

Nitol Ins IPO gets SEC nod despite DSE objection

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The Securities and Exchange Commission (SEC) has allowed Nitol Insurance Company Ltd (NICTL) to issue Tk 9 crore initial public offering (IPO) despite strong objection from the Dhaka Stock Exchange (DSE).

The commission in a meeting on June 16 with Chairman Mirza Azizul Islam in the chair approved the application of the company to raise the fund from the stock market.

In a letter to the SEC earlier, the DSE Listing Committee headed by Abdullah Bokhari recommended that the company should not be allowed to issue IPO due to its poor performance.

In its observation, the committee said profitability of Nitol Insurance is decreasing in recent times.

It said the company earned Tk 7.39 million net profit in 2004 and Tk 12.30 million in 2003, showing a 30.92 percent decrease in profit in one year.

The DSE observation said although the company continued declaring a 10 percent dividend for the last couple of years, it has a Tk 10 million dividend liability.

The marketing network of the company is very poor and mainly dependent on the sponsors group of the company, it observed.

"As per draft prospectus, the company has significant business relationship with enterprises owned

by the sponsors or directors. It has a 70 percent gross premium income generating from enterprises owned by the sponsors group of the company," it added.

The DSE observation was also skeptical about the trend towards declaring dividend of the company in the near future. DSE said if the present level of performance of the company continues, it may not be able to give at least 10 percent dividend.

"If such poorly performing companies are allowed to enter the capital market, the situation may turn worst," a member of the Listing Committee said preferring anonymity.

He said the Listing Committee has so far disallowed trading of six

companies on the DSE in the last couple of years and the decision proved right as the value of shares of those companies later degraded.

When asked, the SEC chairman, however, said the SEC has examined the matter and gave approval only after finding that the company fulfilled necessary requirements to issue IPO.

"We cannot refuse a company, which has no accumulated loss and is on the track of earning profit," the chairman said adding that the SEC asked Nitol Insurance to clarify the decrease in its profit in 2004.

When contacted, none was available at Nitol Insurance for comments.

Lift import duty on timber to help save forest

Importers ask govt

STAR BUSINESS REPORT

Timber importers yesterday urged the government to withdraw duty on imported timber to encourage timber import and save the country's forest resources.

Leaders of Bangladesh Timber Importers and Exporters Association at a press conference in Dhaka also said the existing 7.5 percent duty will also hurt local furniture industry.

The duty also encourages timber smuggling into the country, said M Shamsul Haque, president of the association.

Haque said the government in 1988 put a ban on collection of timber from domestic forests and withdrew import tax on timber to save the country's forestland.

Following the decision, timber import grew by 12 million square feet every year, saving some 500 square kilometres of woodland a year, the association leaders said.

FBCCI, Saudi chamber sign MoU to boost trade

BDNEWS, Dhaka

Top business leaders of Bangladesh and Saudi Arabia have agreed to work together to promote economic and trade relations between the two nations.

A memorandum of understanding (MoU) was signed to this effect by Abdul Awal Mintoo, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), and Engineer Saad I Al-Moajel, member of the Council of Saudi Chambers of Commerce and Industry (CSCCI),

during the 8th Bangladesh-Saudi Arabia Joint Economic Commission (JEC) meeting in Riyadh June 14-15.

Under the MoU, both the sides agreed to facilitate trade and investment between the two Muslim countries.

The MoU, which contains a total of 10 clauses, said both parties will exchange information to sort out trade and investment opportunities for the expansion of economic and industrial co-operation between these two apex trade bodies.

The two trade bodies also agreed to arrange frequent visits of trade delegations and promote co-

operation between them.

The MoU covers effective exchange of information about trade and market opportunities available in both the countries.

The two sides also agreed to encourage joint venture business, besides boosting research co-operation.

Bangladeshi pharmaceuticals, leather goods, readymade garments, jute products and tea have potential markets in Saudi Arabia, while Dhaka can import polymers, fertiliser, iron, soda ash and dates from the kingdom.

Nokia launches car kits in local market

STAR BUSINESS REPORT

Nokia, the world's largest mobile phone set manufacturer, has launched new car kits that will allow users to attend calls hands free while driving vehicles.

It will ensure more safety in receiving calls while driving cars, Henri Mattila, head of mobile enhancement, Nokia India Private Ltd, told the launching ceremony in Dhaka yesterday.

Demonstrating some of the car kits, which are now available in Dhaka market, Mattila said with its use one can turn his car a mini office with the access to fax, videoconference and many more.

Now these car kits are available in different car showrooms in Dhaka and soon will be available through dealers across the country, said Anwar Hossain, CEO Nokia Mobile Phones, CMPL.

Raquibul Kabir, managing director of Nokia Mobile Phones, CMPL, was also present at the launching ceremony.

3 non-banking institutions to go public soon

BDNEWS, Dhaka

Three non-banking financial institutions are expected to go public soon, official sources said yesterday.

The institutions are Asia Pacific Insurance Ltd, Prime Finance & Investment Ltd and the Islamic Finance Ltd. They are expected to get the nod of the Securities and Exchange Commission (SEC) at its meeting scheduled today.

The Asia Pacific Insurance with a paid up capital of Tk 60 million will float shares worth Tk 150 million for the public.

With a paid up capital of Tk 180 million, the Prime Finance and Investment Ltd will float shares worth Tk 50 million.

The Islamic Finance Ltd, with a paid up capital of Tk 147 million, will float shares worth Tk 100 million, sources at the SEC said.



PHOTO: STAR

Italian Ambassador to Bangladesh Pietro Ballero and Chittagong Chamber of Commerce and Industry (CCCI) President Saifuzzaman Chowdhury Javed visit a stall yesterday after the inauguration of a two-day Catalogue Exhibition of Italian Products-2005 in Chittagong.

India okays landmark trade deal with S'pore

AFP, New Delhi

India's cabinet gave the go-ahead Monday for a landmark trade deal with Singapore that is expected to accelerate the flow of foreign direct investment into the South Asian nation.

"This is India's first comprehensive economic cooperation agreement with any country and will provide numerous direct and fringe benefits," Indian Trade Minister Kamal Nath told a press conference.

The Comprehensive Economic Partnership Agreement encompasses accords on trade of goods and services, investment protection and avoidance of double taxation.

The cabinet clearance paves the way for Singapore Prime Minister Lee Hsien Loong to sign the accord on June 29 when he visits India.

"Singapore will offer all imports from India at zero duty which is expected to help us develop a supply chain to the huge markets of Asia as Singapore is a known trading hub," Nath said.

For its part, India will cut tariffs on imports from Singapore by 80 percent after the pact is signed, gradually reducing them to zero over a five-year period.

"By August 1, we will scrap customs duties on 506 items from Singapore, and then work towards a phased elimination and reduction of duties on over 4,000 items up to 2009," said Nath.

The agreement aims to ease barriers for Singaporean firms to invest in India's fast-growing economy and provide greater access for Indian professionals to Singapore's services industries.

"India and Singapore will ease visa regulations to make it easier for professionals from 127 fields to travel on work to each other's countries," said Nath. "The visas will be based on reciprocity," he added.

"We expect foreign institutional investments from Singapore to rise to five billion dollars with the imple-

mentation of this pact in the first year. Similarly, Singaporean foreign direct investment in India's infrastructure will top two billion" dollars, said Nath.

Singapore has invested 1.5 billion US dollars in India in sectors such as telecoms, making it the country's biggest Asian investor and the third largest foreign investor.

India expects Singapore to invest an additional two billion dollars in the technology, manufacturing, financial services and aviation sectors this year.

The agreement also calls for liberalisation of air transport between the two countries.

Singapore is forging free-trade or comprehensive economic agreements with key partners, while pushing for a global deal under the World Trade Organization.

It has signed agreements with the United States, Japan, Australia, New Zealand, Jordan and the European Free Trade Association (Switzerland, Liechtenstein, Norway and Iceland), and is involved in negotiations for several other bilateral or pan-regional trade deals.

BGMEA urges US buyer to up import from Bangladesh

UNB, Dhaka

Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday urged US company Matalan Holdings PLC to raise import of readymade garments from Bangladesh.

BGMEA President Annisul Huq made the appeal to visiting chairman of the US company, John Hargreaves, during a meeting in Dhaka.

Matalan Holdings, which has 199 retail stores in the US, imported readymade garments worth 60 million US dollars from Bangladesh last year. The company has been importing garments products since 2000.

StanChart launches wealth management service

Standard Chartered Bank has launched a fast track wealth management service titled 'Excel Banking' for its targeted customers in Bangladesh.

Osman Morad, chief executive officer of the bank's Bangladesh chapter, formally launched the service at Gulshan branch in Dhaka Thursday, says a press release.

The membership of Excel Banking is offered only through invitation and to Standard Chartered customers who maintain a relationship value between Tk 1.5 million and Tk 2.5 million across various wealth management products.

Initially the service will be available only at Gulshan and Dhanmondi-5 branches.

Acme launches bottled water

The Acme Agrovet & Beverage Ltd launched a new product 'Acme Premium Drinking Water' yesterday.

Chairman of Acme Group Nasir-ur-Rahman Sinha rolled out the product at a function in Dhaka, which was also attended by other senior officials of the company, says a press release.

The new Acme-brand water purified by 20-layered water purifying system ensures the ultimate purity, the chairman said.

Italian catalogue show begins in Chittagong

STAFF CORRESPONDENT, Ctg

With a view to enhancing trade relations between the two countries, a two-day Catalogue Exhibition of Italian Products-2005 began yesterday in Chittagong.

Chittagong Chamber of Commerce and Industry (CCCI) and Honorary Consulate of Italy in Chittagong have jointly organised the show at the Chamber auditorium.

A wide variety of Italian products and services including textiles, pharmaceuticals, pumps, marbles, tiles, CNG-conversion kit, elevator and tourism were put on show.

Italian Ambassador to Bangladesh Pietro Ballero inaugurated the show while CCCI President Saifuzzaman Chowdhury Javed was also present.

"Bilateral trade between Bangladesh and Italy has not increased remarkably despite huge potential," Ballero said at the inauguration.

"Different Italian machinery have gained worldwide popularity because of their high standard and competitive price," the envoy said adding "a catalogue show like this one will help build a trade relationship and investment opportunities between business communities of

the two countries."

Replying to a query, the ambassador said, "The visa procedures and formalities have been eased for the genuine businesspeople and tourists." He also urged the business community to take assistance from the special bureau (consulate) of the Italian Embassy in Chittagong.

Instead of the government, the private entrepreneurs in Italy mainly look after the manpower-related matters.

Earlier, the CCCI president urged the envoy to pursue his government to ease and simplify the process of importing manpower from Bangladesh and increase the number.

He said obtaining Italian visa, even for businesspeople, is a dilatory and cumbersome process and requested the ambassador to appoint a private visa facility service provider in Chittagong.

CCCI Vice President MA Latif, Assistant Indian High Commissioner in Chittagong Ashoke Das and chamber directors were also present at the inauguration.

The exhibition will remain open to visitors today from 10am to 5pm.

Final round of GP SMS contest held

STAR BUSINESS REPORT

The final round of GrameenPhone (GP) SMS contest was held at Shilpakala Academy in Dhaka yesterday where 10 participants emerged winners.

Earlier, a total of 160 contestants were selected for the final round from 16 qualifying rounds on Saturday and Sunday.

Rajibul Bari Palash of Faridpur won the first prize, a 21 inches Sony colour television set, by sending the fastest SMS while Nazrul Islam of AIUB bagged the second prize, a Samsung digital camera, and Hamel Nahrin Khaleque of Dhaka University secured the third prize, a Sony DVD player.

Manjurul Rubel of Stamford University won the fourth prize, a Butterfly refrigerator (5cft), and Faisal Mahmud of Dhaka University got the fifth prize, a Sony VCD player.

Besides, each of other five winners got a Nokia mobile phone handset.

Deputy General Manager (Marketing) of GP Galib Ahmed Ansari distributed the prizes among the winners.

GP organised the SMS (short message system) contest to promote text message as an alternative means of communication among the people especially the young generation, organisers said.

More than 15,000 GP subscribers registered for the contest.



PHOTO: STAR

Winners of the GrameenPhone (GP) SMS contest pose for photographs at the award giving ceremony in Dhaka yesterday. GP Deputy General Manager (Marketing) Galib Ahmed Ansari distributed prizes among the victorious contestants.