Star BUSINESS

E-mail: business@thedailystar.net

Taiwan firm to expand effluent treatment plant in Dhaka EPZ

Taiwanese Ring Shine Textile Limited, operating since 1998, is going to expand its effluent treatment plant (ETP) in Dhaka Export Processing Zone, says a press release.

An agreement to this effect was signed between the Bangladesh Export Processing Zones Authority (Bepza) and the Ring Shine Textile Limited yesterday.

The company will invest $3 million to treat everyday 10,000 tons of liquid effluent. The company will expand the effluent treatment plant with an additional space of 4833 sq metres.

The existing effluent treatment plant of Ring Shine Textile Ltd is used to purify everyday 5,000 tons of effluent.

Ring Shine Textile Limited has already invested $46.02 million in Dhaka EPZ.

Prasanta Bhushan Barua, member (Investment Promotion) of Bepza, and Hasaio Hai He, executive director of Ring Shine Textile, signed the lease agreement on behalf of their respective organizations.

Among others, Brig General Ashraf Abdullah Yussuf, executive chairman of Bepza, was present at the signing ceremony.

Bank Asia opens branch in Ctg EPZ

Bank Asia Ltd has opened its 26th branch in Chittagong Export Processing Zone (CEPZ), says a press release.

Ashraf Abdullah Yussuf, executive chairman of Bangladesh Export Processing Zones Authority, inaugurated the branch at a function on Monday while Syed Anisul Huq, president and managing director of the bank, among others, was present.

The bank will extend specialised services to the local and foreign investors in the CEPZ and give prompt solution to different banking problems of the clients, especially the exporters, the release added.

Telenor to cut stake in Malaysia's Digi to 49pc

AFP, *Kuala Lumpur*

Norwegian telecom group Telenor will cut its stake in Malaysian mobile operator Digi.Com Bhd to 49 percent by the end of the year from the 61 percent currently held, state media said Tuesday.

"We will comply with the target by year-end," Arve Johansen, Digi.Com's chairman was quoted as saying by state Bernama news agency.

BGMEA sets roadmap to make RMG units compliant in 3 years

Yunus may miss Washington public hearing

STAR BUSINESS REPORT

BGMEA, the country's apex trade body for the apparel sector, has set a roadmap to make the local garment units fully compliant within the next three years.

The roadmap will be implemented in association with Multi-stakeholder Forum Bangladesh (MFB), the Bangladesh chapter of MFA Forum.

The UK-based MFA Forum is an international organisation comprised of the buyers' representatives, stockholders, trade unions and NGOs. The newly formed MFB will work for the local garment industry.

Expressing their desire to make the ready made garments (RMG) units compliant under a unified code of conduct, which will be formulated through participation of all sides including buyer, sellers and workers, the leaders of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) said the buyers should come forward to increase the prices of Bangladeshi garment product to cope with the cost of being compliant.

They were exchanging views with journalists at the BGMEA office in Dhaka yesterday.

"We have started our work and some steps have already been taken to make the garment owners aware of the urgency of being compliant," said Faisal Samad, second vice-president of BGMEA, who represented the last MFA (Multi-Fibre Arrangement) Forum meeting held in Toronto last month.

"We are now on the process of implementing the venture of making local RMG units compliant," he said, adding that the roadmap has already been circulated among the units.

BGMEA President Anwar-Ul-Alam Chowdhury Parvez said, "Under the MFB roadmap, we will make a drive so that the RMG units become compliant step by step in a span of three years. We hope we can make maximum units compliant within this stipulated time."

On formation of a unified code of conduct, he said, "Our local culture and behavioural pattern should be taken into consideration in this regard."

The BGMEA chief linked reaping more benefit from the global market to making all the RMG units fully compliant saying "if it were done, it would be very helpful."

Meanwhile, the US Senate Committee invited Nobel laureate Prof Yunus to participate in the public hearing in Washington for extending his support to attain Bangladesh's long-cherished demand for duty and quota-free access to the American market.

Yunus is scheduled to argue to pass the bill named Tariff Relief Assistance For Developing Economies Act of 2007 (TRADE Act of 2007).

If the bill is passed in the US parliament, Bangladesh along with other 13 LDCs will get duty- and quota- free access of its products to the US market.

The BGMEA president informed the journalists that the Nobel laureate might not take part in the hearing, if it is staged as per earlier schedule on May 16.

Dr Yunus is learnt to have informed the US Senate body about his inconvenience requesting the august body for rescheduling the hearing on May 14.

But the Nobel laureate's absence from the Washington hearing, Anwar-Ul-Alam Chowdhury Parvez assured, would not have any negative impact. "So far I know, Dr Yunus may either remain present at the hearing or submit his written paper to the US Senate," he said.

The BGMEA leader, however, expressed his optimism about the passage of the TRADE bill due to participation of Dr Yunus in the process.

Data shows that the present average tariff rate of Bangladeshi apparels to the US market is 14 to 37 percent.

PHOTO: BANK ASIA

Ashraf Abdullah Yussuf, executive chairman of Bangladesh Export Processing Zones Authority, inaugurates the 26th branch of Bank Asia Ltd in Chittagong Export Processing Zone on Monday. Syed Anisul Huq, president and managing director of the bank, among others, was present at the opening ceremony.

KL calls for tourist visa reform

AFP, *Kuala Lumpur*

Malaysian immigration authorities want a tourist visa scheme reviewed because it is being abused by job seekers who are overstaying their welcome, a report said Tuesday.

The visa-on-arrival (VOA) scheme was introduced for visitors from 24 countries last September, ahead of a major Visit Malaysia campaign in 2007 aimed at boosting tourist numbers.

But the immigration department's enforcement director, Ishak Mohammed, said 20,481 of the total 36,701 granted visas since last year had overstayed the one-month limit.

"I will recommend to the Government to review the VOA facility once the Visit Malaysia programme ends. The facility needs to be reviewed as there have been many cases of abuse," Ishak was quoted as saying in the Star daily.

Ishak vowed to hunt down the overstayers, mainly from India, Pakistan, Sri Lanka, China and Bangladesh, whom he said were seeking work illegally.

"We will track them down and catch them, no matter where and no matter when," Ishak said.

"It is obvious that they came here not to experience the sights and sounds of Malaysia but to look for job opportunities," he said.

Malaysia in December stopped issuing the on-the-spot visas to tourists arriving from the south Indian city of Chennai after finding many were using the documents to overstay.

Emirates Holidays' expansion plans unveiled

After successfully launching its range of 'A World of Choice 2007-08' brochures last week, Emirates Holidays outlined its ambitious plans for the coming year and beyond at the Arabian Travel Market, says a press release.

The largest tour operator in the Gulf and the Middle East, Emirates Holidays last year launched its services in Hong Kong, Moscow, Cape Town, Durban, and Johannesburg, and is all set to launch specialist services in India and China later this year. In India, the tour operator will appoint highly-skilled specialist staff who will operate out of Emirates' offices in Thiruvananthapuram, Cochin, Chennai, Bangalore, Hyderabad, Mumbai, Delhi and Kolkata, to support the travel trade.

Emirates Holidays enjoyed a growth of 22 per cent in sales revenues in the financial year 2006-07, crossing the AED 500 million milestone in sales revenue for the first time in its history. More than 100,000 passengers chose to book their holidays with the tour operator and the business unit is poised for 35 per cent growth in 2007-08.

Developing countries lukewarm about WTO agriculture proposals

AFP, *Geneva*

Developing countries on Monday said proposals to revitalise agriculture negotiations at the World Trade Organisation suffered from a "severe imbalance" which put their economies at a disadvantage.

However they stressed that they remained committed to a successful deal on agriculture as part of the wider Doha round of global trade talks, and that they would continue to work with Crawford Falconer, the chair of the WTO's special committee on agriculture, to acheive one.

Falconer last week issued what he called a "challenge paper" to the WTO's 150 member states, in which he called on the United States to cut trade distorting domestic support to below 19 billion dollars (14 billion euros) per year.

The G33 group of developing countries said his paper "does not ... provide a good starting point because of severe imbalance in the treatment of developed countries and developing countries' issues."

The 46-nation group, which includes major developing nations such as China, India and Indonesia, said the imbalance "would only lead to perpetuate the existing structural flaws and distortions in agriculture trade".

The US also said it was "troubled by what we perceive as a lack of proper balance" in the paper, with too much attention focused on its domestic support.

"While we recognise the need to make a further contribution in this pillar, there are limits as to what is realistic," the US said.

Agriculture has been a key stumbling block in the WTO's Doha round of trade negotiations, which were launched in the Qatari capital in 2001.

The US and EU have engaged in bitter arguments on the issue, with Brussels demanding more reductions in US farm subsidies and Washington insisting that proposed European tariff cuts do not go far enough.

The G20 group of developing agricultural exporters such as Brazil took a slightly more positive tone, saying Falconer's "challenging, provocative and thought-provoking" proposals provided enough elements for a "fruitful initial discussion".

However, they questioned his definition of the "centre of gravity" regarding any cut in US support as too generous.

Falconer put the "centre of gravity" around which negotiations will focus at "certainly below 19 (billion dollars) and somewhere above the very low teens," for the US.

The G20 in its response said that "what should be discarded are the 'high teens' and that the 'low teens' actually reflect the only possible centre of gravity."

Falconer himself told journalists on Monday that the US remains the focus of most delegates' attentions.

"There is not only one delegation who would like the US not to do a lot more on domestic support," he said.

EU expects FTA with Gulf by year-end

AFP, *Riyadh*

German Foreign Minister Frank-Walter Steinmeier said Tuesday he expected the oil-rich Gulf Cooperation Council and the 27-member European Union to ink a free trade agreement by the end of the year.

Steinmeier, whose country holds the rotating EU presidency until the end of June, said at the start of an annual conference between the two blocs that there was now momentum to wrap up the negotiations which first began in 1990.

"These are tough talks but we are on the right track," he told reporters as the meeting began in Riyadh.

"I have the impression that we are bridging the distance between us. I am optimistic that we will be able to conclude the negotiations this year."

The GCC groups Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

The European Union aims to harness the boom in the Gulf sparked by rising oil prices to ramp up trade and boost its political and strategic leverage in the Middle East.

The European Commission expects trade volume to double soon after the agreement is signed. But the negotiations have stalled due to a number of factors, Steinmeier said.

"The Gulf Cooperation Council has a different structure than the European Union. (It) does not have integrated policies so every step in the negotiations between has to be approved by all the governments. That makes the talks more difficult."

President

Secretary general

New office bearers of garment buying house assoc

Qayum Reza Chowdhury has been reelected president of the 15-member executive committee of Bangladesh Garment Buying House Association for 2007-2009 term.

Besides, SA Nasir has been elected secretary general and Harun-ar-Rashid treasurer of the association, says a press release. The election was held on Saturday in Dhaka.

CDBL: Prospects and problems

ASIF ANWAR

Central Depository Bangladesh Limited (CDBL) for the stock exchanges was established in 2003 following automation of the trading system, which was introduced in 1998. The introduction of the CDBL was part of the modernisation and automation initiative for the capital market as prescribed by the Asian Development Bank.

Unfortunately, due to the lack of competent human resources, the CDBL has not realised its full potential to deliver an efficient and seamless de-materialisation of the listed scrips. As a result, it has opened ways for a section of participants of the capital market, be it a listed company or a broker, to deceive innocent investors. This was evident in the recent 'scam' (as reported in the dailies last week) involving BD Welding (a listed company).

I am not in a position to comment on the events, but I can safely say that it would have not been possible for the perpetrators to carry out such a scam if BD Welding shares were dematerialised. On the other hand, it would have been very easy to trace the trading activity to identify the culprits had the shares of BD Welding been dematerialised.

It goes to say that even after three years in operation, the CDBL is yet to bring all the listed companies under the de-mat system, thus giving rise to confusion amongst investors and in settlement of trades.

My father, a retired government official, recently asked me to see why his broker was unable to sell his holdings of Beximco Pharma. When I contacted the broker, I was surprised to hear that my father was holding 'odd lot' shares for a stock which has been de-materialised (de-mat). Under a de-mat system there is no such thing as 'odd lot' for the simple basic fact that there is no 'lot' as the share certificates are replaced by electronic processing of trades based on transaction amount giving equal value to all shares per unit of 1.

In other words, someone wishing to buy Tk 5,000 worth Beximco Pharma at a market price (let's say Tk 51) should get 98 units. Likewise, an investor holding 98 units of Beximco Pharma should be able to sell 98 units at a market price just as someone who is holding 100 units (assuming enough market depth to satisfy order, and no transaction costs).

I am certain that there are many innocent shareholders stuck with the same fate as my father. CDBL needs to eliminate this 'lot system', that is responsible for inefficient trading and unnecessary losses suffered by many shareholders who happened to be holding units that were not divisible by a nice round figure of 10, 50, or 100.

One of the biggest benefits of a central depository system is that it gives instant information regarding shareholders stake in any listed companies. I know for a fact that there are many sponsors who are running management without having a controlling stake in their companies. In some instances the holdings of some of these companies are as little as 10 percent whilst individuals or institutions holding more are kept on the sidelines simply because of the unavailability of information.

CDBL and/or the stock exchanges should make this information available frequently so that the investors are aware of such instances which should make trading more interesting should certain investors find the stock undervalued. In addition, this information helps the SEC monitor 'insider trading' more efficiently and accurately. Rampant and unabated 'insider trading,' an open secret of our stock exchanges, needs immediate attention.

The writer is a financial market professional