

President asks accountants to help curb financial anomalies

STAR BUSINESS REPORT

President Iajuddin Ahmed yesterday asked accountants to play a vital role in curbing financial irregularities.

As public confidence in accounting services both in public and private sectors is declining gradually, it is the duty of the accountants to unearth all malpractices and bring about transparency in financial activities, the president said.

"Transparency in financial regulations has become almost unknown to taxpayers and public in general," the president said as he was inaugurating the 16th Capa (Confederation of Asian and Pacific

Accountants) Conference 2004 at a hotel in Dhaka.

The Institute of Cost and Management Accountants of Bangladesh (ICMAB) hosted the conference.

Commerce Minister Altaf Hossain Choudhury, Capa President Robin A Hamilton Harding, South Asian Federation of Accountants (Safa) Vice-president Nurul Hassan and ICMAB President AKM Delwer Hussain also spoke at the inaugural function.

Abdul Mannan, chairman of the parliamentary standing committee on ministry of agriculture, presented the keynote paper in the conference.

The president also put emphasis on practice of good governance in enterprises. "Good governance along with proactive forward-looking management accounting techniques for enterprise management has become the 'survival kit' of the day," the president said.

Experts and professionals from Capa member countries presented six technical papers.

Speaking at the function, Capa President Robin Harding stressed the need for practising same international standards of ethics, education, accounting and auditing by the organisation members to face the challenges of the profession.

According to Harding, Capa, a

platform of 31 accounting bodies of 21 countries of Asia-Pacific region, has been endeavouring to train its members to raise their level of competency and expertise in handling the problems of financial and economic matters.

ICMAB President Delwer Hussain said the conference was held at a time when Bangladesh is passing through a crucial juncture of peace and prosperity and the region is busy with framing the new financial order and the accountancy profession is exposed to hopes and threats of globalisation.

Govt to initiate reforms to support SMEs

Commerce minister says

STAR BUSINESS REPORT

The government will initiate financial reforms to address the problems of small and medium enterprise (SMEs), said Commerce Minister Altaf Hossain Choudhury.

The government will implement programmes to enrich entrepreneurial skill and productivity of SMEs, he added.

The minister was speaking at the inauguration of a daylong workshop titled "Promoting Service Markets & an Enabling Environment for SMEs" organised by Swisscontact-Katalyst in Dhaka yesterday.

Altaf said lack of policy and institutional mechanism, inadequate infrastructure and poor market access are the major constraints facing the SMEs.

Patrick S Renz, general manager of Katalyst, also spoke at the function.

Peter Bissegger, country manager of Swisscontact, Indonesia, made a presentation titled "Improving the Local Enabling Environment" at the workshop.

TCL launches airconditioner in local market

STAR BUSINESS REPORT

Integra International Limited, authorised distributor of Telephone Company Limited (TCL) of China, yesterday formally launched a new brand airconditioner in Bangladesh market.

The small and lightweight airconditioner is easy to install in any place, said Ashraf A Siddiqi, manager (sales and marketing) of Integra International, at a press conference in Dhaka.

He said TCL airconditioner has more longevity and power efficiency. It has also the ability to withstand electricity fluctuation, Siddiqi went on describing other features of the new product.

Automatic control system of the airconditioner enables users to maintain a comfortable room temperature during nighttime, Siddiqi added. The price ranges from Tk 33,900 to Tk 55,000.

Shiraz Uddin Bin Badruddin, chairman of Integra International, said the company will provide five-year warranty for the product.

NSM Faruque, managing director of Integra International, and Teh Der Man, representative of TCL China, were present.

Dhaka Bank opens Islamic branch in Ctg

Dhaka Bank has opened an Islamic banking branch at Agrabad in Chittagong.

Housing and Public Works Minister Mirza Abbas inaugurated the branch, says a press release.

Among others, Abdul Hai Sarker, founder chairman of the bank, ATM Hayatuzzaman Khan, chairman, Shahed Noman, managing director, and Khondker Fazle Rashid, deputy managing director, were present.

IBBL to help set up Islamic bank in Nigeria

Islami Bank Bangladesh Limited (IBBL) will provide technical and management support to Jaiz International Plc, Nigeria to establish an Islamic bank in Nigeria.

A memorandum of understanding (MoU) to this effect was signed on Sunday in Dhaka between the two organisations, says a press release.

Abdur Raquib, executive president of IBBL, and Umaru Abdul Mutallab, chairman of Technical Committee and Interim Board of Directors, Jaiz International Plc, signed the MoU on behalf of their organisations.

Shinepukur Holdings, CDBL sign deal

Shinepukur Holdings Limited has signed an agreement with Central Depository Bangladesh Limited (CDBL) to convert its paper shares into electronic ones for trading under the central depository system (CDS).

OK Chowdhury, chief executive officer (CEO) of Shinepukur Holdings, and MH Samad, managing director and CEO of CDBL, the service provider of the CDS, signed the deal in Dhaka.

Improved corporate governance needed to boost stock market

SEC workshop told

STAR BUSINESS REPORT

Sound corporate governance in listed companies and positive image of the country can help boost the capital market by encouraging investment, the investors and regulators observed at a workshop in Dhaka yesterday.

If listed companies hold annual general meeting (AGM) and pay dividend regularly, it will grow investors' confidence, which is needed to make the market vibrant, SEC Chairman Mirza Azizul Islam told the workshop.

Alan King, director (Finance) of British American Tobacco Bangladesh (BATB) Ltd, said a stereotypical negative image of the country is discouraging foreign investors to play their due role in the capital market.

So Bangladesh should work on building positive images to increase flow of foreign investment especially

in the stock market, he suggested.

The multinational company official however said in spite of frequent natural disasters like flood and cyclone, foreign companies are operating in the country because investment provides reasonable return here.

"Bangladesh has immense prospect of attracting foreign direct investment and opportunity is also there in bringing in foreign investment in capital market," he told the workshop on "Corporate governance."

The Securities and Exchange Commission (SEC) organised the workshop at Cirdap auditorium for the officials of listed companies and stock exchanges under a technical assistance project of the Asian Development Bank (ADB).

Similar workshop will be held at Chittagong Stock Exchange on May 27, to be conducted by Aries Group Ltd, USA, the consultant of ADB.

The SEC chief reminded the companies that full, fair and correct disclosures is prerequisite to good corporate governance.

"If one company does not hold AGM or pay dividend and can still avoid punishment through legal loopholes, others will follow them which will ultimately weaken the capital market," he observed.

As only 25 percent investors are minority shareholders and the rest are sponsors and institutional investors, the rights and interest of minority shareholders need to be protected, the SEC chairman said.

Alan Rosenberg, team leader of ADB technical assistance programme, Quazi Reza-Ul Hoque, local legal consultant of ADB, and top officials of SEC, stock exchanges and listed companies attended the workshop.

BSFIC dealers urge govt to check sugar smuggling

STAR BUSINESS REPORT

Smuggled sugar has flooded the local market with the price going up as the government policy to import sugar through private sector failed to keep the market stable, sugar traders told a commerce ministry meeting yesterday.

They said smuggling of sugar from India is increasing because of huge production deficit and high cost of imported sugar. Importers have to pay around 103 percent duties and taxes to bring the essential item from abroad.

"As legally imported sugar is much dearer, a major chunk of this essential item is being smuggled into the country," said Samsul Haque Badal, general secretary of Bangladesh Wholesale Sugar Merchants Association (BWSMA), a platform of dealers listed with state-owned Bangladesh Sugar and Food Industries Corporation (BSFIC).

He accused "a cartel of private sector importers" of making the

sugar price unstable. "Moreover, the government is deprived of a substantial amount of tax as the importers are involved in under-invoicing to evade tax."

Commerce Minister Altaf Hossain Choudhury chaired the meeting attended by commerce secretary, high officials of the ministry and other leaders of BWSMA.

As the traders demanded allowing the state-owned corporation to import sugar and check smuggling, the commerce minister said his ministry will have to discuss the matter with other ministries concerned including finance and home affairs.

The meeting was told that domestic demand for sugar is more than nine lakh metric tons a year. Production in local sugar mills have been seriously affected this year, coming down to only 1.2 lakh tons against the normal production of 2.6 lakh tons.

The BWSMA leaders said as government has discouraged

BSFIC to import sugar, private imported failed to meet this huge deficit that encouraged smuggling.

Sugar is now selling at Tk 36 per kg in different markets in Dhaka, which was Tk 30 a kg one-and-a-half months ago, the traders said.

Sugar price was stable when public sector used to import it. But the opening of sugar import to private sector two years ago made the market unstable as a few importers are controlling the market and pushing the prices up, they mentioned.

Commerce Secretary Suhel Ahmed admitted that some importers are responsible for the unstable market and price hike of the essential item.

BWSMA leaders Sarwar Hossain, Anwar Habib, Abul Hashem, Delwar Hossain and Fazlur Rahman were, among others, present at the meeting.

India's new finance minister vows to push reforms

Appointment of Chidambaram cheers markets

AFP, New Delhi

India's new finance minister vowed Monday to push forward with economic reforms and keep a lid on the fiscal deficit as well as boost farm and manufacturing output and cut unemployment.

The tricky juggling act of promises by Palaniappan Chidambaram, 58, came as economists said the communist-backed Congress government sent a clear signal to rattled investors India was "very much open for business" by naming a staunch economic reformer as finance minister.

Prime Minister Manmohan

Singh, who launched India on the liberalisation track when finance minister in 1991, put the Harvard-trained lawyer late Sunday in charge of Asia's third-largest economy of more than one billion people.

"The continuity (of reforms) is pretty clear because we're going back to the days of the original reformer," Chidambaram, who succeeded Singh as finance minister in 1996, told his first news conference.

Analysts say the naming of the ardently pro-reform minister was aimed at easing market fears the government could slow reforms in one of the world's fastest-growing economies which logged 10.4 per-

cent third-quarter growth.

The combination of Chidambaram and Singh was a dream team, they added.

"The (stability) risks of a coalition government will remain but as a cabinet team I do not think the market would have asked for anything better," said Alok Vajpeyi, president at DSP Merrill Lynch Fund Managers.

The credentials of Singh and Chidambaram are strong, given their track records in liberalising the economy not only in words but in action," he said.

Navana launches new model Hino bus

STAR BUSINESS REPORT

Navana Limited launched a new model Japanese bus on Sunday in Dhaka.

Communications Minister Nazmul Huda was present as chief guest at the launching of Hino AK1J bus.

Speaking at the function, the minister urged the country's bus owners to import environment-friendly vehicles.

Japanese Ambassador in Dhaka Matsushiro Horiguchi, Deputy General Manager of Toyota Tsusho Corporation Kenji Suzuki, Chairman of Navana Group Shafiqul Islam Kamal, Senior Managing Director of Hino Motors Limited Kunihiko Susuki, and Deputy General Manager Hino Motors Limited Nobuyuki Hamano were also present at the ceremony.

Horiguchi said Japan has always extended its support for the development of Bangladesh's transportation, infrastructure and poverty reduction projects.

He also said Japanese vehicles have earned satisfaction of Bangladeshis customers.

Deputy general manager of Toyota Tsusho Corporation said environment-friendly four-stroke AK1J diesel-run buses consume less fuel.

Shafiqul Islam Kamal, chairman of Navana Group, said the new model bus has powerful JO8C (Euro-1) engine.

Kamal said Navana will import only chassis.

Saiful Islam Sumon, director Navana, the local distributor Hino vehicles, was also present.

\$440b question over China's foreign reserves

ANN/THE STRAITS TIMES

China had US\$440 billion (\$575.4 billion) in foreign exchange reserves at the end of March and no lack of suggestions from its more thoughtful citizens on what it should do with the money.

The amount is the second largest in the world, after Japan's US\$795.4 billion. Although no official figures are available, the widespread belief in China is that as much as 70 percent of that is held in United States Treasury and other bonds. Not a few among the Chinese intelligentsia have been questioning the wisdom of leaving so much money there.

The rationale for parking the funds in T-bonds, said to have been given some years ago by then premier Zhu Rongji, was that these carried low risks and were yielding decent returns.

To that, the retort was, and still is, that Beijing ought to take a broader view of how the nation's precious reserves can be put to the best use.

An outspoken economist once told The Straits Times tersely: "We do not need our leaders to act as fund managers!"

To sceptics like him, the argument does not turn on how much interest the T-bonds will fetch 5.42 percent a year for those stretching beyond 25 years and just 1.63 percent for the one-year bills.

It is not even about diversification to, say, Europe and into other equally safe instruments.

The emerging consensus among those not enamoured of leaving the reserves in T-bonds or any paper assets, for that matter is that these must be used in a way that makes more strategic sense.

They also believe that given mounting cross-strait tension as Taiwan lurches down the road to independence, leaving funds in the US may be giving hostage to fortune.



President Iajuddin Ahmed speaks at the inauguration of the 16th Capa (Confederation of Asian and Pacific Accountants) Conference 2004 hosted by the Institute of Cost and Management Accountants of Bangladesh in Dhaka yesterday.

Private co to bring in 500 CNG-run buses

STAR BUSINESS REPORT

A private transport company has planned to introduce 500 CNG (compressed natural gas) run buses in Dhaka aiming to ease the sufferings of the city commuters.

The company, Green Arrow Express Limited, has launched 50 buses to ply on different routes in the city. The rest will come within a year, officials of the company said.

Initially, the company will invest around Tk 100 crore. The whole project will be implemented in three phases adding 150 buses in every phase, the officials said.

Green Arrow yesterday signed a syndicated loan agreement with Prime Finance Investment Limited at Dhaka Sheraton hotel to procure

the buses.

"We want to bring a revolutionary change in the city's transport system by introducing the environment-friendly buses," Khondaker M Azad, chairman of the company, said at a press conference after signing the contract.

The Green Arrow chairman hoped that the government would extend more support to encourage private investment in the CNG-based transport sector.

"The main objective of the CNG bus network is to provide quality services to the passengers, instead of earning profit only," he said.

The buses will be operated by educated and trained drivers and staff. The company is also thinking

about introducing automatic ticket collection system.

Chairman of Bangladesh Telecommunications Regulatory Commission Syed Marghub Murshed was present at the contract signing ceremony as chief guest. Managing Director of Prime Finance Tapan K Podder also spoke.

At the function, the company announced free transport facility for handicapped people and special fare for students and elderly citizens.

The company also announced two annual awards for the reporters and photojournalists for best report and photograph on the city transport system.

SEC waives BO account fees

STAR BUSINESS REPORT

The Securities and Exchange Commission (SEC) has waived beneficiary owners account (BO account) fees for investors of companies, which joined central depository system (CDS).

The capital market watchdog recently took the decision to encourage investors to convert their paper shares into electronic ones for trade settlement under CDS.

Previously, investors were

required to pay around Tk 300 to Tk 500 for opening BO account with the depository participants (DPs).

The investors had to sign an agreement with DPs in a government revenue stamp worth Tk 175. Now, investors are required to sign deal with DPs in a prescribed form keeping aside the revenue stamp requirement, according to a high official of SEC.

SEC waived the BO fees to encourage the investors to open account and de-mat shares and

provide CDS a strong footing. Shares of eight companies are now traded and settled under CDS. SEC will sit on Wednesday to declare six more companies eligible for CDS, sources said.

As of now some 2,900 BO accounts have been opened with DPs.

BO account keeps trading records of investors what brokerage houses now do for investors of companies with paper share certificates.

Opec tight-lipped as Saudi Arabia goes alone

REUTERS, Amsterdam

Organisation of the Petroleum Exporting Countries (Opec) ministers said on Monday they would not be hurried into a decision on higher oil output limits after Saudi Arabia broke ranks to go it alone.

The Opec's leading producer Saudi has called on the cartel to raise quota restrictions by up to 11 percent.

But Saudi Oil Minister Ali al-Naimi confirmed over the weekend that Riyadh was opening the pumps in any case - to 9.1 million barrels a day, up 10 percent from an estimated 8.3 million in April.

Saudi also wants Opec to lift group limits by 2-2.5 million bpd, 8-11 percent, at a full meeting in Beirut on June 3.

Oil traders are looking for a show of unity from the 11-member group that controls half the world's international oil trade. Bar Saudi all in Opec already are pumping at full capacity and above existing formal output

allocations.

"We will all need to act in concert to have a definite impact on the price," said Nigerian Presidential Adviser on Petroleum Edmund Daukoru.

"What we really want is to have an increase in quotas that really will have an impact on the oil price," said Opec President Purnomo Yusgiantoro.

Ministers were speaking at a forum of energy producing and consuming nations in Amsterdam where OPEC met on Saturday to hear the Saudi plan. They made no recommendation other than to decide policy at their Beirut conference.

The Group of Seven economic powers in New York on Sunday urged all producers to pump more crude to safeguard world economic growth.

"What's at stake is the credibility of Opec in their capacity to stabilize oil prices," said European Energy Commissioner Loyola de Palacio.

"We need Opec to burst the speculative bubble."

Oil prices have fallen more than a dollar a barrel since Saudi first announced its intentions on Friday. U.S. crude eased 28 cents to \$39.65 a barrel on Monday after an 87-cent fall on Friday.

Some in Opec appear angered that Saudi is opening the pumps without cartel approval.

Libyan Oil Minister Fethi bin Chetwane said on Sunday that the Saudi decision was "a mistake." "Saudi Arabia can't decide alone to increase production," he said.

Analysts say Saudi cannot afford to allow runaway oil prices to harm long-term fuel demand and incentivise alternative energy sources.

"This is all about what Saudi Arabia wants to do. They have to protect long-term demand because they control 30 percent of the world's proven reserves," said Gary Ross of New York's PIRA Energy consultancy.



Shiraz Uddin Bin Badruddin (centre), chairman of Integra International Limited, authorised distributor of Telephone Company Limited (TCL) of China, speaks at a press conference organised to mark the launching of a new brand air conditioner in local market in Dhaka yesterday. Teh Der Man (right), representative of TCL, and Dilip Rozario (left), finance director of Integra International, are also seen.