



Star BUSINESS

E-mail: business@thecommunitystar.net

VIOLATION OF SECURITIES RULES

AB Bank merchant banking wing fined Tk10cr

SARWAR A CHOWDHURY

AB Bank's merchant banking wing was fined Tk 10 crore yesterday for disbursing excess margin loans in violation of securities rules.

The penalty is the highest the regulator has imposed on a listed company since 2001.

The Securities and Exchange Commission (SEC) also asked the merchant banking wing to submit the fine to the commission within the next 15 days.

Managing director of AB Bank could not be contacted over his cell phone for comments despite repeated attempts.

After an investigation the SEC found AB Bank's merchant banking wing disbursed around Tk 528

crore loans against its paid up capital of only Tk 57 crore during mid 2007 when stock market experienced an abnormal bullish trend due to liquidity glut stemming from excess margin loans.

The wing mainly disbursed the loans among its employees and their relatives.

"According to the securities rules, a merchant bank cannot provide margin loan more than five times of its paid up capital whereas AB Bank's merchant banking wing provided loans by around ten times of its paid up capital," said Farhad Ahmed, executive director of SEC.

The loans merchant banks offer to investors to buy shares is commonly known as margin loans.

The merchant banking wing of

the bank swindled more than Tk 66 crore during the period last year, according to the SEC investigation report. The investigation found that the bank by disbursing excess loans created a liquidity glut, leading to abnormal price hike of shares in some companies.

In some cases, the share prices jumped by around 300 percent, the investigation revealed.

The SEC investigation also revealed that AB Bank's merchant banking wing through its stockbrokers - AB Bank Foundation, Ahmed Brothers Securities, Popular Equity, ARC Securities and Country Stock (Bangladesh) - used the netting facilities illegally in selling and buying shares on the stock market.

The SEC formed a probe body on July 30 last year to investigate allegations against the merchant banking wing of AB Bank and the inquiry team submitted its report to the commission on September 12 last year.

Based on the report, the SEC issued a show-cause-cum hearing notice on the AB Bank's merchant banking wing on January 3 this year and the hearing held on January 21.

The AB Bank's merchant banking wing submitted a written explanation to the commission on February 10 this year.

After scrutinizing the merchant bank's position, the SEC finally found that the merchant bank violated the securities rules, hampering the investors' interests.

Ctg int'l trade fair kicks off tomorrow

STAFF CORRESPONDENT, Ctg

The 16th Chittagong International Trade Fair (CITF) 2008 kicks off in the port city tomorrow, organisers announced yesterday.

Companies from ten countries including Bangladesh will participate in the month long fair at Polo Ground, organised by Chittagong Chamber of Commerce and Industry (CCCC).

Thailand will be the partner country of fair. Participating companies from other countries are US, India, Pakistan, Malaysia, South Korea, Singapore, Myanmar and Iran.

Some 36 pavilions and 262 booths will be set up in the fair, which will remain open 10:00 am to 10:00 pm. Entry fee has been fixed at Tk 10 a person.

CCCC President Saifuzzaman Chowdhury, CCCI Senior Vice President MA Latif and Vice President Mahbub Alam, directors of Mahfuzul Haq Shah Chowdhury, Md Amirul Haq and Nasir Uddin Chowdhury were also present at the press conference.

Businesspeople decry PLCs' mandatory listing

STAR BUSINESS REPORT

Top businesspeople yesterday came down heavily on the Securities and Exchange Commission (SEC) saying that there should not be any obligatory reaches or exceeds Tk 40 crore in case of raising their paid up capital, they will have to become public limited company in a span of six months.

The private limited companies which paid up capital is already Tk 40 crore or more will have to become public limited companies within a year.

"I do not support the compulsory listing. It is up to me. If I am interested, then I will go for listing," said Mahbubur Rahman, president of International Chamber of Commerce-Bangladesh.

There are many billion dollar companies in the world that are not listed with bourses, he said.

Metropolitan Chamber of Commerce and Industry, said an entrepreneur sets up a company after a 10-15 year effort. Why this listing has been made mandatory, he questioned.

"An entrepreneur might not get proper value of shares with the existing pricing methods," he said, adding that there should be several pricing options as well as benefits for listing so that an entrepreneur can choose an option.

However, ultimately it will depend on the owners whether they list their companies, he said.

Samir Asaf, chief executive officer of Rahimafroz, also said the IPO offer should be a voluntary option for a company.

SEC Chairman Faruq Ahmad Siddiqi said although there are some benefits for a company who is listed with bourses, no company has so far taken such benefits by listing.

StanChart concludes euro/US dollar derivative

STAR BUSINESS REPORT

Standard Chartered Bank, Bangladesh has continued to lead the way as it successfully closed the first euro/US dollar derivative deal in Bangladesh with Square Yarns Ltd, says a press release.

Square Yarns, a concern of Square Group, was exploring an innovative product to hedge its exchange risk against underlying euro exposure. Global Markets, Standard Chartered Bank, Bangladesh structured EUR/USD Zero Cost Option to hedge exchange risk.

'Zero Cost Option/Range Forward' provides the customer with more flexibility by fixing a range of exchange rate.

Derivative is currently the most preferred product in the foreign exchange market for hedging exchange risk. Vibrant derivatives market in neighbouring countries has provided wide array of risk management tools and played a pivotal role in overall financial market development.

Oneworld airlines confirm dates for London Heathrow moves

Member airlines of the Oneworld alliance that will change locations at London Heathrow this year have confirmed the schedule for their moves and minimum connection times at the airport resulting from the moves, says a press release.

The changes will result in the eight Oneworld airlines that serve the airport consolidating their operations from across all four of the existing terminals into just two terminals at the alliance's main European hub.

Between them, these airlines account for more than 50 per cent of Heathrow's traffic with around 35 million passengers a year travelling on around 700 departures and arrivals a day.

British Airways, for which London Heathrow is its home base, will consolidate more than 90 percent of its operations at the airport into the new GBP4.3 billion (US\$8.6 billion) Terminal 5 (T5), in two phases, on 27 March and 30 April.

Oneworld partners American Airlines, Cathay Pacific, Japan Airlines and Royal Jordanian are already based at Terminal 3. Finnair will move there from Terminal 1 and Iberia from Terminal 2, also on 17 September, with Qantas following from Terminal 4 in early 2009.

Suggesting a mindset change, he said Asians, including Bangladeshis, should not feel inferior with regard to their capacity to penetrate into the world brand market.

"Be bold and daring, none can stop you having your market shares," Martin said, putting high hopes on Bangladeshi young generations who are increasingly succeeding in entrepreneurship.

He said: "The government should encourage the young guys who are educated in the West and equipped with new ideas, but want to back home to do something for their own country."

Bangladeshi garments, food items, tourism, services and hospitality, which, Martin thinks, can be transformed into global brand products.

If Bangladesh fails or takes time to tap the opportunity, other Asians such as China, Vietnam, Korea, India and Malaysia will not sit idle, Martin warned.

He said the talented Vietnamese, who got education in the US and Europe, are coming up for contributing to their country's development.

Martin Roll is now in Dhaka to attend the Leadership Summit, first of its kind. Bangladesh Brand Forum and Masthead PR jointly organised the summit. He talked to The Daily Star on the sideline of the summit at Radisson Hotel.

The event was designed for the local business people focusing on branding issue. Global brand experts, including John Quelch, senior dean of Harvard Business School, Nikos Mourkogiannis, an adviser on leadership and Anjan Raichoudhuri, head of Centre for Entrepreneurship and



More spending on farm sector key to food security

World Development Report says

STAR BUSINESS REPORT

climate change and establishing political will for better performances in farm sector.

Speaking at the report launching function, Alain de Janvry, co-director of World Development Report 2008, said Bangladesh should respond more to the global climate change as the agricultural development is largely dependent on climate change.

According to the report titled 'High-Value Agriculture in Bangladesh: An Assessment of Agro-business Opportunities and Constraints', the demand for high-value agricultural commodities is increasing in Bangladesh.

The report said the government should meet few challenges such as making agricultural growth poor, ensuring irrigation, tackling

"Because high-value agricul-

tural production is typically more labour intensive than traditional cultivation, this increasing demand also provides an opportunity to raise rural incomes and generate rural employment," Janvry said.

Professor of Bangladesh Agricultural University Dr Sattar Mandal said it is very difficult to ensure food security under liberalised trade regimes as many countries impose ban on export of rice.

Managing Director of PKSF (Palli Karma-Sahayak Foundation) Quazi Mesbahuddin Ahmed stressed the need for financing to small landholders for the development of the agricultural sector.

Acting Country Director of the World Bank Mohamed A. Toure launched the report.

Brand guru pins hopes on Bangladeshi youth

SAJJADUR RAHMAN

Bangladeshi companies and entrepreneurs have potentials to tap the global branding market share in a span of five to 10 years, Martin Roll, a leading thought-leader on branding told The Daily Star in an interview yesterday.

Suggesting a mindset change, he said Asians, including Bangladeshis, should not feel inferior with regard to their capacity to penetrate into the world brand market.

"Be bold and daring, none can stop you having your market shares," Martin said, putting high hopes on Bangladeshi young generations who are increasingly succeeding in entrepreneurship.

He said: "The government should encourage the young guys who are educated in the West and equipped with new ideas, but want to back home to do something for their own country."

Bangladeshi garments, food items, tourism, services and hospitality, which, Martin thinks, can be transformed into global brand products.

If Bangladesh fails or takes time to tap the opportunity, other Asians such as China, Vietnam, Korea, India and Malaysia will not sit idle, Martin warned.

He said the talented Vietnamese, who got education in the US and Europe, are coming up for contributing to their country's development.

Martin Roll is now in Dhaka to attend the Leadership Summit, first of its kind. Bangladesh Brand Forum and Masthead PR jointly organised the summit. He talked to The Daily Star on the sideline of the summit at Radisson Hotel.

The event was designed for the local business people focusing on branding issue. Global brand experts, including John Quelch, senior dean of Harvard Business School, Nikos Mourkogiannis, an adviser on leadership and Anjan Raichoudhuri, head of Centre for Entrepreneurship and



Innovation, Indian Institute of Management, Kolkata, were the resource persons.

Martin, known as global brand 'guru', also emphasised a sound political and business environment for flourishing branding in Bangladesh.

Branding has been adopted by developed countries' entrepreneurs who outsource products from developing countries at a cheaper rate and sell those at higher price.

Asians have long been lagging behind picking the idea, but recently some countries have adopted it realising it can add more to the value addition chain'.

"Wal-Mart buys a garment product at US\$5, but sells the same at \$100 in the US market," Martin said, backing his idea 'why Bangladesh should go for branding some products'.

He said: "Three to five successful brands can establish Bangladesh's potentials in the global competition".

Career Opportunity

Green Marketing Limited is going to recruit some young and energetic personalities for the following posts. Interested candidates are requested to submit their Bio-data with 2 copies passport size photograph up to 28-02-08 during office hours.

Name of the Post	No. of Vacant post	Educational Qualification	Experience
Office Assistant	02	Minimum Graduate in any discipline	Should have experience in Computer Internet searching, Typing & Office Filing
Jr. Marketing Officer	02	Minimum H.S.C	Relax able

Green Marketing Ltd.
58/11/A, Panthapath (2nd Floor), Dhaka-1205
Phone : 8629705, Fax : 8624245

Politicians, professionals call for roadmap to boost IT

STAR BUSINESS REPORT

IT sector leaders and politicians yesterday called for an integrated roadmap to build up the information technology sector in the short, medium and long term as a 'lifeline of the economy'.

Politicians from across the spectrum also pledged to sit down with the sectoral representatives to hammer out the country's future IT direction and how future governments could facilitate its growth.

They were speaking at a roundtable titled 'The role of politicians in making an IT-enabled Bangladesh' jointly organised by Bangladesh Association for Software and Information Services (BASIS) and The Daily Star held on the sidelines of the Softexpo 2008 in the capital yesterday. AL leader Mahmudur Rahman Manna (C) and BASIS President Rafiqul Islam Rowly are also seen.

Mofazzal Karim, adviser to the BNP chairperson, said any taskforce must be headed by the head of government, as, he said, the political role on IT has been unsatisfactory.

AL leader Abdul Mal Abdul Muhit said the government's existing taskforce was dormant as only three meetings were held in the last six years. "What we need is an effective taskforce who would review and shape government policy on IT," he said, adding that Bangladeshi IT outfits also have 'poor access to funds which are preventing crucial investments in alternative fibre-optic networks and infrastructure.'

He said a lack of understanding led to government's refusal to link up with the global fibre-optic internet cable in 1992.

CPB (Communist Party of



Awami League leader Abul Mal Abdul Muhit (R) speaks at a discussion on the role of politicians in making an IT-enabled Bangladesh' on the sidelines of the Softexpo 2008 in the capital yesterday. AL leader Mahmudur Rahman Manna (C) and BASIS President Rafiqul Islam Rowly are also seen.

Bangladesh) leader Mujahidul Islam Selim said although IT growth is an imperative, both politicians and IT sector leaders must close the digital divide.

Ahmed Imran, a researcher on e-governance, said IT could be used to ensure greater transparency and efficiency in government, but they have hardly been implemented.

Editor of The Daily Star Mahfuz Anam moderated the roundtable, also attended by Workers Party President Rashed Khan Menon, Bikalpa Dhara Spokesperson Mahi B Chowdhury, BASIS President Rafiqul Islam Rowly, BASIS Treasurer Fahim Mushroor and BASIS Director Nazim Farhan Choudhury, among others.

PHOTO: STAR

VACANCY NOTICE

FPAB is looking for qualified, experienced committed Consultant for Safe Motherhood Project.

Number of Position- 1 (One).

Qualification: MSS/Masters in Journalism Experience: Five years proven working experience for Design, Development and Evaluation of BCC tool and Materials.

Consultancy period: 6 (Six) months.

Consultancy Fees: 50,000/- (Fifty thousand) per month (Consolidated).

Only short listed candidates will be called for interview. No TA/DA will be admissible for attending interview. The expert interested in the line are requested to apply with a bank draft of Tk. 100/- in favor of FPAB from IFIC