

Listed companies now better governed

Says CEO of Dhaka Stock Exchange

STAR BUSINESS REPORT

Listed companies are gradually implementing corporate governance directives set by the Securities and Exchange Commission (SEC), an official said yesterday.

As many as 91 percent of listed companies are following the SEC directives for the size of the boards of directors, independent directors and audit committees, annual general meetings, said Satipati Moitra, chief executive officer of Dhaka Stock Exchange (DSE).

The directives are meant to ensure transparency in companies' internal operation.

The DSE has conducted a survey on 104 out of 241 listed companies, where it found that most have complied with the regulations, he said.

In a keynote paper, Moitra said that 88 percent of the surveyed companies have complied with the regulations of the size of board of directors.

The number of directors for a listed

company should not be less than five and more than 20.

Most companies follow the regulations on appointing independent directors and audit committees, organising annual general meetings regularly, Moitra said.

He was speaking at a three-day interactive media workshop on corporate governance, which concluded at Bangladesh Enterprise Institute (BEI) in Dhaka yesterday.

BEI, Thomson Reuters Foundation, International Finance Corporation and Global Corporate Governance Forum co-organised the workshop.

Moitra admitted that the DSE lacks powers to go for a physical inspection to determine whether all companies are following the SEC directives.

"We need a separate financial report council to ensure transparency in the audit reports of different companies," he said.

"It would be easy for us to ensure good corporate governance practices

among local companies, once we have a broad enough legal framework to monitor the performances of these companies," the DSE chief said.

Abul Kalam Azad, information minister, stressed the need for educating business journalists further on covering corporate news.

"The reputation of good corporate governance practices attracts more investments to a country," he said.

"Business journalists can help investors with information at home and abroad to make investment decisions," he added.

He handed over certificates among the workshop participants. Seventeen journalists took part in the programme.

Paul Gallagher, trainer of Thomson Reuters Foundation, moderated the workshop supported by the Dutch embassy.

Farooq Sobhan, president of BEI, and Eugene Spiro, senior project officer of Global Corporate Governance Forum, also spoke.



Nasir A Choudhury, chairman of Green Delta Financial Services Ltd (GDFSL), and M Shah Alam Sarwar, managing director of Trust Bank Ltd, inaugurate the sixth branch of GDFSL at Dilkusha in Dhaka recently. Waqar A Choudhury, managing director and chief executive officer of GDFSL, is also seen.

Green Delta Financial Services opens sixth branch

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Green Delta Financial Services Ltd (GDFSL) has opened its sixth branch as a panel broker of Trust Bank Ltd in Dhaka recently.

Nasir A Choudhury, chairman of GDFSL, and M Shah Alam Sarwar, managing director of Trust Bank, inaugurated the branch at People's Insurance Bhaban in Dilkusha.

Waqar A Choudhury, managing director and chief executive officer of GDFSL, was also present, the company said in a statement.

GDFSL, a unit of Green Delta Insurance Company Ltd, offers full-fledged brokerage services for institutional and individual clients. It has more than 6,000 clients.

Stocks post moderate gain on energy

STAR BUSINESS REPORT

Dhaka stocks clinched a moderate gain yesterday, led by energy, telecom and textile shares.

The benchmark index of Dhaka Stock Exchange, DSE General Index, rose 44.57 points, or 0.72 percent, to 6152.38. It is the highest level of the index, as the last seven days' rise set a new peak.

The energy sector advanced more than 3 percent, contributing around 0.5 percent, to the market movement.

Jamuna Oil led the rally in the sector, followed by Meghna Petroleum, Padma Oil and Powergrid. Jamuna Oil, a state-run company, was also the top gainer on the board with a 15.28 percent jump in its share price.

After falling for the last five sessions, the telecom sector where Grameenphone is the lone player took a U-turn yesterday. Each Grameenphone share gained 1.81 percent.

The textile index was up around 2.7 percent mainly due to two stocks: Bextex and Square

Textile. Bextex shares increased 5.94 percent, while Square Textile rose 1.29 percent.

Shares in other regions, except the banking sector that was the only negative performer of the day, also increased.

The banking sector declined in back-to-back sessions, with most banks ending up in the red.

Advancers beat losers 138 to 106 with five securities remaining unchanged on the premier bourse.

Turnover rose by 9 percent to Tk 2,122.92 crore on transactions of 5,33,03,522 shares and mutual fund units.

Chittagong stocks post a moderate rise yesterday. The key index of Chittagong Stock Exchange, CSE Selective Categories Index, gained by 72.74 points, or 0.62 percent, to 11,629.03.

The port city bourse traded 59,43,639 shares and mutual fund units on turnover of Tk 143.24 crore. Of the traded securities, 102 advanced, 81 declined and four remained unchanged.



Mizanur Rahman Shelley, chairman of Premier Leasing and Finance Ltd, presides over the company's eighth annual general meeting at Spectra Convention Centre in Dhaka on May 27. The meeting approved 15 percent stock dividend for 2009.

Faruk for packaging, accessories institute

UNB, Dhaka

Commerce Minister Faruk Khan yesterday called for establishing a packaging and garment accessories institute to ensure quality products to compete on the global market.

"The quality has to be ensured to sustain global competitive markets. We will extend our support to establishing such institutes," he said.

Khan was speaking at a meeting with a delegation from Bangladesh Corporation Cartoon and Accessories Manufacturers and Exporters Association (BCCMEA) at his office.

BCCMEA President Rafez Alam Chowdhury led a 14-member delegation to the meeting.

The delegation put forward a set of demands, including assistance to the package and garment accessories sector from the financial stimulus package.

Singapore's biggest shopping extravaganza kicks off

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Great Singapore Sale 2010, a shopping extravaganza, started in Singapore on Friday.

The eight-week show that ends July 25 will display an array of offers across international brands and offer up to 70 percent savings on just about everything, Singapore Tourism Board said in a statement yesterday.

The sale stretches across different shopping malls that include Vivocity, Wisma Atria, Paragon, Marina Square, Suntec City Mall and Robinsons Centrepoint.

New-concept stores of international brands such as Prada, Cartier, Louis Vuitton,

Dior and Dolce & Gabbana will be available at ION Orchard, a shopping destination with more than 300 retail outlets.

313@Orchard, Orchard Central and the Mandarin Gallery are the other shopping avenues that offer a variety of retail outlets as well.

Visitors will also find a limited edition of Gucci Paravanda Collection, designed exclusively by Frida Giannini, and many more for sale.

People can "enjoy exclusive MasterCard offers and privileges from over 100 participating merchants and a chance to win a grand prize with every transaction" during the event, said Singapore Tourism Board.



Md Abdul Jalil MP, chairman of Mercantile Bank Ltd, attends a press conference organised by the bank on the occasion of its 11th anniversary, at Dhaka Sheraton Hotel yesterday.

Indian manufacturing sees fast growth

REUTERS, Bangalore/New Delhi

India's manufacturing sector expanded at its fastest rate in more than two years in May, bolstered by steady growth in output, new orders and employment, a survey showed, another sign the country's economy is surging.

Despite the strong performance and inflation near 10 percent, many economists and traders expect worries about the euro zone debt crisis and the health of the global recovery will prevent the Reserve Bank of India from raising rates before its next quarterly review scheduled for July.

Monsoon rains arrived in southern India on time on Monday, and policymakers will keep a watch on how the rainy season pans out after last summer's drought sent food prices sharply higher.

Exports, meanwhile, rose an

annual 36 percent in April to \$16.9 billion, the sixth consecutive rise after 13 straight months of decline, the government said, although figures were flattered by a low base effect and could take a knock if the euro zone debt crisis worsens and saps demand.

The HSBC Markit Purchasing Managers' Index (PMI), based on a survey of 500 firms, surged to a 27-month-high of 59.0 from 57.2 in April. It was the 14th consecutive month that the indicator has been above the 50 mark that divides growth from contraction. The rate of growth had slowed in March and April.

The latest figure underlines considerable strength in the economy, which grew 8.6 percent in the March quarter, the strongest in six months, according to data released on Monday.

"The Indian economy is hardly

pausing for breath," said Frederic Neumann, co-head of Asian Economics Research at HSBC.

"Output growth remains at a robust pace and new orders continue to pour in. This is benefiting the job market as more and more firms are hiring," he added.

The new orders index climbed to 63.7 in May from 61.9 in April, primarily driven by strong domestic demand, according to the PMI report. It was the 14th consecutive month when new orders expanded.

The robust growth seen by manufacturers helped push the employment index to its highest reading since August 2005, signalling modest job creation across the economy.

The latest survey also showed five-year series highs in the backlogs of work index and stocks of raw materials, boosted by strong demand from both public and pri-

ivate sectors.

While figures point to a sharp improvement in business conditions, resulting price pressures might be a cause for concern as Asia's third-largest economy continues to battle stubbornly high inflation.

Wholesale prices, the Reserve Bank of India's most closely watched gauge of inflation, eased slightly in April to 9.6 percent, but are not far from 10.1 percent seen in February, which was the highest since October 2008.

Latest food and fuel inflation, however, has remained in the double digits.

"Price pressures remain elevated and are of concern. However, the recent readings point to a stabilization of price pressures, with both the input and the output price indices easing back a little in May," Neumann said.

Airbus signs parts deal with Korean group

AFP, Paris

European aircraft manufacturer Airbus said on Monday it had signed an agreement with Korean Air Aerospace, which is to provide vertical winglets for the Airbus A320.

Airbus said the parts, which are attached to the end of aircraft wings to reduce wing drag, will be sent to Airbus factories in Toulouse, France, Hamburg, Germany and Tianjin in China.

Airbus is to deliver the first batch of A320s equipped with the winglets near the end of 2012.

The parts should also make possible a reduction in fuel consumption of up to 3.5 percent.

Ecneec okays six projects

UNB, Dhaka

The Executive Committee on the National Economic Council (Ecneec) yesterday approved six development projects involving Tk 1,330 crore, including a project to construct a flyover in Chittagong.

The approval came from the body's 34th meeting where it's Chairperson and Prime Minister Sheikh Hasina was in the chair.

The cost of all the projects will come from the government exchequer.

The flyover will be constructed between Muradpur gate no 2 and GEC junction in Chittagong under the

housing ministry at a cost of Tk 151 crore, said Planning Minister AK Khandker while briefing reporters after the meeting.

"The government will give Tk 133 crore for the flyover while Chittagong Development Authority will provide the rest."

The project will help save fuel costs for vehicles and reduce the transportation cost for goods and passengers.

"Asrayan" project, another approved one under the Prime Minister's Office at Tk 609 crore, will rehabilitate some 65,000 landless or homeless families.



AKM Fakhru Alam, regional manager for Bangladesh, Myanmar and Nepal of Malaysian Palm Oil Council (MPOC), and Kazi Wahidul Alam, editor of The Bangladesh Monitor, exchange documents after signing a deal in Dhaka recently. MPOC will sponsor the Monitor Malaysian Palm Oil Chef of the Year-2010 competition.

AirAsia says profits up in Q1

AFP, Kuala Lumpur

Budget carrier AirAsia said Monday its net profit had risen 10 percent in the first quarter of 2010 due to a strong increase in passenger numbers as demand improved region-wide.

Asia's largest low-cost carrier by fleet size said its net profit for the three months to March 31 had risen to 224.1 million ringgit (67.9 million dollars) compared to 203.2 million a year earlier.

"We are optimistic for the rest of the year," AirAsia Group chief executive Tony Fernandes said in a telephone conference. "We are looking up good for the second quarter and very strong for third quarter."

Revenue for the quarter ended March 31 was up 10 percent year-on-year at 878 million ringgit. First quarter passenger numbers rose 17.1 percent to 3.69 million, from 3.15 million a year earlier.



Goni Ahmed, chairman of Deen Group, launches a Nokia GRA exclusive mobile shop on Satmasjid Road in Dhaka recently. Khaled Abdullah, executive director of the company, was also present.