DHAKA FRIDAY APRIL 29, 2005 E-mail: business@thedailystar.net

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Beijing-Kunming-Dhaka direct air route opens from May 18

The China Eastern Airlines will open the Beijing-Kunming-Dhaka direct flight on May 18, the airline's Yunnan branch announced here Wednesday.

The move is a concrete step in realising the strategy to link China with south and southeast Asia. Operation of the flight will further promote economic, cultural and tourist exchanges between China and Bangladesh, said Wan Nengsong, deputy general manager of the China Eastern Airline's Yunnan branch.

Only in late March this year, the airline began market and field investigations on the new air route and met Bangladesh officials in this regard. "It is a rare instance to complete preparations on opening an international air route in such a short period," he said.

Luo Chaogeng, general manager of airline, said, "Opening the direct air route is the result of Chinese Premier Wen Jiabao's visit to

Bank holiday on May 1

UNB, Dhaka

Bangladesh Bank and all scheduled banks will remain closed on May 1 (Sunday) on the occasion of May Day, said a central bank press release yesterday.

India raises interest rate

REUTERS, Bombay India's central bank lifted its bench-

-mark interest rate by 25 basis points to 5.0 percent Thursday to control rising inflation in Asia's fourthlargest economy, surprising markets which had expected steady policy.

However, the Reserve Bank of India (RBI) left the bank rate -- used to price medium and long term loans -- unchanged at 6 percent, the lowest it has been in three decades.

"The overall stance ... will continue to be ... provision of appropriate liquidity to meet credit growth and support investment and export demand in the economy while placing equal emphasis on price stability," the RBI said in a state-

"If oil prices continue to firm up at a pace seen so far in 2005, financial markets could see a major reaction as pace of economic activity slackens, corporate earnings fall and external imbalances sharpen."

The yield on the most actively traded 12-year government bond rose 16 basis points to 7.5980 percent after the announcement, while the rupee held steady at 43.7100/7175 per dollar.

The central bank's move was its second successive rate rise. It lifted the reverse repo rate by 25 basis points from a four-decade low of 4.5 percent last October, the first rise in

Share prices dip further SEC seeks fiscal measures from finance ministry

STAR BUSINESS REPORT

Securities and Exchange Commission (SEC) Chairman Mirza Azizul Islam met Finance and Planning Minister M Saifur Rahman yesterday as sharp slide in share prices continued on two bourses of

the country. The share indices on Dhaka and Chittagong stock exchanges yesterday plunged to this year's record low, creating panic among general

Dhaka Stock Exchange (DSE) general index dipped 60 point or 3.77 percent to close at 1591.57 points on the day.

The SEC chairman briefed the minister on the capital market situation and sought some fiscal measures to make the market vibrant, sources said.

The SEC chief informed the minister of some latest developments in the market, which

The visiting BGMEA delegation,

accompanied by Grameen Bank

Managing Director Dr Muhammad

Yunus, on Wednesday urged US

senators, media and labour organi-

sations to lend absolute support to a

bill titled 'Tariff Relief Assistance for

At a dinner party attended by US

Developing Economies Act of 2005'.

senators, buyers and labour leaders,

Dr Yunus called for allowing export

of Bangladeshi garments to the US

The permanent representative of

Bangladesh to UN Iftekhar Ahmed

arranged the function at Club 21 in

Bangladesh Caucus, introduced the

Tariff Relief Assistance for

Tvices Network Ltd.

Earlier, Congressmen Kolbe and

market under tariff relief facilities.

BDNEWS, Dhaka

prompted some general investors to pull back their fund from the mar-

He said most of the listed companies have already declared dividends for the shareholders and a post-dividend dull period is prevailing in market which resulted in the

"The expiry of legalising black money by the end of June 2005 and subscription of some new initial public offerings also made investors rethink to diversify their portfolio by going for new issues," the SEC chairman was quoted by a source as

telling Saifur. The SEC chairman urged the minister to offload a portion of government shares through the capital market to help rejuvenate the market by offering new options for investors.

He also demanded widening corporate tax base for listed and non-listed companies.

Dr Yunus campaigns for duty

in the House of Representatives on

February 17 this year to extend trade

preferences to certain least-

of trade relief facilities to four South

Asian countries -- Bangladesh,

Bhutan, Afghanistan and Nepal --

tors and media about the beginning

of garment industries in Bangladesh

huge downfall in the days to come

owing to the phase-out of multi-

fibre arrangement (MFA) that came

into effect from January 1 this year.

international figure for his micro-

credit invention, requested the US

To save a nation from a severe

Dr Yunus informed the US sena-

He said the industry may face a

The bill referred to the extension

free access of RMG to US

eveloped countries.

and 10 other countries.

and its present state.

Crowley, co-chairmen of the crisis, Dr Yunus, who is also an

The difference should set at a level so that all the corporate houses are lured to issue initial public offering, the chairman said.

The DSE all share price index (DSI) decreased by 49.06 points or 3.88 per cent to close at 1214.12 points from 1263.19 points on Wednesday.

The DSE-20 (DS20) index also shed 73.63 points or 4.17 per cent to close at 1689.58 from Wednesday's 1763.21 points.

The CSE All Share Price Index (CASPI) also decreased by 98.86 points or 3.05 percent to close at 3133.82 points from 3232.68 points on Wednesday.

The CSE-30 Index also declined by 113.20 points or 3.87 per cent to close at 2806.34 points from Wednesday's 2919.54 points.

people to raise their voice so that the

proposed trade act might be passed

The BGMEA President Annisul

Huq and Bangladesh Ambassador to

USA Shamsher Mobin Chowdhury,

among others, also spoke at the

delegation will also attend some

dent of Oxfam, America, Senator

Tim Worth, president UN

Foundation, Ted Sattler, executive

president of Phillips Van Heusen

Corporation, Richard Green, chief

producer of Dateline NBC News

USA, Mark Levinson, chief econo-

mist of Unitehere, a renowned

labour organisation in USA, among

others, were present at the meeting.

other functions in Washington.

BGMEA sources said the visiting

Raymond C Offen Heiser, presi-

unanimously.

OUTGOING BB GOVERNOR'S MAJOR SUCCESSES

Flexible interest rate, better PCBs, floating exchange rate

STAR BUSINESS REPORT

Making interest rate flexible, improving performance of the private commercial banks and successful implementation of marketdetermined floating exchange rate are the three top areas where outgoing Bangladesh Bank Governor Dr Fakhruddin Ahmed can claim to have played major roles.

"Interest rate was deregulated in the early 1990s, but that did not practically work. Interest rate did not become flexible," he told The Daily Star in an interview on the eve of his leaving the office. "So, the Bangladesh Bank introduced proper monetary instruments to make it happen.

Dr Fakhruddin completes his tenure on April 30 after serving the country's central bank since

The central bank introduced repo and reverse repo -- two instruments to provide funds to the banks and mop up liquidity from the market. "These two became the Bangladesh Bank's

(BB) effective tools to give signals to banks on either lowering or increasing rates," he said. 'When we wanted to bring the rate down, we also kept repo and reverse repo rates low."

In similar veins, the BB introduced 5-year and 10-year treasury bonds (T-bonds) to conduct monetary policy better. "These two long-term instruments helped

banks have a longer time project of what could be the interest rates in future in case of term-loans," Dr Fakhruddin said. "It served them as an yield About strengthening the PCBs, the outgoing

governor said the BB formulated rules and regulations to improve working of the bank boards. It also improved internal process through preparing core risk management guidelines for better enforcement of regulatory measures.

"As a result of this, classified loans have gone down and are on a downward curve," he pointed out. His claim is amply supported by figures. The classified loans which stood at 40 percent of total loans in 1998 have come down to 17.6 percent in 2004. The net classified loans during the time



Dr Fakhruddin Ahmed

have decreased from 23.2 percent to 9.8 percent. The PCBs tightened their belt to a great extent during this time. From a 27.8 percent, they brought down the classified loan percentage to

But getting tough with defaulters also did a part of the magic. Rescheduling has been made much more difficult. The Money Loan Court 2003 has made the banks more responsible for realising classified loans. Before going to court, the banks now have to make serious efforts to sell the collateral against loans.

The court is also time-bound to give verdict which has speeded up the cases. Limit of banks in giving loans to a single party has been reduced to 35 percent of the bank's capital.

This has forced banks to go for syndication in sanctioning large loans," Dr Fakhruddin said.

of eyes, its quality is bound to improve."

Similarly, we have made the banks separate their business development and credit approval departments," he continued. "Credit approval and disbursement departments are also separate. It has spread the risk and limited the scope of vice."

And thirdly when the exchange rate was floated, the BB also successfully applied the monetary instruments like reverse repo to mop up excess liquidity from the money market.

"The banks did not have resources to buy foreign exchange," the governor pointed out. "The exercise has given the banking system a tremendous confidence that we are capable of moving forward like other countries."

Still Dr Fakhruddin has his own dissatisfactions. He thinks much more needs to be done yet to put the banking sector on a firm footing.

"The banks' corporate governance needs to be strengthened further," he observed. "Risk management should be improved further. If the banks become more efficient and lend properly, that will gear up investment, growth and reduce poverty."

Strengthening the BB's capacity area where the outgoing governor feels improvement can be "The computerisation is on way, this will

change the central bank radically," he sounded positive. "We have just introduced merit-based promotion system. This needs to be followed to have good manpower at the central bank." As unfinished task, he felt banks need to be

directed into new areas of services like bring services to small business and small depositors.

"We have already started the process last year with the setting up of a small entrepreneur fund," the governor pointed out. "We need to bring this 'missing middle' into the banking net. They pay much higher interest rate to informal money lenders and engage a lot of workers. They are needed for poverty reduction."

Similarly, housing loans need to be streamlined, he feels. This would boost the construction sector and create huge employment because of the labour intensive nature of the sector.

"When a loan is scrutinised by more than one pair
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"When a loan is scrutinised by more than one pair

Beximco Ltd okays acquisition of Shinepukur Ceramics

Declares dividends

Beximco Limited at its annual general meeting yesterday approved acquisition of 100 percent shares of Shinepukur Ceramics Ltd that has a paid-up capital of Tk 66.06 crore.

The meeting passed special resolutions to raise the authorised capital of Beximco Ltd from Tk 10 crore to Tk 100 crore in view of its strategy to make merger and acquisition, says a press release.

The shareholders of Beximco Limited unanimously approved issuance of a further capital of Tk 22.02 crore for the acquisition by exchanging one Beximco Limited share for three Shinepukur Ceramics shares. However, further issuance of capital is subject to approval by the Securities and Exchange Commission (SEC).

The meeting also declared 10 percent cash and 10 percent stock dividends for its shareholders for the year 2004.

The meeting was presided over by Chairman of the company ASF Rahman. It was also attended, among others, by Vice Chairman Salman F Rahman, directors Iqbal Ahmed, MA Qasem, OK Chowdhury, Dr Abdul Alim Khan and ABS Rahman, Legal Adviser Barrister Rafique-ul Hug and Company Secretary Md Asad Ullah.

Established in January 26, 1997, Shinepukur Ceramics Limited launched commercial production of porcelain tableware in April 1999 and Bone China tableware in November the same year.

Authorised capital of the company is Tk 500 crore, while paid-up capital is Tk 66.06 crore. The factory of the company is located at Sarabo in Kashimpur, Gazipur and it employs as many as 2,127 employ-The exchange ratio, 1:3, was

determined by renowned valuers, SF Ahmed & Co, Chartered Accountants, an associate of Ernst & Young International, INC of New York USA.

Until December 31, 2004, Shinepukur Ceramics fetched a net profit of Tk 6 crore on a turnover of Tk 103 crore.

Earlier on Tuesday, the shareholders of Shinepukur Ceramics Ltd at its AGM approved the proposal placed by Beximco Ltd to acquire 100 percent share of Shinepukur

Ecnec okays 12 projects involving Tk 2,368cr

BDNEWS, Dhaka

projects in various sectors involving Tk2,368 crore.

Of the total amount, Tk 1,450 crore is project assistance and the government will provide the remainingTk918 crore. The Ecnec meeting was held in the

Planning Commission with Prime Minister Khaleda Zia in the chair.

Later, giving details, Finance and Planning Minister M Saifur Rahman

yesterday approved 12 development eastern areas and secondary towns port at a cost of Tk 26.71 crore, enviintegrated flood protection project,

> These three projects will cost over Tk 1,764 crore, of which Tk 1,356 crore are project assistance.

Other projects approved by the Ecnec include infrastructure development of Barisal city corporation at a cost of Tk 31.75 crore, Naogaon-Atrai-Natore road construction at a cost of Tk 50 crore, development of flood

said the projects approved by the damaged roads, drain and dumping meeting include rehabilitation of ground of Sylhet city at a cost of Tk 50 The Executive Committee of the flood-damaged project, rural infra-crore, modernisation and installation National Economic Council (Ecnec) structure development project in of equipment for inland water transronment development project at a cost of Tk 62 crore and post-flood water supply at flood affected districts atacostofTk42.46 crore.

The government will give full amount to Muhuri-Kohua flood control and irrigation project to be implemented at a cost of Tk 150.75 crore and rain water preservation of Barendra and irrigation project



A group of visitors crowd a stall at the six-day Internet Fair-2005 at Bhasani Novo Theatre in Dhaka yesterday.

Bangladesh Lamps Limited

Sadar Road, Mohakhali Dhaka - 1206

Price Sensitive Information

Based on annual accounts of the Company for the year ended 31st December 2004, the Board of Directors of Bangladesh Lamps Limited, at its meeting held on 28th April 2005, decided to recommend a cash dividend @ Tk.25/- for every existing ordinary share of Tk.100/-

The date of 44th Annual General Meeting of Bangladesh Lamps Limited has been fixed to be held on Tuesday 14th June 2005 at 11.00 a.m. at the National Shooting Federation Auditorium, Gulshan-1, Dhaka. The register of members and share transfer book of the Company and the depository register of CDBL will remain closed on 26-05-2005, as Record

By order of the Board

Thrulah Semail Abdullah Ismail

Dhaka April 28, 2005 Company Secretary

Open up VoIP to tap ICT opportunities

Internet fair seminar urges govt

STAR BUSINESS REPORT

Speakers at a seminar yesterday urged the government to immediately open up Voice over Internet Protocol (VoIP) to explore ICT opportunities as the country is hooking up to the global information superhighway through a submarine cable link by September.

They were speaking at a seminar on the sidelines of Internet Fair-2005 held at Bhasani Novo Theatrein Dhaka. "The government expects a

high economic output from ICT sector. But for getting the output, at first government should take initiative to open the VoIP, said Md Akhtaruzzaman Manju, president of Internet Service Providers Association of Bangladesh (ISPAB) while speaking at the seminar.

He said undoubtedly, some notable ICT experts have been created in the country but for some infrastructural limitations, they can not utilise their merit in this sector.

SM Iqbal, president of Bangladesh Computer Samity, said the ICT sector lags far behind in the global market for delay in VoIP approval. The cabinet approved the bill

of VoIP in 2003 and the prime minister also made a declaration to open it up. But till now, the government is yet to complete the process of opening up VoIP in the country, said Mohammad Sobur Khan, former president of Bangladesh Computer Samity. About 60 local ISP and ICT

services and products in 80 stalls at the six-day fair. The Internet Fair 2005 has drawn a huge number of people interested to know more about the various uses

companies are showcasing their

and benefits of internet and improvements in the ICT sector. "We have got a huge response in the first two days of the fair. Basically the youth and internet-based business people are coming here to know about our services" said

Muhammad Ezaz Rasul, assistant

sales manger of BDJOBS Ltd.

Uzzal K. Ghose, marketing executive of Proshikanet said the exposition will help us to increase our business as many people can get an idea about internet and its use from

The fair will remain open to visitors everyday from 10am to 8pm Ceramics Ltd.

Advanced Chemical Industries Limited 245 TEJGAON INDUSTRIAL AREA, DHAKA - 1208

PRICE SENSITIVE DISCLOSURE

This is for kind information of the valued Shareholders of Advanced Chemical Industries Limited and others that the Board of Directors of the Company in its 111th Meeting held on 28th April, 2005 took the following Price Sensitive

SL.	Particulars	Decisions
no.	in ba a land attentive about	consequence and an engage of the second
01	Date of 32 nd Annual General Meeting	22 June, 2005
02	Record date in connection with 32 nd Annual General Meeting	30 May, 2005
03	Recommendation of Cash Dividend for the Year 2004	42.5% Cash Dividend The Board of Directors recommended Cash Dividend of 42.5% i.e. Tk 4.25 per share of Tk.10.
04	Conversion of subsidiary Company into a Public Limited Company	Board of Directors of ACI Limited decided to convert its subsidiary ACI Formulations Limited, in which it holds 86.97% shares, into a Public Limited Company and offer its shares to the public with the approval of Securities & Exchange Commission and other agencies as required under law, in due course. Issue Price, date of Issue and other relevant information will be determined and disclosed at a later date.

Date: - 28.4.2005

Sheema Abed Rahman Company Secretary