

JS body recommends uniform share face value

STAR BUSINESS REPORT

The parliamentary standing committee on finance ministry has recommended that the stock market regulator set a uniform face value and market lot of shares, which would end misinterpretation and confusion.

"Securities and Exchange Commission should fix the uniform face value of shares in consultation with the Dhaka and Chittagong stock exchanges," ANH Mostafa Kamal, the committee chairman, told journalists after a meeting at the Jatiya Sangsad Media Centre yesterday.

A debate over such uniformity has recently been evoked by the SEC consultative body suggestion that the regulator set Tk 10 as the face value of all company shares. This committee also proposed a one-year period to

convert all share prices of listed companies to the said amount. But the commission later backtracked on such recommendation and hinted at a possible conversion of all Tk 10 shares to Tk 100 ones.

This topsy-turvy attitude led to protests on streets by retail investors who term it 'damaging for the capital market.' Besides, a divergence in face value misled the investors.

"On review of all this, the committee suggests a uniform share face value," Kamal said.

A common market lot to avoid complexities is the parliamentary body's another recommendation.

"The meeting also observed that there is no necessity of direct listing system," the committee chief told the media.

He also informed journalists that

the ministry concerned in principle had decided that book-building method would be followed in offloading shares through initial public offering or IPO.

On mutual funds, Kamal, also known as Lotus Kamal, said the committee thought the SEC should allow the floatation of mutual funds as per market demand.

The parliamentary body also recommended that SEC rules on private placement of shares and share distribution should be more transparent.

The committee sought a rise in the number of dedicated benches to dispose of a huge number of pending cases on capital market.

It said rules should be framed in a way that leave no room for listed companies to avert holding annual general meetings.



Brac Founder and Chairperson Fazle Hasan Abed (centre) poses for photographs with the 'Entrepreneur for the World' award along with other winners -- Dr Kazuo Inamori (left) and Bert Twaalfhoven -- at the World Entrepreneurship Forum at Lyon in France recently.

Brac chief honoured

STAR BUSINESS DESK

Brac Founder and Chairperson Fazle Hasan Abed received the first ever 'Entrepreneur for the World' award at the World Entrepreneurship Forum on November 19 at Lyon, France, said a press release.

He received the award in the 'Social Entrepreneur' category.

The World Entrepreneurship Forum was established by EMLYON Business School, the leading European business school in entrepreneurship, and KPMG, a global network of professional services firms providing audit, tax and advisory services.

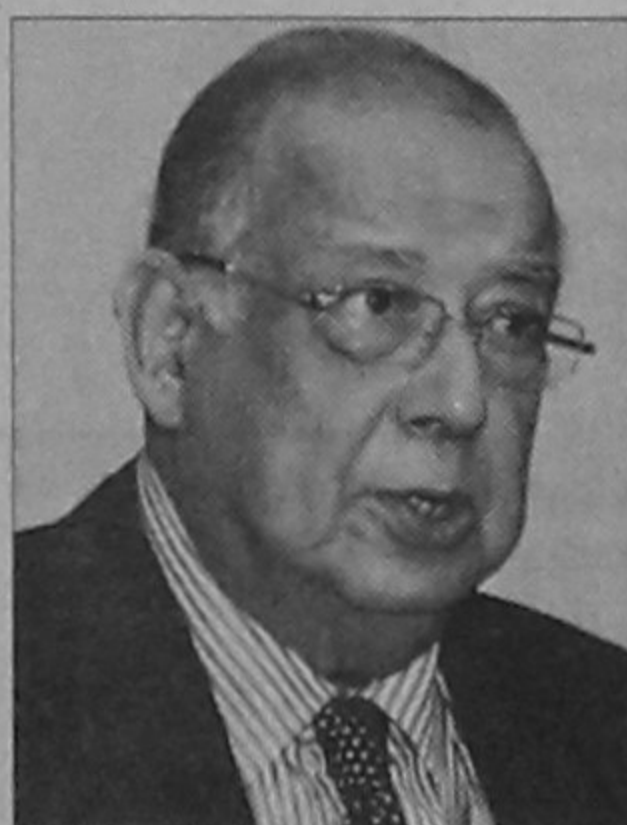
The forum started giving awards in 2008 and the Social Entrepreneur category was included in 2009.

Patrick Molle, president of EMLYON Business School, and Jean-Luc Decoron, chairman of KPMG SA, presented Abed with the award "to highlight his more than 30 years at the head of one of the largest non-government development organisations in the world."

The awards were presented in four categories.

Dr Kazuo Inamori, founder of Kyocera Corporation and KDDI Corporation in Japan, received the award in the 'Entrepreneur' category and Mary Robinson, former president of Ireland, was awarded in the 'Politician' category.

Bert Twaalfhoven from the Netherlands was awarded in the 'Expert' category.



DBH chairman re-elected

STAR BUSINESS DESK

Faruq A Choudhury, former foreign secretary and ambassador, has been re-elected chairman of the Board of Directors of Delta Brac Housing Finance Corporation Ltd (DBH), said a statement.

DBH made the re-election at its 54th meeting of the Board of Directors on Monday in Dhaka.

Choudhury, former career diplomat, is presently a member of the Governing Board of BRAC and BRAC University.

Seminar stresses policy support for women entrepreneurs

STAR BUSINESS REPORT

Former adviser to the caretaker government Rasheda K Chowdhury has underscored the need for formulating policy to support women entrepreneurs in the private sector, which could help enhance the country's economic growth.

She also pointed out that poor implementation of the provisions relating to women's empowerment in Poverty Reduction Strategy Paper or PRSP has been hindering development of women.

"To achieve the millennium development goal and make PRSP effective, the government needs to ensure women's participation at all decision making levels," she told a view exchange meet-

ing with women entrepreneurs in Dhaka yesterday.

Gender and PRSP Group (GPG) organised the programme on Review Analysis of the Private Sector, with special focus on gender, reflected in the National Strategy for Accelerated Poverty Reduction.

Held at the Cirdap auditorium, it was also addressed by Selima Ahmed, president of Bangladesh Women Chamber of Commerce and Industry, Aftab Ul Islam, chairman of SME Foundation, and Ranjan Karmaker, executive director of Steps Towards Development and team leader of GPG project.

Limitations of PRSP in ensuring empowerment of women and their equal rights on property were on

spotlight in a paper presented at the meeting by Selima Ahmed.

She blasted local banks for their attitude towards providing loans to women entrepreneurs, which is the main reason behind setbacks to women empowerment.

"Women entrepreneurs outside Dhaka need finance badly. But the branch offices of different banks are less interested in providing loans to women entrepreneurs," she said. "They are neither willing to facilitate loan disbursement nor providing any information."

The banks concerned should move to educate their branches outside Dhaka on the BB fund for women entrepreneurs, she added.



Nazmul Ahsan Khaled, member of the board of directors of Al-Arafah Islami Bank Ltd, inaugurates the bank's 57th branch at Hajiribagh in Dhaka recently.

Malaysia Airlines revises winter flights

STAR BUSINESS DESK

Malaysia Airlines announced revised timings for its winter flights from December 1 to January 31, due to the fog at Dhaka airport, said a press statement.

The flight MH-197 will depart Dhaka at 10.10 pm and reach Kuala Lumpur at 3 am, while the MH-196 flight will depart Kuala Lumpur at 6.10 pm and reach Dhaka at 9 pm.

Sonali plans farm loan for boro growers

BSS, Gaibandha

Sonali Bank Limited has taken a massive plan to disburse agri-loan to the farmers of the district to encourage and help them boost production of Boro paddy during the current season.

A total of Taka 5.10 crore would be disbursed to the farmers, particularly the

landless sharecroppers, in all the seven upazilas of the district through 12 branches of the bank.

Of the total, Tk 1.25 crore has already been distributed to 630 farmers till November 24, 2009, the bank sources said.

Earlier, Muhammad Awal Khan, Sonali's general manager in Rajshahi division, formally inaugurated the loan

distribution programme in Sundarganj upazila in the district on November 1.

Upazila Parishad Chairman Waheduzzaman Sarker Badsha, Assistant General Manager of the bank, Enamul Haque, Branch Manager Saidur Rahman, local elite, public representatives and journalists were present on the occasion.

US banking sector back to profit, insurance fund in red

AFP, Washington

The US banking industry returned to profit in the third quarter, but the government insurance fund went into deficit for the first time since 1992, regulators announced Tuesday.

The Federal Deposit Insurance Corporation said commercial banks and thrifts earned a collective 2.8 billion dollars in the third quarter.

This came after a collective 4.3 billion dollar loss in the second quarter, and the profit was well above the 879 million dollars the industry earned in the same period in 2008.

But the sector is still feeling the effects of the deep financial crisis triggered by a collapse of the US housing market and global credit crunch.

"Today's report shows that, while bank and thrift earnings have improved, the effects of the recession continue to be reflected in their financial performance," said FDIC chairman Sheila Bair.

More than 26 percent of all insured institutions reported a net loss in the latest quarter, and total loan balances declined by the largest percentage

since quarterly reporting began in 1984, the FDIC said.

As projected in September, the FDIC's deposit insurance fund balance fell below zero for the first time since the third quarter of 1992.

The fund balance of negative 8.2 billion dollars reflects a 38.9 billion dollar contingent loss reserve that has been set aside to cover estimated losses over the next year.

The FDIC report showed total loans and leases declined by 210.4 billion dollars, or 2.8 percent, during the quarter.

Loans to commercial and industrial borrowers declined by 6.5 percent, residential mortgage loan balances fell by 4.2 percent, and real estate construction and development loans dropped 8.1 percent.

"There is no question that credit availability is an important issue for the economic recovery," Bair said.

"We need to see banks making more loans to their business customers. This is especially true for small businesses that rely on FDIC-insured institutions to provide over 60 percent of the credit they use."

The FDIC noted that 124 banks had failed so far this year, and the number on the "problem list" grew to 552, the highest number in 16 years.

"For now, the credit adversity we have been discussing for some time remains with us, and we expect that it will be at least a couple of more quarters before we see a meaningful improvement in that trend," Bair said.

"Despite the challenges, I am optimistic that if we address these problems head-on, we will see clear signs of improvement in bank earnings and lending in 2010."

The FDIC noted that it has 23.3 billion dollars of cash and marketable securities on hand. It has moved to bolster its position by approving a measure on November 12 to require insured institutions to prepay three years' worth of deposit insurance premiums -- about 45 billion dollars -- by the end of 2009.

"This measure will provide the FDIC with the funds needed to carry on with the task of resolving failed institutions in 2010, but without accelerating the impact of assessments on the industry's earnings and capital," Bair said.



Whip Md Mozibul Haque MP and Managing Director of Mutual Trust Bank Ltd Md Hashem Chowdhury inaugurate the bank's 41st branch at Dhorkara Bazar in Comilla.