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# Star BUSINESS

DHAKA FRIDAY JANUARY 7, 2005 E-mail: dsbusin@gononet.com

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## ICB wants to act as banker to issue of Premier Bank IPO

MONJUR MAHMUD

The Investment Corporation of Bangladesh (ICB) has requested the Securities and Exchange Commission (SEC) to allow the corporation to act as banker to the issue for the initial public offering (IPO) of Premier Bank.

The ICB argued that such an option will enable its account holders who are willing to apply for getting a slice of the lucrative bank shares.

ICB usually acts as banker to the issue of any IPO but with the changed rules, if the ICB needs to apply for shares individually, it will not be able to process applications of its account holders in such a short period.

Citing an example, a top ICB

official said if 50 percent of investment account holders apply for the Premier Bank IPO, it will not be possible for the ICB to collect the money, prepare documents and deposit those in the bank branches.

If the ICB is not given the chance to act as banker to the issue, it will be a big problem for the 52,000 investment account holders. As investors have interests in the bank IPOs, it may be a problem not only for the ICB but also for its 52,000 investment account holders.

The Dhaka Stock Exchange earlier sought the SEC intervention in the Premier Bank IPO process. The DSE said the process is designed to limit participation of general investors.

The DSE in a letter on Monday requested SEC Chairman Mirza Azizul Islam to consider the matter with topmost priority for the interest of the investors.

Asked, the SEC chairman admitted the matter was overlooked by the regulators before the prospectus was approved. The SEC has already warned the company against the flaws.

The subscription of the bank IPO will open on February 20 and continue until 26 at its 20 branches across the country with two other commercial bank branches in Cox's Bazar and Rajshahi.

The seven-day period includes only three and a half working days, as February 20 and 21 are government holidays and 25 is Friday while Thursday is a half-working day.

The stock markets had been greeting the public float of banks overwhelmingly. In 2003 and 2004, the bank IPOs were oversubscribed by 21.9 times on an average.

The size of the Premier Bank IPO amount is Tk 55 crore, which is by far the highest in the banking sector. As

per the present IPO rules at least 1,11,510 applicants will be eligible to participate in the IPO for 55,75,497 shares.

"We think that the bank will not be able to handle such huge number of potential applicants properly within such a short period of subscription time," said a top official of DSE.

The SEC has introduced new IPO rule under which preferences are given to small investors applying for a minimum market lot of 50 shares. The changed rules came into force with the public float of Exim Bank.

According to market sources, approximately 1.2 lakh of beneficiary owners' accounts have already been opened with the Central Depository Bangladesh Ltd.

The small investors are rushing to open BO accounts to get hold of at least one market lot of the new issues.

## WEA to continue training rural women

OUR CORRESPONDENT, Bogra

President of Women Entrepreneurs' Association (WEA), Bangladesh Rokia Afzal Rahman yesterday said her organisation will continue training rural women to make them self-reliant.

She was addressing a certificate giving ceremony at Thengamara Mohila Sabuj Sangha (TMMS) auditorium in Joypurhat.

Presided by Asrafur Islam, director (Operation) TMMS, the meeting was also addressed by WEA General Secretary Rubina Farooque, WEA Training Committee Chairperson Khadisa Afzal, WEA executive members Nilufar Siddika, Gazi Shamim Hossain, Brand Assistant of Unilever Bangladesh Nurat Jahan, Joypurhat Press Club President Mohammed Abul Hossain, President of Joypurhat Chamber of Commerce and Industries Aminul Bari and Shazadi Begum of TMMS.

The training was organised by WEA for the betterment of the rural women in Joypurhat district. The training was sponsored by Fair and Lovely Foundation.

The training was conducted by Nazrin Jhan Lipe of TMMS. A total of 30 women of the district participated in the training styled 'Women's Empowerment and Advancement by Learning and Training of Herself (WEALTH)'.



President of Women Entrepreneurs' Association (WEA), Bangladesh Rokia Afzal Rahman speaks at a training programme for rural women yesterday in Joypurhat.

## Power Grid Co signs turnkey deal with Siemens

Power Grid Company of Bangladesh (PGCB) recently signed a turnkey deal with Siemens Finland for construction of a 230/132 kv Khulna (South) substation project, funded by NORDIC Development Fund.

Mohammed Salim, company secretary of PGCB, and Henrik Gayer, managing director and chief executive officer of Siemens Finland, signed the agreement on behalf of their organisations, says a press release.

## British Airways launches online check-in service

British Airways has recently introduced online check-in for its passengers travelling to the UK.

By just visiting ba.com, the newly launched British Airways Internet site, and following simple instructions customers can now check-in for their flight in a couple of minutes and also can select their own seats by accessing the seat map of the aircraft, says a press release.

Passengers now have the convenience to just pick up their boarding cards, drop their checked-in baggage at a special counter and proceed for boarding. As the process is more streamlined, there are no long queues at the airport, the release added.

Online check-in service is available for 24 hours and passengers can check-in up to one hour prior to the departure of their flight.

## Canada showcase programme

Jan 11  
UNB, Dhaka

The Canadian High Commission in Dhaka will hold a Canada showcase programme on January 11 to project the North American country in Bangladesh.

The programme at the BRAC Centre will bring Canada's role in the world and in Bangladesh with regard to trade and development cooperation into the spotlight.

Opportunities of higher education in Canada will also be highlighted at the programme.

## New DMD of Janata Bank



Md Ashraf Ali took over as deputy managing director of Janata Bank recently.

Ali, who started his career in 1973,

also served in Agrani Bank and Rupali Bank, says a press release.

## Correction

In a news item titled "Medicinal plants hold huge prospects" published on this page yesterday, it was inadvertently printed that the market for medicinal plants in Bangladesh is estimated to be of Tk 100 million instead of Tk 1100 million. We regret the mistake.

## MCCI lauds long-term tax holiday offer for SMEs

STAR BUSINESS REPORT

The Metropolitan Chamber of Commerce and Industry (MCCI) yesterday welcomed the government decision to offer long-term tax holiday to small and medium enterprises (SMEs).

Welcoming the decision, MCCI President Kutubuddin Ahmed said long-term tax holiday for small industries will have far-reaching impact on the SME sector.

The chamber also urged the government to extend the tax holiday to export-oriented and some thrust sector industries which is scheduled to expire at the end of current fiscal year. "An early announcement in this regard will be

extremely timely to help the entrepreneurs to meet the challenges of the globalisation," MCCI said.

The Cabinet Committee on Economic Affairs on Wednesday approved a proposal by Committee on Developing the Small and Medium Industries to offer tax holidays to small enterprises having a maximum investment of Tk 30 lakh.

According to the decision, such enterprises in Dhaka will enjoy tax holidays for seven years and those in Chittagong for 10 years. And, if their investments are permanent, they will also get value-added tax exemptions.

The government also identified 11 priority areas in small industries - electronics, software, light engi-

neering, agro-processing, leather, knitwear, plastic, synthetics, education, and healthcare and diagnostic services.

The industries ministry will now work out details and implement the tax holiday for SMEs.

Earlier, the government formed Committee on Developing the Small and Medium Industries in 2003 headed by Kamaluddin Siddiqui, principal secretary to the prime minister, to get specific recommendations for the development of SME sector.

An enterprise having maximum capital of Tk 1.5 crore is defined as small firm while a firm with Tk 1.5 crore-Tk 10 crore capital is known as a medium enterprise.



Mohammed Salim, company secretary of Power Grid Company of Bangladesh (PGCB), and Henrik Gayer, managing director and chief executive officer of Siemens Finland, exchange documents after signing an agreement on behalf of their companies recently. Under the deal, Siemens Finland will help PGCB construct the 230/132 kv Khulna (south) substation.

## Dollar continues to gain ahead of US jobs report

AFP, London

The dollar continued to rebound Thursday against other major currencies in the wake of positive US service sector data, though trade was cautious ahead of Friday's key US jobs report.

The single European currency fell to 1.3181 dollars compared with 1.3261 late on Wednesday in New York, the lowest level for almost a month.

The dollar climbed to 104.87 yen from 104.17 on Wednesday.

A series of strong data showing the US recovery is well underway, as well as a hawkish set of minutes on Tuesday from the Federal Open Market Committee's last meeting, have contributed lately to a more bullish outlook on US interest rates and the US economy.

This has boosted the US currency, diverting attention away from recent concerns over the size of the US current account deficit.

One strong report Wednesday from the Institute of Supply

Management was a survey of the service industry, with the index jumping to 63.1 following a strong ISM report this week on the factory sector.

"The fundamental picture continues to evolve, with the strength in the US ISM non-manufacturing survey confirming the impression from chain store sales reports that the festive period has been reasonably firm for US retailers and distributors," said HBOS currency analyst Steve Pearson.

Since the end of the Christmas and New Year period, the dollar has staged a substantial rebound, with the euro dropping to below 1.32 dollars for the first time since December 10.

Consolidation has been a major factor, with investors starting to believe that the recent dollar sell-off has been overdone, particularly its massive falls over the Christmas period that took the euro to a record 1.3668 dollars.

Trade remains cautious, however, ahead of Friday's closely

watched US non-farm payrolls report for December, though the dollar was likely to continue gaining in the run-up to the release, analysts said.

HBOS's Pearson noted that "pre-non-farm payroll report jitters" are unlikely to preclude further dollar gains, while WestLB analysts said it would take a "substantial disappointment" in the payroll number to "put the dollar back on a persistent downward trajectory".

The euro was changing hands at 1.3181 dollars against 1.3261 late on Wednesday in New York, 138.26 yen (138.12), 0.7044 pounds (0.7042) and 1.5508 Swiss francs (1.5483).

The dollar stood at 104.87 yen (104.17) and 1.1764 Swiss francs (1.1678).

The pound was at 1.8711 dollars (1.8828), 196.26 yen (196.10) and 2.2018 Swiss francs (2.1991).

On the London Bullion Market, the price of an ounce of gold stood at 425.80 dollars against 426 dollars on Wednesday afternoon.

## Indian stocks to outperform in 2005

REUTERS, Hong Kong

Indian stocks should continue the rally that took them to a record high this week thanks to attractive valuations, according to Aberdeen International Fund Managers, which is betting on domestic consumption playing a key role.

Hong Kong-based director Alex Boggis said he expects Indian stocks generally to provide strong returns even after the benchmark index gained 13 percent last year and 73 percent in 2003.

"India will probably be one of the better performing markets, even though it's come a long way," said Boggis.

Valuations are still compelling, the growth is still there."

Aberdeen, which takes a bottom up, stock picking approach to investment, counts state-run refiner Bharat Petroleum Corp Ltd among its key holdings in India.

It also owns Satyam Computer Services Ltd, the country's fourth-largest exporter of software services, and Hero Honda Motors Ltd, India's largest motorcycle maker.

Aberdeen's International India Opportunities Fund returned 26.9 percent for 2004.

The 30-stock Bombay share index hit a record high of 6696.31 on Tuesday before sliding 3 percent on Wednesday as global market slid on worries over US interest rates.

Boggis said that Aberdeen, which has more than \$40 billion under management globally including about \$14 billion in Asia, sees better opportunities in India than in China.

## Thai 2005 GDP growth forecast unchanged

REUTERS, Bangkok

The tsunami damage to the Thailand's important tourist industry will not dent the economy, which will still grow at the expected pace of 5.5 to 6.5 percent in 2005, a state economic planning agency said Thursday.

The National Economic and Social Development Board (NESDB) said extensive property losses and business setbacks to luxury hotels on the Andaman Sea coast and islands would be offset by reconstruction in the battered region.

"The net result is the rehabilitation investment this year will more than offset the losses that we have seen, which means the economy will expand 0.15 percentage points more than we had expected," NESDB chief Amphon Kittiphon told reporters.

Analysts say the government is right to believe the economy will recover quickly from the catastrophic tsunami which killed more than 5,200 people, more than half of them foreign tourists.

"Reconstruction investment in the coming quarters will sustain GDP growth and offset the initial capital loss," DBS Bank in Singapore said in a research note.

"International aid coupled with fiscal incentives and resource commitments will further cushion the economic fallout."

## India calls for developing Asian oil market

### Asia-Middle East energy confce begins

PALANI BHATTACHARYA, New Delhi

A conference of principal petroleum producing countries and buyers began in the Indian capital yesterday with a call by India to develop an Asian oil market and bring about long-term and cheaper oil supplies to stabilise volatile international market prices.

While total consumption in Asia almost equals the production, the region, unlike North America and Europe, lacks a developed oil market, Indian Petroleum Minister Mani Shankar Aiyar said while addressing the first-ever roundtable of nine major oil producing and consuming countries in Asia.

"For us in Asia to convert that underlying stability in production into stability in oil markets, it is essential that we develop a sophisticated Asian market for petroleum and petroleum products," he said.

Aiyar suggested more stability in Asian oil market through long-term import contract, transparent pricing and an Asian benchmark to set pricing.

He also proposed gradual integration of spot international market crude prices to the Asian market.

Asia has emerged as a major oil consumption region with the present consumption being about 40

percent of total world consumption of nearly 82 million barrels per day. While increase in global oil consumption was about 3.3 percent in 2004, the same in Asia went up by over five percent.

West Asia produces around 22 million barrels of crude per day and 64 percent of West Asian crude supplies came to Asia in 2003. Asia is projected to remain the dominant consumption center in the next two decades or so with consumption estimated at about 43 percent of global consumption and West Asia is forecast to be major supplier of crude up to that period 31 percent of global production.

Aiyar's stress on Asian benchmark for crude oil assumes significance as India, along with other major economies of Asia China, Japan and South Korea, seek to bring price stability by aligning volume of imports with a pre-determined price.

The Asian crude market consists of Dubai and Oman crude. Saudi Arabia, the world's largest crude oil producer, sells the product linked to three different price marketsto Europe benchmarked to Brent, to the US linked to WTI and to Asia to Dubai and Oman market.

The two-day roundtable brings together Energy Ministers of Saudi

Arabia, Iran, Kuwait, UAE, Oman and Qatar and major consuming countries China, Japan, South Korea and Malaysia.

India is looking for long-term crude oil supply contracts with West Asian producers and mutual investments in upstream by consuming countries and downstream by producing countries to enhance energy supply and price stability and security.

Saudi Arabia is India's single biggest supplier of crude giving 23.55 million tons of the 90.43 million tons imported in 2003-4.

Ahead of yesterday's roundtable, Aiyar had a bilateral meeting with visiting Saudi Oil Minister Ali Ibrahim Al Naimi who later told reporters yesterday that his country was open to the idea of long-term contracts if it is on a "take-or-pay" basis.

What, according to oil industry sources, it means is that the buyer must lift crude oil even if the market price falls below the contract price.

Qatar's Energy Minister Abdullah bin Hamad Al Attiyah, who too had one-to-one meeting with Aiyar, also agreed that long-term contracts could stabilize the market and "energy policies should give confidence to both producers and consumers."

## Oil prices fall amid US mild weather, rising inventories

AFP, Undated

World oil prices fell on Thursday as US mild weather and a rise in the country's stockpiles of heating fuel dampened worries about supplying consumers during the ongoing winter in the northern hemisphere. New York's main contract, light sweet crude for delivery in February, fell 40 cents to 42.99 dollars a barrel in electronic dealing, a day after the US government published its latest weekly snapshot of crude oil inventories.

In London, the price of Brent North Sea crude oil for delivery in February, dropped 31 cents to 40.20 dollars a barrel by about 11:00 GMT.

"The market remains weak as mild weather in the US northeast reduces the heating oil demand for the region and allows stocks to rebuild," analysts at the Sueden brokerage firms said.

The US Department of Energy on Wednesday reported distillates inventories -- mostly heating fuel and diesel -- rose 2.0 million barrels to 121.1 million for the week ending December 31.

Heating fuel stocks alone increased by 1.2 million barrels to 50.1 million.

"The picture is simple: ample supply versus a collapse in heating oil deliveries," Societe Generale analyst Deborah White said.

She noted that heating oil stocks rose in the US northeast, the country's only region heavily reliant on such fuel.

Although US heating fuel stocks remained 12.2 percent lower than during the same period last year, the US northeast's "abnormally-mild weather severely limits the near-term possibilities for a rally" in prices, White said.

US data showed also gasoline stocks rose 2.0 million barrels to 214.3 million.

However, crude stockpiles fell 3.3 million barrels to 291.8 million.

Elsewhere, Saudi Arabia, the world's biggest crude exporter, said Thursday that it was keeping spare capacity to meet the needs of Asia's fast-growing economies, calling the region the country's chief customer.

"I'd like to assure our customers in Asia, Saudi Arabia is both capable of and committed to meeting the petroleum needs of its Asian partners," Saudi Arabian Petroleum Minister Ali Nuaimi told a conference in New Delhi.

Riyadh was "dedicated to maintaining spare production capacity in the range of 1.5 to 2.0 million barrels per day to meet additional demand should need arise," he told Asian ministers meeting to discuss oil cooperation.

All Nuaimi added that the country served three major consuming regions -- North America, Europe and Asia, describing the latter as its "number one customer."

## ADB pledges \$350m in new tsunami aid

AFP, Jakarta

The Asian Development Bank (ADB) announced on Thursday 350 million dollars in new financial aid for the tsunami disaster relief effort.

The extra money brings the total the bank is offering in grants and low-interest loans to 675 million dollars.

ADB president Tadao Chino told a summit of world leaders gathered in Jakarta to plan the aid and reconstruction effort that the bank was also ready to provide "significant additional funding" over the long term.

"ADB stands ready to deploy its expertise and resources towards this effort," Chino said.

He said the aid package would cover urgent rehabilitation and reconstruction work and would involve a combination of grants, "highly concessional funds" and money reallocated from ongoing programs.

"We will make every effort to ensure these funds are rapidly and effectively disbursed for priority projects and programs," he said.

The ADB announced last week an initial loan and credit package of 325 million dollars.

Earlier Thursday UN Secretary General Kofi Annan issued an urgent appeal for 977 million dollars in immediate cash aid for the 11 nations hardest hit by the December 26 earthquake and tsunamis, which have killed more than 150,000 people and left some five million in need of help.