

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 (NICL) 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 Bohari 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.

"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.

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.

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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.

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.

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.

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.

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 (50ft), 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.



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.

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.

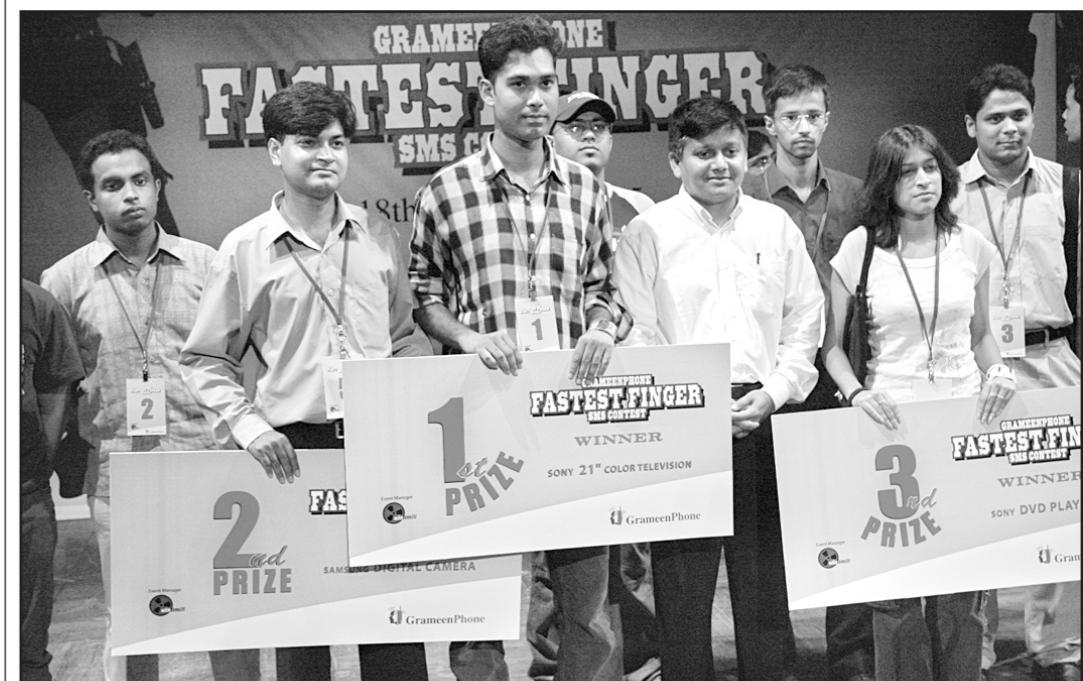
Initially the service will be available only at Gulshan and Dhanmondi-5 branches.

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.



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.