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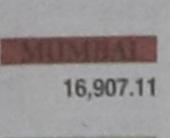
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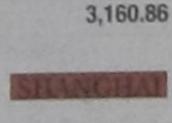
DHAKA FRIDAY MAY 23, 2008



### Asian Markets



13,978.46



3,485.63

### Currencies

	buy in.	3611 1K
S USD	68.10	69.10
€ EUR	105.96	110.56
GBP	132.70	137.85

SOURCE: STANDARD CHARTERED

JPY 0.66

## Commodities



SOURCE AFP

More News

Short supply of milk irks customers



Against the increased demand for processed milk, suppliers are unable to provide the item sufficiently to the customers, as processors cannot meet the retailers' demand due to its scarcity.

Stable macroeconomy needed to cut poverty

The government needs a stable macroeconomic environment to sustain strong economic performance and reduce poverty, a seminar was told yesterday in Dhaka.

International

IMF says Japan's economy showing resilience

The Japanese economy is holding up well in the face of the US economic slowdown but interest rates still need to be kept low until uncertainty over the outlook clears, the IMF said Thursday.

#### Rice crisis costs extra \$158m to Philippines

The National Food Authority of the Philippines has already used US\$158.89 million in import-tax subsidies from the national government in the first four months of the year.

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# Company recasts board in line with SEC directives

Mona Food accommodates two directors from general and institutional shareholders

SARWAR A CHOWDHURY

the country's corporate sector months period. a listed company yesterday with the Securities and Exchange Commission (SEC) 06. notification to improve the company's performance.

In its reconstituted board, Mona Food that has been in the red since 2000-01 accommo- ket. dated two new directors, one each from general and institutional shareholders.

The SEC notification, which was made effective on December 3 last year, asked poorly performing companies to improve their performances in six months that ends on June 2 this year.

After the six-month deadline expires the SEC as per the notification will ask the companies to dissolve and reconstitute their boards.

Mona Food has reconsti-

tuted its board as it had realised that it was impossible to

Mona Food incurred a loss reconstituted its board in line of Tk 64 lakh in 2006-07, while the loss was Tk 78 lakh in 2005-

> Market experts said if a sick company becomes profitable through recasting its board, it will be a good sign for the mar-

> it is very difficult to improve a company's position through changing its board only.

Mona Food, a Z category company, reconstructed its board of directors at an extraordinary general meeting (EGM) at Hemayetpur in Savar yesterday.

The notification allows the SEC to ask companies, which are not holding annual general meetings and paying dividends without accepted reasons, to reconstitute their boards.

As per the SEC notification, Mona Food's new board will In a significant development in improve performance in the six get a 24- month period to improve its performance.

The new board however decided to inject fresh working capital into the company with profit/loss basis to make it a profitable one. It will also take steps to get its interest of bank loans waived.

The board has been reconstituted with Abul Bashar, the Some experts, however, said immediate past chief, as chairman. Ali Zaman, a general shareholder, and Investment Corporation of Bangladesh, an intuitional shareholder, have been made directors.

"With the new board the company will be able to be a profitable company to offer dividends to shareholders," hoped Ali Zaman.

As per the SEC notification, if the new board fails to improve the company's performance, the company will be given six months time for liqui-

### FACTS OF SEC NOTIFICATION



In 2002, the SEC issued a notification on dissolving and reconstituting board of directors for the companies belonging

The effectiveness of the notification was suspended upon a writ petition filed by a company in 2003.

The SEC got the power back in December 2007, as the High Court vacated a previous stay order on effectiveness of the SEC notification through which the regulator can dissolve and constitute a new board.

The notification was effective from December 2, 2007.

Mona Food is the first company that has reconstituted its

board in line with the SEC notification.

dation.

"The new board will have to perform efficiently," SEC Chairman Faruq Ahmad Siddiqi said, adding that in case of failure the regulator will take the next legal step.

Welcoming the Mona Food's initiative, Yawer Sayeed, managing director and chief executive officer of AIMS of

Bangladesh, said it is a good sign for the market that the sick or weak companies have started initiatives to improve their performances.

To bring positive changes in the company, the new board will have to be transparent and accountable, he added.

Salahuddin Ahmed Khan, chief executive officer of Dhaka

Stock Exchange (DSE), said they now have to start thinking about a lock-in provision so that any director in the new board, especially the director on behalf of the general shareholders, could not sell shares in the certain company within a definite period.

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# Oil above

AFP, London

World oil prices broke yet more records on Thursday, catapulting above 135 dollars a barrel for the first time on runaway fears about rampant demand exceeding supply, analysts said.

Brent North Sea oil struck a historic height of 135.14 dollars a barrel and benchmark New York light sweet crude hit an all-time peak of 135.09 dollars.

"It seems there is no stopping to soaring oil prices," said Andrey Kryuchenkov at the Sucden brokerage in London.

"Investors doubt that the market will be able to meet ever growing demand in the long run, with booming emerging market economies underpinning robust demand for energy," he added. After posting fresh highs,

New York's main oil futures contract, light sweet crude for July delivery, pulled back to 134.28 dollars a barrel. In London, Brent North

Sea crude for July delivery. was up 1.16 dollars at 134.33 dollars a barrel. Crude futures have risen by

more than a third since the beginning of 2008 when they struck 100 dollars for the first time. A blow to sputtering world

economy...B4

# Prices of MS rod shoot

### Retailers blame syndication of re-rolling mill owners

KAWSAR KHAN

Prices of MS (mils steel) rod, a construction material, have shot up again in Dhaka retail market, despite government moves to bring the item's price under control. During the last four days, the

prices of both 40 and 60-grade rod and the deformed ones increased by Tk 2,500-Tk 6,000 per tonne. The retailers attributed this hike to the syndication of re-rolling mill owners. According to the Nayabazar

steel market, the largest rod market in the capital, the cost of 40-grade rod increased to Tk 69,000-Tk 70,000 a tonne, which was Tk 64,000-65,000 five days back.

The cost of deformed rod (without grade) rose to Tk 63,000-Tk 64,000 a tonne against Tk 56,000-Tk 57,000 just four or five days ago. The cost of 60-grade rod, which witnesses less price volatility, increased to Tk 72,500-Tk 73,000 a tonne, which was sold atTk70,000-Tk71,000.

Blaming the re-rolling millers for creating instability in the local market, a retailer said, "In the past ship-breakers were involved in price manipulation, but now it is the rod manufacturers who are behind the

re-rolling millers thinks that the high prices of melting scrap and re-rolling scrap, the raw material of MS rod, in the international market has caused the recent hike in prices of rod.

According to Masudul Alam Masud, general secretary of the Bangladesh Re-rolling Mills Association, the prices of melt-



A file photo shows workers are laying rod at a construction site in Dhaka. Prices of MS rod, a construction material, have gone up again in the capital's retail market, although the government has taken initiatives to bring the item's price under control. During the last four days, the prices of both 40- and 60-grade rod and the deformed ones increased by Tk 2,500-Tk 6,000 per tonne.

ing scrap and re-rolling scrap increased from \$650 to \$750 a tonne in the international market.

Masud also blamed that the ship-breakers are also selling re-rolling scrap and melting scrap at Tk 42,000 and Tk 54,000 per tonne But, the trade body for the respectively, which is higher than the price fixed by the government.

Tk 40,000 is the fixed price for melting scrap and Tk 52,000 for re-rolling scarp.

Before this fresh round of price hike, prices of rod have witnessed a reduction following the government's threat to take action against any price manipulation on April 29.

After the government's threat the price of rod decreased by Tk 8,000-Tk 9,000 a tonne. When asked about the pres-

ent price of the raw materials, the leaders of the Bangladesh Ship Breakers Association did not agree to talk. The government last month

formed a committee to find the reasons for unprecedented price hike of the construction material in the local market. The committee submitted the report with eight-point recommendations. But the recommendations are yet to be utilised.

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### Mirza Aziz asks banks to protect depositors' interest

STAR BUSINESS REPORT

Finance Adviser Dr AB Mirza Azizul Islam yesterday asked commercial banks to take proper measures to protect depositors' interests.

"Banks run on the depositors' money, but do hardly anything for them (depositors)," Mirza Aziz said while inaugurating an online banking service of a local bank in Dhaka.

Al-Arafah Islami Bank Limited, a Shariah-based bank, started online service yesterday with the use of local software and engineers saving a huge amount of foreign currency. Sources said the bank spent about only Tk 10 crore on adopting online services, while some other private banks spent Tk 100 crore on the online projects.

The bank's Chairman Anwar Hossain and Managing Director MA Samad Sheikh also spoke.

Besides depositors' interests, the finance adviser asked the banks to ensure corporate governance and adopt information technology to address the global banking business trend.

Mirza Aziz said both government and private banks fall short in providing adequate services to their clients. "Even clients of the most

responsible and sensible banks complain about lack of proper service," he said. Bangladesh Bank recently

instructed the commercial banks to nominate two directors on their boards from depositors, but the banks have so far found it difficult to choose such nominees from a huge number of depositors.

He also asked the banks to comply with the banking rules and regulations as well as to improve banking services.

Aziz expected that the online services would help improve the services of Al-Arafah Bank.

## BTTB fails to attract new subscribers in 4 months

Private operators add 68,000 new users

### EIGHT LEADING LAND PHONE OPERATORS AND NUMBER OF SUBSCRIBERS



uperators	Decei
BTTB	8,72,4
Ranks Telecom	1,12,5
Telebarta	55,809
Onetel Communication	on 30,126
National Telecom	17,521
Peoples Telecom	32,961
Dhaka Telephone Co	27,793
Sheba Phone	8,232

mber 2007	April 2008	Change
109	8,72,409	0%
660	1,36,448	21.22%
9	56,413	1.08%
6	37,713	25.18%
1	31,009	77.07%
1	38,066	15.48%
3	47,210	69.68%
	6,963	-15.41%

#### STAR BUSINESS REPORT

State-run land phone operator BTTB has failed to attract new subscribers in the first four months of 2008 as private operators added around 68,000 new subscribers during the same period.

Land phone industry insiders said BTTB has lost its opportunity to retain and add tor RanksTel continued its the consumer," said Masrur new customers in the face of aggressive marketing strategy by private land phone compa-

68,420 new customers subscribed to landline networks. RanksTel, Dhaka Telephone Ltd and National Telecom were the major beneficiaries of the new subscription base. According to the latest sta-

tistics from Bangladesh Telecommunication and continue to soar, some cus-Regulatory Commission (BTRC), no one subscribed to give up the idea of a fixed home the landline service of orbusiness phone. The private company, something new you Bangladesh Telegraph and land phone networks offer can see within a short time Telephone Board (BTTB). From January to April the num- mobile operators such as text more customers," the official ber of BTTB's subscriber messaging, caller identifica- said.

remained unchanged at tion and internet services. At 8,72,409.

of landline subscribers reached 12.55 lakh, out of which BTTB holds 8.7 lakh market as it is burdened with subscription. The 12 private landline operators share the bureaucracy. remaining 3.8 lakh.

BTRC statistics showed that momentum by adding 23,888 new subscribers to its network, followed by Dhaka Telecom's 19,417 and National Telecom's Till April 2008, a total of 13,488. Rest of the customers went to the Telebarta, Onetel,

and Peoples Telecom. Sheba Phone Ltd is the only private landline operator whose subscriber number decreased to 6,963 in April from 8,232.

While mobile subscriptions limited capacity to accommotomers have been reluctant to many of the services of the which will help BTTB to have

the same time they claim to As of April 2008, the number have better voice quality. So far BTTB has been

unable to capitalise on this

delays, hidden charges and "The math is simple. If you have a better product on offer

leading private landline opera- it will capture the attention of Nawaz Waiz, head of operation and coordination for RanksTel. "So, as a private landline operator what we offer to the

> customers, BTTB still lags behind," Waiz said adding that to survive in the competitive market BTTB has to improve. Talking to The Daily Star, a BTTB high official said the

main reason for failure to attract new subscribers is its date new connections. "But as we are getting ready

to become a public limited