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# Star BUSINESS

DHAKA FRIDAY JANUARY 21, 2005 E-mail: dsbusins@gononet.com

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## Premier Bank reschedules IPO subscription period

MONJUR MAHMUD

In the face of severe criticism, Premier Bank Limited has changed its subscription period for initial public offering (IPO) and increased the number of bank branches for receiving money from the public.

Now, the subscription for the IPO will open on February 22 and close on February 27, 2005. And all the branches of Premier Bank, First Security Bank and 17 branches of Mercantile Bank across the country will receive money for IPO applications.

As per earlier schedule, Premier Bank announced that the IPO subscription 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.

It was apprehended that many people would not be able to deposit money during such a short period of time. Many small as well as big investors observed the bank may manipulate the IPO process.

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

The DSE in a letter earlier this month requested Securities and

Exchange Commission (SEC) Chairman Mirza Azizul Islam to consider the matter with topmost priority for the interest of the investors.

The Investment Corporation of Bangladesh also wrote a letter to the SEC, requesting the regulator to allow the corporation to act as banker to the issue of the Premier Bank IPOs.

The SEC chairman also admitted the matter was overlooked by the regulators before the prospectus was approved. The SEC also warned the company against the flaws.

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 applications will be eligible to participate in the IPO for

55,75,497 shares.

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' (BO) 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.

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.

## Northern farmers face economic hardship

### Eid brings no joy for growers

RAFIQUE SARKER, Rangpur

Eid-ul-Azha this year brings no joy for thousands of small, marginal and mid-level farmers in Rangpur, Kurigram, Nilphamari, Gibandha and Lalmonirhat districts as they are unable to buy sacrificial animals, thanks to economic hardship following the poor yield of Aman paddy in the last season.

Most farmers in the northern districts are investing all their money to cultivate IRR1-Boro paddy and potato.

Some of the farmers said they are suffering from severe cash crisis and it is not possible for them to buy sacrificial animals to celebrate the Eid.

"I am unable to buy an animal for Eid due to shortage of money," said Rabbani, a farmer of Achhingachh village at Rajarhat upazila in Kurigram district. "Nowadays it is very difficult for me to manage meals. To buy a sacrificial animal is a dream for me."

Aiyub Ali, a mid-level farmer of Sapnabari village at Lalmonirhat district, said he could not arrange money for paddy cultivation.

Last year, massive pest attack on Aman paddy reduced the production. At some places in these districts, farmers got only one-third of the usual production of Aman.

Sources of the Department of Agriculture Extension (DAE) said last year farmers on an average got 20 to 25 mounds of Aman rice from an acre of land against an usual 40 to 48 mounds. Generally, farmers in these districts cultivate IRR1-Boro paddy with the money they get by selling Aman. This year, they could not arrange money due to poor yield of Aman.

Akbar Hossain, a small-level farmer of Sathibarti village at Mithapukur upzila in Rangpur, said he borrowed money to cultivate IRR1 and Boro paddy this year. "It is too difficult for me to buy a sacrificial animal for the Eid."

## Commercial Bank of Ceylon gets AA credit rating certificate

The Commercial Bank of Ceylon Ltd has been awarded with AA credit rating certificate by the Credit Rating Information Services Ltd (CRISL), a frontline rating agency in Bangladesh.

Jamal Uddin Ahamed, chairman of CRISL, formally handed over the rating certificate to S Renganathan, country manager of Commercial Bank, Bangladesh, at a presentation ceremony on Sunday in Dhaka, says a press release.

The rating has been made on the basis of superior asset quality, strong liquidity, capital adequacy, IT structure, parent support and good profitability as well as corporate governance, said Muzaffer Ahmed, president and CEO of CRISL, according to the release.

## Holcim makes takeover bid for British counterpart

AFP, Zurich

Holcim, the world's number two cement maker has made a friendly, 1.8 billion-pound (3.4 billion-dollar, 2.6 billion-euro) takeover bid for British counterpart Aggregate Industries, the firms said on Thursday.

The move forms part of a plan by the Swiss giant to strengthen its position in certain markets in the fields of cement, aggregates and ready-mix concrete, Holcim said.

For its part, the directors of Aggregate Industries plan to recommend the offer to their shareholders, with chief executive Peter Tom describing it as an attractive cash package as well as an opportunity to develop his company's business within the Holcim group.

Holcim is offering ordinary shareholders of Aggregate Industries 138 pence per share. They will also be entitled to a second interim dividend of two pence per share.

The Swiss company said it believed the transaction would generate annual synergies of about 100 million Swiss Francs (84 million dollars, 65 million euros) by 2007.

## Citigroup Q 4 profit rises 12pc

REUTERS, New York

Citigroup Inc, the world's largest financial services company, on Thursday said fourth-quarter profit rose 12 percent, helped by growth in its consumer business.

The New York-based company also increased its quarterly dividend by 10 percent.

Net income rose to \$5.32 billion, or \$1.02 per share, from \$4.76 billion, or 91 cents per share, a year earlier.

Analysts polled by Reuters Estimates on average forecast profit of \$1.01 per share.

Results included a \$244 million after-tax charge related to the closing of Citigroup's private bank in Japan, and a \$131 million after-tax reserve for the expected settlement of a US Securities and Exchange Commission investigation into transfer agent matters.

Citigroup said it released \$605 million pre-tax from its loan loss reserves.



Customers crowd a roadside spice shop near Baitul Mukarram Mosque in Dhaka yesterday. Demand for spices usually goes up during the Eid-ul-Azha when hundreds of thousands of cattle are sacrificed.

## RINGGIT PEG TO DOLLAR

# Malaysia central bank rebuffs Mahathir

AFP, Kuala Lumpur

Malaysia's central bank Thursday said the country's currency peg to the dollar would not be reviewed at this stage, rebuffing former premier Mahathir Mohamad, the man who imposed the peg but now says it is time for a change.

The government will take a fresh look at the rate of 3.80 ringgit to the US dollar only if the currency became fundamentally misaligned or if there was a major structural change within international or regional financial systems, Bank Negara governor Zeti Akhtar Aziz told reporters.

"Currencies change from time to time. We already said we don't look at just one currency. We look at many currencies. We want stability in our exchange rate against our major trading partners," Zeti said when asked to comment on Mahathir's remarks.

"We said at the very outset that we will look at developments and if there are fundamental structural changes that have taken place or if there are potential misalignments of our currency, we will review the situation," he said.

Mahathir, who controversially pegged the ringgit to the US dollar and imposed capital controls in 1998 amidst the Asian financial crisis, said Wednesday it was time to review the currency peg.

The weak US dollar had caused the ringgit to depreciate against major currencies, Mahathir said, adding: "I feel the time has come for us to review because we have lost a lot as the value of our currency has fallen."

Mahathir, who was also finance minister, had defied International Monetary Fund (IMF) prescriptions by pegging the currency, inviting predictions of doom from many international economists. However, the IMF has since

acknowledged that Mahathir's actions enabled the country to weather the crisis better than many of its neighbours.

Mahathir has joined a growing chorus of calls for a review of the peg. He said the sharp decline in the value of the dollar meant it was now costlier to import products from Japan, Europe and elsewhere.

Pressure for change has led to an inflow of funds from overseas speculators hoping to take advantage of any upward shift in the ringgit's value.

Speculation that China may adjust its own currency peg to the dollar and allow the yuan to rise has lent strength to the belief that Malaysia may follow suit as its economy has recovered strongly and exports are at a record high.

Mahathir retired in October 2003 after 22 years in power, handing over to his chosen successor, Prime Minister Abdullah Ahmad Badawi.

## New MD of BATB



Emil Moskofian recently took over as managing director of British American Tobacco Bangladesh (BATB).

A British by born, Moskofian has replaced Stephen Daintith, says a press release.

Graduating from Queen Mary College (University of London) with a BSc degree in Nuclear Engineering, he diversified his career into the field of finance as a professional chartered accountant.

He started his career with the British American Tobacco Group in 1992 in the finance team at the Group's London headquarters.

In his last assignment he was working as finance and corporate & regulatory affairs director in British American Tobacco Korea.

## New DMD of Sonali Bank



Mukter Hussain has recently taken over as deputy managing director of Sonali Bank.

Prior to the new assignment, he was the general manager of the bank, says a press release.

Mukter started his career as a senior officer of Agrani Bank in 1976.

## China to probe irregularities of asset managers

AFP, Shanghai

Chinese authorities plan to investigate nearly 8.5 billion dollars worth of irregularities found at four state asset management groups, state press reported Thursday.

The companies involved handle state-owned banks non-performing loans (NPLs).

More than 70 billion yuan (8.4 billion dollars) in debt has been found to be suspect, the China Business News reported, citing unnamed officials at the China Banking Regulatory Commission (CBRC).

Among the problems discovered by auditors were falsified account books, improper handling in the valuation of depreciating state-owned assets and the misuse of funds recovered from the sale of non-performing assets, the newspaper said.

## India, Chile agree to boost trade

AFP, New Delhi

India and Chile on Thursday signed three agreements including one to galvanise trade, which at 400 million dollars was far below potential, officials of both countries said.

The Framework Agreement for Economic Cooperation will help India and Chile to transcend "the barriers of distance, climate, language and culture," India's Trade Minister Kamal Nath said.

The deal is set to be followed by a Preferential Trade Agreement later this year and culminate in a Comprehensive Economic Cooperation Agreement, an Indian foreign ministry statement said.

The agreements -- including two in the agriculture sector -- were signed after talks between Indian Prime Minister Manmohan Singh and Chilean President Ricardo Lagos.

Lagos, the first Chilean president to visit India, invited Indian businessmen to use his country "as a springboard for entering Latin American markets."

"Setting up base in Chile will open markets of Europe, Canada, the Americas and Korea for Indian companies who will be able to export their products to these markets at zero duty," he told an Indian business meeting.

Lagos also urged India to increase its trade with his country by diversifying the export basket -- which at present contains automobiles, pharmaceuticals, information technology, textiles, carpets and leather products.

"Chile's exports are 53 billion dollars while our imports are 24 billion. Our tariffs are really low. I do not see why Indian exports to Chile should be just 80 million dollars," he said.

Onkar S. Kanwar, president of the Federation of Indian Chambers of Commerce and Industry said, "Chile offers huge potential for speciality teas from India... defence and science and technology are some other areas of mutual cooperation."

A Press Trust of India report said Chile had shown interest in buying

advanced light helicopters and other defence hardware from India. The Chilean defence minister was expected to visit India in April this year, it said.

The foreign ministry said India and Chile had "agreed on the importance of a sound, transparent, equitable and rule-based multilateral trading system."

"The two sides agreed to join forces to achieve a balanced outcome of the Doha Development Round" of World Trade Organisation talks, particularly in the area of agricultural reform, it said.

India, bidding for permanent membership of the UN Security Council, and Chile also agreed on the "urgent need for reforms of the United Nations and expansion of the security council to reflect the new realities of the international situation."

Lagos, who arrived in India Tuesday for a five-day visit, will tour India's southern IT capital Bangalore and the Taj Mahal city of Agra in the north.

## Agricultural centres form alliance to fight poverty in developing world

AFP, Manila

Two of the world's leading agricultural research centres -- in the Philippines and Mexico -- have formed an alliance to increase crop yields in the developing world, a joint statement said Thursday.

The alliance, between the Philippine-based International Rice Research Institute and the International Maize and Wheat Improvement Centre based in Mexico City, will bring together some of the world's leading agricultural scientists to help poor farmers acquire new technologies.

"This will make them more productive and help lift them out of

poverty as well as developing sustainable solutions to the developing world's urgent need for reliable food supplies," the statement said.

"Because all three crops are cereals we believe that research can be much better coordinated through a strong new alliance."

The alliance is expected to look at four specific areas: intensive crop production systems in Asia; establishing information units to provide data on genetic improvements in cropping systems; training and education; and climate change.

The alliance will also share support services and services related to intellectual property rights, biosafety, information technology

and auditing.

"There is also good potential for sharing the country offices of the two centres in developing nations such as Bangladesh, China, India, Iran and Nepal," the statement said.

It said the alliance hopes to begin developing a unified governance and management system with the appointment of two common board members by March 2006.

The two research organisations are the world's leading research centres for rice, wheat and maize.

The three staple cereals provide 60 percent of the world's food needs and cover more than 70 percent of the planet's productive cropland.