

ICC-B to host regional seminar on stock market

Move to share Asian experiences in financial crisis

STAR BUSINESS REPORT

Capital market experts from across Asia will gather in Dhaka late this month for a two-day regional seminar to discuss ways to identify areas of mutual co-operation to pre-empt any repeat of the Asian financial crisis.

The seminar titled "Regional Seminar on Capital Market Development: Asian Experiences" will begin on September 27, when most of the regional stock market regulators, operators and major stakeholders will brainstorm on preventing any recurrence of the Asian financial crisis.

International Chamber of Commerce-Bangladesh (ICC-B) is organising the seminar. ICC-B President Mahbubur Rahman announced the schedule at a press conference in Dhaka yesterday.

Chiefs of Securities and Exchange Board of India, Securities and Exchange Commission (SEC) of Pakistan, SEC of Sri Lanka and SEC of Bangladesh have already confirmed their participation at the seminar, Rahman said.

Senior executives of Karachi, Bombay, Nepal, Thailand, Tokyo, Malaysia, Korea, Singapore, Dhaka and Chittagong stock exchanges are also expected to attend the gathering, he said.

He said the seminar will provide a forum for sharing regional experiences and bouncing ideas, and contribute significantly in working out strategies for long-term development of the capital market.

The ICC-B president said in the wake of the Asian crisis, all the affected countries in Asia had opened themselves up to uncontrolled inflows of short-term funds and allowed foreign borrowing through a raft of reform programmes.

"But crisis is not an essential condition for the successful introduction of economic reforms.



PHOTO: STAR
Mahbubur Rahman (2-R), president of International Chamber of Commerce-Bangladesh (ICC-B), speaks at a press conference in Dhaka yesterday. Latifur Rahman, ICC-B vice-president and chairman of Transcom Group, and Samson H Chowdhury, ICC-B vice-president and chairman of Square Group, among others, are seen.

Indeed, gradual reform is best accomplished in a more tranquil atmosphere with profound institutional changes," the ICC-B chief said.

He said the capital market of Bangladesh clocked an impressive growth during the '90s in terms of increased market capitalisation and index. The Securities and Exchange Commission (SEC) was set up in Bangladesh in 1993 to regulate the development of the market and to enhance the degree of investors' protection.

The capital market was dormant in the '70s and early '80s. At that time, very few companies raised funds from the capital market and investors were not interested in or familiar with corporate securities.

"After the general elections in June 1996, the market witnessed the biggest ever boom. Large numbers of investors entered the capital market with new listings made one after another and speculative trading gripped the market. Trading volume rose sharply and DSE All

Share Price Index reached an all-time high of 3648 points. Price earning soared and shares were traded at 80 times the face value," Rahman continued.

He said in November 1996 the inevitable happened and the market crashed. In a span of just 20 months, the index plunged to 650 points when it was passing through a process of consolidation. Fundamentals and rationalities replaced speculations and rumours. Regulations became more comprehensive. As the market matured, investors became increasingly cautious about their investments and weighed the risks and returns.

The ICC-B president said Bangladesh's capital market now is very attractive in terms of value indicators, which calls for cultivating and developing the capital market to provide long-term industrial financing. But following the 1996 boom and burst, investors remained shy and many still prefer not to actively participate in stocks trading.

Keeping these in mind, ICC-

Bangladesh has organised the seminar to revitalise the market and draw a roadmap for a long-term sustainable development of regional markets.

ICC-B Vice-president and Chairman of Transcom Group Latifur Rahman, ICC-B Vice-president and Chairman of Square Group Samson H Chowdhury, Thai-Bangladesh Chamber of Commerce and Industry President Rashed Maksud Khan and former president of Dhaka Chamber of Commerce and Industry ASM Kashem were also present at the function.

Replying to a query about listed companies' unwillingness to hold annual general meeting (AGM), Samson H Chowdhury said it is necessary to make the companies aware of their responsibilities. He said companies sometimes face dilemma when it is found that the laws and regulations of SEC and the Company Act seem contradictory.

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Japan trade fair on Sept 8

BSS, Dhaka

Japan Bangladesh Chamber of Commerce and Industry (JBCCI) is organising Japan Trade Fair-2005 at Dhaka Sheraton Hotel on September 8.

Japan External Trade Organisation (JETRO) and Embassy of Japan to Dhaka will jointly support the show.

Foreign Minister M Morshed Khan will inaugurate the fair while Adviser to energy ministry and Executive Chairman of Board of Investment (BoI) Mahamudur Rahman will also attend the function.

7-day Vietnam Food Festival from Sept 8

With a view to giving a savory taste of Vietnamese cuisine to the local food connoisseurs, Hotel Sonargaon is going to organise a seven-day Vietnam Food Festival in Dhaka from September 8-14.

Three chefs from Melia Hotel of Hanoi, Vietnam will prepare and showcase the Vietnamese cuisine during the festival, says a press release.

An 11 member cultural troupe from Vietnam called "Viet Bac" will also be here to perform during lunch and dinner everyday.

State Minister for Civil Aviation and Tourism Mir Mohammed Nasiruddin is expected to inaugurate the festival along with the Vietnamese Ambassador to Dhaka H E Ngo Van Hoa on September 8.

China president hopes to ease trade frictions on US visit

REUTERS, Beijing

Chinese President Hu Jintao heads to the United States next week hoping to patch up economic ties strained by spats over China's ballooning trade surplus, currency policy and surging textile shipments.

He starts his visit on Sept 5, just a few days after talks to hammer out a textile agreement ended in failure, with both sides saying there were wide differences in their positions.

The breakdown of negotiations comes as US lawmakers are stepping up criticism of China's economic policy, saying July's yuan revaluation was too small and Beijing needs to do more to address its bilateral trade surplus, which is on track to pass last year's \$162 billion.

"We could have a substantial trade war between the two big-growth locomotives of the world economy within the next few months," said Fred Bergsten, director of the Washington-based Institute for International Economics.

"The lack of adjustment of China to its huge and growing trade surplus will lead in the direction of a major clash between the United States and China that can happen in the next two to three months," Bergsten said in Tokyo.

US officials have also voiced concern that the yuan is still undervalued, despite a 2.1 percent revaluation in late July that Beijing says was just the first step in a long process of currency liberalisation.

Even with US pressure, notably in the form of a bill authored by Senator Charles Schumer, a New York Democrat, and Senator Lindsey Graham, a South Carolina Republican, that would threaten China with a 27.5 percent tariff on all its exports, analysts say Beijing will move at its own pace.

Asia growth robust but oil a worry: ADB

REUTERS, Singapore

Asian economic growth will remain strong this year, boosted by China and India, but expensive oil could slow regional activity from next year, the president of the Asian Development Bank (ADB) said Friday.

"Surprisingly, developing Asia is maintaining robust growth. Our 2005 forecast will be broadly maintained," Haruhiko Kuroda told journalists at a lunch in Singapore, adding the ADB also expected growth in 2006 to be around 6.5 percent.

In April, the ADB forecast economies in the region, excluding Japan, would grow 6.5 percent this year and 6.6 percent in 2006.

Kuroda said Asian economic growth was dominated by rapid

expansion in China and India. "China's economy shows no signs of deceleration. India also shows no signs of deceleration, and could even accelerate," he said.

Kuroda said the resilience of Asian economies in the face of high oil prices was helped by robust growth in the United States, signs of a recovery in Japan, and positive signs even in the euro zone.

But oil prices C1, which hit a record high of almost \$71 a barrel this week, could undermine growth next year.

"At this stage there is great uncertainty over growth in 2006 and 2007 because of oil," Kuroda said.

"There is very little prospect for oil to go back to around \$40. This will severely negatively affect growth prospects in Asia," he said.

IMF team meets NBR to review reforms today

BDNEWS, Dhaka

The visiting six-member mission of the International Monetary Fund (IMF) will sit today with the National Board of Revenue (NBR) to talk on the ongoing reforms under the board.

IMF Adviser for the Asia-Pacific Tomas R Rumbaugh is leading the delegation on their nine-day visit to Bangladesh.

The IMF mission will review the progress of the revenue sector reform programmes including strengthening the NBR with adequate and skilled manpower and modern technology, IMF officials here said.

Emphasising the importance of modernising the NBR, an IMF official noted a strategic plan is supposed to be developed in the NBR during 2005 with the World Bank assistance and the visiting

IMF mission is likely to review the progress.

The IMF will give priority to further tax administration reform to increase revenue, divesting Nationalised Commercial Banks (NCBs) to improve efficiency and contain quasi-fiscal losses.

It will also focus on liberalising the investment regime, including trade reforms and remoulding the energy sector to secure adequate supply of power while ensuring fiscal sustainability.

Decision on smooth disbursement of the fourth instalment under Poverty Reduction Growth Facility (PRGF) will largely depend on the success of the revenue sector reforms and privatisation of the state-run Rupali Bank, which currently lies under court's jurisdiction.

The PRGF is the IMF's concessional facility for low-income countries. PRGF-supported

programmes are based on country-owned poverty reduction strategies.

PRGF loans carry an annual interest rate of 0.5 percent, and are repayable over 10 years with a 5.5 year grace period on principal payments.

Earlier, the IMF's Executive Board approved Bangladesh's three-year PRGF arrangement on June 20, 2003 for an amount equivalent to around US\$ 507.7 million. The Board also approved on July 28, 2004 Bangladesh's request for activation of the newly created TIM with an augmentation of the PRGF amounting to around US\$ 78.0 million. As a result, the total amount under the PRGF arrangement increased to around US\$ 585.7 million.

So far, Bangladesh has drawn around US\$ 217.3 million under the arrangement.

Grameen One's debut on bourses today

STAR BUSINESS REPORT

Grameen One, the first scheme of the Grameen Mutual Fund One, is going to be listed on the country's two stock exchanges today.

Professor Muhammad Yunus, managing director of Grameen Bank, and Yawer Sayeed, managing director & CEO of AIMS of Bangladesh Ltd, are expected to be present for the debut of the fund at the Dhaka Stock Exchange (DSE) today, sources at the DSE said.

An agreement between DSE and AIMS, which will manage the fund, will also be signed to this effect.

The public lottery for successful applicants for the mutual fund was held on August 21 and the units were credited to the respective Beneficiary Owner's (BO) Accounts of the subscribers with the Central Depository of Bangladesh Ltd (CDBL) on August 28.

The Grameen Bank sponsored

the fund. The prospectus of the bank was published on June 29 and subscription opened on July 11. The public subscription for Tk 50 million was oversubscribed exceeding nine times.

Grameen Fund, a not-for-profit venture capital undertaking of the Grameen Bank family, is the trustee of the fund and the Standard Chartered Bank is the custodian. The fund has been established by four independent constituents.

The Tk 170 million closed-end balanced scheme will be managed by AIMS of Bangladesh Ltd, the only registered asset management company of the country in the private sector. It is the second privately managed mutual fund in Bangladesh after the first one, AIMS First Guaranteed Mutual Fund, was launched also by AIMS in early 2000.

The vision of Prof Yunus was to

create a dependable financial instrument for the poor clients of Grameen Bank as well as the marginal people of the country to connect them with macro-economy, give them ownership in the leading enterprises, and take advantage of the growth prospects, reads the prospectus of the Fund.

Not only the women borrowers of Grameen Bank would be investing in their own income-generating activities, they may also be parts of the owners of the country's promising enterprises.

The Grameen Mutual Fund One would enhance the earning potential of the savings of the poor investors by linking them with the national capital market in a structured and transparent way. The fund would also encourage others to take advantage of this new financial opportunity, Grameen Bank and AIMS hope.

Myanmar inks deal with China for power equipment

AFP, Yangon

Myanmar has signed a 45.8-million-dollar deal to buy equipment from China for the construction of a giant hydro power project, a state-run newspaper reported Saturday.

The Yeywa project, the country's largest, is being built on the Myitnge River, southeast of the northern city of Mandalay.

The chairman of China National Heavy Machinery Corporation (CHMC), Lu Wenjun, and the director general of Myanmar's hydro-electric power department, Win Kyaw, inked the agreement on Friday, the New Light of Myanmar said.

China's CITIC Technology Co. Ltd. and Myanmar's Sinohydro Corporation Ltd. had signed contracts worth some 125 million dollars relating to the Yeywa hydro power project in July.

Diversified jute products eye market on eco-concern

STAR BUSINESS REPORT

Diversified jute products can find a huge market at home and abroad in the wake of growing concern for the environment across the world, speakers said at a function in Dhaka yesterday.

Admiration for jute products has increased remarkably in recent time across the world as the products made of synthetic fibre result in environmental hazard, said AFM Sarwar Kamal, general secretary of International Jute Study Group (IJSJG).

"I have noticed tremendous demands for jute products in the USA only because they are environment friendly," Kamal said at the inauguration of a ten-day training programme on manufacturing exportable quality jute bags and luggage. The Jute Diversification

Promotion Centre (JDPC) organised the programme at the IJSJG conference room.

"But, success of jute and jute products largely depends on making use of the worldwide awareness of the environment," Kamal observed.

Moreover, the producers have to enhance quality and ensure durability of diversified jute products to survive in the competitive market, said JDPC Executive Director ABM Abdullah, who chaired the inauguration.

The present world is marked for an urgency to go back to nature. And it will result in the extensive use of jute products, said Md Abdur Rashid Sarker, secretary to the jute ministry.

Unfortunately, people are reluctant in investing money and time in research work to diversify jute

products, he said.

Through a joint initiative of entrepreneurs, the Export Promotion Bureau, commerce ministry and foreign missions can create a huge market of the diversified jute products, the secretary felt.

Bangladesh earned foreign exchange worth Tk 40,30 crore in FY2000-01 from diversified jute products export. The amount was Tk 43.30 crore in FY2001-02, Tk 52.88 crore in FY2002-03, Tk 63.77 crore in FY2003-04 and Tk 83 crore in FY2004-05, Rezaul Haque, a director of JDPC, told the function.

However, the export earnings represent performance of only 25 local enterprises, he said. Besides, they sold jute products worth Tk 75.78 crore in the local market in last five years.

A total of 15 entrepreneurs are taking part in the training programme, which will enable them to produce high quality bags and luggage combining jute fibres with leather and synthetic materials. The JDPC will train more entrepreneurs and craftsmen in different phases.

It will also hold an annual exhibition of diversified jute products at the Shishu Academy from December 1-15 this year.



PHOTO: STAR
Banglalink yesterday announced a new prepaid mobile-to-mobile phone package styled 'ladies, first!' especially for women customers. Lars P Reichelt, Banglalink CEO, along with the women employees of the company poses for photographs at the product launching ceremony in Dhaka.

India to roll out job plan for rural poor

REUTERS, Shrivri, India

India is launching a massive job guarantee scheme to support millions of rural poor which economists say could strain federal finances and send billions of dollars down a black hole of corruption.

The plan guarantees 100 days of work a year to one member of every poor rural family across the country, which has an estimated rural population of 600 million.

Villagers will be employed on water, soil conservation and road projects in an effort to stop the jobless migrating to overcrowded cities.

Approved in parliament last week, the national plan is modelled on one launched in the western state of Maharashtra in 1972 when a drought-induced famine gripped the region.

For the poor of Maharashtra, the plan has helped them tide over difficult periods, but experts say corrupt politicians and officials have also benefited.

Banglalink launches new package for women

STAR BUSINESS REPORT

Mobile phone operator Banglalink yesterday launched a new prepaid mobile-to-mobile phone package styled 'ladies, first!' especially for women customers.

Lars P Reichelt, chief executive officer (CEO) of Banglalink, a subsidiary of Egyptian Orascom Telecom, unveiled the new package at a press conference in Dhaka. The package, first of its kind in the country, will be available at the company sales centers from today.

The price of Mobile to Mobile (M to M) connection under the new package has been fixed at Tk 1,100.

Call charges of the 'ladies, first!' package have been fixed at Tk2.25 per 30-second pulse during the peak hour. Besides, it offers calls at Tk1.50 per 30-second to any mobile phone under "Your time", a special daytime rate from 12pm to 3pm.

On the other hand, Banglalink to Banglalink call charges have been fixed at Tk 1.25 per 30 second and per SMS at Tk 1 to any Banglalink number.

Customers of the new package will also enjoy a discount rate of Tk 1

per 30 second for making call to one Banglalink friends and family number round the clock.

Before announcing the package, the Banglalink CEO also introduced Mehboob Chowdhury as new Banglalink chief commercial officer.

Reichelt said the specially designed 'ladies, first!' is not just a product offer of Banglalink. It is an acknowledgment to the contribution of the women of Bangladesh to society and nation, he added.

The package will enable the women customers to get beauty, cooking, health, childcare, home management tips through SMS, Tk 1 per SMS.

The subscribers will also enjoy special shopping discounts under the package at premium boutiques, handicraft shops, department stores and beauty parlours, he said describing the package.

Presently, the discount partners are Mayasir at Gulshan, Total Care at Banani, Kumudini at Narayanganj, Tangail Sari Kutir at New Baily Road, Priyo Super Shop at KamalAtaturk Avenue.