

BB, SEC to ensure shareholders' representation in bank boards

Regulators to formulate guidelines on bond transaction in secondary market

STAR BUSINESS REPORT

Bangladesh Bank and Securities and Exchange Commission will ensure shareholders' proportionate representations in bank boards.

At a meeting yesterday, the SEC and the central bank decided that they will act to ensure shareholders' representation in bank boards.

Although the Companies Act stipulates to keep proportionate representations of sponsor directors and shareholders in boards, no banks comply with the rules, sources said.

From now on the capital market regulator will impose conditions on banks during initial public offering (IPO) so that they take representations from shareholders proportionately.

SEC and the central bank will also formulate guidelines on bond transaction in secondary market.

Presided over by central bank Governor Fakhruddin Ahmed, the meeting held in Dhaka was also attended by SEC Chairman Mirza Azizul Islam and high officials of the two regulatory bodies.

The meeting also discussed issues like irregular holding of annual general meetings (AGMs) by

listed banks, mandatory credit requirement and trading of government bonds in capital market.

The meeting expressed dissatisfaction over irregular holding of AGMs and trend of going to courts to get injunction on AGM holding. The two watchdogs agreed to take initiatives to stop the practice.

The SEC will make it mandatory for banks to go for credit rating during IPO issuance. Presently, the banks are required to have credit rating if they issue IPOs at premium rates.

The government recently asked the central bank to allow transac-

tions of government bonds in secondary market. The meeting found that it would be difficult to start secondary market trading of bonds, as 40 percent tax on income from investment in bonds exists now.

The meeting also decided that SEC will sit with National Board of Revenue (NBR) to reduce tax on bond investment. As the bond transaction will be conducted through primary dealers who are not brokers in stock market, SEC will sit with banks and stock exchanges to issue licence to primary dealers who are mostly banks.

Samsung urged to set up plant in Bangladesh

STAR BUSINESS REPORT

Law, Justice and Parliamentary Affairs Minister Moudud Ahmed has urged the Samsung Electronics authorities to set up a plant of the company in Bangladesh.

The call came as the minister was speaking at the closing ceremony of Samsung DigitAll Celebrations 2004 at Sonargaon hotel on Friday.

"I hope Samsung Electronics will not only market their products in Bangladesh but also set up a production unit to give an opportunity to local youths," he said.

He said, "We have a good number of educated young people with IT skills who can be well utilised in an electronic plant."

The minister also said Bangladesh has a favourable environment for foreign investment.

AM Nasiruddin, information secretary, Kwang-Soo Kim, president and CEO of Samsung South West Asia Regional Headquarters, Md Zakiaul Shahid, managing director of Electra International Ltd, distributor of Samsung home appliances in Bangladesh, Muhammad Shahidullah, founder chairman of Electra international, were also present at the closing ceremony.

Consultant firm picked for Sonali Bank

Govt approved in principle appointment of US company

STAR BUSINESS REPORT

The government yesterday approved in principle the appointment of a US company as consultant firm for Sonali Bank as part of a reform initiative for the nationalised commercial banks (NCBs).

The government will pay \$4.85 million to the International Business and Technical Consultant for a two-year job, official sources said.

The consultant for the country's largest commercial bank will be appointed under World Bank-sponsored Enterprise Growth and Bank Modernisation Project (EGBMP).

The firm will appoint eight advisors for Sonali Bank to enhance its efficiency.

Sources said a total of 22 firms applied to the NCB reform taskforce headed by Deputy Governor of Bangladesh Bank Nazrul Huda to get the job. The taskforce shortlisted six of them and asked them to send

their detailed proposals.

Evaluating the proposals submitted by five firms, including the International Business and Technical Consultant, the taskforce chose three of them and forwarded their names to the cabinet committee on purchase as technically qualified.

The committee yesterday at a meeting took a decision in favour of the US firm as consultant for the bank. The meeting was presided over by Finance and Planning Minister M Saifur Rahman, chairman of the committee.

This was the latest development in the process of appointing consultants for Sonali and Janata Bank, private management for Agrani Bank and advisor for privatisation of Rupali Bank under the World Bank-sponsored programme.

The taskforce however floated re-tender for appointing consultant firm for Janata Bank after firms which had submitted proposals for

the job demanded high fees in comparison with that of Sonali Bank, sources said.

The government has already appointed Hong Kong-based PricewaterhouseCoopers to run Agrani Bank under private management but it cannot start operation due to delay in appointing a chief executive officer (CEO).

The company was to take over Agrani Bank management from March 1, 2004.

Banking sources said PricewaterhouseCoopers has finally found the CEO for Agrani Bank. It selected Southeast Bank Managing Director Syed Abu Naser Bukhtear Ahmed to head the management board at a monthly remuneration of Tk 9 lakh.

The Hong Kong-based company has submitted his name to the government. The proposal is now awaiting the law ministry's vetting before a formal agreement.



Visitors gather at a stall in the 2nd Dhaka Advertising Festival-2004, organised by the Advertising Club, Dhaka, in Sheraton Hotel yesterday. Ad production houses, printing firms, newspapers and private TV channels took part in the daylong event.

BGMEA expands group ins coverage for staff, workers

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has signed an agreement with Jiban Bima Corporation to expand the group insurance coverage for the officials, staff and workers of ready made garment industry.

BMGEA President Annisul Huq and Managing Director of Jiban Bima Corporation Syed Ataur Rahman (additional secretary) signed the deal on behalf of their organisations at the BGMEA office yesterday.

Through the agreement, a new clause has been added to the group insurance deal signed between the two organisations two years ago.

According to the new clause, BGMEA member industries will pay a premium of Tk 8,000 per unit to Jiban Bima Corporation and in case of natural or accidental death of any worker, staff or official, the nominees will get an amount of maximum Tk one lakh.

According to the earlier provision, the nominees of the workers, staff or officials were to get the same amount only in case of accidental death while on duty, says a press release.

BGMEA Vice-president (Finance) Anwar-ul-Alam Chowdhury said the new clause will not only benefit the employees of the industry but also meet the foreign buyers' demand for social compliance.

Qatar Airways accords reception to WEF delegates

Qatar Airways accorded a reception to the delegates of a three-day World Economic Forum (WEF) held in Jordan recently.

Prime Minister of Jordan Faisal Al-Fayez, Minister of Economy and Trade Sheikh Mohamed Bin Ahmed Al-Thani, Qatar Ambassador to Jordan Mana Al Hajiri and Jordanian Minister of Planning Bassem Awadallah attended the event, titled as Qatari Night.

Qatar Airways Chief Executive Akbar Al Baker, ambassadors of different countries and foreign delegates were also present, says a press release.

IMF sees gradual strengthening in euro zone

AFP, Washington

The euro area is seeing only a gradual economic improvement that is "overly dependent" on global trade and favorable financial market conditions, the International Monetary Fund said Friday.

In a report following its annual consultations with officials from the 12-nation euro zone, the IMF said that inflation remains in check but that the region's economic growth is lagging behind much of the rest of the world.

"This year's consultation provides another opportunity to ponder why the euro area is seemingly unable to deliver robust growth," the report said.

Gala ad festival draws huge crowd

STAR BUSINESS REPORT

Media personalities, ad makers, models, experts and enthusiastic people yesterday gathered at a daylong advertising festival in Dhaka to exchange views and share opinions.

Organisers held a roundtable titled 'Hurdles in Advertising', multi-media presentation and video display on advertising to mark the event.

In a bid to boost the fledgling advertising industry of Bangladesh, the Advertising Club, Dhaka organised the festival titled '2nd Dhaka Advertising Festival-2004' at Dhaka Sheraton Hotel.

Ad production houses, printing firms, newspapers and private TV channels took part in the festival, where audio-visuals, TV commer-

cial and outdoor display of different products were exhibited.

Speaking at the inaugural function, Information Minister M Shamsul Islam urged the ad makers to produce international standard commercials.

Editor of the Prothom Alo Matur Rahman and Festival Convenor Wazir Sattar also spoke at the function.

Anjan Chowdhury of Square Toiletries Ltd presented a keynote paper on 'Bridging the Gap', theme of the festival.

ATN Bangla, Channel-i, Ntv and Square Group were the sponsors of the festival while Kohinoor Group, Lever Brothers and Rothmans were co-sponsors and Al-Amin Group and Dhaka Sheraton Hotel were associate sponsors.

Asia-Pacific accountants meet tomorrow in Dhaka

UNB, Dhaka

The 16th conference of the Confederation of Asian and Pacific Accountants (CAPA) will be held in Dhaka tomorrow.

President Iajuddin Ahmed will inaugurate the conference as chief guest while Commerce Minister Altaf Hossain Chowdhury will present as special guest. Institute of Cost and Management Accountants of Bangladesh (ICMAB) is organising the convention.

Speaker Jamir Uddin Sircar will present the valedictory session of the conference as chief guest while Chairman of Parliamentary Standing Committee on Agriculture Abdul Mannan MP and Comptroller and Auditor General Asif Ali as special guests.

The theme of this conference has been chosen as "The Accounting Profession in the Global Economic Scenario" under which six technical papers will be presented and discussed, said a press release.

Senior MD of Hino Motors in Dhaka

Kunihiro Susuki, senior managing director of Hino Motors Limited, arrived in Dhaka yesterday on a business trip.

During his stay, he will attend the launching ceremony of a Hino Luxury Euro Series bus, says a press release.

SOCIAL VISIT PASS FOR LONG STAY IN MALAYSIA

Immigration agency offers help to process application

STAR BUSINESS REPORT

A local immigration consultancy firm has offered Bangladeshi citizens assistance in getting 'Social Visit Pass' that allows foreigners to stay in Malaysia for long.

The special pass for foreigners was introduced by the Malaysian government in 1997 under 'Malaysia My Second Home' programme.

It will take Tk 1.8 lakh for a Bangladeshi citizen to complete the whole process of getting the pass, officials of CM International Immigration Service said.

The CM International will process the applications for long-stay in Malaysia in cooperation with its Malaysian counterpart Titi Emas Vacation Resort.

The two immigration service organisations made the offer at a jointly organised function at a hotel in Dhaka on Friday evening. Malaysian High

Commissioner to Bangladesh Ashaary Bin Sani attended the function as chief guest.

There is no age-limit to apply for the programme and the applicants will be allowed to bring all their dependents including spouse, children and one maid, M Saidur Rahman, advisor to CM International told the function.

However, the applicants either individually or with their spouse must have a fixed deposit in a local Malaysian bank to get the five-year Social Visit Pass.

The pass can be renewed and a person can stay there as long as he or she wants, Zaini Ramlee, executive chairman of Titi Emas, said.

He said the applicants must have a sponsorship granted by registered companies or any established bodies or organisations, or from permanent residents of Malaysia.

Banglabandha land port opens

UNB, Panchagarh

Banglabandha land port was formally opened yesterday to boost trade with landlocked Nepal and Bhutan but its full operation will be delayed in the absence of cooperation from India.

Officials at the opening function said the port would come into full operation sometime in July in presence of commerce ministers of the four countries -- India, Nepal, Bhutan and Bangladesh.

"The port will not operate fully now in the absence of cooperation of India," said an official.

The Indian authorities are to provide transit facility for transportation of goods to and from landlocked Nepal and Bhutan through its territory.

Banglabandha was constructed at a cost of Tk 1.46 crore on ten acres of land. Export-import through this land port to and from neighbouring India, Nepal and Bhutan is expected to increase considerably as the port provides a short and easy route to the traders.

East Asian economies knitting closer together

ANN/ THE NATION

East Asian countries are coming closer together through economic interdependence, with increasing links in production, trade and financial cooperation, a senior official of Thai finance ministry told a regional media forum.

Dr Kani Sangsubha, director of the ministry's Fiscal Policy Research Institute, said yesterday a shift in the economic paradigm of East Asia was occurring, as demonstrated by statistics since 1995.

Kanit told the fifth Asian-European Editors' Forum in Bangkok that the external trade of nine East Asian countries represented about half the total external trade of the countries in the region.

Without the 1997 economic crisis in the region, the data about economic interdependence within the region should have been clearer, he

told the 25 international editors at the conference, which was organised by the Konrad Adenauer Foundation.

Kanit said the next item on the agenda for East Asian governments is closer economic ties. On trade, Asian governments are discussing how to create bilateral free-trade agreements with the aim of bringing down tariff rates down to zero per cent among member countries.

"FTA packages in East Asia might be a good start for the next round of the World Trade Organisation (WTO)," he said.

The Asia Co-operative Dialogue (ACD) initiated by the Thai government should provide a balance for regional co-operation because it includes China and India, the largest economic and political powers of Asia.

New Product



Walton generator

RB Group of Companies has introduced Walton brand generators in local market.

Prices of the generators, having 650 to 5500 watt power, range from Tk 9,500 to Tk 56,800, says a press release.

The main features of the generators include remote control start, re-coil/ self start, ACO system, fuel alert indicator, auto circuit breaker, wheel for moving and option for welding works.

The generators are available in Walton showrooms all over Bangladesh.

Tax Free World Association to open Asia Pacific office in S'pore

The Tax Free World Association (TFWA), the world's largest association of duty-free and travel-related retailers, will set up its Asia Pacific office in Singapore this month, the Singapore Tourism Board and the Singapore Economic Development Board announced recently.

TFWA is the leading international trade association for the global duty-free and travel retail industry. Based in Paris, the association represents approximately 350 suppliers of products to duty-free and travel retail outlets worldwide, and its membership comprises key international brand companies, including Hermes, Cartier, Allied Domecq, Chanel, Christian Dior, Estée Lauder, L'Oréal, Nestlé and Philip Morris, among many others.