

Star BUSINESS

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AIMS to float another mutual fund

AIMS of Bangladesh Limited, the only asset management company in the private sector, has applied to the Securities and Exchange Commission (SEC) for registration of the third mutual fund of the country under private sponsorship and management, says a press release.

The new mutual fund named "BGIC Mutual Fund" is being sponsored by Bangladesh General Insurance Company Limited (BGIC) which is the first private insurance company in Bangladesh. BGIC is also the trustee of the country's first private mutual fund "AIMS First Guaranteed Mutual Fund" launched also by AIMS in year 2000.

BGIC has selected IDLC of Bangladesh Limited as the trustee & custodian for the proposed mutual fund. IDLC is the first and leading leasing company of the country and was also one of the co-sponsors of "AIMS First Guaranteed Mutual Fund." AIMS of Bangladesh Limited has been appointed the asset manager for the new mutual fund.

In this regard, a trust deed will be executed to establish the mutual fund by the constituents after it is vetted by the SEC and thereafter the "BGIC Mutual Fund" is expected to go for public subscription.

AIMS of Bangladesh Limited also launched the "Grameen Mutual Fund One" in 2005 as the second private mutual fund in Bangladesh under the sponsorship of Grameen Bank. Both the AIMS First and the Grameen One are closed-end funds listed with the stock exchanges. The combined current net assets of the two private mutual funds are about Tk550 million against market capitalisation of about Tk1.50 billion.

The SEC recently allocated a 10 percent reserved quota for the mutual funds in every IPOs approved by it. The preferential treatment has attracted lot of interest from the small investors towards mutual funds in recent months.

Most of the mutual funds are now being traded at a price higher than respective net asset values. The units of the "AIMS First Guaranteed Mutual Fund" and "Grameen Mutual Fund One" are currently trading at an average of Tk4.50 and Tk45 against face value of Tk1 and Tk10 respectively on the stock exchanges.

Bangladeshi exporters get over \$1m orders in Sydney show

UNB, Dhaka

Bangladeshi exporters obtained spot orders of more than million dollars as well as some queries which would eventually lead up to few more million dollars worth of orders from Australian importers in Sydney trade show.

The trade show titled "Asia on Show"—one of the largest trade exhibitions—concluded Sunday in Sydney, said a press release of Bangladesh High Commission in Canberra.

Bangladeshi stalls were visited by thousands of business people and general customers throughout the show.

Bangladeshi participants also have had fruitful meetings with a significant number of prospective buyers, who have expressed keen interests for Bangladeshi products particularly readymade garment, towel, silk products, leather products and boutiques.

The Asia on Show began on May 17 at Sydney Exhibition Centre, Darling Harbour where 15 Bangladeshi companies took part along with other Asian countries such as Brunei, China, India, Myanmar, Malaysia, Pakistan, Nepal, Sri Lanka, Singapore and Vietnam.

Russia rules out EU agreement before WTO entry

AFP, Moscow

Moscow will not renegotiate a key co-operation agreement with the European Union until Russia secures entry to the World Trade Organization, a top minister said Sunday in a rebuff to Brussels.

Earlier this month the European Commission warned it would not support Russia's long-running bid to join the WTO before the end of the year unless Moscow showed it was ready to resolve outstanding trade issues.

DSE turnover hits all time high at Tk 160.71cr

SARWAR A CHOWDHURY

Total turnover on the Dhaka Stock Exchange (DSE) yesterday hit all time high at Tk 160.71 crore, surpassing the previous highest of Tk 159.20 crore on February 5 this year.

Market operators said turnover on the premier bourse had been rising for the last couple of days due to bigger participation of local institutional and foreign portfolio investors.

Institutional investors' participation yesterday accounted for 66 percent of the total trade, DSE sources said.

"The institutional and foreign investors are very active," said Ahmad Rashid Lali, senior vice-president of DSE.

The rising trends also prove that the market has started getting the fruits of development works done by the DSE and Securities and Exchange Commission (SEC), he

said.

He also said all market players should be very careful about aggressive investment.

DSE Chief Executive Officer Dr Salahuddin Ahmed said they are closely monitoring the market transactions to check any abnormality.

The continuous upward trend also drew the retail investors to the trading floor, said a broker.

Along with turnover, the price indices also shot up led by shares of bank and power sectors. The DSE General Index jumped by 49.15 points, or 2.61 percent, finishing the day at 1927.05 points while the DSE All Share Price Index went up by 33.55 points, or 2.12 percent, ending at 1616.09 points.

Of the issues traded, 148 advanced and 30 declined with 22 remained unchanged. A total of 13,377,247 shares worth Tk 160.71 crore changed hands on the DSE.

At the end of the day, Power Grid

Company of Bangladesh (PGCB) topped the turnover leaders followed by Brac Bank, Square Pharma, Southeast Bank, Summit Power, Prime Bank, Shahjalal Islami Bank, Dhaka Electric Supply Company, Pubali Bank and Exim Bank.

PGCB, the state-run power company, topped the turnover leaders with 371,650 shares worth Tk21.77 crore.

UNB adds: Trading at Chittagong Stock Exchange (CSE) closed higher yesterday with the gainers strongly dominating the losers.

CSE All Share Price Index increased by 2.04 percent to close at 4684.74 points. The CSE-30 Index also rose by 2.74 percent to close at 4081.26 points.

A total of 99 issues were traded. Of them, 80 gained, 12 declined and seven remained unchanged. Some 3,192,212 shares worth Tk 25.77 crore changed hands.

GP starts safe motherhood, infant care programme

STAR BUSINESS REPORT

Grameenphone, the leading cell phone operator, has launched a programme named 'safe motherhood and infant care' in association with Pathfinder International to provide free comprehensive primary healthcare to poorest segment of the population in the country.

Under the project, free services will be given to all poor pregnant mothers and infants in 61 districts, with special focus on the hard-to-reach areas, particularly in the coastal areas.

An agreement to this effect was signed between Grameenphone and NGO Service Delivery Program (NSDP) of USAID yesterday. Erik Aas, managing director of Grameenphone, and Dr Robert Timmons, chief of party of NSDP, signed the agreement on behalf of their respective organisations. Pathfinder International is the managing partner of NSDP.

The Grameenphone will provide all necessary assistance to the NSDP to facilitate free comprehensive primary healthcare services to the poorest of the poor in the country for safe motherhood and infant care, according to the project.

Geeteara Safiya Choudhury, adviser for women and children affairs, was present as chief guest at the signing ceremony.

In her speech, the adviser urged the private companies to come forward with their corporate social responsibility (CSR) to mitigate the sufferings of the poorest people.

She said, "Along with the government activities, if every company comes forward to do something for the poor, a poverty-free beautiful Bangladesh can be made."

Grameenphone initiative will help the country to achieve its millennium development goals (MDGs) by 2015, hopes Erik Aas.

He said, "Grameenphone also lays emphasis on the fact that increasing attention needs to be given to the hard-to-reach and economically disadvantaged population as they are the ones who have the least access to healthcare."

It is the first nationwide sponsorship in the health sector by a leading corporation representing a long-term CSR strategy. The project will be expanded to the selected areas to cater to the needs of the poorest families in Bangladesh, said Timmons.

Roger D Carlson, acting chief of USAID mission, Sheri Nouane Johnson, deputy team leader of the office of population health care and nutrition of USAID, and Kafil H SMuyeed, director of new business division of Grameenphone, were present at the function.

Bengal Meat starts export

UNB, Dhaka

The country's export basket has got a new item 'Halal meat' as Bengal Meat Processing Industries Limited (BMPL) has started exporting it to the Middle East.

The BMPL, the first such industry in the country, has been exporting a limited quantity of mutton to the United Arab Emirates (UAE) and Kuwait for the last one month.

"Primarily, we're exporting 1 tonne of the processed meat on average by air... the export order is increasing day by day," Mazharul Islam, managing director of the BMPL, told a group of reporters who visited the plant on Saturday.

He said his firm has been negotiating with some Western and Southeast Asian countries like the USA, Canada, Australia, Malaysia and Singapore to export the processed meat.

The BMPL was set up in the country's northern district of Pabna on a land of over 9 acres with an investment of about Tk 40 crore.

UAE LABOUR MINISTER DUE TODAY

Joint body on overseas employment issues likely

PORIMOL PALMA

Bangladesh and the United Arab Emirates (UAE) are likely to form a joint committee on monitoring and implementing the issues relating to manpower export under a memorandum of understanding (MoU) that is going to be signed during the UAE's Labour Minister Dr Ali Bin Abdullah Al-Kaabi's two-day visit to Bangladesh.

He is scheduled to arrive in Dhaka today.

Apart from holding talks with Foreign Affairs and Expatriates' Welfare Adviser Iftekhar Ahmed Chowdhury, the UAE minister will exchange views with manpower businesses and visit universities and vocational institutes here.

This is the first time any UAE labour minister is visiting Bangladesh when a delegation of businessmen and industrialists will also accompany him, a foreign ministry source said.

"The joint committee will be consisted of at least three members from each of the two countries and will meet annually alternately in the UAE and Bangladesh to follow up the implementation of the issues to be incorporated in the MoU," a source in the Ministry of Expatriates' Welfare and Overseas Employment said.

Bangladesh Ambassador to the UAE Nazimullah Chowdhury in a letter earlier said the MoU would develop a new system for recruitment of manpower based on coordination between the UAE and the labour sending country.

This will also help end the shady practice of fake contracts that exploit the workers, the ambassador said.

"Besides regulating the overseas manpower employment, the MoU will help open up a new era of cooperation between our two governments and strengthen bilateral relations of the two countries," he wrote.

"As per the MoU, the migration process and the job contracts between the workers and the UAE employers will be disciplined," an expatriates' welfare ministry official said.

The demand for workers from the UAE will state the required qualifications, define the nature of the jobs, duration of contracts and conditions, including salary, service benefits, medical facilities, leave entitlements and other facilities.

The contract shall specifically state the rights and obligations of the two sides in line with the provisions of the UAE labour laws and shall be authenticated by the UAE Ministry of Labour, the sources added.

In case of any dispute between the employers and the workers, complaint will be lodged with the department concerned of the UAE for amicable settlement, a source said, adding that in case of failure of any settlement, the complaint shall be referred to the judicial authorities.

Both the countries will exchange information on skills, training and share experiences, while the UAE will provide Bangladesh with necessary assistance including information technology, officials concerned noted.

The MoU is going to be signed at a time when there are reports of widespread violations of human rights of the migrant workers in the UAE, especially in that country's

construction industry.

According to the New York-based Human Rights Watch (HRW), these irregularities include unpaid or extremely low wages, several years of indebtedness to the recruitment agencies for paying up fees that UAE law says only the employers should pay, withholding of the workers' passports and hazardous working conditions that result in apparently high rates of death and injury.

Most of the UAE's 500,000 migrant construction workers come from South Asian countries, including Bangladesh, the report said.

The embassies of India, Pakistan and Bangladesh repatriated the bodies of 880 construction workers in 2004, the HRW said, adding that the UAE government can account for only a few of these deaths 'primarily because it appears not to enforce its own laws requiring employers to report worksite deaths and injuries.'

"Recruiting agencies unlawfully force the workers, rather than their employers, to pay \$2,000-3,000 for travel, visas, government fees and the recruiters' own services," the report said, adding that the migrant workers do not benefit from the country's minimum wage, earning between \$106-250 a month compared with a national average of \$2,106, the HRW report said.

According to sources, there are over 1000 Bangladeshi workers languishing in different jails and over 16000 illegal Bangladeshis stay in the UAE where there are over five lakh Bangladeshi workers remitting about US\$600 million annually.

ENDING EXTREME POVERTY IN COMING DECADE

South Asians need to strengthen human development: WB official

STAR BUSINESS REPORT

Banking on the current pace of growth, South Asians need to strengthen human development and improve governance to put an end to extreme poverty in the coming decade, a top official of the World Bank said yesterday in Dhaka.

"South Asian countries will have to accelerate and sustain the economic growth they have achieved so far and make it more inclusive, strengthen human development and improve governance," said World Bank Chief Economist for South Asia region Dr Shantayanan Devarajan told a seminar.

Development Studies Group of Independent University Bangladesh (IUB) organised the seminar at the Business School of IUB in the capital.

As the region-wide acceleration of development created an opportunity to put an end to extreme poverty, Devarajan stressed that the nations must shake off complacency and face the challenges to achieve the goal.

Devarajan in his keynote speech documented the rapid growth rate and its impact on poverty reduction, along with the troubling rise in inequality.

While talking about the rising regional disparity, he projected that growth is fastest in urban areas and faster for the richer section of the society.

South Asian states can face the challenges by embracing greater openness to make the govern-

ments more successful and responsive to the needs, he said, adding that while government failures are notoriously difficult to correct, the fact that reducing some of them in the past has contributed to the subcontinent's recent success.

"And the increasing openness of South Asian societies has created the 'political space' for policy and institutional reforms needed to lift 400 million people of the region out of poverty," he observed.

He underscored various problems, such as unemployment, slow rise in agricultural production, excessive interference by governments and institutional weaknesses as obstacles to rapid growth in South Asia.

To overcome such challenges, Devarajan, who taught governance at Harvard University before joining the World Bank, suggested a number of measures, which include bringing down of corruption level, improvement in institutional weakness of governance, reduction of the size of public sectors and less regulatory framework.

He also pointed out that the problem is not technical, but managerial as a whole. Terming Bangladesh's macro-economic management the best in the region, Devarajan appreciated the country's achievement in this sector.

IUB Vice Chancellor Prof Bazul Mobin Chowdhury and Pro Vice-Chancellor Prof Omar Rahman were also present at the seminar.

Dhaka to welcome Pak investment

Iftekhar tells Karachi businessmen

UNB, Dhaka

Foreign Adviser Dr Iftekhar Ahmed Chowdhury has said Dhaka would welcome Pakistani businesses to invest in Bangladesh in a business-friendly environment.

"Pakistani businesses are most welcome to invest in Bangladesh where they would be among friends," he said while speaking to electronic and print media at a Karachi hotel in Pakistan on Saturday, according to a message received in Dhaka on Sunday.

The foreign adviser, who was passing through the port city on his way back from attending the Islamic Conference of Foreign Ministers in Islamabad, described Bangladesh-Pakistan relations as "close, brotherly and friendly".

He said during his present visit, he had bilateral discussions with his Pakistani counterpart Khairul Kasuri, which was "a follow-up on the useful talks between Prime Minister Shaikat Aziz and Chief Adviser Dr Fakhruddin Ahmed in Delhi during the Saarc Summit".

The adviser said that during his meeting with the Pakistani foreign minister, they agreed to "either build anew or strengthen the existing mechanisms to take Bangladesh-Pakistan cooperation forward in a mutually beneficial manner".

Radisson official awarded



Saeed Ahmed, director of Sales & Marketing of Radisson Water Garden Hotel Dhaka, has been awarded 'Director of Sales & Marketing of the Year 2006' in the Carlson Hotels Worldwide 2007 Business Conference held in Paris, France, says a press release.

The award has been given on the basis of his revenue performance among all the Carlson hotels globally and Radisson's strong brand positioning in Bangladesh market.

The award was presented at the New Port Club Convention Centre of Disneyland Paris. Saeed Ahmed received this award among different brands of Carlson Hotels Worldwide Regent Hotels & Resorts, Radisson Hotels & Resorts, Park Plaza Hotels & Resorts, Country Inns & Suites by Carlson and Park Inn.



PHOTO: STAR

Grameenphone Managing Director Erik Aas and NSDP Chief of Party Dr Robert Timmons exchange documents after signing an agreement in Dhaka yesterday. Under the deal, GP will help NSDP provide free healthcare for safe motherhood and infant care. Adviser Geeteara Safiya Choudhury is also seen.

NO EXTRA CHARGES TO SHIPPING AGENTS, VESSEL OPERATORS

RMG exporters hope to save crores of taka

STAR BUSINESS REPORT

Welcoming the new decision relating to terminal handling charges at Chittagong Port, garment manufacturers and exporters yesterday said they can save hundreds of crores of taka a year.

As per the decision effective from yesterday, exporters and importers need not to pay terminal handling charge (THC) or less than container load (LCL) charge to shipping agents, mainline operators and freight forwarders in case of issued bill of lading (B/L). The charge will be included in freights for both export and import.

The shipping agents and vessel operators will also not be able to take the charge in any forms.

The decision came following a

meeting between task force, Chittagong Port Authority (CPA), Bangladesh Garment Manufacturers and Exporters Association (BGMEA), Bangladesh Shipping Agents Association, Chittagong Chamber of Commerce and Industry, and Private Inland Container Depots Association in Chittagong on May 14.

BGMEA President Anwar-ul Alam Chowdhury Parvez said shipping agents, freight forwarders and main line operators were taking extra charges in the name of THC, LCL, document charge, status charge, port of loading charge, China charge, container cleaning charge and RR charge which were totally illegal.

"Now we want support from all concerned so that the rule could

not be violated," he said speaking at a press conference in Dhaka.

He said in case of a 20 feet container, a garment exporter will be able to save Tk 6,000 to Tk 7,000.

In 2006, a total of 276,772 containers were exported while 412,342 were imported.

The views were also echoed by former BGMEA president Anisul Huq. He said: "Now we can be more competitive in the international market."

Replying to a query, he said: "We urge all factory owners to implement the new wage structure in their units within the timeframe of June 30, as there is a pressure from the government for implementation of the wage board approved pay structure."

Reduce gap between lending and deposit rates

BB governor asks banks as Shahjalal Bank launches VISA cards

STAR BUSINESS REPORT

Bangladesh Bank (BB) Governor Dr Salehuddin Ahmed has urged the commercial banks to reduce the gap between lending and deposit rates.

"The margin could be reduced by developing automation, increasing manpower and skills in the banks," he said.

The central bank chief was addressing the launching ceremony of Shahjalal Islami Bank Limited's VISA cards in Dhaka on Saturday night.

To mark its seventh founding anniversary, the Shahjalal Bank launched mainly two varieties of VISA cards -- VISA Electron and VISA Prepaid. Under the category of VISA Prepaid, the bank launched four types of cards -- Prepaid card-local, Prepaid card-international, Prepaid card-dual and Gift card-local.

The Shahjalal Bank officials said

any account holder of the bank can apply for a VISA Debit Card against his/her Al-Wahiah Current Deposit, Mudaraba Savings Deposit or Mudaraba Short Notice Deposit account. He/she can enjoy the benefits of cash withdrawal from ATMs, liberty of shopping, dining, paying utility bills and having access account information through SMS round the clock.

The bank's VISA Prepaid Local Cards are open even to the customers having no account with the bank and the cardholders may have card against pre-payment and have access from anywhere in Bangladesh.

VISA Prepaid International Cards are also open to such customers and the cardholders may have card endorsing US dollar paying against Travel Quota, Exporters Retention Quota or making Lien of his/her account. The cards are accepted at all VISA labeled merchant outlets and

ATMs worldwide.

The Dual Card holders can enjoy all the benefits and make transactions locally and globally from their prepaid account at all VISA labeled merchant outlets and ATMs.

The officials said the intending customers of Shahjalal Bank Souvenir Card may have the card instantly or may customise the card as required. The cards are also accepted locally at all VISA labeled merchant outlets and ATMs.

Among others, Securities and Exchange Commission Chairman Faruq Ahmad Siddiqi, Shahjalal Bank Chairman Sajjatz Zamma, Managing Director M Kamaluddin Chowdhury, Dhaka Chamber of Commerce and Industry President Hossain Khaled, Bangladesh Textile Mills Association Chairman Abdul Hai Sarker and Nitul-Niloy Group Chairman Abdul Matlub Ahmed spoke at the function.



PHOTO: STAR

Bangladesh Bank Governor Dr Salehuddin Ahmed is seen among others during the launching of SIBL VISA credit card in Dhaka on Saturday.