Minister's Office on Sunday, the BTRC chairman said the growth of cellular telephony has been hindering due to high prices of handsets.

The telecoms industry could not achieve the expected growth due to some obstacles including

high import duty on handsets, the BTRC letter said.

Import duty on mobile phone handsets in some Asian countries:

The telecoms watchdog said the import duty in India and Sri Lanka is 2.5 percent while there is no import duty in Pakistan and Thailand.

The BTRC also observed higher import duty has encouraged unscrupulous businessmen to smuggle handsets, depriving the government of revenues.

Mobile phone operators have welcomed the BTRC's move to reduce duty on handsets.

"We appreciate the move as duty reduction will help boost telephony in the country," said Mehboob Chowdhury, director of

Sales and Marketing of Grameen-Phone. If duty is reduced the operators will be able to offer subscription at very affordable prices, Chowdhury said.

The government revenue will rise substantially through realisation of VAT (value added tax) and other taxes if the teledensity increases, he said.

Duty cut will stop smuggling of mobile handsets, said Anwar Hossain, general secretary of the Bangladesh Mobile Phone Importers' Association.

"It could be better if the duty is fixed at Tk 500 a set," he added.

Bangladesh has about 2 million cellphones provided by four private companies.

## ONLINE BANKING IFIC Bank signs deal with Square Informatix

### STAR BUSINESS REPORT

IFIC Bank yesterday struck an agreement with Square Informatix Limited, a venture of Square Group, to provide online banking services to its clients.

Ataul Haque, managing director of International Finance and Investment Corporation (IFIC) Bank Ltd, and Charles CR Patra, managing director of Square Informatix, signed the deal on behalf of their organisations at the Square Centre in Dhaka.

"The online banking will enable customers to withdraw and deposit cash, transfer money and authorise cheques from any branch of IFIC," Colin Patra, director of Square Informatix, told The Daily Star at the signing ceremony.

IFIC is the seventh organisation to sign such agreement with the company. The others are Dhaka Bank, Dutch-Bangla Bank, Bank Asia, Southeast Bank, Social Investment Bank and Electronic Transactions Network (ETN).

Speaking at the function, Charles CR Patra said Square Informatix has set up a V-SAT (very small aperture terminal) Control Centre near Savar through which they can control thousands of V-SATs across the region.

Bangladesh Telecommunication Regulatory Commission (BTRC) Chairman Syed Marghub Murshed and IFIC Bank Chairman Manzurul Islam also spoke at the function.

## StanChart holds int'l credit confce Thursday in Seoul

Standard Chartered Bank is going to organise an international credit conference in Seoul, South Korea on Thursday, which will focus on the pivotal role of credit bureaus.

The forum that brings together more than 250 delegates who include officials from central banks, credit bureaus and banks from 40 countries is being co-hosted by the Korea Ministry of Finance and Economy, with support from McKinsey & Company, says a press release.

Lee Hun-Jai, newly appointed Deputy Prime Minister and Minister of Finance and Economy of Korea, will preside over the conference.

Standard Chartered organised a similar conference in Bangkok in 2002.

## Intel to open research centre in S Korea

### AFP, Seoul

US high-tech giant Intel Corp. said Monday it had agreed to open a research center in South Korea, the world's leading high-speed broadband market.

The agreement was reached at a meeting here between Patrick Gelsinger, Intel's senior vice president and chief technology officer, and Yim Chu-Jwan, president of the state-run Electronics and Telecommunications Research Institute, a joint statement said.

It highlights a new push by global high-tech giants into South Korea, which has the world's highest broadband penetration rate at 73 percent and the world's fastest mobile phone network.

## Consumer credit less than 1pc of total credit StanChart Bangladesh report says

### STAR BUSINESS REPORT

Consumer credit offered by local banks and financial institutes is about Tk 5,290 million, less than one percent of the total credit in Bangladesh.

A report prepared by the Standard Chartered Bank Bangladesh revealed the fact recently.

Pubali Bank offers the highest amount of consumer credit among the scheduled banks, which is around 10.3 percent of its total credit.

Among other banks, Commerce Bank offers 5.18 percent and Prime Bank 4.61 percent

in consumer credit.

"In Bangladesh, consumer credit does not include home or apartment purchase... though there is a provision for repair or development of the existing houses," the report said.

Pubali Bank and Standard Chartered Bank offer loans up to Tk 2 lakh and Tk 10 lakh for home renovation, development and refurbishment.

The report said there is no conclusive information on consumer credit in Bangladesh, as the central bank's existing credit information system contains commercial and consumer credit statistics together.

## Be fashion-savvy, raise quality to enter Swiss footwear market

### Swiss organisation tells local entrepreneurs

### STAR BUSINESS REPORT

A Swiss governmental organisation has offered to work as matchmaker between Bangladesh exporters and Swiss importers to help locals to enter footwear and leather goods market of the Alpine country.

A visiting high official of Swiss Import Promotion Programme (SIPPO) yesterday expressed willingness to develop an online matchmaking platform to boost Bangladesh's leather product export to Switzerland.

At a workshop on leather products at Export Promotion Bureau (EPB) office, Markus Stern, director of SIPPO, urged Bangladesh exporters to follow Swiss fashion trend to penetrate into the Swiss market.

"Swiss people are very trendy in footwear so if you want to enter the market you have to be up-to-date with the frequently changing trend," said Stern who is on a four-day visit to Bangladesh.

He also urged Bangladesh government and exporters to improve the country's image by taking up publicity campaign. "In Switzerland, Bangladesh is known as a country of flood and political unrest. Swiss consumers and importers do not know that good quality footwear and leather goods are also produced here," he said.

The purpose of SIPPO is to help small and medium-sized enterprises have them access to the

Swiss and EU markets. The import promotion body provides online support for trade contacts, training, market information and increase competitiveness of the exporting companies.

"Switzerland has no leather goods so Bangladesh has immense scope to enter the country which is similar to Italy and Germany where Bangladesh is presently exporting," he said.

"Switzerland and other European countries want ecological and environmental-friendly production. So, you have to maintain the standard," he said.

As ten new countries are joining EU fold on May 1, Bangladesh has huge opportunity to utilise the GSP facility to the expanded market, he said.

Jurg Casserini, charges d'affaires of Embassy of Switzerland, said, "We are willing to help Bangladesh exporters to enter Swiss market but exporters have to be fashion-conscious and ensure quality goods."

Md Saiful Islam, managing director of Picard Bangladesh Ltd and vice-president of Bangladesh Finished Leather, Leather Goods and Footwear Exporters Association, said, "We need government help for image building and expanding the export market."

## Vietnam minister for Dhaka-Hanoi business forum

### BSS, Dhaka

Visiting Assistant Foreign Minister of Vietnam Do Ngoc Son has suggested the setting up of a 'Bangladesh-Vietnam Business Forum' to augment the bilateral business relations.

The suggestion came at a meeting with president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) Abdul Awal Minto at the latter's office at Motijheel in Dhaka yesterday.

Do Ngoc Son is currently on a visit here in the wake of the forthcoming visit of Vietnamese President Tran Duc Luong to Bangladesh from March 22 to March 24.

Terming Bangladesh as one of the best political allies of Vietnam, Do Ngoc Son discussed with FBCCI leaders ways and means about how both the sides could expand trade and economic cooperation to their mutual benefit.

He also told the FBCCI leaders that a 15-member top Vietnamese business team including public sector representatives will be accompanying the presidential entourage to explore business and investment possibilities still underutilised from both sides.

The Vietnamese minister identified agriculture, agro-processing, research, spices, frozen foods, ready-made garments, pharmaceuticals, leather and leather products as some of the most potential areas of working together for mutual benefit.

Pointing out that Vietnam and Bangladesh have a good and stable political relations and a common history of struggle for liberation, Minto recalled the visit of FBCCI delegation to Vietnam last November and said it was a fruitful visit.

He said both countries are having the same level of development and working hard for prosperity. Both countries have big neighbours with business scopes and challenges, and they could compliment and supplement each other by sharing experiences and intensifying business and economic relations.

## Thai economy grows 6.7pc in 2003

### AFP, Bangkok

Thailand's economy grew 6.7 percent last year, making it Southeast Asia's strongest performer with the best result since 1995 and a forecast for 7.0-8.0 percent expansion in 2004, new data said Monday.

The National Economic and Social Development Board (NESDB) said an unexpectedly high 7.8 percent expansion in the three months to December prompted it to raise its 2004 forecast from 5.8-6.2 percent.

The government's advisory body said booming exports and consumer spending, together with an improving world economy and the limited impact of the recent bird flu crisis, contributed to its positive projection.

"The predominant economic force is domestic demand, especially private investment which has picked up remarkably," it said.

"The 6.7 percent growth of real GDP in 2003 suggests stronger economic momentum... moving into 2004."

# G10 central bankers to examine world recovery

### REUTERS, Basel, Switzerland

Top central bankers will put the global economic recovery under a microscope Monday amid some concerns that risk-hungry investors were driving markets higher than fundamentals might justify.

Bank of Japan Governor Toshihiko Fukui, speaking to reporters on the eve of a G10 meeting of central bank heads, said that the "sustainability of the overall world economy" would figure prominently on the agenda at the Monday meeting.

Jean-Claude Trichet, spokesman for the central banks from the G10 industrialised nations, is expected to say that the world economy is continuing its recovery but point to some remaining risks when he addresses the media on Monday.

Some economists worry that a host of risks -- including the US trade deficit and foreign exchange volatility -- could derail the ongoing recovery.

Dramatically weak US jobs data last week sparked ears that

the North American economic recovery may be more fragile than previously thought. The data sent the dollar, which had clawed back in recent weeks, tumbling again.

The Bank for International Settlements (BIS), a forum for the world's central banks and host of the G10 meeting, on Sunday said that investors' strong risk appetite, not just economic fundamentals, had driven a global equity rally in 2004.

Equity prices have outpaced earnings improvements for about a year, pushing some valuations beyond historical averages, said the BIS, whose views are seen to reflect a consensus among monetary authorities.

While improvements in global growth prospects and corporate finances would have justified some increase in the prices of equities, corporate bonds and sovereign debt, the size of the increases suggested further support from a robust appetite for risk," said the BIS in its quarterly global economic report.

"Not even further revelations of corporate malfeasance seemed to unsettle investors," said the Basel-based BIS, in a reference to the scandal surrounding Italian food group Parmalat.

The subtle BIS warning about overvaluations came as leading monetary authorities ponder what role central banks should play vis-a-vis rising markets, either through bursting market bubbles, deflating them gently, or standing by idly.

International fund managers have begun to voice concern that cheap money in Japan, Europe and the United States has fueled a rush into riskier assets that could unwind dangerously when interest rates in the top industrial countries start rising.

European Central Bank Governing Council member Ernst Welteke, however, said he was "relaxed" on the issue of asset bubbles, adding that central bankers were alert to market developments but that the economic outlook was positive and that talk of threats to the recovery were perhaps overdone.



PHOTO: NYK LINE (BANGLADESH)

Matsushiro Horiguchi (7th from left), ambassador of Japan in Dhaka, Tadamasu Ishida (6th from left), senior managing director of NYK Line, Tokyo, Takamitsu Wakita (1st from left), chairman of NYK Line (Asia) Pvt Ltd, and Rashed A Ali (2nd from right), director and chief operating officer of NYK Line (Bangladesh) Ltd, among others, pose for a photograph at the first ever 'Shipper's Nite' hosted by NYK Line (Bangladesh) Ltd at Pan Pacific Sonargaon Hotel on Sunday.



PHOTO: STAR

Ataul Haque, managing director of IFIC Bank Limited, and Charles CR Patra, managing director of Square Informatix Limited, exchange documents after signing an agreement in Dhaka yesterday. Under the deal, IFIC Bank will launch online banking services for its clients. Bangladesh Telecommunication Regulatory Commission (BTRC) Chairman Syed Marghub Murshed and IFIC Bank Chairman Manzurul Islam were also present.