

# EXIM Bank rides on new IPO rule

## Records highest applications

### STAR BUSINESS REPORT

Belying fears of uncertainty due to severe flooding, the initial public offering (IPO) of Export Import (EXIM) Bank has received the highest number of applications in the history of Bangladesh's capital market.

The manager to the issues -- AAA Consultants and Financial Advisers -- said the firm has received over 1.06 lakh applications mostly due to a change in IPO rule which gives priority to applications of small investors.

Under the changed IPO rule, all the contenders are treated as applicants for a single market lot worth Tk 5,000.

The amendment has encouraged small investors to apply for stocks as their chances of winning shares have increased tremendously.

Earlier, their chances used to be far less as many investors resorted to the trick of applying in bulk amount know-

ing their chances of getting 'some' shares were guaranteed as the distribution used to be in proportion to application amount.

But to ensure shares to general investors, the Securities and Exchange Commission has brought the change that was overwhelmingly greeted by the investors.

Unlike previous IPOs, shares of Exim Bank will be traded directly under the central depository system (CDS) and settled electronically without physical transfer of shares. Exim Bank is the first to float IPO since the paperless share trading began on January 24 this year. It is also the first IPO issued this calendar year.

Capital market analysts say the tremendous response was also due to investors' confidence in bank stock which had been giving good return on investment for the past few years.

The EXIM Bank had approved 32

percent dividend to shareholders on April 21, 2003.

The bank invited public subscription from July 24, 2004 to July 28, 2004 seeking to raise Tk 40.80 crore by offering 31,38,750 ordinary shares at Tk 130 each including 30 percent premium.

Against the offered amount, the bank received applications worth over Tk 432 crore, oversubscribed by 10.59 times.

Established in 1999, EXIM Bank's authorised capital and paid-up capital now stand at Tk 100 crore and Tk 31.38 crore respectively. As of December 31, 2003, total assets of the bank stands at Tk 1,788 crore, total deposits at Tk 1,524 crore and advances at Tk 1,228 crore.

After tax and provisions, the bank earned a net profit of Tk 25.48 crore in 2003 and Tk 20.14 crore in 2002. Having branches in 29 locations, Exim bank is the 23rd bank that went public.

## China to help develop tourism in Bangladesh

UNB, Dhaka

The visiting vice governor of China's Yunan Province, Sao Kui, has promised all-out help to develop Bangladesh's tourism industry.

At a meeting with Chairman Dr Muhammad Mahbubur Rahman and other high officials of Parjatan Corporation Kui discussed mutual tourism issues.

Sao promised that he would discuss with his government the issue of awarding Approved Destination Status (ADS) to Bangladesh. He also said that he would seriously deal with any specific proposal related to the investment in Bangladesh's tourism industry.

Speaking about human resource development in the tourism sector the vice governor said that instructors from the Bangladesh National Hotel and Tourism and Training Institute would be trained in different training institutes in Yunan. He expressed his satisfaction at Bangladesh's success in tourism and assured comprehensive help in package tours between the two countries.

## Brazil to take US shrimp tariff to WTO

AFP, Brasilia

Brazil will dispute before the World Trade Organization a US tariff hike on its shrimp, fisheries secretary Jose Fritsch said Friday.

Tariffs of up to 67.8 percent followed a US probe into alleged "dumping" at artificially low prices. The tariffs were announced Thursday, and will come up for a final ruling by the quasi-judicial International Trade Commission at the end of the year.

"We will try to reverse the decision ... but if it is confirmed in December, we will go to the WTO," Fritsch told AFP.

Fritsch called the US hike "protectionist."

"Brazil has high productivity and low costs," he said.

"We practically doubled the world production average, to six tonnes per hectare from three tonnes per hectare," he said.

"There is no 'dumping'."

On Thursday, Brazil said it would consider taking the new US tariff to the WTO.

The United States slapped tariffs on shrimp, claiming Brazil, Ecuador, India and Thailand "dumped" the product at artificially low prices.

The Commerce Department said the duties would range up to 67.8 percent for Brazil, 6.08 to 9.35 percent for Ecuador, 3.56 to 27.49 percent for India and 5.56 to 10.25 percent for Thailand.

It was the second action on shrimp in the past month after duties were imposed on shrimp from China and Vietnam.

## AirAsia sets sights on China

AFP, Kuala Lumpur

Southeast Asia's pioneer no-frills carrier AirAsia has set its sights on the lucrative Chinese market after opening talks with mainland aviation authorities about two new routes.

The Malaysian-based company hopes the expected deal on the new destinations in China's south will fuel strong interest in its upcoming share sale exercise, which is now likely to be held in October.

AirAsia chief financial officer Raja Mohamad Azmi told AFP a series of talks had been held with Chinese aviation officials and the carrier was upbeat flights could be mounted by year-end.

"Don't be surprised, we can be in China in the next few months," he said in a recent interview.

Raja Mohamad said the two new routes to China that have been identified were Chengdu and Kunming.

He said he was confident about the progress of the talks, most recently held in China in July, adding authorities there were hospitable during negotiations and understood the airline's business strategy.

Raja Mohamad said the China-bound flights would take-off from Bangkok.

In June, AirAsia launched daily flights from Bangkok to Macau -- the airline's third international destination out of Thailand after Singapore and Malaysia.



PHOTO: STAR

A truck carries hay to Baghabari union under Shahjadpur upazila in Sirajganj from Dinajpur. Thousands of cattle farmers in the flood-hit Sirajganj are buying hay at higher prices as fodder shortage persists in the district because of the flooding.

# Business promotion council for herbal medicine sector on cards

ZAHIUDUL HAQUE

In a bid to give a boost to export of herbal medicines and plants, the government is going to set up a business promotion council exclusively for the sector.

The move came in view of the vast potential of the sector, which has already started contributing to the export earning, sources at the Export Promotion Bureau (EPB) said.

EPB holds a meeting in Dhaka today to discuss the potential of the sector and form the council comprising both government and private sector representatives.

"At the meeting, we'll identify potential manufacturers of herbal medicines and growers of herbal plants," EPB Director Towfique Khan Majles told The Daily Star yesterday.

The meeting will be attended by government officials, academics and representatives of trade bodies related to the sector. They will also discuss the draft of a memorandum of articles for the proposed promotion council.

EPB Director General Mostofa Mohiuddin will preside over the meeting, which will also select different government and association offices to enlist them as members of the council.

Majles said some manufacturers are already exporting herbal medicines. "Potential of herbal medicines is growing rapidly. At present, the global market size of herbal medicine is \$62 billion," he added.

He said the climate of Bangladesh is favourable to the production of herbal and medicinal plants.

EPB has already circulated the names of some exportable herbal plants and medicines through its website.

www.epbbd.com/exportableproducts/herbalproducts.htm.

"This will help importers get required information on the exportable items available in Bangladesh as it contains a list of 136 homeopathic medicines, 52 unani and 52 ayurvedic medicines and 48 herbal plants," the EPB official said.

Representatives from Bangladesh Unani and Ayurvedic Board, Bangladesh Homeopathic Board, Bangladesh Homeopathic Unani Ayurvedic Federation, Bangladesh Ayurved Parishad, Bangladesh Homeopathic Medicine Manufacturers Association, Bangladesh Unani Oushudh Shilpa Samity, Bangladesh Nim Foundation House, Bangladesh Homeopathic Medical Association, Bangladesh Unani Ayurvedic Development Society and Bangladesh Unani Ayurvedic

Federation will attend the meeting.

According to EPB, the potential herbal plants are ginger, mudar, zingiber, emblic, arjuna, winter cherry, bengale quince and beleric myrobalan.

The names of potential homeopathic medicines are abroma agusta, abroma rad, amlaki atista ind, azadirachta indica, aoska jonesia and arjuna.

Potential unani medicines are khamira abreshm arshadi, khamira gauzaban ambari jawwhirdar, jawarish jalinoos, dawaul misk mutadil jawahirdar, majun falasefa and majun lana.

The ayurvedic medicines include jamani arka, jatamangsi arka, dasanga kwath, nimbadi kwath, arjunarist and amritarist.

# Social barriers discourage women entrepreneurs

## Workshop in Chittagong told

STAFF CORRESPONDENT, Ctg

It is social barrier, not the religious one, which discourages women from getting involved in business activities, speakers observed at the inaugural session of a workshop on women entrepreneurship in the port city yesterday.

Women Entrepreneurs' Association (WEA), Bangladesh and Chittagong Women Entrepreneurs (CWE) jointly organised the 11-day workshop, which was inaugurated by former advisor to the caretaker government Rokia Afzal Rahman.

Entrepreneurship helps women become self-reliant and contribute greatly to economic advancement, the discussants told the workshop titled "Women's Empowerment and

Advancement by Learning and Training Herself (WEALTH)."

Fair & Lovely Foundation of Lever Brothers Bangladesh Limited is sponsoring the event to offer women entrepreneurs training on development and management of small business and product development, particularly preparation of confectionery items.

Rokia, also president of WEA, Bangladesh, emphasised women's empowerment and said there was no religious barrier to the empowerment of women who could rather come up with such ventures upholding the religious tradition. Rokia called upon women entrepreneurs to come forward to encourage others in getting involved in business, which she termed a "respectable job"

that contributes to economic emancipation of the country. Nawab Uddin, editor of Janamat, Britain's first and popular Bengali weekly, in his speech lauded the activities of WEA and CWE in promoting women entrepreneurs and assured them of help in marketing their products in the UK market.

CWE President Monowara Hakim Ali chaired the inaugural session. Rafiq Sarker, GM (business) of Agro-based Industries Technology and Development Project, Islamic thinker Runu Siddiqui, WEA Bangladesh General Secretary Rubina Hossain Faruq and CWE Senior Vice-President Khaleida Awal also spoke at the ceremony.



PHOTO: STAR

Rokia Afzal Rahman (right), president of Women Entrepreneurs' Association (WEA), Bangladesh addresses the inauguration of a workshop titled 'Women's Empowerment and Advancement by Learning and Training Herself (WEALTH)' jointly organised by WEA and Chittagong Women Entrepreneurs in Chittagong yesterday.

# Soaring oil to have lasting impact on world economy

AFP, Vienna

The oil price spike, which shot last week to the historic heights of October 1990, is a structural phenomenon set to have a long-lasting impact on the world economy, analysts say.

"The current crisis is due to the combination of limited resources and increasing demand, driven mostly by China and India, which has not been dented by a drop in consumption in 'oil-intensive' economies like the United States, the European Union and Japan," said Francis Perrin, from the French publication Petrole et gaz arabes.

The steep rise in the price of crude oil, pushed to the hilt notably by the threat of disruptions in supply by Russian oil giant Yukos, which produces 1.7 million barrels per day (bpd), "does

not mean we are seeing another oil crisis (like the ones in 1973 and 1979) after which the market will correct itself," he added.

Rather, Perrin said, "this is a structural phenomenon that forms part of the increase in price in primary resources that will last at least until the end of the decade."

New York's benchmark contract, light sweet crude for delivery in September, spiked Friday to an unprecedented 43.85 dollars a barrel before settling at a record high finish of 43.80 dollars.

London's Brent North Sea crude for September rose 77 cents to 40.02 dollars per barrel, the first break above 40 dollars since October 1990 after the Iraqi invasion of Kuwait.

Adjusted for inflation, world oil

prices remain far below the levels reached in the 1970s oil shock, but have shot up dramatically from the beginning of 2002, when the price of a barrel of oil hovered around 18 dollars.

The rise to above the 40 dollar level has been fueled by geopolitical factors ranging from the September 11, 2001 attacks in the United States to the resumption of oil exports by Iraq which reached 2.1 million bpd in the first half of this year.

Added to the list are the troubles in Venezuela -- which is expected to produce 2.99 mbd from August -- and Nigeria and the worsening of the conflict in the Middle East.

According to oil exports, the so-called fear factor adds five to eight dollars to the price per barrel.

# NBR launches service desks

## Bid to help businesspeople in paying Vat

UNB, Dhaka

The National Board of Revenue (NBR) has introduced service desks in its offices to help businesspeople resolve their problems in paying value-added tax (Vat) under stricter new measures.

Officials concerned said the service desks had been established in commiserate headquarters as well as divisional and circle offices. Each desk comprises two officials and an employee.

Initially such outlets will provide services on a particular weekday. The desk in commiserate headquarters will remain open for a full working day while elsewhere 9am-1pm.

Earlier the NBR had asked its offices to introduce the service desks as it found the taxpayers facing various problems regarding information and explanation on Vat rules.

"The Board also feels that the field-level offices should help the taxpayers and make them aware on taxes apart from conducting regular revenue-realisation activities," said the NBR.

It asked the offices to set up the service desks at a place close to the entrance of the offices so that the taxpayers can get help from it before getting into any other section.

The tasks of the desks will be explaining and clarifying the Vat law and different relevant rules, orders

and circulars and supplying copies of such directives to the interested businesspeople.

If a taxpayer comes up with a specific problem, the concerned desk will register it and inform the concerned person about expected timeframe to resolve it, according to an NBR order.

Apart from the exclusive weekly day of functioning of the service desk, the edict of the government's revenue authority also clarified that the concerned offices would have regular activities on such problems facing the taxpayers.

# Turnaround time of vessels reduces at Ctg Port

BSS, Chittagong

The turnaround time of vessels at Chittagong Port has come down remarkably and implementation of certain measures is expected to reduce the time further.

According to Chittagong Port Authority (CPA) sources, presently the average turnaround time of vessels at the port is four days against six to seven days previously. With the completion of three major projects involving Tk 1,118 crore, the turnaround time would come down between 24 to 36 hours, the sources added.

CPA Chairman AMM Shahadat Hossain said uninterrupted operation as a result of successful dealing with labour unrest had helped the port achieve significant improvement in cargo handling and bring down the turn around time.

During the last two years labour unrest could not hamper operational activities of the port even for a single hour while there was no major incident of pilferage during this period, he said.

The CPA chairman said that labour

unrest had caused suspension of port activities for around sixty hours from 1998 to 2000. Goods worth around Taka 4 crore was stolen from the port in several frequent incidents of pilferage including eleven daring robberies during this period, he said.

Talking to BSS business leaders and other port users have expressed satisfaction over the present activities of the port and hoped that timely implementation of the development projects would help Chittagong Port attain the standard of a modern port.

Amir Humayun Mahmud Chowdhury, president of Chittagong Chamber of Commerce and Industry, said the turn around time of vessels might come down to 24 hours if the cargo handling could be carried out in a systemic and orderly manner with the help of modern handling equipment.

He also emphasised on the need for speeding up the handling of bulk cargo and mentioned that the port had failed to replace the 100-ton capacity Shaktiman crane which went out of order following the devastating cyclone in 1991. Along with container handling,

the handling of bulk cargo has to be geared up for bringing down the turn around time, he added.

Farid Ahmad Chowdhury, chairman of Port Users Forum, proposed for proper training of manpower of the port side by side with installing modern handling equipment. He also asked for turning the port into a holding company and changing the "Port Act" to bring in more dynamism in its management.

MA Salam, first vice-president of BGMEA, said the port activities could be more satisfactory if the container congestion could be lessened further. He proposed for increasing the number of feeder vessels for speedy movement of containers.

Dr Parvez Sajjad Akter, chairman of Bangladesh Steamer Agents Association (BSAA), said the arrival of containers at Chittagong Port has been increasing by about 15 percent every year. To cope with this increased volume of containers and to avoid container congestion, private container yards maybe allowed in areas adjacent to the port alongside the construction of New Mooring Container Terminal.

## S Korea's July trade surplus jumps to \$2.98b

AFP, Seoul

South Korea's trade surplus hit an all-time monthly high of 2.98 billion dollars in July on the back of robust exports of autos and other key items, official data showed Sunday.

It was the 16th straight month of surplus, and the accumulated seven-month surplus soared to 18.25 billion dollars, the commerce, industry and energy ministry said in a preliminary report based on customs-cleared trade.

Exports jumped 38.4 percent year-on-year to 21.35 billion dollars in July, while imports rose 23.3 percent to 18.37 billion dollars, it said.

During the first half, exports rose 38.4 percent from a year ago to 144.65 billion dollars and imports were up 25.4 percent at 126.39 billion dollars.

"We expect slower growth of exports in the third quarter," trade ministry official Lee Key-Hyung told reporters.

In July auto exports jumped 84.9 percent year-on-year and shipments of semiconductors and wireless telecom equipment grew 41.4 percent and 49.3 percent respectively, it said.

## Nestle may sell Perrier

AFP, Paris

Nestle Waters, the French mineral water division of food giant Nestle, may sell its Perrier brand after union rejection of its restructuring plans, the unit's chairman Richard Girardot said Friday.

"Other scenarios are being considered, however. The definitive decision will be announced in September," Girardot told AFP.

The Nestle group's planned restructuring of its French mineral water operations -- including its Perrier brand -- was hit by fresh delays, following rejection of the plans by French trade union CGT.

Nestle plans to cut more than 1,000 jobs in its French mineral water business, roughly one fourth of the workforce, primarily via an early retirement scheme.