

FBCCI seeks govt guidelines on corporate governance

STAR BUSINESS REPORT

The apex trade body yesterday sought guidelines from the government to ensure good business practices in both the public and private sectors.

Professionalism is an integral part of good corporate governance, which helps expand business and achieve the economics of scale in production of goods and services in a family-owned business, the FBCCI said in a statement issued yesterday.

FBCCI (Federation of Bangladesh Chambers of Commerce and Industry) also observed strengthening of corporate governance hinges on an effective legal system. "Without a strong legal system, the mechanism will either function poorly, or fail to function at all," it said.

However, the FBCCI has pre-

pared a set of recommendations to ensure good corporate governance and make a common code of ethics for businesspeople.

According to the recommendations, the management body of an enterprise should exercise leadership and integrity in directing the company. "The organisation should function with transparency, accountability and responsibility."

The company board must monitor and evaluate the implementation of strategies, policies, management performance criteria and business plans, the FBCCI recommended.

"Any funds from company assets should not be contributed to any political party or organisation, or to any individual who either holds a public office or is a candidate for a public office," it said.

Companies neither should main-

tain any secret funds nor record transactions beyond the balance sheet. They should not have any account for any purpose other than legitimate business. All transactions involving company assets should be properly recorded, it said.

The company directors must ensure that they comply with all relevant laws, regulations and codes of best business practices. Directors must ensure that no person or group of people has unrestricted power, it added.

The company board must regularly review processes and procedures to ensure the effectiveness of its internal systems of control so that its decision-making capability and the accuracy of its reporting and financial results are consistently maintained, FBCCI said.

A corporate loan taken from any

bank must be used only for the purpose for which it was taken. If any diversion of funds had taken place in the past, it should be rectified, the recommendations said.

"Business houses should pay taxes regularly as required by law. Public limited companies must pay dividends as declared."

Business houses should not get involved in corrupt practices nor should they give any illegal donations. If such a payment has to be made under duress it should be reported to appropriate authorities, FBCCI said.

The board must identify key risk areas and key performance indicators of the business enterprise and monitor these factors, it added.

Aktel introduces 7-digit number

Aktel has introduced 7-digit number. Phone users will have to dial 9 after the access code, 018, to get connected with any Aktel subscribers from today.

With the introduction of 7-digit number the Aktel cellphone will be able to provide the GSM service to vast number of subscribers, says a press release.

At present, Aktel covers 59 districts and its customers' number has crossed 500,000-mark.

Siemens launches new mobile set

Siemens has launched a new mobile phone set in the local market recently.

The new set -- Siemens S55 -- weighing 85gm contains various features, which include currency and world clock facilities, says a press release.

Users can also take photos using QuickPic camera and send personal picture messages by Siemens S55.

Prices of 42pc securities fall below face value

M ABDUR RAHIM

Prices of 42 percent securities have gone down below their face value, which the market analysts believe reflection of a dismal state of the secondary market.

As many as 111 companies and mutual funds, out of the total 260 listed in the country's two stock exchanges, are experiencing such a low level in their share prices.

Market players blamed poor financial performance of the companies, most of which belong to Z category, and low confidence of the investors for the price slump.

But the list of these low performing companies also includes some from A and B categories which is quite unusual, they said.

Seventy out of 93 securities in Z category, twelve out of 127 in A category and 29 out of 39 securities in B category are sold at prices below their face value.

A category companies pay dividend at a rate of over 10 percent and B category companies pay under 10 percent. And the companies, which do not pay any dividend, fall under Z group.

Analysts say price decrease of such a large number of companies discourages people to invest in secondary market and project a negative image of the stock market.

The undervalued A category securities are 1st BSRS Mutual Fund, AIMS 1st Mutual Fund, Beach Hatchery, Beximco Denims, Beximco Synthetics, Beximco Textiles, Himadri Ltd, Delta Millers, Eastern Housing, Keya Detergent, Miracle Industries and Sinobangla industries.

When asked for his comment, Securities and Exchange Commission Executive Director Mansur Alam said this is a warning for the investors.

"As the companies perform

poorly in terms of corporate incentives, investors lose interest and confidence in the securities leading to the price fall below face value," he said.

Though these companies shock both the market and investors, the regulators have little to do in improving the situation. Considering the investors' interest, regulators cannot delist the companies performing poorly, he added.

However, trading of some of the undervalued companies remained stopped since December last year as the regulators suspended them following abnormal surge of price without any corporate disclosure by the companies.

The companies are Karim Pipe, Dhaka Vegetable, Paragon Leather, National Oxygen, Gem Knitwear, Therapeutics, JH Chemical, Mark Bd Shilpa, Texpick Industries and Meghna Vegetables.

Executives of int'l container shipping assoc

Per Heisselberg of Maersk Bangladesh has been elected chairman of the newly formed International Container Shipping Association (ICSA), a body of Bangladesh shipping agents of container shipping lines.

The other executive committee members are Mizanur Rahman of SW Shipping and Jamaluddin Quader Chowdhury of QC Container Line, vice-chairmen, M Nurul Alam of P&O Nedlloyd, secretary, and Waldo C Basilla of APL Bangladesh, treasurer.

The members were elected on Wednesday for 2004-2006 term, says a press release.

Snow sees recovery in manufacturing

REUTERS, Washington

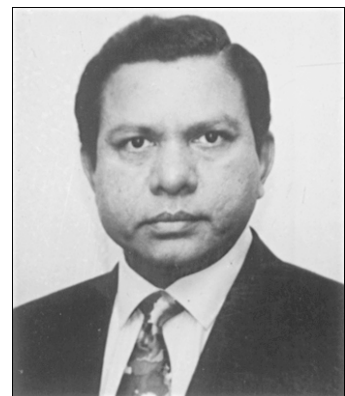
US Treasury Secretary John Snow said on Friday the US manufacturing sector appeared heading for recovery after nearly four years of decline, and he predicted job growth in the sector to grow in coming months.

"I think we've finally turned the corner in the long beleaguered manufacturing sector," Snow told CNN's "Lou Dobbs Tonight" as he welcomed news in the March jobs report that factory payrolls were unchanged last month, breaking a string of 43 consecutive monthly declines.

Snow said the data were "very hopeful," adding, "In the months ahead, the expectation would be to see manufacturing pick up on the jobs front." He noted that US manufacturing output was already rising.

The Labour Department on Friday reported that US employment rose last month at the fastest pace in nearly four years as hiring jumped in a wide array of industries. While a long-hoped-for rise in manufacturing employment did not materialise, economists were encouraged by the lack of another decline in factory payrolls.

New chairman of UCBL



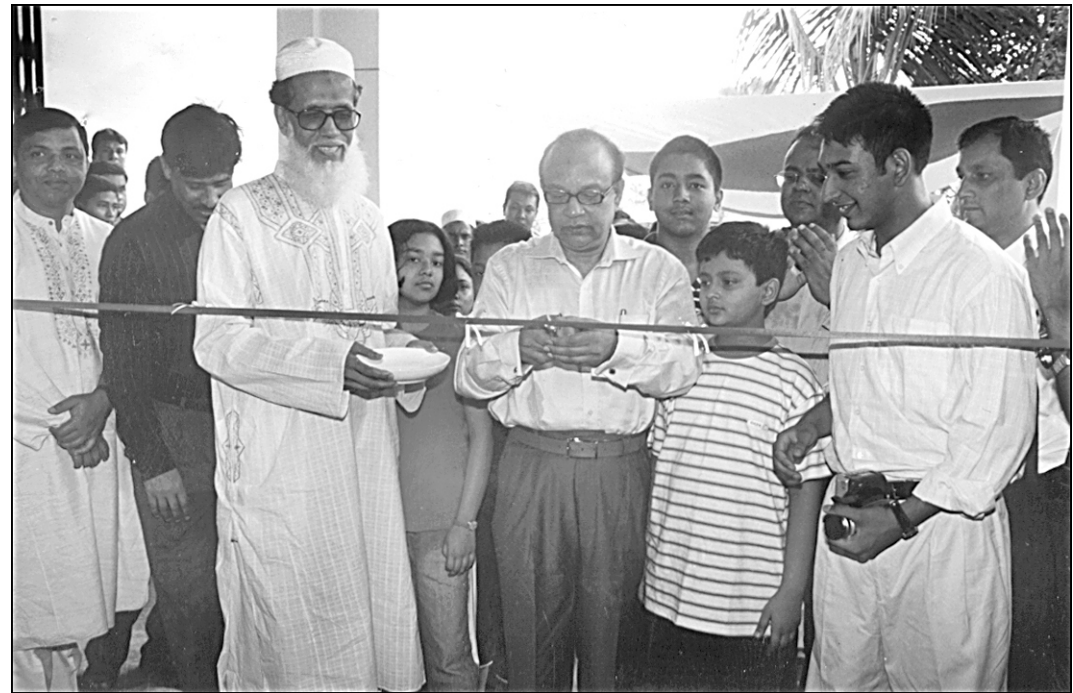
MA Sabur has been unanimously elected chairman of the United Commercial Bank Limited (UCBL).

Prior to his present position, he was the vice-chairman of the bank, says a press release.

The election was held at an emergency board meeting of the bank in Dhaka yesterday.

He is the founder managing director of Maxim group.

He is also the managing director of Masco Group of Industries and director of Janata Insurance Co Ltd.



Minhaz A Chowdhury, chairman of Benham Pharmaceuticals Limited, inaugurates the company's factory at Savar, Dhaka on Friday. Among others, Mosleh UA Chowdhury, managing director of the company, was present.

QUOTA-FREE GLOBAL TEXTILE TRADE

Developing nations talk common stance tomorrow

PALLAB BHATTACHARYA, New Delhi

Against the backdrop of the scheduled onset of quota-free global textile trade next year, a four-day meeting of officials of developing countries begins here tomorrow to discuss among other things the feasibility of firming up a common plank.

Representatives of 80 countries, including India, Brazil, China, Pakistan, Thailand and Indonesia, are expected to attend the meeting of the International Textiles and Clothing Bureau (ITCB).

According to textile ministry sources here, the meeting will discuss ways to cope with tariff, non-tariff and other forms of hidden barriers to textile trade and if developing countries can work out a common approach to quota-free textile export era. The viability of

such an approach would also come up for deliberations, they added.

The meeting will also be used for consultations on Doha round of WTO issues relating to textiles.

Textile industry sources are keeping fingers crossed about the graph of Indian textile exports in the first nine months of the year 2005 when the quota is removed. But one thing is certain in the quota-free regime: Indian exporters cannot hope to go on exporting, banking on borrowed quotas against future quotas.

Apparel Export Promotion Council estimates that Indian textile exports in the financial year 2003-4 will be about 5.1 billion dollars, down from 5.3 billion dollars in the previous year. The figure is expected to be around five billion dollars in the current financial year.

The quota-free regime would mean two things for India: first in the short term, exports in value terms would come down with the removal of expenditure for quota management and secondly, in the long run Indian exports will become competitive with China on cost basis, industry sources say.

The main reason why Indian apparel exports is expected to get a cutting edge in the quota-free regime is the fact that its production is indigenous right from growing cotton seeds to manpower, the sources added.

India now accounts for just 2.5 percent of global apparel trade with main markets being the European Union and the United States with each accounting for 40 percent of total apparel exports.

Dutch-Bangla Bank Foundation awards scholarship

Dutch-Bangla Bank Foundation has awarded a scholarship of Tk 1.50 lakh to a meritorious student of East West University.

Dutch-Bangla Bank Limited Managing Director Md Yeasin Ali handed over the cheque to Mamunur Rashid, who received a gold medal in 2004 convocation, yesterday in Dhaka, says a press release.

The scholarship will cover the full tuition fees of Rashid's MBA course at East West University.

Founder Vice-chancellor of the university Mohammed Farashuddin, Pro Vice-chancellor Syed Ferhat Anwar and Dutch-Bangla Bank Foundation Administrator Mozammel Hossain Khan were, among others, present.

Pascal Lamy interested in IMF post

AFP, Helsinki

European Trade Commissioner Pascal Lamy said Friday he was interested in running the IMF and called for the post of director to be attributed transparently.

"The post of director of the International Monetary Fund is a post I am interested in," Lamy told AFP by phone from Finland.

EU finance ministers who have gathered at the Punchedown race-track outside Dublin are holding talks to decide who should succeed Germany's Horst Koehler as head of the IMF.

Lamy said he had made his interest known to the French government but had not received its backing in return.

Since the founding of the IMF and the World Bank in 1944, the managing director of the IMF has by custom been a European and the president of its sister institution an American.

So far only one European candidate has formally presented himself for the post of IMF managing director -- Spain's outgoing Economy Minister Rodrigo Rato.

Italy has suggested that outgoing EU Competition Commissioner Mario Monti would be an ideal candidate, but the French head of the European Bank for Reconstruction and Development, Jean Lemierre, is widely considered the frontrunner should he stand.

Lamy urged above all that the nomination process be above board.

Ireland mints silver euro coin

AFP, Ireland

The European Union's Irish presidency on Saturday unveiled a special 10-euro silver coin minted to commemorate the bloc's upcoming historic enlargement.

"The coin ... reflects the emergence of a new era of prosperity and opportunity for the people of Europe," said Irish Finance Minister Charlie McCreevy, presenting the coin at informal talks outside Dublin.

One side of the coin depicts a swan nesting 10 eggs, representing the 10 new members due to join the EU on May 1: Estonia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia, Hungary, Slovenia, Malta and Cyprus.

Ecneec okays six projects worth Tk 621cr

STAR BUSINESS REPORT

The Executive Committee on National Economic Council (Ecneec) yesterday approved six projects involving Tk 621 crore.

The projects are infrastructure development in greater Bogra, Rajshahi and Pabna districts under Local Government Division, rural infrastructure development in greater Comilla, Rangpur and Dinajpur districts and establishment of a girls' cadet college in Comilla under defence ministry.

The other projects are prevention of unification of Bangali and Jamuna rivers at Titparal and Debdanga points in Bogra district

under water resources ministry and construction of Konakhola-Kholamura-Hazratpur-Iltavata-Hemayetpur road under communications ministry.

Of the total approved expenditure, Tk 430 crore was allocated for rural infrastructure development projects which include rural road construction, development of growth centre (planned village market), bridge and culvert construction.

The project summary cited that the projects would contribute to reducing rural poverty and flourishing rural economy.

Prime Minister Khaleda Zia chaired the meeting at NEC conference hall in Dhaka.

Finance and Planning Minister and Alternative Chairman of Ecneec M Saifur Rahman, LGRD Minister Abdul Mannan Bhuiyan, Health Minister Khandaker Mosharrar Hossain, Communications Minister Nazmul Huda, Agriculture Minister MK Anwar, Housing and Public Works Minister Mirza Abbas, Post and Telecommunications Minister Aminul Haque, Water Resources Minister Hafizuddin Ahmed, Bir Bikram, Foreign Minister M Moshed Khan and State Minister for Finance M Anwarul Kabir Talukdar attended the meeting.

EU set to delay IMF decision, despite critics grumbling

AFP, Punchedown Racecourse, Ireland

EU finance ministers seemed set Saturday to put off a decision on their choice to head the IMF amid grumblings from other countries fed up with European horse-trading.

A two-day informal retreat at a racecourse outside Dublin failed to come up with a single candidate to succeed Horst Koehler as chief of the International Monetary Fund (IMF), a post which traditionally goes to a European.

"I don't think that we'll have a decision today. We'll have to discuss the matter in depth, taking into consideration what colleagues in other parts of the world are thinking," said Luxembourg's Prime Minister Jean-Claude Juncker.

Koehler announced his resigna-

tion as the IMF chief on March 4 to run for president in his native Germany, for which he is widely seen as a shoe-in in May elections.

Traditionally the managing director of the IMF has been a European and the president of the World Bank an American.

The only declared candidate so far is Spanish Finance Minister Rodrigo Rato. But his hopes were dealt a severe blow by his government's surprise election defeat last month after the March 11 Madrid bombings.

In the wake of the Spanish shock the French head of the European Bank for Reconstruction and Development (EBRD), Jean Lemierre, has emerged as frontrunner, notably due to backing by EU heavyweights France and Germany.

EU trade commissioner Pascal Lamy has also thrown his hat into the ring, while Italy's Mario Monti, the bloc's competition commissioner, is also reported to be among other candidates interested.

Juncker said the ministers, meeting for a second day of informal talks in Ireland, hoped to have a "final round" of talks at a meeting of the EBRD in London on April 18-19.

British Chancellor Gordon Brown, who holds a key post on the IMF executive, made no comment as he arrived for the talks.

But said Juncker: "I guess that we'll have a final informal round in the margin of the (EBRD) meeting in London," adding: "I don't know if we will have a decision there but we will make final progress in the course of that meeting."