

Ensure listing of foreign companies in bourses

SEC urges govt to infuse dynamism into capital market

STAR BUSINESS REPORT

The Securities and Exchange Commission (SEC) has sought government help for mandatory listing of foreign companies operating in Bangladesh to infuse dynamism into the capital market.

The capital market watchdog also recommended forming an accounting and auditing board under its jurisdiction to ensure accountability and transparency of listed companies.

SEC has prepared a set of recommendations to be placed before a meeting of the Parliamentary Standing Committee on Ministry of Finance.

SEC sources said the regulators want a clear-cut go-ahead from the government to bring in all foreign companies to the stock market.

"Provision should be made so that any foreign company willing to operate in Bangladesh gets listed in the bourses after a certain period of time," an official of SEC said.

The recommendations came in the wake of criticism that stock markets lack good scrips. Presently Bangladesh capital market is dominated mostly by banks and some service and manufacturing companies.

Only a few number of multinational companies are listed in the

stock market but no telecommunication companies have been brought in so far, the official said.

"If the multinational companies especially telecommunication, oil and gas companies get listed in the bourses along with investors who will find variety of option for investments," the official added.

About the proposed auditing board, SEC said the board will confirm accountability and transparency of the business houses and ensure practising international standards while they prepare their financial statements.

Capital market regulator in the US executes orders and keeps an

eye on accounting and auditing standards by the business firms through such a board, another official of SEC said.

He said the SEC also wants a role in administration of companies to ensure practising corporate governance.

The commission also recommended that the pending cases in courts related to the capital market should be settled on a priority basis to protect investors' interests.

The SEC sought increase number of its manpower, setting up of a security institution and inclusion of capital market-related courses in the secondary level of study.

Local firm to invest \$1.9m in Ctg EPZ

Section Seven Limited, a Bangladeshi owned company, will invest \$1.906 million to set up a garments manufacturing industry in Chittagong Export Processing Zone.

An agreement to this effect was signed between Bangladesh Export Processing Zones Authority (Bepza) and Section Seven in Dhaka on Saturday, says a press release.

Md Shahjahan, member (Investment Promotion) of Bepza, and Shahadat Musharraf Khan, managing director of Section Seven, signed the agreement on behalf of their organisations. Bepza Executive Chairman Brig General (Retd) Md Zakir Hossain was also present.

The local company will produce 2.64 million pieces of woven garments annually and employ around 918 persons.

NCC Bank opens branch at Baralekha in Moulvibazar

National Credit and Commerce Bank Limited (NCC Bank) has opened its 33rd branch at Baralekha in Moulvibazar.

Chairman of the bank M Wazhiullah Bhuiyan inaugurated the branch recently, says a press release.

Among others, UNO of Baralekha upazilla Mostafa Kamal, Chairman of Baralekha Pourashava Abdul Malek, former lawmaker Md Sirazul Islam and Deputy Managing Director of the bank Md Nurul Amin were present.

Pubali Bank converts paper shares into electronic ones

Pubali Bank Limited has signed an agreement with Central Depository Bangladesh Limited (CDBL), the service provider of central depository system (CDS), to convert its paper shares into electronic ones.

Khondkar Ibrahim Khaled, managing director of Pubali Bank, and MH Samad, managing director and chief executive officer of CDBL, signed the deal recently in Dhaka, says a press release.

Among others, deputy managing directors of the bank Helal Ahmed Chowdhury and Shahadat Hossain Chowdhury were present.

Jute output set to fall 10pc short of target

Speakers observe at DCCI seminar

STAR BUSINESS REPORT

Speakers at a seminar yesterday apprehended jute production to sustain 10 to 15 percent shortfall than the target set for the current year due to recent devastating flood and incessant rain.

They expressed the view at a seminar on Impact of Flood on Jute Industry organised by the Dhaka Chamber of Commerce and Industry (DCCI) at its secretariat in Dhaka.

However, some speakers involved in jute trade said the loss would be less than apprehended.

DCCI President Fazole RM Hasan said the prolonged flood followed by the incessant rain would result in production loss of 15 lakh bales from the targeted 45 lakh bales.

In the first ten months of the current year, he said, export earn-

ings from jute goods were to the tune of Tk1196.09 crore, which was Tk 1214.58 crore during the corresponding period of previous year.

Export earnings from raw jute stood at Tk355.57 crore against Tk 378.62 crore of the previous year, he added. "So, we need to find out why earnings from this sector are declining."

The DCCI president said demand of jute and jute products in the international market will be going up with the rise in price of crude oil, a raw material of synthetics.

The DCCI leader also asked the government to form a taskforce incorporating all the stakeholders for development of the jute industry.

DCCI Director Hossain Khaled presented a keynote paper where he estimated agricultural loss from this year's flooding and rain to be in

between Tk 30,000 crore and 40,000 crore.

Quoting figures of Bangladesh Jute Association, Khaled said, target of jute production for the current fiscal year was 45 lakh bales, 15 percent less than that of 2003-04 due to low harvest. "But due to flood, jute production is expected to drop further to 10 lakh bales."

Speaking at the seminar, Jute and Textile Minister Shajahan Siraj said like other agricultural products, jute production has also gone down due to the recent natural disasters.

Sirajul Haque Pradhan, a leader of Raw Jute Traders' Association, said the figures of loss and production shortfall may not be absolutely correct. "I have doubt on the disclosed figures."

Malaysia's AirAsia buys Indonesian airline

AFP, Kuala Lumpur

Malaysia's budget carrier AirAsia has acquired a private airline in Indonesia and will team up with a local partner to launch new flights to tap into Southeast Asia's most populous nation, a report said Sunday.

AirAsia bought PT AWAir Internasional for a token two dollars, business weekly The Edge quoted sources as saying.

It plans to tie-up with an unidentified partner to launch a no-frills airline in a set-up similar to that of Thai AirAsia, where Thai media and telecommunications group Shin Corp. holds a controlling 51 percent stake, the sources said.

AirAsia officials were not available for comment but the company's executive director Kamarudin Meranum last week told the New Straits Times daily that the airline was waiting for the Indonesian government to issue a license to allow it to set up a budget airline.

The Edge said AWAir began operations in June 2000 but suspended them two years later because of fierce competition from some 50 airlines now servicing domestic routes following the deregulation of the aviation sector.

Crab export holds bright prospect, study says

BSS, Chittagong

The country can boost its export earnings and minimise poverty to a great extent by expanding crab cultivation in the coastal belts.

Showing a bright future of crab cultivation and export prospect, Mohammad Zafar, a marine science and fisheries expert in Bangladesh, showed in his research study that Bangladesh could easily tap the vast export potentials of crab in the growing international market through promoting both traditional and scientific method of crab cultivation.

Bangladesh's present earnings by exporting crab could multiply many times and poverty level of the poor in the country's coastal zones can be reduced extensively through promoting and expanding crab cultivation in seaside areas.

According to the report, among the 16 species of crab available in the country, only Mud Crab, scientific name of which is *Scylla Serreta*, is very popular and appreciated as delicious food in the USA, Europe and some Asian countries.

Zafar who is also director of the Institute of Marine Science in

Chittagong University carried out the research as chief researcher under a project titled "Feasibility study on crab cultivation through participation of poor people in coastal areas" financed by "Department for International Development (DFID)" of UK under its abroad based multi-sectors programme styled "Support for University Fisheries Education and Research (SUFER)."

The aim of the project was to encourage and involve marginal poor of coastal areas in the country in prospective crab cultivation with modern methodology and improvement of crab fattening system, he said.

"Besides significant increase in foreign exchange earnings, the huge marginal poor in country's coastal areas could find a meaningful way of livelihood by crab farming if they are motivated, provided with proper logistic support and technical knowledge on correct method on the subject," Zafar said.

He said natural sources like -- river, river estuary and shrimp hatcheries are the only sources of crab caught for export and Bangladesh still has not introduced or motivated people to adopt scientific farming and fattening

method of crab for boosting up its production as well as export with the target of realizing maximum value of the product.

Export Promotion Bureau (EPB) sources said the country fetched US\$ 2,51,800 in the fiscal year 2002-2003, \$9,16,000 in 2001-2002 and \$3,09,000 in 2000-2001 by exporting crab -- which ranks second in terms of earnings in country's fisheries products export line-up.

Manzur Elahi, director of EPB, Chittagong, told the news agency that due to lack of proper attention as well as an organised system to increase crab cultivation, the export potentials of this non-traditional item could not be properly gained.

"Definitely we could earn higher than the present figure by exporting crab if proper attention was given under a comprehensive planning," Elahi said.

Zafar said in his study presently around 10,000 tonne of crab worth Tk350 crore are being produced annually in Bangladesh.

Experts said mud-crab is available in the coastal areas of Khulna, Satkhira, Noakhali, Bhola, Sundarban, Hatia and Cox's Bazar.

KL sets stage for key Islamic banking hub

AFP, Kuala Lumpur

With eight full-fledged Islamic banks including three Middle East players, predominantly Muslim Malaysia has set the stage to become a key Islamic financial hub in the region, analysts say.

The central bank last week completed a plan to fast-track the liberalisation of the Islamic banking sector this year, three years ahead of the World Trade Organisation deadline in 2007.

It awarded the remaining two foreign Islamic banking licences to Saudi Arabia's largest bank Al Rajhi Banking and Investment and a consortium led by the Qatar Islamic Bank after granting the first one to Kuwait Finance House in May.

Three local banking groups -- Hong Leong Bank, Commerce-Asset Holding Bhd. and RHB Capital -- were also granted approvals recently to open Islamic banking arms, joining existing players Bank Muamalat and BMB Holdings Bhd.

Analysts said the entrance of foreign players would push local banks to innovate and compete more aggressively in developing Islamic products and services.

While neighbouring Singapore and Hong Kong have established themselves as the financial centres in Asia, Malaysia is carving a niche to tap billions of dollars of Muslim funds seeking new investment homes after the 2001 terror attacks in the United States and uncertainties in the Middle East, they said.

Lanka car prices rocket ahead of new tax

AFP, Colombo

Car prices in Sri Lanka rose sharply Sunday as dealers warned that they were being driven out of business by a steep increase in import taxes.

The new tax was announced on Friday, prompting dealers to raise prices on old stocks by 1,000 to 3,000 US dollars.

"At the new prices only a very few can afford a car or a van," said Berty Widanagamage, spokesman for the used vehicle importers association of Sri Lanka. "There is no value for money any more."

He said 90 percent of vehicles imported into the country were second-hand, with about 80 to 85

percent of these coming from Japan and a smaller number from Singapore.

The new tax means the overall tax on a car -- which was a uniform 97 percent -- will go up Monday based on the engine capacity of the vehicle.

For a car with an engine capacity of less than 1.0 litre the new rate is 107 percent, for a mid-size car with 1.0 and 1.5 litre capacity the rate is 127 percent and for a car with an engine larger than 1.5 litres the tax is now a whopping 168 percent.

The increase is even bigger for small vans with the effective tax rate going up from 142 percent to 221 percent, dealers said.

PHOTO: DCCI

Jute and Textile Minister Shajahan Siraj (2nd right) speaks at a seminar on Impact of Flood on Jute Industry organised by the Dhaka Chamber of Commerce and Industry (DCCI) at its secretariat in Dhaka yesterday. DCCI President Fazole RM Hasan (centre) is also seen.

More new jobs as Singapore turns into outsourcing hub

ANN/ THE STRAITS TIMES

To many, outsourcing is a dirty word that means "out of job". But 1,000 Singaporeans last year and a projected 1,000 this year, owe their livelihoods to this multi-billion dollar trend that is transforming the way companies are run.

The Economic Development Board's (EDB) Managing Director Mr Ko Kheng Hwa told The Sunday Times that an estimated 30 major projects are being outsourced to Singapore this year.

These are expected to create about 1,000 high-skilled jobs for professionals, he added, and more

for lower-level employees. The figures are similar to last year's. On top of the new ventures, a number of companies that provide outsourcing services have set up regional hubs here.

EDB was unable to give statistics, but said 19 of the top 20 Indian IT outsourcing companies had opened offices here.

"The outsourcing trend is creating a new industry in itself - which can be promoted, just like, say, the semi-conductor industry," said Mr Ko.

As more companies offshore non-core functions, the firms that take over those tasks "will need a

base from which to integrate their operations".

One is Scandent Group, which last year made Singapore its global operations base. The Indian company, which provides IT and business process outsourcing, employs 150 people here.

Said its founder, Mr Ramesh Vangal: "There are very clear opportunities for India to leverage on Singapore's strengths."

These include: intellectual property protection, stable politics, close ties with other countries, a skilled workforce and the 4,000 multinational corporations headquartered here.