

Public sector accounting in focus

International conference on accounting and auditing starts tomorrow

STAR BUSINESS REPORT

A daylong international conference on public sector accounting and auditing begins in Dhaka tomorrow to draw the government's attention to the needs of ensuring transparency and accountability in financial management.

The Institute of Chartered Accountants of Bangladesh (ICAB) and Confederation of Asian and Pacific Accountants (CAPA) will jointly organise the event, "Strengthening Bangladesh Public Sector Accounting & Auditing -- Global Reforms and the Way Forward", at Sonargaon Hotel in the city.

Following the global financial crisis in 2008 and the recent debt crisis around the world, there has been a growing emphasis on improved financial reporting and increased demand for accountability and transparency.

The conference will evaluate the present challenges and aim at devising strategies for the future development of public sector accounting and auditing in Bangladesh, Md Syful Islam, president of ICAB, told reporters in his office in the city.



Md Syful Islam, president of the Institute of Chartered Accountants of Bangladesh (ICAB), gives a media briefing at his office in Dhaka yesterday on an international conference on public sector accounting. Former ICAB presidents Muhammed Farhad Hussain and Anwaruddin Chowdhury, Vice President Md Abdus Salam and Secretary NI Chowdhury are also seen. The daylong event will take place tomorrow.

He said speakers would explore various topics, including the global scenario of public sector financial management and developments in the region, country experiences in transition to accrual-based accounting, and the future directions of fiscal sustainability in Bangladesh.

Experts from 31 countries will take part in the conference, said Islam.

He said considering the pres-

ent financial crisis, the demand for public sector financial management in respect of economic growth is very significant.

"In Bangladesh, the accounting and auditing practices are based on cash basis accounting, which lags behind the international public sector accounting practices and fails to report on economic, efficient and effective use of public resources with proper accountability and transparency."

"Therefore, strengthening public sector accounting and auditing is the focal challenge to ensure superiority in procuring government resources, formation of proper budgets, keeping proper recording and reporting of assets and providing accurate financial information," he said.

"I believe through the conference we will be able to strike a strategic way to appropriate reforms in the public sector

accounting and auditing in Bangladesh and the Asia Pacific region to combat the economic turmoil affecting the world," said the ICAB chief.

Muhammed Farhad Hussain, former president of ICAB and chairman of conference organising committee, said the governments around the region need to establish a clear picture of the value of their assets and liabilities, and manage them accordingly, as the public are increasingly demanding transparency and accountability.

Anwaruddin Chowdhury, another former president of the association, said the accrual-based accounting and auditing would boost the government's transparency and credibility in public sector financial management.

ICAB Vice President Md Abdus Salam and its secretary NI Chowdhury also spoke on the occasion.

ICAB is the national professional accounting body in the country with 1,200 chartered accountants, while CAPA is the regional organisation representing national accountancy organisations in the Asia-Pacific region.

Turkish Airlines to fly direct from Dhaka

DIPLOMATIC CORRESPONDENT

The Turkish Airlines, which operates flights between Istanbul and Dhaka via Karachi, has decided to operate direct flights from March 25 for four days a week in both ways.

Officials expect the new direct flight of the airline would certainly have a positive impact in further improving trade and investment relations between Bangladesh and Turkey, the 16th largest economy of the world.

Turkish Airlines is a state-owned entity having around 200 aircrafts in its ever-expanding fleet and flying to over 200 destinations.

The decision to establish the direct air connectivity between the two countries was taken during the Turkish prime minister's visit to Bangladesh in November 2010, according to a statement of Bangladesh Embassy in Ankara yesterday.

Primarily, the decision was taken to enhance contacts among the businesspersons and investors of Bangladesh and Turkey, according to the statement.

Then the airlines launched a flight from December 2010 between Dhaka and Istanbul, but unfortunately via Karachi.

Since then, Bangladesh embassy in Ankara has been making consistent and sustained efforts to convert this flight into a direct one. Prime Minister Sheikh Hasina also raised the issue with the Turkish premier during their meeting in May 2011 in Istanbul.

It was argued that a direct air connection between Dhaka and Istanbul would make it more attractive to the travellers and thereby augment interaction among the businesses of the two countries.

Apple's China trademark battle moves to Shanghai

REUTERS, Shanghai

Apple Inc's trademark battle moves to one of China's richest city on Wednesday when a Shanghai court will deliberate a request by troubled technology company Proview to halt the sale of iPads across the city.

Proview Technology (Shenzhen) claims it owns the iPad trademark in China and a Shenzhen court ruled in its favour last December. Proview has since launched a multi-pronged approach to get Apple's iPads off the shelves -- with mixed success.

Apple's iPad has a huge lead over rival tablet PCs in China with a 76 percent share. But it's not only the consumer market in China that is important for Apple because the country is also a major production base for the iPad and other Apple products.

Indeed, Proview Technology (Shenzhen) has already petitioned Chinese customs to stop shipments of the iPad in and out of China, although authorities have indicated such a ban would be difficult to impose.

Previous court rulings have covered specific retailers in smaller cities, but a Shanghai order, if imposed, would eat into one of Apple's biggest markets in China, which is home to three of its five flagship stores in China.

"This is a court in Shanghai which means that it has jurisdiction, and its order should be observed in Shanghai, which is one of the biggest cities and biggest markets for Apple iPads in China," said Kenny Wong, head of Mayer Brown's intellectual property practice in Hong Kong.

Proview is hoping that the district court will rule in its favour and grant an injunction to stop the sale of iPads in Shanghai, Proview's lawyer Roger Xie told Asian Legal Business, a Thomson Reuters publication, on Tuesday.

Lawyers said the judgement is not expected for a few months and that Apple would in any case have the option to appeal should it lose.

Apple disputes Proview's ownership of the trademark, saying it bought the trademark from Proview in 2009. The firm has

appealed the Shenzhen judgement with a higher court hearing set for Feb 29 in China's southern province of Guangdong.

Apple's Shanghai unit is the defendant in the case due to be heard on Wednesday. Losing could mean the city's three Apple retail stores would have to stop selling the popular tablet PCs. Apple has two other flagship stores in China, both in Beijing.

Over the past week, Proview's efforts have borne fruit as local media reported that certain cities have started enforcing Proview's request to remove the iPads.

Proview's lawyers said on Friday it had won a lawsuit in the southern city of Huizhou against a retailer selling Apple's iPads, not boding well for its case in Shanghai.

"The Proview people probably remain fairly confident, in view of their success in Guangdong province already," Wong said of the Shanghai hearing on Wednesday.

The fortunes of Proview parent, Hong Kong-listed Proview International Holdings Ltd, stand in stark contrast to Apple's. Founded by Yang Long-san in 1989, Proview was the first Taiwanese technology company to list in Hong Kong and by the end of the 1990s numbered itself among the top five computer monitor makers.

In 1999 it partnered with US chip maker National Semiconductor to launch the I-PAD, a stripped-down desktop computer whose main selling points were its internet connectivity and ease of use.

Proview continued to grow, shifting from computer monitors to become the world's third-largest OEM manufacturer of flat panel TVs. But by August 2009, when Apple began trademark talks through a proxy, Proview had been badly hammered by the financial crisis.

Since then things have only gotten worse. Trading of its stock was suspended in Hong Kong in August 2010 after creditors in China went to court to recover assets. The company faces delisting in June if it cannot provide the Hong Kong Stock Exchange with a viable rescue plan.

On Monday, Apple fired its own shot back at Proview, threatening to sue "individuals and entities" for damages that may arise from defamatory remarks that hurt Apple's reputation.



Neaz Rahim, president of Supermarket Owner's Association, picks out a ticket at a raffle draw at a programme to celebrate 10 years of supermarket culture in Bangladesh, in Dhaka Club yesterday. Zakir Hossain, general secretary, was also present.

Low PE ratio may lure investors back to stocks: analysts

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The PE ratio determines the time an investor needs to wait to get back the invested amount. It is an indicator to consider the extent of risk an investment might entail. The PE ratio means a valuation ratio of a company's current share price compared to its earnings per share.

The indicator is also important to better understand what happens in the market after a large gain or decline. It is also one of the best gauges to know how expensive or cheap the overall stockmarket is at a certain moment.

Market capitalisation of DSE declined 14.8 percent this month, compared to the previous month. The benchmark general index of Dhaka Stock Exchange, DGEN, lost 21 percent, to 4153.94 points in the last month.

According to the latest disclosure of non-bank financial institutions as of June, non-bank financial institutions are taking a severe beating in their bottom-line, Lanka Bangla Securities said in its monthly market review.

Of three non-bank institutions, Midas Finance showed a net loss in its half yearly earnings. The other two -- Delta Brac Housing Finance Corporation and Investment Corporation of Bangladesh -- have also had negative growth in earnings, according to the review.

"The key reason behind this fall in earnings is the capital market. Investment income from capital market has turned negative this year. Net interest margin for non-bank financial institutions has also dropped sharply due to the high cost of funds," said the stockbroker.

"The economic trend indicates that this scenario will continue for the non-bank institutions for some time."

Mahindra in talks to set up assembly line in Russia

REUTERS, New Delhi

Automaker Mahindra & Mahindra is in talks with South Korea's Ssangyong Motor Co distributor in Russia to set up an assembly line, the Indian company's head said on Tuesday.

The company may take two years to begin the assembly line in Russia, Pawan Goenka, president of Mahindra's automotive and farm equipment sectors, told reporters.

Mahindra & Mahindra is the biggest shareholder of Ssangyong, which makes sport utility vehicles.

Goenka also said the Indian company is considering raising the capacity for its XUV 500 model to 5,000 per month from 3,000 per month.

Mahindra reported a bigger-than-expected 9.9 percent fall in profit during the quarter to end-December, as rising commodity costs squeezed margins, and a prolonged slowdown in tractor sales continued to dampen sales growth.

Ctg port workers go on strike for double wages

STAFF CORRESPONDENT, Ctg

Merchant workers at the Chittagong Port yesterday refrained from delivering container goods for five hours from 10:30am, demanding double wages for working on government holidays.

Later, the workers got back to work as the port authority assured them of discussing the issue in an all-party meeting next week to come to a decision soon.

According to an earlier agreement, the berth operators are supposed to be paid double wages, said Mir Nowshad Ali, general secretary of Merchant Workers' Union.

But the authorities' unwillingness to follow the agreement provoked the workers to protest, Ali said.

Abul Kashem, president of C&F Agents Staffs' Union, said goods in around 400 containers at 10 different yards of the port got stalled due to the work abstention.

Indian tyre giant Ceat plans to open unit in Bangladesh

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"We are making tyres for motor cycles, LCV and CNG-run three-wheelers. All Walton-brand motor cycles use our tyres," said Shafiqul Islam, assistant manager of Gazi Tyres.

Local tyre makers who are coming up slowly are sceptical about the Indian giant's entry into the Bangladesh market.

Islam said at a time when local makers are doing well in LCV and motor cycle tyres, it will not be wise to allow a foreign company into the same field. Bari of Meghna said Bangladesh is not self-sufficient in rubber, which is a necessary input for tyres.

Husain Tyre, which started production in 1996 making three-wheeler scooter tyres, now makes over a dozen types, including tyres for LCVs and minibuses. It runs under capacity due to a gas crisis, said its officials.

But Hossain of Basumati Distribution sees the Ceat move as a positive sign.

"There will be employment for several hundred people. Moreover, foreign currency being spent on imports will be saved," he said.

Anant Goenka, deputy managing director of Ceat, said last week they have plans to start production in the Bangladesh-plant by the end of 2013. Ceat plans to replicate its Sri Lanka model by setting up a small plant of 65 tonnes a day.

The Bangladesh plant will make cross-ply tyres for trucks, light and small commercial vehicles and two-wheelers for the local market.

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Md Nazrul Islam, chairman Fareast Islami Life Insurance Company, speaks at the closing ceremony of a training course for its employees at its head office in Dhaka recently.

Google to show real time London stock prices

AFP, London

London Stock Exchange Group said Tuesday that it had signed a deal with Google to show real time prices of shares traded in London and Milan on the US group's website free of charge.

The London Stock Exchange Group, which operates the London Stock Exchange and Italy's Borsa Italiana, said Google users would be able to access the prices

without delays of 15 minutes.

"This partnership between LSEG and Google is great news for retail investors across the globe," LSEG head of real time data Jarod Hillman said in a statement.

"For the first time Google users will have access to free, real time ... prices, allowing them to make more informed investment decisions."

No financial details of the deal were disclosed.

NOTICE

We regret to inform that the consultation sessions which were scheduled to be held on Saturday, 25th February 2012 with Dr. Goh Hak-Su, Senior Consultant Colorectal Surgeon, Dr. Lui Hock Foong, Senior Consultant Gastroenterologist & Dr. Tan Jee Lim, Senior Consultant Orthopaedic Surgeon of Gleneagles Hospital, Singapore, are cancelled due to unavoidable circumstances.

We are deeply sorry for the inconvenience caused.

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