

## SEC mulls direct listing to woo big companies

SARWAR A CHOWDHURY

The Securities and Exchange Commission (SEC) has initiated a move to introduce direct listing system to encourage big local, foreign and joint venture companies to get listed on the bourses.

Under the system, interested companies can get listed on the stock exchanges directly, enabling them to sell their shares to investors directly, SEC sources said.

Talking to The Daily Star, SEC Chairman Mirza Azizul Islam said sometimes the renowned and profit-

able multinational and joint venture companies do not want to get listed through IPOs (initial public offerings) as the companies think through IPOs they may not get expected value of their shares.

"That's why the SEC takes the initiative to encourage such big and profitable companies to get enlisted on the bourses," he said.

Earlier in 2001, the SEC introduced the direct listing system for three months. Square Textiles Ltd was listed directly during the period.

The SEC chairman said through direct listing a company can offer a

portion of shares of the company in the market and the market will determine the price of those shares.

By this way, he said, the companies can get expected value of their shares.

The capital market watchdog has also initiated another move to make it mandatory for merchant banks and credit rating companies to appoint compliance officers in their organisations to monitor any compliance issue violation in the companies.

The SEC took the initiative so that the merchant banks and credit rating companies can ensure compliance.

A compliance officer will not only help the company to ensure compliance issues but also send reports to the SEC if he or she finds any violation of compliance, Islam said.

"We have already made a draft regulation to this effect which will be published in the newspapers by the end of this month for public opinion," he said.

Now, it is mandatory only for brokerage houses to appoint a company official as compliance officer.

## Apex Tannery okays 13pc dividend

Apex Tannery Ltd has declared a 13 percent dividend for its shareholders for the year that ended on June 30, 2005.

The dividend was approved at the 29th annual general meeting (AGM) of the company on Sunday in Dhaka, says a press release.

Chairman of the company Syed Manzur Elahi presided over the AGM, which was attended by other senior officials.

## Benefits of free trade lower than earlier estimate: World Bank

AFP, Washington

The World Bank has scaled back its estimate of the overall gain to the global economy from the elimination of tariffs and subsidies, an official said Monday.

The Bank's most recent estimate compiled last month now shows a gain of 290 billion dollars from a move to "free trade," compared with a 2003 report that showed a benefit of 500 billion dollars.

The gains, while still hefty, cast a new light on global trade talks as members of the World Trade Organization race to complete talks on the Doha Round of talks to reduce trade barriers.

"If we assume full liberalization, which means remove all tariffs and subsidies, the world total gains would be about 290 billion dollars," World Bank economist Richard Newfarmer told AFP.

But Newfarmer pointed out that even the Doha Round would not provide full trade liberalization.

"When you look at what Doha will give us, it's obviously a lot less" than 290 billion dollars.

The Bank's new estimate said that developing countries would get somewhere between 20 billion and 48 billion dollars of the gain, depending on the plan adopted by WTO members.



PHOTO: STAR  
Indian High Commissioner in Dhaka Veena Sikri (right) addresses a meeting on 'Exchange of Views on Trade & Economy' organised by Bangladesh Chamber of Industries (BCI) in Dhaka yesterday as BCI President AK Azad looks on.

## Indo-Bangla business forum needed to boost trade

### Says Indian high commissioner

STAR BUSINESS REPORT

Indian High Commissioner in Dhaka Veena Sikri yesterday underscored the need for setting up a Bangladesh-India Business Forum dedicated to bilateral trade, economic and investment issues.

"There should be a forum where interested entrepreneurs from both the sides can meet to discuss issues of common concern and recommend mutually agreed beneficial solutions," she said.

The Indian high commissioner also called for improving psychological infrastructure to overcome the negative mindset that often colours every discussion, sometimes making the mindset more important than the reality in any situation.

"An open mind combined with constant dialogue and interaction will surely yield rich dividends for both the sides," she said.

The Indian high commissioner was addressing a meeting on Exchange of Views on Trade & Economy organised

by Bangladesh Chamber of Industries (BCI) in Dhaka.

Sikri said future growth and development of Bangladesh is inextricably linked with that of its neighbours and connectivity is the key to such growth. "The business communities in both our countries must play a leading role in encouraging open-minded debate on the value of such connectivity on the mutual benefit in evolving win-win solutions on all issues."

Beyond the physical infrastructure, she said, Bangladesh and India must seriously discuss improvements in the financial infrastructure for strengthening trade and economic linkages between the two countries.

"The physical connectivity between Bangladesh and India covers the riverine, railway and road transportation networks," she added.

At the meeting, the business leaders urged the Indian government to remove all kinds of non-tariff barriers for Bangladeshi products.

They also asked the Indian high

commission to simplify visa procedures especially for Bangladeshi businesspeople.

BCI President AK Azad said despite having a good demand, Bangladesh's consumer goods and construction materials cannot have an easy access to Indian market.

"Requirement of testing certificates from Indian authorities for Bangladesh products, signatures of customs officials on the invoices, rules-of-origin and high L/C margins are few of wide-ranging trade barriers to discourage import from Bangladesh," he said.

Among others, former deputy prime minister Jamaluddin Ahmed, former president of AmCham Aftab-Ul-Islam, Nitol Group Chairman Abdul Matlub Ahmad, President of Women Entrepreneurs of Bangladesh Nasreen Awal Mintoo and former director of Federation of Bangladesh Chambers of Commerce and Industry Manjur Ahmed also spoke at the function.

## China, Hong Kong expand free trade pact

AFP, Hong Kong

Hong Kong and China have agreed to extend a free trade pact Tuesday, further liberalising measures on trade in goods and services.

The new agreement provides liberalisation measures in addition to those struck under the first two stages of the trade agreement between the two sides since 2003.

The third phase of the mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA III), which was aimed at giving Hong Kong greater access to mainland markets, was signed by Hong Kong Financial Secretary Henry Tang and China's vice-minister of Commerce Liao Xiaoli.

"We have estimated that 29,000 new jobs have been created in Hong Kong since the first and second phase of CEPA, so we are happy that we can confirm the third phase of CEPA," Tang told reporters.

## US ups pressure on EU for farm tariff cuts

REUTERS, Washington

European Union member states could derail world trade talks aimed at boosting income in developing countries unless they agree to deep agricultural tariff cuts, a top US trade official said.

"The EU member states face a critical decision here for the global trading system. Are they going to make the kind of contribution that (the United States has) already made in our (farm trade) proposal and keep us on track for a strong outcome, or are they not," Deputy US Trade Representative Peter Algeier told Reuters yesterday.

European Union ministers are gathering for an emergency meeting in Luxembourg on Tuesday to discuss the farm trade negotiations, which are at the center of efforts to reach a new world trade deal by the end of 2006.

France, the staunchest defender of the EU's generous farm subsidies and

high tariffs, called the high-level meeting to express its concern that EU Trade Commissioner Peter Mandelson had already gone too far in the talks.

The United States hopes Mandelson and EU Agriculture Commissioner Mariann Fischer Boel can override French concerns and persuade member states to give them the flexibility to offer deep cuts in the EU farm tariffs, which average 31 percent compared to 12 percent in the United States.

President George W Bush is expected to deliver the same message to European Commission President Jose Manuel Barroso at a White House meeting on Tuesday, a second US official said.

Negotiators hope to agree on a basic formula for cutting domestic farm subsidies and tariffs and eliminating export subsidies by a December meeting of the World Trade Organisation in Hong Kong. The

impasse on agriculture has blocked progress in other parts of the negotiations aimed at expanding trade in manufactured goods and services, such as banking.

The United States offered last week to cut its main "trade-distorting" farm subsidies by 60 percent over five years if the EU and Japan make bigger cuts and all countries except the very poorest make deep cuts in farm tariffs.

Washington, which will spend about \$20 to \$23 billion this year on various farm programmes, argues Brussels and Tokyo should have to make larger cuts because they spend more.

The EU responded to the United States by offering to cut its trade-distorting domestic farm subsidies by 70 percent, up from a previous offer of 65 percent. But it still favours a less aggressive approach than Washington to cutting farm tariffs, another key area of the talks.

## UK provides Tk157cr for capacity building programme

UNB, Dhaka

UK Department for International Development (DFID) yesterday signed a MoU with the Bangladesh government for Bangladesh public service capacity building programme of 13.655 million pound (Tk 157 crore) over 7 years.

The Managing at the Top (Matt 2) programme is expected to start in early 2006 and will be managed through consultancy services.

The purpose of the MATT 2 programme is to generate performance improvement at the highest levels of the civil service and across all ministries, a press release of the British High Commission said.

The civil servants through mutual support and pressure, strategic influential locations within the civil service, and their own improved performance will generate and demand administrative reform from inside the Bangladesh Civil Service (BCS).

The purpose will be achieved through a combination of appropriate training (around 2,000 civil servants at the level of senior assistant secretary and above), support to reform of human resource management systems, and demand-generation activities aimed both within the BCS and at public service users in civil society.

This is an important building block for incremental administrative reform.

The programme is expected to generate performance improvement at the highest levels of the civil service and across all ministries through a performance-oriented, management training programme.

It will include all of the 10 percent of women civil servants and they themselves will become the focus of the creation of a further reform aimed at generating gender-sensitive reform within the BCS.

## Snow for foreign expertise to transform China market

AFP, Beijing

US Treasury Secretary John Snow called Tuesday on China to bring in foreign expertise to transform its hidebound financial markets as he wrapped up a week-long tour of the booming country.

In a speech to a high-powered gathering of US and Asian financial sector leaders here, Snow reaffirmed US goals to see China move from export-led growth to a focus on domestic consumption.

China's current focus on investment and exports has created regional imbalances "and does not provide a basis for sustained long-term growth", he said.

China now has world-class hotels thanks to the arrival of foreign managers in recent years. "The same rapid acquisition and transfer of knowledge and skills is available today in economics and finance," he said.

Snow reiterated his belief that the US and Chinese governments need to move beyond their long-running

dispute over currency exchange rates as they attempt to redress global economic imbalances.

While certainly important, "China's foreign exchange regime is just one of many economic and financial issues that would contribute to this goal.

"As I have said, greater currency flexibility is a necessary element of reform but insufficient alone to bring global trade and financial flows into appropriate alignment," Snow said.

"I also believe that a well-developed financial system is essential to buttress the Chinese economy in the face of the inevitable disruptions in the global economy.

"Where we find our differences, they are largely on the questions of the sequence and pace of reforms, not the direction."

Snow reaffirmed that Chinese leaders have been receptive to his reformist message delivered during a heavy agenda of meetings over the past week in Shanghai, the western city of Chengdu and in Beijing.

## Novartis announces Q3 profit up 13pc

AFP, Basel, Switzerland

The Swiss pharmaceutical giant Novartis on Tuesday announced a 13 percent increase in third-quarter net profit to 1.66 billion dollars (1.38 billion euros) in 2005.

Turnover from July to September rose 19 percent on the same period a year earlier, reaching 8.41 billion dollars.

Some 5.09 billion dollars of the overall figure were generated by the Novartis pharmaceuticals division, where turnover rose 10 percent, the group said in a statement.

## Re-fix Tk 3,180 minimum salary for garment workers Workers' federation urges govt

STAR BUSINESS REPORT

Bangladesh Garment and Industrial Workers Federation (BGIWF) yesterday urged the government to re-fix the minimum monthly salary for a garment worker at Tk 3,180 from existing Tk 930.

The existing pay structure, introduced in 1994, does not match the present market price index as costs of living have gone up sharply. BGIWF leaders told a press conference in Dhaka.

"We demand to re-fix the basic salary at Tk 1,800 along with 45 percent house rent and treatment, education and hygiene allowance of Tk 570," Babul Akther, general secretary of BGIWF.

Over the last 11 years, prices of all essentials have shot up, although the pay structure of garment workers remains the same, he added.

But the payments of government employees were raised twice in the last 11 years, said Abul Kalam Azad, vice president of the federation.