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DSE embarks on mission to identify errant firms

Companies not holding AGMs, paying dividends to come under lens

SARWAR A CHOWDHURY

The Dhaka Stock Exchange has embarked on a mission to identify companies that are not holding annual general meetings and paying dividends without acceptable reasons, a move market experts believe will increase confidence of small investors.

A three-member DSE team will submit reports to the Securities and Exchange Commission (SEC) after identifying the errant companies listed with the bourse that belong to the Z group.

The SEC meanwhile recently got

a power back to dissolve boards of directors of the errant companies following a new court ruling. The High Court vacated a previous stay order on effectiveness of an SEC notification through which the regulator can dissolve and constitute a new board.

As per the notification, the stock market regulator will also be able to constitute a new board of directors of a company belonging to Z category for a continuous period of one year or more on the stock exchanges.

Market experts believe enforcement of the SEC notification on Z group companies will cast positive impact on the stock market as poorly performing companies will be forced to improve their condition.

"We welcomed the SEC notification

for Z category companies when it was enforced in 2002. And now we again hope the restoration of the power of the SEC will bring about positive changes in the market," said Yawer Sayeed, managing director and chief executive officer of Asset and Investment Management Services (AIMS) of Bangladesh Limited.

According to DSE sources, the identification process will take some time, as the inspection team will have to visit all the errant companies.

Out of total 350 securities, 93 securities belong to the Z category on the DSE.

In 2002, the SEC issued the notification for the companies belonging to Z category.

According to the notification, the companies of Z group will be

given six months time to overcome their problems. In default, the SEC will dissolve the boards of directors and constitute new boards by involving the general and institutional shareholders. The new boards will be provided 24 months time with all necessary supports to run and improve the situation of the companies. If the new boards fail to do so, the companies will be given six months time for liquidation.

Following the notification, the stock market had seen positive changes with a good number of Z group companies holding AGMs and announcing dividends for the shareholders regularly.

But, the effectiveness of the notification was suspended upon a writ petition filed by a company.

MICROENTREPRENEURSHIP Citi Awards 07 generates huge response

Citi Microentrepreneurship Awards (CMA) 2007, a programme to recognize and promote microentrepreneurs and microfinance institutions, received tremendous response from all corners of the country, says a press release.

Despite natural calamities like floods and cyclone Sidr, since CMA 2007 was announced, around 500 applications were submitted from all over the country.

Sponsored by Citi Foundation for the third consecutive year, the CMA 2007 is jointly organised by Citibank NA and Shakti Foundation for Disadvantaged Women.

The preliminary assessment of the applications was completed by a screening committee to shortlist candidates. Sixteen expert teams from Shakti Foundation conducted field visits across Bangladesh to verify information of the short listed applicants in all 4 categories. The winners were selected yesterday through the Advisory Council Meeting at Dhaka Sheraton Hotel.

The grand award giving ceremony will be held on January 19, 2008 at The Winter Garden, Dhaka Sheraton Hotel.

Govt should lift import duty on rawhide, wet blue leather

Says MD of Apex Adelchi Footwear

REFAYET ULLAH MIRDHA

The government should lift import duty on rawhide and wet blue leather to help local footwear and leather goods manufacturers, who face supply dearth of quality finished leather, says a top official of an export-oriented footwear company.

The government imposed a 10 percent import duty on rawhides and wet blue leather in 2007-08 budget, the official said, adding, "Previously, there had been no such duty and neighbouring India maintains zero percent duty on import of rawhide and wet blue leather."

In an interview with The Daily Star yesterday, Syed Nasim Maznur, managing director of Apex Adelchi Footwear Limited, said, "If we import tax-free rawhide we could become more competitive in the international market."

Industry people said Bangladesh produces over 220 million square feet of leather every year, 80 percent of which comes from sacrificed animals during Eid festival.

Manzur said the number of rawhide collected during this year's Eid will be low due to the recent floods and devastating cyclone Sidr that hit the south-western region of the country on November 15.

Bangladesh's tanners have the capacity to process 300 million square feet of rawhide a year, but they receive only 200 million square feet of rawhide for processing.

Speaking about the local footwear market, Manzur said Bangladesh is one of the lowest shoe consuming countries where a person uses only 0.8 pair shoes annually.

He said only 10 percent of people of the country uses leather shoes but the number is growing every year. The local market size of footwear is Tk 1600 crore.

Manzur also said the country's footwear industry is growing at 32 percent, leather industry 20 percent and



Syed Nasim Maznur

leather goods industry 25 percent annually.

He said Bangladesh earned US\$115 million from export of footwear, \$8.0 million from leather goods and \$220 million from of crust and finished leather during January-November period of this year.

When the Leather Service Centre in Dhaka will come into operation in the next six months, local manufacturers will receive standards certification from the centre, which will help them export their products in the global market easily, hoped Manzur.

Thai team praises Bepza activities

UNB, Dhaka

A 20-member Thai business delegation yesterday visited Dhaka EPZ and expressed satisfaction over its peaceful production atmosphere.

Bepza Executive Chairman Brig General Ashraf Abdullah Yussuf received the delegation and apprised them of the EPZs performance.

Assistant Secretary of Board of Investment of Thailand Sisrak Busayarat was leading the delegation, said a press release.

The executive chairman mentioned that at present total investment from 264 operating enterprises of EPZs is around US\$ 1.20 billion and EPZ contributed 18 percent to the national export earning.

The delegation was also informed that investment in EPZ is increasing gradually every year and further planning is to set up more new EPZ to accommodate new investment.

Later, the delegation went round a South Korean company M/S Youngone (BD) Ltd in Dhaka EPZ.

Incoming Opec chief does not rule out output boost

AFP, Limassol, Cyprus

Algerian Energy Minister Chakib Khelil, who takes over the Opec presidency in January, said on Monday that he does not rule out a boost in the cartel's oil output at its next meeting in February.

"I wouldn't... exclude the possibility of increasing production if of course the markets want it but for the moment I think we have sufficient supply," Khelil told reporters on the sidelines of a Euro-Mediterranean energy conference in Cyprus.

At its last meeting in Abu Dhabi on December 5, the Organization of Petroleum Exporting Countries decided to keep its official output ceiling unchanged at 27.25 million barrels per day.

But it also announced an extraordinary meeting for February 1 in Vienna, "given the need for extreme vigilance in assessing the market during the coming months".

On Friday, the cartel raised its estimate for world oil demand growth in 2008, owing to fast-growing demand for transport and industrial fuel in developing countries.

But world prices have so far remained around the 90 dollar a barrel mark as fears of an economic slowdown in the United States counterbalance concerns about the possibility of a harsh northern hemisphere winter.

In late London trade on Monday, Brent North Sea crude for February delivery shed 79 cents to 90.90 dollars per barrel.

New York's main contract, light sweet crude for January, slumped by 1.45 dollars to 89.82 dollars per barrel.

Opec last decided to raise production in September when it agreed to provide the market with an extra 500,000 barrels of oil per day. The increase took effect on November 1.



A Rouf Chowdhury, chairman and chief executive officer of Ranks Telecom Ltd, talks over a phone to mark the launch of RanksTel's land phone operations in Dhaka at a press conference in the capital yesterday. Senior officials of the company are also seen.

RanksTel land phone launched in Dhaka

STAR BUSINESS REPORT

Ranks Telecom Ltd (RanksTel), a PSTN (public switched telephone network) operator, yesterday launched its land phone services in Dhaka.

A Rouf Chowdhury, chairman and chief executive officer of RanksTel, a concern of Ranks Group, announced the launch of the services at a press conference in the capital.

"The operator is hopeful about bringing the whole Dhaka city under its coverage within the next three months," said Chowdhury.

RanksTel is very sincere to offer services to its subscribers at lower rates both for local and international calls, he added.

Starting its journey in April 2005, RanksTel has now around one lakh subscribers around the

country. The PSTN operator expects to reach three lakh subscribers within 2008.

At the beginning only Sylhet and Chittagong were under RanksTel coverage, but now it is operating from more than 34 districts, the press conference was also told.

Anwar Hossain, corporate affairs director of RanksTel, Md Ashraf Uddin Ahmed, director (Finance), Abul Basher, head of Finance, and Ahmed Ferdous, head of corporate sales, among other senior officials, were present at the press meet.

RanksTel is offering five prepaid and postpaid packages styled 'Katha', 'Agamee', '24-hour PCO (public call office)', 'Protishthaner Phone (organisation's phone)' and 'Business Proceed' for families, businesspeople and business houses.

Under the 'Katha' postpaid package, there will be five phones with two and three phone numbers.

The connection fee for two phones is Tk 6,500 and for three phones is Tk 9,500.

Under the package the subscribers will enjoy five friends and family (FnF) numbers and internet facility.

The connection fee for regular prepaid package 'Agamee' and postpaid package 'Business Proceed' is Tk 3,500 each.

The monthly fee for internet connection is Tk 500 for each connection of the two packages.

The connection fee for 24-hour PCO is Tk 3,500, while internet connection charge is Tk 500.

The 'Protishthaner Phone (organisation's phone)' that aims at group talks has two packages.

ArcelorMittal to build first plant in Russia

AFP, Paris

The world's largest steel group, ArcelorMittal, said Tuesday it had signed an accord to build its first plant in Russia.

In a statement, the company said it had signed an accord with the regional authorities in Tver, some 180 kilometres (110 miles) northwest of Moscow, on building a plant with annual capacity of one million tonnes.

The first phase of the investment costing 100 million dollars (144 million euros) should begin in the second quarter of next year, it said, with operations set to start in 2010.

A feasibility study on a second phase of the project will start shortly, it added.

"This is our first production unit in Russia. The plant at Tver will give us a presence in the construction segment (of the steel market), which should grow at an annual rate of more than 10 percent," ArcelorMittal director Malety Mukherjee said in the statement.

Indonesia's FDI hits 5-year high

AFP, Jakarta

Actual foreign direct investment (FDI) in Indonesia reached 10.2 billion dollars as of mid-December, the highest since 2002, National Investment Coordinating Board chief Muhammad Lutfi said Tuesday.

The figure is well up on the 5.97 billion dollars recorded for the whole of 2006 amid an improving investment climate that has lured Taiwanese and South Korean investors, he said.

"This year's actual FDI was the highest since 2002. Investments from Taiwan and South Korea increased significantly partly because the government conducted aggressive promotions there," Lutfi told reporters.

He said 3.29 billion dollars of FDI went into the transportation, communication, chemical, storage and food processing industries.

Meanwhile actual domestic investment as of December 15 stood at 34.14 trillion rupiah (3.7 billion dollars), also surpassing the 20.78 trillion rupiah for the whole of last year, Lutfi said.

Nearly half was poured into eight major projects in the paper and plastic industries.

Singapore was the biggest source of actual FDI at 3.74 billion dollars, followed by the United Kingdom with 1.69 billion dollars, South Korea with 626.8 million dollars, Japan with 602.7 million dollars and Taiwan with 469.6 million dollars.

Lutfi expected both actual foreign and domestic investment to grow by 15.2 percent next year, assuming the government will not raise fuel prices.

The government subsidises fuel in Indonesia, with high global oil prices putting ongoing pressure on its budget.

Agri-credit performance of PCBs frustrates BB

UNB, Dhaka

Bangladesh Bank yesterday warned the private commercial banks (PCBs) of failure to meet their commitment of agriculture credits to supplement the efforts of making up the loss by flooding and catastrophic cyclone.

The warning came from central bank Governor Dr Salehuddin Ahmed at a review meeting on agriculture credit disbursement with chief executive officers of PCBs in his office.

He expressed dissatisfaction over PCBs' poor disbursement of agriculture credits compared to their voluntary commitment to contribute to the sector, said a senior official who attended the meeting.

"We'll have to think otherwise," the governor was quoted to have told the meeting.

The governor had earlier offered incentives to the private banks for contributing to the agriculture sector. In response

they had voluntarily committed to provide agriculture loans of around Tk 1,300 crore during the current fiscal year.

The review meeting found 15 of the PCBs did not disburse any agriculture loan till the end of November.

Statistics furnished at the meeting showed barely five PCBs have disbursed about half (Tk 635 crore) of their target for the year. Eastern Bank Ltd has already exceeded their annual target while Islami Bank achieved 67 percent. Others who disbursed the loans are Pubali, NCC and BASIC bank.

The governor asked the PCBs to submit immediately after the Eid vacation their agriculture credit disbursement statement up to December 15, the meeting source said.

He advised the bankers to utilise the NGO network in rural areas where PCBs have limitation in disbursing loans to the farmers.

He asked the private banks to provide loans for storage and mar-

keting of agriculture products, and advised them to make up their low return out of agriculture credit from other sectors. He also asked them to finance SME (small and medium enterprise) sector.

"We want to bring about special dynamism in agriculture and rural economy," he was quoted to have told the bankers.

The meeting was part of a series the central bank has been holding since the two floods, which hit the agriculture sector badly, to encourage commercial banks to contribute to the agriculture sector.

The central bank's initiative intensified immediately after the devastating cyclone Sidr. Economists estimated losses in rice production due to floods and Sidr ranging between 21.39 lakh tonnes and 23.63 lakh tonnes.

As part of the effort, Bangladesh Bank also planning a meeting with foreign commercial banks to encourage them to contribute to agriculture sector, said a senior central bank official.

TENDER NOTICE

Prime Bank Limited intends to purchase a new 250kVA Electrical Sub-Station of reputed brand for its Gulshan Branch. Sealed Quotations are hereby invited from the reputed suppliers / manufacturers along with information of Brand, Model, Country of Origin, Year of Manufacture, After Sales Service and Maintenance etc. as a turn key project. Necessary Tender Schedule may be collected from the undersigned from

December 23 to December 27, 2007 during office hours. The interested bidders shall submit the following papers along with the offer.

1. Updated and Valid Trade License
2. Minimum 5 years of Experience in supply and installation of Sub-Stations
3. List of 10 big/reputed users
4. Valid TIN Certificate
5. Experience of supplying the same system in Banks/ Financial Institutions, if any.

The tenderers may also visit the Gulshan Branch Site, if felt necessary by them, to prepare the quotation through assessment of practical requirement of materials/items.

The tenders must be dropped in the Sealed Tender Box kept at the Logistics & Support Services Division, Head Office, 29 Rajuk Avenue (2nd Floor), Dhaka-1000 on December 30, 2007 between 9.30 A.M. to 3:00 P.M. which shall be opened at 4:30 P.M. on the same day, in presence of the bidders or their representatives, if any.

Prime Bank Limited reserves the right to accept or reject any or all the offers in full or part with or without assigning any reason whatsoever. The Bank shall not be under any obligation to accept the lowest quotation.

Senior Vice President
Logistics & Support Services Division

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