

SEC, DSE at loggerheads over listing of 'weak cos'

STAR BUSINESS REPORT

The Securities and Exchange Commission and the Dhaka Stock Exchange are now at loggerheads over listing of some companies with 'weak fundamentals'.

The officials of SEC and DSE at a meeting yesterday stuck to their stances over the issue.

According to meeting sources, SEC explained it approved the initial public offering (IPO) of the companies after they fulfilled necessary criteria. The companies got go-ahead on the basis of their previous performances, the SEC added.

However, the DSE said it had already made some negative observations about some companies and informed the regulator. These companies may not be allowed for listing with the DSE.

Of the total IPOs approved in

June, performances of general insurance companies are not satisfactory and investors are at risk of losing a portion of their capital, the DSE observed.

The DSE earlier in a letter made its observation about these general insurance companies and said the DSE listing committee may not approve the applications of these companies considering the interest of investors.

With SEC Chairman Mirza Azizul Islam in the chair, DSE President Shahiq Khan, Chief Executive Officer Salahuddin Ahmed Khan and other officials of both the organisations were present at the meeting.

"We have to see earning per share, net asset value and other fundamental things in case of giving approval to a company. No body can guarantee how much dividend a company will be able to offer in

future," SEC chairman told The Daily Star.

If it is said the performance of a company is weak, the weakness should be defined, he said. "I made it clear from my side."

If there is any negative observation, it should be informed timely, he said admitting that the SEC had a communication gap with the DSE and all agreed to reduce the gap.

The DSE in a letter told the SEC that Nitel Insurance should not be allowed to issue IPO due to its poor performance and decline in profitability in recent times. The SEC allowed the company to issue Tk 9 crore IPOs despite strong objection from the DSE.

The DSE listing committee did not give approval to Daffodil Computers Ltd, Khaza Mosaic Ltd, Jago Corporation Ltd and JMI-Bangladesh Company Ltd. Shares

of these companies are now being traded on the Chittagong Stock Exchange at below their face value.

The SEC on Wednesday approved prospectus of four non-banking financial institutions (NBFIs) to go public. The companies are Progressive Life Insurance Company Ltd, Sonar Bangla Insurance Company Ltd, Premier Leasing International Ltd and Islamic Finance and Investment Ltd.

Earlier, SEC okayed IPOs of Summit Power, Grameen Mutual Fund, Prime Finance and Investment, Asia Pacific Insurance and Nitel Insurance Company Ltd.

According to sources, giving approvals to nine companies in a single month and allowing them to go public within a short span of time may have a negative impact on the stock exchanges.

Wintel to market ZTE phone sets

STAR BUSINESS REPORT

Wintel Limited, a leading ICT company, yesterday signed a deal with ZTE Corporation, a Chinese telecommunications equipment manufacturer, to market ZTE GSM and CDMA mobile and fixed phones in Bangladesh.

Faisal Alim, managing director of Wintel, and CAO Chenggang, ZTE chief representative in Bangladesh, signed the agreement on behalf of their companies.

"Wintel will try to market ZTE sets at affordable prices," Faisal Alim told reporters following the signing of the agreement.

Alim said Wintel has a target to sell some 8,000 handsets in the current fiscal year. The price of a GSM handset will start from Tk 3,800.

He thanked the government for reducing the tax on handsets. He also called for cut in tax on SIM (subscriber identity module) cards.

Yemen keen to buy more drugs from Bangladesh

UNB, Dhaka

An official delegation from Yemen yesterday visited the production facilities of Beximco Pharmaceutical Ltd (BPL) in Gazipur and showed interest to import more pharmaceutical products from Bangladesh.

"Bangladeshi companies have to emphasis research if they want to increase exports," said Dr Najib Abdullah Saif, head of Scientific Department of the Supreme Board of Drug and Medical Appliances of the Ministry of Public Health and Population of Yemen. Saif, along with two other drug officials, visited the pharmaceuticals and infusions plant of the BPL and also the plant being built in line with the standards of the USFDA (United States Food and Drug Administration). Beximco Infusions and Beximco Pharmaceuticals merged on Friday.

They expressed satisfaction at the way the BPL manufactures and packages drugs, said a corporate release here.

BPL executives said about 20 BPL products have already been registered in Yemen for export.

They added the BPL products are registered in 16 countries--Singapore, Russia, Georgia, Nepal, Pakistan, Philippines, Sri Lanka, Bhutan, Cambodia, Iraq, Kenya, Mozambique, Myanmar, Ukraine, Vietnam and Yemen.

New MD of ACI



Arif Dowla took over as the managing director of ACI (Advanced Chemical Industries) Ltd with effect from July 1.

A member of the American Mathematical Society, Dowla has obtained his PhD degree in Mathematics from University of California, San Diego, says a press release.

SEC cancels 62,674 BO accounts

BDNEWS, Dhaka

The Securities and Exchange Commission (SEC) has cancelled 62,674 beneficiary owners (BO) accounts, which were found fake, official sources said yesterday.

The accounts include 26,004 fake BO accounts linked to the Premier Bank IPO scam, the sources added.

"We have cancelled the accounts as they were opened without proper documents. Besides, many accounts were not registered

with the central depository system," Mansur Alam, executive director of the SEC, said.

Currently, there are some 420,000 BO accounts registered through various depository participants (DPs), SEC sources said.

There are 179 authorised DPs, mostly the brokerage houses, but only 158 of them are functioning as DPs.

The SEC took initiative to identify and cancel the fake or irregular BO accounts following the Premier Bank IPO scam.

The Commission also instructed the DPs to scrutinise BO accounts to find out the irregular and fake ones.

It also directed the DPs to submit the list of all valid BO accounts to the SEC, Central Depository Bangladesh Ltd (CDBL) and the Dhaka and Chittagong stock exchanges by June 30.

The system of opening BO accounts was introduced in January 24, 2004 to facilitate electronic settlement of share transaction through central depository system.

Envoys talk status of bill seeking market access to US

BSS, Washington

Ambassadors of some countries at a meeting here on Thursday discussed the latest status of TRADE Bill and the strategies for moving it forward.

The meeting hosted by Bangladesh Ambassador to the United States Shamsheer Mobin Chowdhury and attended by representatives of most TRADE (Tariff Relief Assistance for Developing Economies) Act beneficiary countries emphasised the importance of being a unified group with a unified message.

The envoys of Sri Lanka, Cambodia, Nepal, permanent representatives of the Permanent Mission of Timor-Leste and Samoa attended the meeting.

The progress of the TRADE Act 2005 was discussed in details at the meeting. The meeting also took the note of the conference of the

leading apparel exporters' associations of seven Asia-Pacific countries held recently in Dhaka.

It was informed at the meeting that the leaders of the apparel exporters association extended their full support to a proposed legislation and decided to work in cohesion to get duty-free access to the US market for the least developed countries (LDCs).

The meeting was told that the US Congress is currently debating Dominican Republic-Central America Free Trade Agreement (DR-Cafta).

The envoys hoped that the TRADE Act would be in a position to move forward after the Congress has completed work on Cafta.

The meeting observed that it would be helpful if the ambassadors play a role at the meetings with the key Republican and Democrat members of the US Congress to co-sponsor the

TRADE Act.

The Bangladesh ambassador focused on the initiatives taken by Dhaka in mobilising support of the US legislators for the TRADE Act. He apprised the meeting of the visits by Bangladeshi dignitaries since the ambassadors last met in April 2005.

Finance and Planning Minister M Saifur Rahman and Foreign Minister M Morshed Khan recently held meetings with several key lawmakers including senators Edward M Kennedy and John Hununu, and congressmen Joseph Crowley, Barney Frank, Gary Ackerman, Jim McDermott, Robert Wexler and Peter King.

The US legislators assured the Bangladesh ministers of their support in enacting the trade law. The envoys of Nepal, Sri Lanka, Cambodia, Timor-Leste and Samoa also apprised the meeting of their own efforts in moving the bill forward.

Emirates Holidays Bangladesh awarded

Emirates Holidays Bangladesh, a tour operating arm of Emirates, has been given award for the best overall performance in Asia-Pacific.

Kazi Tarik Mahmood, senior agent of Emirates Holidays Bangladesh, received the award from Hans Haensel, senior vice president (Destination and Leisure Management) of the airline, at a function titled 'Emirates Holidays World 2005' in Dubai recently, says a press release.

Ahmad Al Falasi, Emirates' area manager in Bangladesh, and John Felix, vice president of Emirates Holidays, among others, were present at the award giving ceremony.

World cotton consumption to hit record in 2005-06

REUTERS, Washington

An international farm group Friday forecast world cotton production would fall below 24 million tons in 2005/06, down 2.4 million tons, while consumption is seen reaching 23.8 million tons.

The International Cotton Advisory Committee Secretariat said 2005/2006 would still be the second largest cotton crop on record. Consumption will be 550,000 tons more than in the current season.

With China's imports projected to more than double during 2005/06, climbing to 2.8 million tons, world cotton trade is forecast to surpass 8 million tons for the first time, the ICAC added in its monthly outlook.



PHOTO: WINTEL

Faisal Alim, managing director of a local ICT company Wintel Ltd, and CAO Chenggang, chief representative in Bangladesh of ZTE Corporation, a Chinese telecommunications equipment manufacturer, sign an agreement on behalf of their companies yesterday in Dhaka. Under the deal, Wintel will market ZTE GSM and CDMA mobile and fixed phones in the country.

Govt urged to put emphasis on co-operatives in PRSP

STAR BUSINESS REPORT

Speakers at a roundtable yesterday urged the government to give emphasis on co-operatives in the PRSP to cut poverty.

They said at least 3.5 crore people are involved in co-operative activities directly or indirectly across the country but unfortunately the importance of co-operatives is

ignored in the poverty reduction strategy paper, which aims to cut poverty by 2015.

They also urged the government to strengthen the Co-operatives Bank.

They were speaking at a discussion in Dhaka to mark the 83rd International Co-operative Day.

LGRD and Co-operatives Minister Abdul Mannan Bhuiyan

formally inaugurated the roundtable. State Minister for LGRD & Co-operatives Ziaul Haq Zia was present as special guest.

Co-operative initiatives need government support to spur economic development, said Abdul Mannan, chairman of Federation of National Rural Development and Co-operative.

He said the PRSP will fail to achieve target if co-operative is ignored.

Hedayetul Islam Chowdhury, secretary of Rural Development and Co-operative Division, was also present.

Philips to make cheapest mobile phone sets

ABU SAEED KHAN

Philips will make the world's cheapest cellular mobile phone, which will be sold at US\$20 each or less. A high official of Philips has announced it in Amsterdam last week, according to an official press release.

The company will release a mobile handset's operating platform - Nexperia Cellular System Solution 5130 - by this year-end. This less than US\$5 core component is an integrated hardware and software constituting all the electronics a mobile phone needs.

It will enable Philips and others to retail the ultra-low cost GSM mobile handsets at less than \$20. These handsets will have a black and white screen. Its users will be able to exchange SMS and play polyphonic ring-tones.

Fast-growing emerging markets having low mobile penetration are the target of Nexperia-powered ultra-low cost handsets. According to World Bank and EMC World

Cellular Database, 77 percent of the world's population lives within the mobile phone network coverage.

Only 25 percent of the world's population, however, uses mobile phone. Operators have deployed the infrastructure but the high start-up cost of mobile phones has been holding back potential subscribers.

Philips believes an untapped clientele of 3.3 billion around the world would be the beneficiary of cheap mobile handsets. It hopes to further reduce the handset's retail price below \$15 by 2008.

Earlier this year Motorola launched C114, the world's first ultra-low cost mobile phone, with \$40 price tag for the emerging markets. It was the American vendor's first step towards a sub-\$30 handset target.

The Dutch multinational's \$20 entry with possible further price reduction will heat competition soon after the Nexperia-powered handsets hit the shelf.