

Global Ins IPO eight times oversubscribed

MONJUR MAHMUD

The initial public offering (IPO) of Global Insurance Limited has received tremendous responses from investors, oversubscribing by around eight times.

The company offered 900,000 shares of Tk 100 each (at par) totalling Tk 9 crore but investors including the general public and the non-resident Bangladeshis (NRBs) have applied for shares worth about Tk 70 crore.

"We have received Tk 69.80 crore through 130,230 applications from the general public and NRBs. Of them, general investors have applied for shares worth around Tk65.55 crore while the NRBs went for Tk4.25 crore," SM Jasim Uddin Ahammed, company secretary of Global Insurance Ltd, told The Daily Star.

The general investors have

deposited Tk65.55 crore, which is more than eight times, against shares worth Tk8.10 crore through 1,30,000 applications. The amount deposited by the NRBs through 230 applications against shares valued at Tk 90 lakh is less than five times.

As per Public Issue Rules of 1998, the company offered Tk 8.10 crore for the general public and kept the rest 10 percent of the total shares amounting to Tk 90 lakh reserved for the NRBs.

"The lottery for the allotment of shares is scheduled to be held on March 2 but we have requested the Securities and Exchange Commission (SEC) for extending the time for another 10 days," the company secretary said adding, "If it is accepted, the lottery may take place in the second week of March."

Of the 1.30 lakh applications in general category, only 16,200 will

be successful, Ahammed mentioned.

It is mandatory for the company not to allow any application for share from the general public who do not have beneficiary owners' (BO) accounts.

However, the NRBs are allowed to apply for shares without BO accounts provided that he or she will inform the company about his or her depository account number for obtaining shares, if allotted in his or her favour.

Global Insurance opened subscription for IPO on January 29 and was scheduled to close on February 2. But the company extended the subscription period up to February 6 as the investors could not apply for the IPO due to 60-hour hartal from January 29 to 31 that badly hit business, banking and other economic activities.

The company was forced to extend the time for the second time until February 9 when a daylong hartal was called on February 3 followed by another two-day hartal on February 5 and 6 and February 4 was a Friday.

At present, 18 general and three life insurance companies are listed with the stock exchanges and are being traded ranging between Tk 161 and Tk 3,139 as on yesterday.

"Shares of insurance companies are being traded at attractive prices and it is the main reason for getting such tremendous response from the public. If an applicant succeeds in getting shares, he or she will make a handsome amount of money," said Alamgir Faruk, a stock market operator.

Britain invites India for July G-7 meet in Scotland

AFP, New Delhi

Britain has invited India for a summit of the Group of Seven industrialised nations and Russia to be held in Scotland in July, a report said Saturday.

The meeting is to be held from July 6 to 8.

Along with India, China, Brazil and South Africa also have been invited by Britain, which holds the rotating presidency of the group, The Hindu newspaper said.

The British government was keen that a country such as India be associated with the grouping to give it a more representative character, said the report, quoting a senior Indian foreign ministry official.

The report came a day after British Foreign Secretary Jack Straw wound up a two-day visit here to discuss enhancing bilateral trade, among other topics.

The G7's focus on India has been growing because of the country's increasing economic clout.

India's economy has grown an average six percent since it launched its liberalisation drive in 1991 and is forecast to expand by around seven percent in the financial year ending March 31.

Singapore announces \$792m in tax cuts

AFP, Singapore

Singapore announced personal tax cuts and other financial breaks worth 1.3 billion Singapore dollars (792 million US) on Friday as it reported the budget would return to surplus in the next financial year.

The government should come close to balancing the budget in the current fiscal year ending March 2005 after earlier predicting a major deficit, Prime Minister Lee Hsien Loong said in presenting the budget to parliament.

He said the deficit would only be 440 million dollars, or a third of the 1.35-billion-dollar shortfall originally projected, due to lower government spending and higher net investment income from the country's vast reserves.

The city-state also enjoyed its best economic performance in the 2004 calendar year since 2000, with gross domestic product expanding by 8.4 percent.

For the fiscal year ending March 2006, Lee said the government was expected to record a budget surplus of 210 million dollars, instead of 940 million dollars after deducting the costs of many of the financial perks.

Inflation fears flare on surprise jump in US wholesale prices

AFP, Washington

Inflation moved to the front burner Friday after a report showing a surprisingly sharp increase in wholesale prices prompted a reassessment of the US economic outlook.

The Labor Department said its producer price index (PPI) jumped 0.3 percent in January, while the core rate, which excludes volatile food and energy costs, soared 0.8 percent.

The headline PPI figure was in line with forecasts, but the core rate was sharply higher than the 0.2 percent expected by private forecasters and was the fastest pace since late 1998.

In the past 12 months, the overall PPI was up 4.2 percent and the core PPI was up 2.7 percent, the biggest year-over-year gain in nine years.

The latest figures sparked fresh concern about inflation, which has been largely in check in recent years. Some experts said the trend, if it continues, may force the Federal Reserve to push up interest rates at a more aggressive pace.

"Today's inflation report illustrates a plausible if not compelling case that recovery is gradually ushering in price pressures," said Citigroup economist Robert DiClemente.

Other experts said the figure prompts a reassessment of the economic picture.

"This is an important warning not to become complacent about the containment of inflation risks," said John Lonski, economist at Moody's Investors Service.

"Investors need to look for higher short-term and long-term interest rates in the months ahead."

Saifur asks donors to ensure adequate fund for the poor

UNB, Dhaka

Finance and Planning Minister M Saifur Rahman urged world donor community to ensure adequate development funding for poor countries like Bangladesh for poverty alleviation and social uplift.

In order to lessen the huge gap, poor countries do not have enough capability that is needed to reach the MDGs (Millennium Development Goals), he said, speaking on internal resource mobilisation for development of Bangladesh.

He was addressing Governing Council meeting of the International Fund for Agriculture Development (Ifad), a Rome-based UN agency, according to a message received here.

President of Uganda, prime minister of Belgium and ministers from different regions attended the inaugural session of the two-day meet (16-17 February 2005) in Rome.

The minister led a two-member Bangladesh delegation, accompa-

nied by ambassador and PR to Ifad, Anwarul Bar Chowdhury.

This year's theme of panel discussion was "Achieving the Millennium Development Goals: Rural Investment and Enabling Policy".

The session re-elected Lennart Bage of Sweden current president of the Ifad for another term. Jannes Hutagalung of Indonesia lost the election.

Saifur called upon the donors to increase their contributions to agencies explicitly mandated to fight poverty and hunger.

He also stressed the need for strengthening the Ifad, known for its anti-poverty programmes worldwide, so that it would dispense its responsibility effectively.

Despite some progress, the aggregate poverty rates remain very high extreme poverty, mostly seasonal, still persists in some rural areas, Saifur added.

He said Bangladesh is well ahead on the path towards reducing poverty and is 'on track' on a number of targets like reducing child mortal-

ity, expanding primary and secondary education and reducing gender disparity.

Saifur stressed waging fight against poverty on all fronts and appreciated the role of Ifad in this regard.

Touching upon the success story of Bangladesh in poverty eradication, he highlighted the homegrown Poverty Reduction Strategy being pursued by the present government.

He also pointed out the disappointing trends like dwindling investment in agricultural and rural sector, lack of focus by foreign investors on agricultural sector and consequent inability of the poor countries to get to the MDGs. In this context, he highlighted Bangladesh's progress towards MDGs.

The minister assured the council meeting that the Ifad would always find Bangladesh a supporting partner in achieving its laudable missions of fighting poverty in all its dimensions.

Air travel to Phuket falls

ANN/THE NATION

Phuket International Airport lost revenue of more than Bt100 million in the first two months of this year due to a sharp decline in the number of travellers after the tsunami, the airport director said Friday.

Squadron-Leader Pornchai Eua-aree, director of Phuket International Airport and Airports Authority of Thailand, said that the number of travellers through the airport had fallen 64.4 per cent.

The number of international passengers has plunged 88.81 per cent, and that for domestic passengers is down 42.43 per cent compared to the same period last year.

This month it is expected that passenger traffic will be down 51.19 per cent compared to the same period last year with the number of international passengers likely to show a 67.67-per-cent fall and domestic travellers a 40.32-per-cent drop.

Total air passenger traffic in January was down 26.74 per cent. Domestic air traffic was down 12.16 per cent, and international air traffic recorded a 54.59-per-cent drop compared to the same period last year.

This month the total number of passengers is down 31.66 per cent. Domestic air traffic is down 16.48 per cent while international air traffic is down 41.4 per cent compared to the same period last year.

Overall passenger traffic this year is likely to be substantially less than the 4.5 million recorded last year, even though before the tsunami disaster the airport had forecast that the number of passengers this year would show a 30-per-cent increase from 2004.

Meanwhile, Suvarnabhumi International Airport has decided to select only one applicant to lease 20,000 square metres of commercial space in the new airport, excluding the duty-free area, which has already been allocated to the King Power International Group.

Bancha Pattanaporn, acting president of the Airports Authority of Thailand, said there were 15 investors in the bidding. Bids will be opened on February 25, and the authority will select the winning bid in March.



Saifuzzaman Chowdhury Javed (C), president of Chittagong Chamber of Commerce and Industry, speaks at a press conference in Chittagong yesterday ahead of the 13th Chittagong International Trade Fair 2005 beginning at the Railway Pologround on Tuesday.

CITF to help promote local products

Organisers hope

STAFF CORRESPONDENT, Ctg

Organisers hope Chittagong International Trade Fair (CITF) 2005 will be an outstanding congregation of buyers and sellers from home and abroad that can help promote market of local products.

The 13th version of month long CITF will begin on Tuesday at the Railway Pologround with the theme, 'Trade for Global Access.'

As the Dhaka International Trade Fair is not taking place in the next few months, many foreign entrepreneurs are now eager to join the fair in Chittagong, said Saifuzzaman Chowdhury Javed, president of Chittagong Chamber of Commerce and Industry (CCCI), the organiser of the exposition.

"A good number of big market players and business conglomerates from Thailand, India, China, Oman, Iran and the USA have already consented to join the fair this year,"

the CCCI leader said while speaking at a press conference in Chittagong yesterday.

CITF-2005 Chairman Ershad Ullah said tight security arrangement with the involvement of elite force Rab, police and personnel from intelligence agencies will be made for holding the exhibition peacefully.

The fairground covering 4 lakh square feet area will have nine mega pavilions, four mini pavilions, 31 standard pavilions and 387 stalls, he said.

The product range may include computer accessories, handicrafts, consumer products, food, home appliances, garments, leather goods, tribal garments, electric cables and electronics goods, ceramic, aluminium, jute products, herbal medicine, building materials, marble and tiles, wooden and steel furniture, plastic goods, cosmetics and soft drinks, he said.

Commerce Minister Altaf Hossain

Choudhury is expected to inaugurate the fair while Foreign Minister M Morshed Khan will be present as chief guest. Besides, State Minister for Communications Salahuddin Ahmed, Commerce Ministry Advisor Barkat Ullah Bulu, City Mayor ABM Mohiuddin Chowdhury and Co-chairman of Thai Business Society in Bangladesh Pipat Limpikirati will also be present as special guests.

Organisers said they will allot free stalls to Red Crescent, Organisations for Disableds, Biswa Sahitya Kendra (a local organisation that promotes the habit of reading) and Sandhani (a voluntary organisation in the health sector).

CCCI Senior Vice-president SM Nurul Hoque urged all opposition parties not to enforce hartal in Chittagong during the month long fair.

WEF Asia roundtable from Apr 28 in S'pore

STAR BUSINESS REPORT

The World Economic Forum in partnership with the Singapore Economic Development Board (EDB) on Friday announced its Asia roundtable that will be held in Singapore on April 28 and 29.

The roundtable will bring together 250 global leaders from business, government, academia, civil society and the media to share their strategic insights on business, political and economic developments in the region. Prime Minister Lee Hsien-Loong of Singapore will host the opening reception for all participants at Istana, the official residence of the president.

The theme of the roundtable is "Tilting the Global Balance: The Strategic Implications of Asia's Growth", according to a press statement of World Economic Forum issued from Geneva, Switzerland.

The theme reflects the pressing need for leaders to better understand the business, political and social implications of the profound changes that loom over the horizon as Asia's increasing influence begins to alter the pace and profile of globalisation. The calibre of participants and a focused

programme ensure ample opportunities to develop tangible, business-relevant outcomes, with Asia's leading decision-makers and experts.

The roundtable will also look at how the scale of Asia's development will impact on the scarcity of natural resources, the development of human capital and new technologies, the future pace and profile of regional integration and the current balance of power in world affairs, as well as the policy changes needed to ensure the region's continued growth.

The co-chairs for the Asia roundtable thus far are John Chen, chairman, chief executive officer and president, Sybase, USA; Koh Boon-Hwee, chairman, Singapore Airlines; and Jiang Jianqing, chairman and president, Industrial and Commercial Bank of China, the statement said.

Moreover, a high-level delegation of government and business leaders from the Middle East will participate in the roundtable, given the growing trade and investment ties between the two regions.

In addition to the roundtable, three open forum plenary sessions will welcome participants from Singapore-based business, media and academic institutions.

Pak economy to grow at 8pc in coming years: Aziz

AFP, Jeddah

Pakistan's economy is expected to achieve a growth rate of eight percent over the next several years, Prime Minister Shaukat Aziz said here Saturday.

"We believe that we have laid the foundation of a stable and strong economy and the stage is now set for the economy to grow more vigorously (at) 8 percent per annum over the next several years," Aziz told participants in the opening session of the Sixth Jeddah Economic Forum, in the Red Sea city of Jeddah.

He said the Pakistani economy improved immensely during the past five years, so that it is "no longer fragile ... and healthier, while the private sector is buoyant."

"Today, the import of machinery is up at least by 40 percent," compared to few years ago, Aziz said highlighting the role of private sector in developing the economy of the country of 150 million people.

Aziz said more structural reform is needed for his country's economy, as that is "the essence of development."