

Sponsor directors now must make irrevocable order for share trade

STAR BUSINESS REPORT

Sponsor directors of listed companies will have to make irrevocable order for transaction of shares at prevailing market price and submit details of it to the Securities and Exchange Commission (SEC) and bourses within one week of execution of the order.

The SEC issued the order yesterday to prevent sponsor directors making buy/sale order at undervalued rate which affects the secondary market.

It is alleged that sponsor directors make buy/sale order at a rate much lower than the prevailing market price. The announcement goes online to all brokers and leads to volatility in prices. After the market reperussion, the sponsor directors revoke the order without citing any reason.

The capital market watchdog took the decision to protect legal rights of the shareholders and keep the market free from manipulation.

Qatar Airways to increase frequencies in Europe

Qatar Airways has announced an increase in the airline's frequencies to Germany and other European destinations this year as it prepares to start a new non-stop service to Zurich in July.

Chief Executive Officer of the airline Al Baker made the announcement at the ITB Berlin travel exhibition adding that the airline has recently increased combined frequencies to Frankfurt and Munich by four flights a week, says a press release.

"This means we are now flying to Munich five times a week and to Frankfurt six times a week," Baker said.

As part of the airline's initiative to increase European network, the airline will start an additional flight to Paris to fly daily non-stop from June 1 and another non-stop service to Zurich from July 8.

US, Qatar sign trade, investment agreement

REUTERS, Washington

The United States Friday signed an agreement with Qatar is aimed at fostering more trade and investment between the two countries and which could lead to a bilateral free-trade arrangement.

In announcing the agreement, US Trade Representative Robert Zoellick called Qatar "a steadfast friend" in the war against terrorism.

US relations with Qatar were also strengthened by the Gulf state's hosting of trade talks in 2001 that launched a new round of global negotiations to liberalize agriculture and other trade.

Top 20 hold 71pc of Rupali Bank default loans

Legal, bureaucratic tangles retard recovery drive

REJAUUL KARIM BYRON

Top 20 defaulters of Rupali Bank together hold Tk 550 crore or 71 percent of the bank's total default loans amounting to Tk 769 crore.

Among the top 20, the default loans of state-owned enterprises and government liabilities totalled Tk 295 crore, sources at the nationalised commercial bank said.

"Although we have pressure from the Bangladesh Bank to recover these loans by this year, chances are very thin that we'll succeed because of legal and bureaucratic tangles," said a high official of Rupali Bank on condition of anonymity.

He said dealing with the private defaulters will not be easy because they have obtained stay orders from the High Court on the bank's move to recover the loans. "And the government must have a will to pay us back the default amounts lying with the public concerns."

Adamjee Jute Mills that was closed two years ago is the top

defaulter of Rupali Bank. It owed the bank Tk 126 crore keeping its 276 acres of land as collateral. "The value of this land is Tk 131 crore," said a bank official.

"We believe we'll get our dues once the government sells the Adamjee lands," he hoped.

The bank management in its bid to strengthen loan recovery drive has opened special cells at all regional offices and the head office. General managers have been given special assignments to deal with particular defaulters regularly.

The steps were taken following a meeting between the central bank governor and Rupali Bank high-ups earlier this month.

The top public sector defaulters are Adamjee Jute Mills (Tk 126 crore), BJMC (Tk 47 crore), BTMC (Tk 42 crore), BADC (Tk 21 crore), Food Ministry (15 crore) and Sirajganj Spinning and Cotton Mills (Tk 11 crore).

Besides, the government, as a guarantor, is also liable to pay back the loans taken by Bangladesh

Auto-rickshaw Chalak Samabay Samity (19 crore) and Bangladesh Auto-tempo, Scooter, Cab Chalak Samabay Samity (Tk 14 crore)

The top private sector defaulters are: Mannan Brothers (Tk 55 crore), Rahmania Vanaspati Products (Tk 43 crore), Crystal Oil Refinery Ltd (Tk 24 crore), W Rahman Jute Mills (Tk 23 crore), Metropolitan Steel Mills Ltd (Tk 18 crore), Paragon Leather and Footwear Ltd (Tk 16 crore), MB Tannery (Tk 15 crore), Aqua Food Ltd (Tk 14 crore), Shah Jute and Plastic Processing (Tk 13 crore), Gawsia Cotton and Spinning Mills (Tk 12 crore), Dynasty Textile Mills (Tk 10 crore), Metalex Corporation (Tk 11 crore).

Among these companies, Metalex Corporation used to be a public sector enterprise that was privatised in 2000. The bank in 2002 offered the buyer interest waiver against the default loan but the new owner did not respond to it.

Internet fair begins in Dhaka March 31

UNB, Dhaka

The four-day Internet Fair 2004 begins here at Osmani Memorial Hall on March 31.

The Internet Service Providers Association of Bangladesh (ISPAB) is holding its first internet exposition and trade fair with the slogan "Internet for All".

Some 65 internet service providers and solutions providers will take part in the fair.

A browsing zone with free access to internet will also be available to all visitors. Seminar and discussions will also be held throughout the event with special guest speakers from the national and international IT community.

GrameenPhone and Samsung will be the sponsors of the event.

An information centre will also be set up on the fair premises. The entry ticket price is fixed at Tk 10 a person.

All information about the fair is being posted at the official website, www.internetfair2004.com.

Emirates to double flights to Sydney from Nov

Emirates Airline recently announced to start double services four days a week between Dubai and Sydney from November.

The frequencies will become double daily a year from now, says a press release.

Dubai-based Emirates, has been providing a non-stop daily service between the two cities since December.

Presently, Emirates' daily services to Australia include Brisbane, Melbourne and Perth.

Emirates will also operate six new services to Melbourne from August, as announced earlier.

Americas free trade talks at low point

REUTERS, Brasilia, Brazil

Talks to create an Americas-wide free-trade zone have never been so tough and could well miss a year-end deadline as all sides wait for better terms in 2005, analysts said Friday.

A lack of consensus between the 34 nations throughout the hemisphere involved in the talks led to the cancellation of a meeting this week in Puebla, Mexico.

Nations may still reach a minimal accord by year end to keep talks alive but wait for a better bargaining climate after the US presidential election. No one wants to be blamed for the impasse after 10 years of talks, analysts said.

"It's as if there was a corpse in the room and no one wanted to be the first to point it out," said Paulo Nogueira Batista, an economist at the Getulio Vargas Foundation, a Brazilian economic think tank.

Negotiations to build the world's largest free-trade zone have run into difficulties in recent years as top South American players Brazil and Argentina elected left-leaning governments. The right-wing government of President George W Bush, meanwhile, hardened the US bargaining position.

Oil prices edge higher, flirt with historic highs

AFP, New York

US crude oil prices approached a 13-year record closing high Friday as traders pumped up the market in fear of an impending OPEC production cut.

New York's benchmark light sweet crude contract for delivery in April rose 15 cents to finish at 38.08 dollars a barrel.

The price was just 10 cents shy of Wednesday's close, which was the highest finish since October 1990. During the day, it spiked to a one-year trading high of 38.50 dollars.

Brent North Sea crude oil for May delivery rose 13 cents to 33.26 dollars a barrel.

"The market still behaves like a bull market," said AG Edwards market analyst Bill O'Grady. "There is no news that can help prices go down."

Trade was nervous ahead of the weekend, he said.

The Organization of Petroleum Exporting Countries said Thursday it had cut its forecast for second quarter demand of OPEC crude oil by 190,000 barrels per day.



Visitors browse through brochures at the two-day Dutch Catalogue Show 2004. The show, aims to provide business information on products and services of Netherlands companies, began at Dhaka Sheraton Hotel yesterday.

Bol approves 28 projects involving Tk 14932m

Industrial park, agro-processing complex in Ctg among the schemes

UNB, Chittagong

The Board of Investment, at its first meeting outside the capital, yesterday approved 28 projects with an estimated outlay of Tk 14932.19 million from foreign and domestic investment.

An industrial park and an agro-processing complex to be set up in Chittagong, spending some Tk 1452.03 million, are the two main ones of the projects endorsed.

The approval was given at the 320th meeting of the executive committee of the investment board held at the Chittagong divisional office with its Executive Chairman Mahmud Rahman in the chair.

The meeting was informed that 196 industrial projects, three with foreign investment, were given registration from the Chittagong divisional office in 2003 with a total investment of Tk 5523.69 million.

At present, 95 of the projects are in operation and 70 others under implementation, the meeting was told.

In the past year, the divisional office recommended 109 Import Registration Certificates (IRCs) and 12 bonded-warehouse facilities. And another 125 certificates were given for unloading imported machinery.

While exchanging views with the members of CCCI later, the Bol executive chairman said local and

foreign investors are getting "all facilities", including investment registration, from the regional office here, expecting work permit.

Calling upon the businesspeople to be vocal against hartal, he said the country's economic growth was hampered due to 'hartal culture' during 95-96 period.

He also assured of opening a "courtesy service booth" at the international airport here to help the investors.

The Chittagong chamber president, Amir Humayun Mahmud Chowdhury, senior vice-president Ershad Ullah and former minister Zahiruddin Khan were among others present.

Tata Motors eyes overseas market pie thru' Daewoo

ANN/ KOREAN HERALD

Tata Motors Ltd, India's largest commercial vehicles maker, plans to use its newly acquired Daewoo unit to advance on the Korean and overseas markets, a senior company executive said yesterday.

"It is the largest overseas investment in our company's history and also the biggest in the history of all Indian corporations," said Ravi Kant, executive director of Tata Motors, commercial vehicles division, during a news conference in Seoul yesterday.

Tata Motors signed an agreement to purchase Daewoo

Commercial Vehicle Co Ltd, commonly known as DWCV, for about \$102 million (118 billion won) last month. The agreement followed the completion of due diligence by Tata Motors as per the memorandum of understanding signed by the companies last November.

DWCV is Korea's second-largest truck maker with annual production capacity of 20,000 medium-size and heavy vehicles.

The purchase will allow the Indian carmaker to use the Daewoo trademark in Korea and overseas for its DWCV lineup. It is the first overseas acquisition by the company.

"Daewoo Commercial Vehicle will take a very important role in our global strategy," Kant said. "Korea has proximity to the Chinese market. We think that the further business plan with DWCV will be very interesting."

Though little known in Korea, Tata Motors is the world's sixth-largest commercial vehicles maker with a commanding 55 percent share of the Indian market. In the nine months ended December, the company's revenue stood at \$2.3 billion and net income was \$115 million, according to industry sources.

It is also India's second-largest passenger-car maker.

Thai properties attract Singaporean buyers

ANN/ THE STRAITS TIMES

Businessman J Lim wants to buy a retirement home abroad.

Australia, a traditional favourite among Singaporean retirees, is under because it's too far and is boring, he said. Tropical Malaysia is also not a good bet because it is, well, too familiar.

But a property exhibition on Phuket and Koh Samui homes two weeks ago aroused his interest.

He said: "My wife and I are devout Buddhists and there are many temples in Thailand to visit."

He scooped up dozens of brochures bearing pictures of resort-like bungalows with landscaped gardens and swimming pools for closer study at home.

About 2,000 people visited the exhibition. The organiser, property and travel magazine Artasia Press, said each of the 20 developers there has five to 10 serious buyers who will be flying to Thailand to view the properties.

Sales started a decade ago, but have grown dramatically in the last five years, said nine developers The Sunday Times interviewed.

Two things have worked in Phuket's favour: the 2002 bombings in Bali, which put off people looking to buy second homes there, and Phuket's reputation for being a top holiday destination.

It is close to Singapore and visa rules are not onerous, the beaches are good and activities such as golf, sailing and diving are relatively inexpensive.

Bill Barnett, managing director of East Coast Ocean Villas, said demand has caused property prices to rise 20 to 25 per cent in the last two years.

Prices of the bungalows and condominiums, on freehold or on 90-year lease, depend on location, size and facilities. They range from \$100,000 to \$5 million.

Thai-based property developer Phuket Land Resort, for example, is offering a six-bedroom villa in Phuket with two guest bungalows, a tennis court, a private spa and 300-degree view across white, sandy beaches at \$7 million.

Cheaper homes, for retirement, holiday and dwelling, don't sound too bad either.

Majestic Residence condominium units and villas facing Jom Tien beach with tennis courts and clubhouse cost \$130,000 to \$1 million each.

Alila Phuket Villas facing Kamala beach, with gym and private pool, cost \$450,000 to \$950,000 each.

But Singaporeans "not surprisingly prefer the higher range," said Jean-Claude Guillet, marketing director of A.C. Highland, which sells L'Orchidee Residences costing \$700,000 to \$1.2 million.

Thai-Euro FTA likely by year-end

THE NATION/AFP

Thailand and four European nations have pledged to sign a free trade agreement (FTA) by the end of the year, Thai and Swiss officials said this week.

Swiss President Joseph Deiss, on a three-day visit to the Kingdom, met Prime Minister Thaksin Shinawatra to discuss the launch of talks on a pact between Thailand and European Free Trade Association (Efta) members Norway, Switzerland, Liechtenstein and Iceland.

"I'm very happy about the fact that Thailand and the prime minister are prepared to get into discussions and negotiations about an FTA between the Efta and Thailand in the coming months," Deiss said after the talks.

The Efta, whose members are not part of the European Union, has free trade status with the EU and 21 other trading partners.

Thaksin said he and Deiss discussed the prospect of closer economic ties between the Efta and the 10-member Association of Southeast Asian Nations (Asean). The PM expressed optimism that a Thailand-Efta free trade deal could be thrashed out by the end of Deiss' term in office late this year.

Thailand signed two major FTAs last year - one with China and another with India, which comes

Indian central bank sees higher growth

REUTERS, Dubai

The Indian economy is likely to expand at a higher growth rate to match the pace that was seen in the early nineties, a senior central bank official said Saturday.

"The Indian economy is recovering and is poised to resume the higher growth of the early nineties," Rakesh Mohan, deputy governor of the Reserve Bank of India (RBI), told a money market and fixed income conference.

India, Asia's third-largest economy, is set to expand at 8.1 per cent in 2003/04 (April-March) aided by a rebound in the farm sector after the best monsoon rains in a decade. The economy expanded by four per cent in the previous year.