

Freezers

Whirlpool
America's No. 1 Home Appliances Co.

TRANSCOM ELECTRONICS

Dhaka: 8110183, 9882192, 9896285, 9569613
Chittagong: 637669, 653758, Bogra: 66215
Khulna: 720304, 723695

Star BUSINESS

DHAKA WEDNESDAY DECEMBER 8, 2004 E-mail: dsbusin@gononet.com

Whirlpool
America's No. 1 Home Appliances Co.

Microwave Oven

TRANSCOM ELECTRONICS

Mobilise internal resources to reduce dependency on donors

Speakers tell CPD dialogue

STAR BUSINESS REPORT

As aid volume is declining and lists of conditions extending, economists, former high-ranking civil servants and leading civil society members at a dialogue yesterday called for mobilising more domestic resources to reduce dependency on foreign assistance.

Noting that donors often force government to comply with some conditions on reform which, at times, might bring good to the country but such reforms should have been done by government's own initiative. The government through partnership with private sector should draw up reform programme and implement it rather than allowing donors to force it, they said.

If government does it on their own, it would show more sincerity and bring more credibility among the people about them. They, however, admitted that the country cannot deny the need of aid from its development partners. But in this regard, the government should take the driving seat and guide donors on setting priority sector for aid, they said.

They were speaking at a dialogue on 'Aid and Policy Reforms in Bangladesh' organised by the Centre for Policy Dialogue (CPD), a civil society think tank.

Speaking as chief guest, Agriculture Minister MK Anwar said the country cannot depend on foreign aid forever. "We need to use local resources effectively for transforming Bangladesh economy from an aid-dependent to a self-reliant one. We should take the stand of relying more on domestic resources and productive use of limited foreign aid."

"But we have not reached to an economic position free from need of foreign aid. We need to carefully evaluate costs and benefits of foreign aid to understand implications of aid dependence," he said.

"Our current outstanding foreign debt is more than \$16 billion, about a third of our GDP, and if we are to leave this debt burden on the shoulders of our future generations, we should have adequate reasons to justify that and one good way to do so is to look at the quality of projects," the minister added.

Former finance minister AMA

Muhtith said introduction of Asycuda in revenue collection, pre-shipment inspection in ports, privatisation, liberalisation of imports are some of the donor-forced reforms that have benefited the country.

"But the government should have done all these on its own. There are other badly needed reforms that the government can do spontaneously. It is seen that the government is accountable to donors in such cases. Local pressure groups are too feeble to force government to go ahead with reforms and be accountable to people," he said.

Former state minister for foreign affairs Abul Hasan Chowdhury said the parliament and its standing bodies should be empowered to execute reforms. House should be the central place for reforms, he said.

Only the elected government is held responsible for reforms but private sectors are also the beneficiary of these reforms. So, there should be a public-private partnership in this, the Awami League leader said.

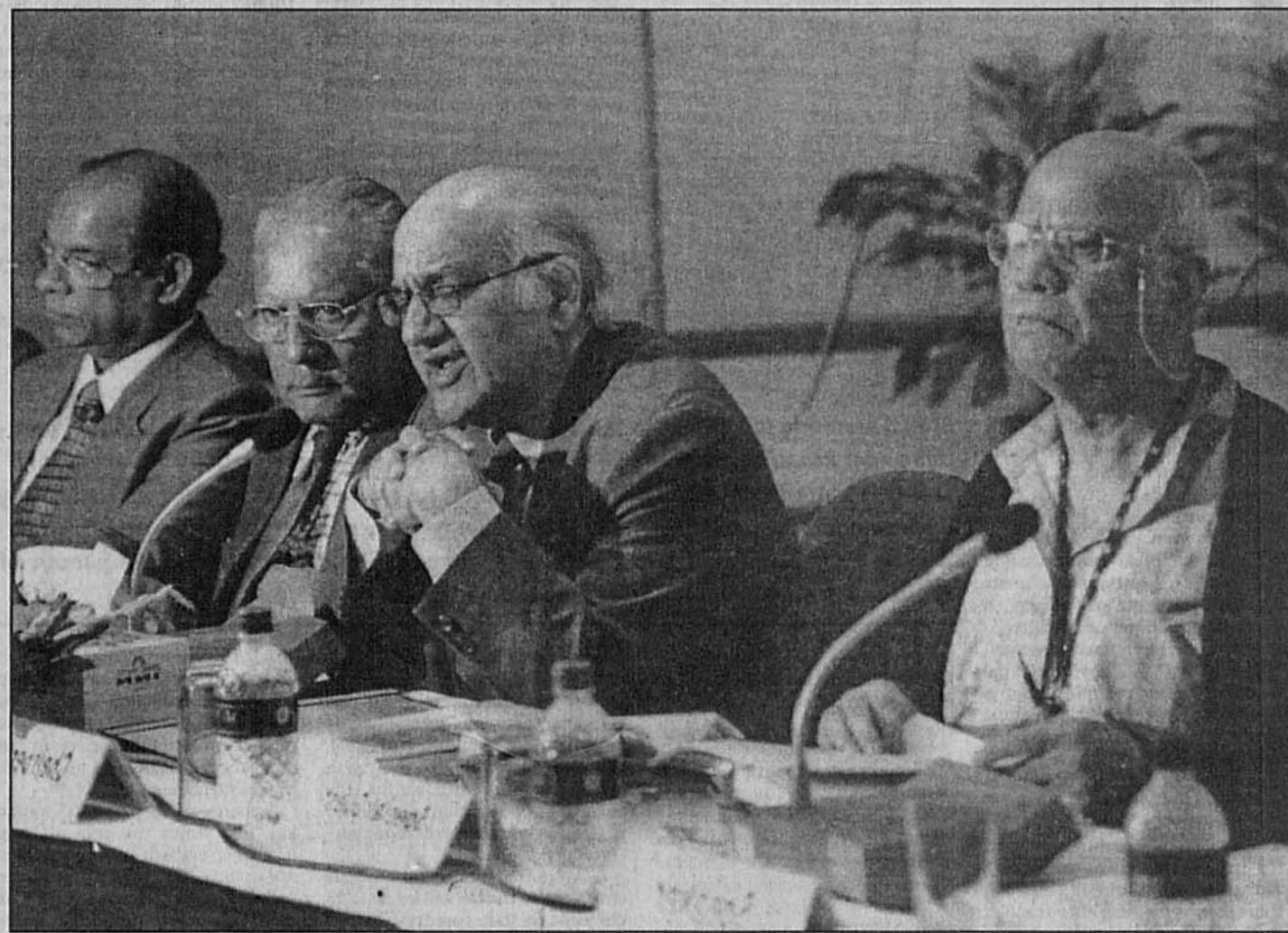
Presenting a paper Chairman of

Securities and Exchange Commission Mirza Azizul Islam said the aid flow came down to \$1.3 billion in FY 2000 from \$2.1 billion in 1991 and the per capita aid volume came down to \$9 in 1999 from \$19 in 1990.

"The developed countries are facing budget deficits. So, aid volume is unlikely to rise in coming days. We should, therefore, mobilise domestic resources and make best use of it to gradually do away with aid dependence," he said.

World Bank Country Director Christine I Wallich said the donors need to have concerted and harmonised efforts to implement poverty alleviation. The government should be in the driving seat to do reforms and should focus on institutional rather than policy reforms, she said.

CPD Chairman Prof Rehman Sobhan, Finance Secretary Zakir Ahmed Khan, former finance minister Syeduzzaman, former ERD secretary Mashur Rahman, Abu Ahmed of Dhaka University, Square Group Chairman Samson H Chowdhury, Islami Bank Chairman Shah Abdul Hannan, also spoke at the function.



Centre for Policy Dialogue (CPD) Chairman Prof Rehman Sobhan (C) speaks at a dialogue on "Aid and Policy Reforms in Bangladesh" in Dhaka yesterday organised by CPD, a civil society think tank. (From right) Former finance minister AMA Muhtith, Agriculture Minister MK Anwar and Secretary in charge of Finance Division Zakir Ahmed Khan are also seen in the picture.

DSE switches to agreements for listing of companies

Mercantile Insurance makes debut on DSE

STAR BUSINESS REPORT

The Dhaka Stock Exchange (DSE) has decided to do away with the conventional 'undertakings' from companies for getting their shares listed on the bourse.

Instead, all companies from now onwards will need to sign an agreement with the authorities to list their securities, announced DSE President Ahmed Iqbal Hasan yesterday.

He said such agreements will enable companies to better relationships through direct interaction.

"The agreement will smooth

trading facilities of a company and force it to comply with the listing regulations and securities rules including declaring dividends for the investors," Hasan told journalists at the trade launching of Mercantile Insurance Company Limited on the DSE.

Earlier, companies which sought DSE listing used to submit an undertaking that they would comply with the listing regulations of the bourse.

"It was a unilateral practice whereas the new agreement is a bilateral system which we hope will increase interaction between the high officials from both sides," DSE Chief Executive Officer Salahuddin

Ahmed Khan said.

Explaining the reason for introduction of the system, Khan said every company is expected to pay regular dividends, hold annual general meetings and submit necessary price sensitive information to the bourse as well as investors.

He hoped that such expectations will be materialised to a great extent through the new agreements.

At the inauguration of the trading, Managing Director of Mercantile Insurance Md Nuruzzaman Khan and chief executive officer of the premier bourse signed the listing agreement on behalf of their organisations.

Meanwhile, opening at Tk 240 each share, the price of Mercantile Insurance shares shot up to Tk 308 which eased up to stop at Tk 300.25 at the end of the day's trading. A total of 1,17,300 shares were traded on the first day's trading.

The company raised nine crore taka through initial public offering (IPO) by issuing nine lakh ordinary shares with a face value of Tk 100 each.

During the subscription period from August 28 to September 1, 2004, the IPOs of the company were oversubscribed by Tk 56.61 crore which was reflected on the first trading day of the company.

Bangladesh, India cos sign MoU on proper use of gas

Spectra International Ltd, a concern of Spectra Group of Bangladesh, and Gas Authority of India Ltd (GAIL), a state-owned gas company of India, have signed a memorandum of understanding (MoU) to minimise and stop imprudent use of natural gas in multifarious sectors in Bangladesh.

Khalid Hossain Khan, managing director of Spectra International, and KP Roy, general manager of GAIL, signed the MoU on behalf of their organisations in Dhaka Saturday, says a press release.

Officials expect that the agreement will ensure proper use of natural gas in Bangladesh.

AKTEL, GP sign deal on inter-operator SMS service

AKTEL and GrameenPhone (GP) have signed an agreement to introduce inter-operator short message system (SMS) service. AKTEL and GP subscribers will now be able to send and receive SMS to and from each other's network.

Md Nasir Bin Baharom, managing director of TM International (Bangladesh) Limited, and Erik Aas, managing director of GP, signed the deal on behalf of their organisations in Dhaka recently.

Prevailing SMS tariff rates of the respective operators will be applicable for the service, says a press release.

Jose Ravee, general manager (Marketing), Mashuk Rahman, head of Corporate Affairs, Fazlur Rahman, director co-ordination, of TMIB and Khalid Hasan, director of Corporate Affairs, Syed Yamin Bakht, general manager (Information) of GP, attended the function.

Rangs Power Battery factory opens in Gazipur

White Products & Electronics Limited, a sister concern of Rangs Electronics Limited, has recently opened Rangs Power Battery factory at Nawzore in Gazipur.

Chairman and Managing Director of Rangs Group of Companies Aktar Hussain and President of Kae Lii Machine Mfg Co Ltd, Taiwan Lin Ching Yuan jointly inaugurated the factory, says a press release.

The world famous envelope separator technology is used to make Rangs Power Battery to ensure hassle-free car driving.

Channel good IPOs to help retain investors' confidence

DSE urges issue managers

STAR BUSINESS REPORT

The Dhaka Stock Exchange (DSE) has urged the issue managers to channel good initial public offerings (IPOs) to retain confidence of investors.

At a meeting with representatives of the issue managers of the country on Monday, DSE President Ahmed Iqbal Hassan said: "The number of investors has increased substantially over the past few years owing to a number of initiatives taken by the government as well as the bourse."

"But to retain the investors we need to have issues with good fundamentals. We presently lack good issues that could bring depth in the market and give investors wider investment scopes," Hassan pointed out.

He said the stock market is gaining maturity and the investors' awareness is also increasing with the

gradual development of the market. So, investors depend on issue managers to a large extent to process issues with sound track records.

The DSE president said there had been some issues which did not get listed with the premier bourse of the country as they failed to comply with a number of regulations stipulated in the listing rules of the bourse.

"We understand a good amount of energy and time had been spent by the managers in processing them. However, these issues were not listed as the listing committee found them falling short of the conditions specified in the listing regulation," the president said.

He said the issue managers should not lose heart but should rather put every effort to bring good IPOs to ensure that investors' confidence remains high.

Speaking at the meeting DSE

Chief Executive Officer (CEO) Salahuddin Ahmed Khan said the consultative committee has agreed to bring down the cost of IPOs to encourage them to go public. The issue managers should take this opportunity to woo entrepreneurs to raise funds from the capital market, he added.

The representatives of issue managers lauded the consultative committee's decision of bringing down the IPO cost.

They said such cost cutting measures will definitely encourage companies to go public for raising fund from the market.

Among others, representatives from Banco Transworld, Capital Market Securities Ltd, Swadesh Investment, Bay Leasing, Grameen Capital Management, EPSL, Union Capital, MFH Financial Securities Ltd and Mutual Securities were present at the meeting.

Samamana Parishad sweeps DCCI polls

STAR BUSINESS REPORT

Samamana Parishad, an electoral panel of businesspeople, swept the Dhaka Chamber of Commerce and Industry (DCCI) polls held yesterday, according to unofficial results.

Of the total eight posts of directors, Samamana Parishad bagged six posts. Results of two were not available until 9:45pm yesterday.

Businesspeople cast their votes in a peaceful environment from 9:30am to 5:00pm to elect eight directors.

This year 14 business people under two panels -- Samamana Parishad and Ganatantrik Parishad -- contested in the polls.

Of the eight directors, two have already been elected uncontested from trade group and town group. The elected directors are Shafiqul Islam from trade group and Mohammad Lutfur Rahman Badal from town group. The two belong to Samamana Parishad.

Among the remaining six, four are elected from general group and two from associate group.

MA Muhaimin Saleh, Md Shahjahan Khan, KMH Shahidul Huq and Kamrul Islam of Samamana Parishad were elected directors from general group.

They beat Ganatantrik Parishad's Osman Gani, Humayun Kabir, Md Bashirullah Bhuiyan and Syed Abdul Jalil.

In associate group, Ganatantrik Parishad's candidates -- Shahnewaz Chowdhury and Shafiqur Rahman contested with Samamana Parishad's Manzur-ur-Rahman (Raskin) and Md Alauddin

Malik. Candidates of Samamana Parishad were leading in big margin in group also.

The newly elected eight and 16 incumbent directors will elect the president, senior vice-president and vice-president of the chamber tomorrow for a one-year term.

According to the constitution of DCCI, eight directors out of total 24 in the DCCI board retire in rotation after serving a three-year term. Elections to the eight vacant director posts are held every year.

Thai economy slows due to bird flu

AFP, Bangkok

Thailand's economy slowed to post growth of six percent in the third quarter, reflecting the impact of the bird flu outbreak, rising oil prices and violence in the Muslim-majority south, officials said Tuesday.

Gross Domestic Product (GDP) was up 6.0 percent from a year earlier in the three months to September after growth of 6.7 percent in the first quarter and 6.4 percent in the second, the National Economic and Social Development Board (NESDB) said.

Consumer confidence had been damaged by the bird flu outbreak, higher oil prices and religious violence in the country's south, said NESDB secretary-general Ampon Kittiampon.



Voters queue up to cast votes during the polls of Dhaka Chamber of Commerce and Industry (DCCI) yesterday at the chamber secretariat at Motijheel in Dhaka.

WTO urges India to focus on multilateral trade pacts

AFP, New Delhi

The director general of the World Trade Organisation said Monday that India should focus on improving multilateral trade pacts rather than regional or bilateral ones.

Supachai Panitchpakdi said here the country should not just concentrate on becoming an industrial power, but also boost agriculture by speeding up the pace of reforms in the sector.

"India should focus its energy on multilateral negotiations rather than regional or bilateral negotiations," Supachai told a news conference on

the sidelines of India's annual meeting of the World Economic Forum.

"I don't see India only as an industrial power, which it is in the making, but also an agricultural power," he added, saying the sector employs nearly 60 percent of the country's population.

"Why should India wait so long in the wings? Even China does not have the land to become an agricultural power the way India has," he added.

India, which is influential among developing countries in multilateral trade negotiations, effectively lobbied this year to secure a commitment on bringing down subsidies to

farmers in rich nations.

In return, developing nations will gradually cut high import tariffs imposed on developed nation farm goods.

Supachai said the recent agreement had helped in making the playing field more level than ever before in trade of farm goods.

"My recommendation is India should take up the fight. The pace of reforms should really be increased," he said.

The WTO director general said the reforms will not affect the livelihood of poor farmers in India and will help to raise their incomes.

US considers import curbs on China wool trousers

REUTERS, Washington

The Bush administration said Monday it would investigate China's exports of wool trousers threaten to disrupt the US market, the first step toward possible restrictive quotas.

The probe into China's shipments of men's and boys' wool trousers marks the ninth investigation launched at the request of US industry seeking emergency import restrictions on various clothing and textiles.

The decision, by the Committee for the Implementation of Textile Agreements that is chaired by the US Commerce Department, initiated a 90-day look into China's export practices on that category of trousers.

At the end of this year, a decades-old global import quota system on clothing and textiles will expire. The US textile industry fears a flood of additional cheap products from China will bring more job losses to a domestic industry already battered

by hard times.

If the US investigation into China's practices shows a threat to the domestic industry, and if bilateral consultations fail, the United States could impose "safeguard" quotas to limit the growth of Chinese exports.

US clothing retailers and importers last week filed suit at the US Court of International Trade in New York to block emergency restrictions on the Chinese goods.