Star
BUSINESS

DHAKA TUESDAY AUGUST 23, 2005 E-mail: business@thedailystar.net

FAKE BO ACCOUNTS

Three merchant banks blacklisted

1,53,000 shares of Grameen Mutual blocked

STAR BUSINESS REPORT

The Securities and Exchange Commission (SEC) has blacklisted three merchant banks for their alleged involvement in applying for primary shares through fake beneficiary owners' accounts.

The SEC is now conducting an investigation against the merchant banks-- Bangladesh Mutual Securities Limited, Capital Market Services Limited and Raspit Securities and Management Limited.

The SEC primarily found the three merchant bankers guilty of submitting applications through fake BO accounts for primary shares of Meghna Life Insurance Company Limited a few days ago.

The SEC also directed to the Asset and Investment Management Services (AIMS) Bangladesh Limited to block allocation of the share units of 'Grameen One' in favour of the three merchant banks.

Following the SEC directive, the AIMS has blocked a total of 1,53,000 unit of shares against 306 applications allotted to the portfolio account holders of the three merchant banks.

Expressing dissatisfaction, AIMS Bangladesh Managing Director Yawar Syeed said it will hamper the overall activities of the Gramme One.

He said the SEC could have issued the directive before conducting the lottery held on August 21.

Grameen One, the first scheme of Grameen Mutual Fund One, raised worth Tk 5 crore, through public offer for 50 lakh units of Tk 10 each.

Banks directed to maintain 5pc provisioning for SMA

STAR BUSINESS REPORT

Bangladesh Bank (BB) in a circular yesterday directed all the banks to maintain five percent provisioning for the Special Mention Account (SMA) to bring more discipline in loan disbursement and recovery systems.

In last February, the BB introduced the SMA in classifying the default loans and decided that any loan, if not recovered in 90 days, would be declared as the SMA.

Earlier, there were three categories of classified loans -- bad, doubtful and sub-standard. The BB has the provision to maintain hundred percent provisioning for bad loans, 50 percent for doubtful and 20 percent for sub-standard loans.

Only interest will be suspended in the SMA with no provisioning in BB's February direction.

Attract more FDI in RMG sector

World Bank seminar advises govt

STAR BUSINESS REPORT

Speakers at a seminar at the World Bank Dhaka office yesterday advised the government to encourage more foreign direct investment (FDI) in the garment sector as productivity in the foreign-invested companies is much higher than that of the domestic factories.

"On an average, productivity at a foreign-invested garment company is 20 percent higher than that of a factory with domestic investment," said Hiau Looi Kee of development research group of the WB while presenting a keynote paper on foreign investment and firm productivity.

She presented the figure on the basis of a recent survey on 232 garment factories in the country.

The foreign-invested firms also attract more international buyers and train workers who later join domestic firms, she noted.

She said factories in the export processing zones (EPZs) are more capital-intensive compared to the non-EPZ ones.

Supporting more FDI in the garment sector WB Country Director Christine I Wallich said it would create competition. "Industries, which get protection become inefficient."

Besides, a central bonded warehouse (CBW) should be allowed and a textile sector up-gradation fund can be formed for the betterment of the sector.

The central bonded warehouse can make the garment items more competitive in the international markets, she added.

She also suggested lowering duty and tariff to boost the country's garment export.

Speaking as the chief guest Executive Chairman of Board of Investment and Advisor to the energy and mineral resource ministry Mahmudur Rahman told the seminar that there is no restriction on FDI in garment sector now.

However, restrictions on FDI in garments outside EPZs were imposed for various reasons.

In spite of withdrawal of quota facilities, garment sector in Bangladesh registered a significant growth, he pointed out.

"We are surviving due to our inherent strength," he said adding none of the least developed countries (LDCs) in Asia gets any duty concession to the US markets, which also contributed to a great extent.

Moreover, the country's knitwear sector witnessed a surge in recent times as the export earning from the sector rose to $2.9 billion from only $5 million in late 80s.

Tariff reduction, Rahman went on, will not be effective for the garment sector because it is being operated on back to back LCs (letters of credit).

British High Commissioner to Dhaka Anwar Choudhury suggested appointment of experts in private firms.

There should not be any negative notion that the foreign companies are always bad, he added.

More FDI can be encouraged in the RMG sector for capacity building of domestic firms, but the foreign investors must transfer effectively all kinds of technologies namely production, designing and marketing, said Prof Hafiz G A Siddiqui, vice chancellor of North South University.

"Otherwise, encouraged FDI will only benefit the foreign multinational companies and make the local firms permanently dependent on the foreign-invested firms," he added.

Prof M Musa, pro-vice chancellor of East West University, and Zaidi Sattar of the WB also spoke at the seminar.

Tariff cut under NAMA may threaten knitwear export

BDNEWS, *Dhaka*

Speakers at a seminar yesterday said the knitwear sector is enjoying high growth in export in the quota-free post-MFA period, but could be at risk once the tariffs on non-agricultural items are reduced in general.

They said there is a chance that the tariffs on such products could be reduced drastically under the Non-Agricultural Market Access (NAMA) negotiations under the World Trade Organisation (WTO).

This will eventually minimise the comparative advantage of the country as being the beneficiary of preferential market access under GSP and similar other agreements, they added.

The views came at a seminar on "Impact of trade globalisation and free trade agreement on export of knit garments from Bangladesh" organised jointly by the IBA Alumni Association (IBAAA) and Bangladesh Knitwear Manufactures & Export Association (BKMEA) at the CIRDAP auditorium. Dr. Ananya Raihan, executive director of the D.Net, presented the keynote paper at the seminar.

Raihan said Bangladesh is one of the few countries that effectively utilised the GSP, or generalised system of preference, to raise its market share in the developed countries. A general reduction in tariff would minimise this particular advantage of the country leading to increased competition in those market, he added.

The seminar chaired by Dr. Iftekhar Ghani Chowdhury was also addressed by Commerce Minister Altaf Hossain Choudhury as the chief guest. M A Baset, Vice president of BKMEA, Deepak Adhikary, Deputy General Manager of SouthAsia Enterprise Development Facility (SEDF), and Nurul Alam, President of IBAAA.

Altaf praised BKMEA for its relentless endeavours to diversify markets and said they are now exporting their products to 90 countries.

A training institution will be set up for the sector with the help of BKMEA and the government, he added.

MA Baset said the export growth of knitwear in the post-MFA period has been 32 percent, but the competitors of Bangladesh like China and India are doing even better than Bangladesh.

Bangla-British fusion food festival kicks off tomorrow

STAR BUSINESS REPORT

A seven-day international fusion food festival will begin tomorrow at Dhaka Sheraton Hotel.

The festival will showcase UK-based Bangladeshi chefs' expertise in fusion food, a delicious combination of Eastern and Western dishes.

The second version of the event titled "International British Bangladesh Fusion Food Festival 2005" will focus on the relatively new but exciting fusion creations by Bangladeshis, which have already aroused appetite among the British food connoisseurs.

Four British chefs, who are expert in Bangladeshi cuisine, have come here to showcase their recent works during the festival.

Curry Life, a bi-monthly magazine for Bangladeshi and Indian restaurant people, and Dhaka Sheraton Hotel are sponsoring the event. Unilever, RC cola, Air India, Bangla Premium Beer are the leading co-sponsors of the festival.

At least 25 dishes will be displayed at the festival, where visitors will be able to taste any or all of the dishes only at Tk 1,275 from 7pm to 10pm everyday during the show.

There are around 10,000 Bangladeshi restaurants in the UK. Visiting the show, people here will come to know how successfully Bangladeshi chefs are running their food businesses in Britain, Syed Belal Ahmed, director of the festival and editor of Curry Life, said at a press conference yesterday.

The four Bangladeshi-born British chefs to take part in the show are Mortuz Ali Nazrul, Oli Khan, Johur Ali, and Mohin Bakth.

The first version of this festival was held in 2002 at the same venue.

Trevor Macdonald, general manager of Dhaka Sheraton Hotel, Syed Nahas Pasha, chief editor of Curry Life, Shamsul Islam, food hygiene and public health consultant, among others, were present at the press conference.

PHOTO: RANKSTEL

ABM Mohiuddin Chowdhury (R), mayor of Chittagong City Corporation, and Abdur Rouf Chowdhury, CEO and president of RanksTel, shake hands after signing a distributorship deal between RanksTel and Citi Telecom Ltd, a concern of Chittagong City Corporation, Sunday.

RanksTel signs distributorship deal with Citi Telecom Ltd

RanksTel has signed a distributorship agreement with Citi Telecom Limited, a concern of Chittagong City Corporation.

ABM Mohiuddin Chowdhury, mayor of Chittagong City Corporation, and Abdur Rouf Chowdhury, CEO and president of RanksTel, signed the deal on Sunday.

RanksTel is one of the largest PSTN service providers in Bangladesh with an initially developed base that would cater to 100,000 subscribers, says a press release.

RanksTel, which offers Post-Paid and Pre-Paid services to its customers, has access to all telephone operators, both landline and mobile. It also has access to all the countries of the world.

Responsibilities for UNDP projects shifted to recipients

UNB, *Dhaka*

Full responsibilities for execution, implementation and management of a development programme or a project financed by UNDP have been vested in the recipient government or any national entity, aiming to have better results.

The transfer of responsibilities was done through a new instrument, National Execution (NEX) Manual, launched here yesterday. The launching ceremony was held at the NEC auditorium in Dhaka.

Finance and Planning Minister M Saifur Rahman attended the function as chief guest. UNDP Resident Representative Jorgen Lissner was special guest.

"On our part, we are assuming the overall responsibility of the execution of the UNDP-supported initiatives. The responsibilities are to be performed with greater trust and co-operation, with full transparency and accountability," Finance Minister Saifur Rahman told the meet.

He noted that most of the UNDP-assisted projects in Bangladesh, currently, are within the framework of National Execution (NEX) modality.

The present NEX Manual accounts for the latest modifications in NEX procedures. It defines and clarifies UNDP's overall policies and procedures and provides practical steps on how best to apply national execution in the country, Saifur said.

He termed it a useful instrument in making process smoother that has been developed through active participation of a wide range of stakeholders, from executing ministries, implementing agencies, national project directors, professionals and the development partners.

Box set at SEC office to receive complaints

UNB, *Dhaka*

Securities and Exchange Commission (SEC), the regulatory body of the capital market, has set up a box at its office to receive complaints from investors.

Complaints relating to the capital market or the commission may be dropped at the box, put at the reception of the SEC office, during office hours.

In addition, complaints may also be sent to the commission by letter or by e-mail. The email addresses are secbd@bdmail.net and secfa@bol-online.com.

When contacted, SEC officials said a box has been set in the office but it is not new for the regulatory body.

Executive Director of SEC Mansur Alam said the box has been set just for creating awareness among the investors in the capital market. "We used to get a large number of complaints in the past, which came down in recent times," he said.

New round of Australia-China FTA talks begin in Beijing

AFP, *Beijing*

Australia and China Monday began a second round of talks on a free trade agreement that could eventually be worth some 20 billion dollars to the Australian economy, officials said.

Ric Wells, a senior trade official, was leading the Australian delegation in talks with Zhang Xiangchen, vice director of China's Ministry of Commerce's world trade department, officials from both sides said.

Australian Trade Minister Mark Vaile last week said the free trade agreement was a "once in a lifetime opportunity" for his country and urged his negotiators to outline barriers faced by Australian industry in doing business with China during the talks.

The Australian negotiating team has consulted widely with business and other groups over the past four months and a range of interests and concerns had also been raised in more than 260 written public submissions.

The talks are seen as still in the preliminary stages, diplomats said.

The two governments agreed to begin the free trade talks during a meeting in Beijing in April between Chinese Premier Wen Jiabao and Australian Prime Minister John Howard.

Since then Australia and China have agreed to establish four working groups for the negotiations covering agriculture, trade in goods, trade in services, investment and other trade facilitation issues.

Govt urged to ban poultry products import to avoid bird flu

STAR BUSINESS REPORT

Leaders of the Bangladesh Egg Producers Association yesterday urged the government to impose a permanent ban on import of eggs, chicks and poultry products from eight Asian countries including India to protect the poultry industry from bird flu.

They also demanded the government to establish 'Egg Banks' to create a proper market for the egg producers and save the booming industry from the middlemen.

At a press conference in Dhaka, the leaders also urged the government to reschedule the repayment on the loan at least 15 years without down payment.

Taher Ahmed Siddeque, president of the association, read out a statement and presented extracts collected from different seminars and Indian dailies. He said bird flu or Avian influenza has been detected in India.

But some vested quarters are misleading the government to suggest that India is free from bird flu and it is safe to import poultry products from India and other Asian countries, he added.

Bangladesh is still free from bird flu, Siddeque said.

Seminar on global raw cotton held

STAR BUSINESS REPORT

A seminar on global raw cotton and textile market was held in Dhaka Sunday.

The seminar was jointly organised by Cotton Outlook, a global cotton news and information service, and Delcot, a local cotton firm.

Speakers at the seminar said expansion of textile sector in Bangladesh depends on dissemination of reliable data and timely information.

One can get huge information but independent and accurate data are very important to understand the trend of global cotton and textile market, Mat Robinson, director of Cotlook Limited said.

PHOTO: BEF

The new office-bearers of Bangladesh Employers' Federation headed by its President Syed Manzur Elahi yesterday called on State Minister for Labour and Employment Amanullah Aman in Dhaka.

Correction

In a news item headlined 'StanChart wraps up purchase of Amex business in Bangladesh' published on this page yesterday, it was inadvertently printed that Amex will cease to operate in Bangladesh from November 1, 2005. Actually, Amex will cease its operation in Bangladesh as a commercial bank from November 1, 2005. We regret the error.