Fall in stocks brings protesters back

Demonstrators demand enforcement of minimum shareholding rules

STAR BUSINESS REPORT

A swarm of small investors yesterday demonstrated in front of the Dhaka Stock Exchange building to protest a sharp fall in share prices.

The DGEN, the benchmark general index of the DSE, lost 76.8 points or 1.56 percent to finish the day at 4,828.77. The DGEN lost 158 points or 3.22 percent in the first two hours.

Some retail investors, under the banner of Bangladesh Share Investors' Association, also demanded government intervention to stop the legal battle with the SEC for the interest of small investors.

They criticised the stockmarket regulator as it remained inactive although the High Court upheld the mandatory shareholding directive.

Abdur Razzak, general secretary of the association, blamed the SEC for the fall. "Two days passed after the High Court verdict. But the SEC did not take any step to enforce minimum shareholding rules for directors."

The regulator should take some initiatives to stop the downtrend of the market, Razzak said.

Aggrieved investors also demanded the resignation of SEC Chairman M Khairul Hossain blaming him for failure to save small investors' interest.

They claimed that the securities regulator is intentionally working for the interest of directors or sponsors.

The association submitted a 10-point demand to the SEC, including steps to enforce the mandatory shareholding rules.

"We urged the regulator to implement the stimulus package soon to prop up the investors' confidence," said a small investor.

The regulator should ensure mandatory participation of institutional investors in the market to bring back normalcy soon, he said.

The DGEN lost 194 points in the last two days although the SEC wins the legal battle with three companies' directors.

STAR

Small investors chant slogans against the Securities and Exchange Commission, blaming the regulator for a sharp fall in share prices, in front of the Dhaka Stock Exchange building yesterday.

Reebok India alleges huge fraud by former execs

AFP, *New Delhi*

Reebok India has lodged a police complaint against two former executives alleged to have siphoned off 8.7 billion rupees ($155 million) from the sportswear firm.

The two ex-employees are accused of forging records, stealing goods and creating ghost distributors across the country to defraud Reebok over five years.

A Reebok India spokesman said an FIR (first information report) had been lodged with police on Tuesday against former managing director Subhinder Singh Prem and former chief operating officer Vishnu Bhagat over the alleged scam.

Reebok's parent company, the German sports giant Adidas, said it would co-operate fully with the


DBBL

KS Tabrez, managing director of Dutch-Bangla Bank, opens the Ruhitpur branch of the bank at Keraniganj in Dhaka yesterday.

Nissan announces electric van production from 2013

AFP, *Barcelona*

Nissan Motor announced Wednesday it will launch global production of an all-electric van, the e-NV200, as early as next year in the Spanish city of Barcelona, creating 700 jobs.

The Japanese carmaker said it would invest 100 million euros ($126 million) in Spain to start production in its 2013 financial year at its Barcelona plant, which already makes the fuel-powered NV200.

"The e-NV200 represents a genuine breakthrough in commercial vehicles and further underlines Nissan's leadership within the electric vehicle segment," executive vice president Andy Palmer told reporters at the plant.

The new model is Nissan's second all-electric vehicle after the LEAF passenger car and the manufacturer said it expected to create 700 jobs at the plant and among local suppliers.

Barcelona will supply the e-NV200 to the global

RANGS

From left, Shaikh Ashafuzzaman, group chief financial officer of Rangs Ltd; Mostafizur Rashid, deputy managing director; Romo Rouf Choudhury, managing director of Rangs Ltd and Rangs Workshop Ltd; Asanga Marasinghe, IFS country director, and Zahid Khan and Shiraz Lye of IFS, attend a programme recently where Rangs and Rangs Workshop signed an agreement with IFS for providing ERP solutions.

NCC BANK

Golam Hafiz Ahmed, additional managing director of NCC Bank, and Haji Ghazali Pehin Dato Haji Md Jamil Al-Sufri, chairman of Magnajaya Money Remittance, Brunei Darussalam, sign a remittance payment deal at the bank's head office in Dhaka yesterday. Mohammed Nurul Amin, managing director of NCC Bank, was also present.

Foreign aid piles up, disbursement slows

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In the last two decades, the highest disbursement of 27.32 percent was in fiscal 2008 during the immediate past caretaker government.

The ERD official said, in the last two to three years Bangladesh received a handsome commitment of foreign aid. But the absorption capacity of the ministries and divisions did not improve, causing a huge amount of unused foreign aid to pile up.

According to ERD statistics, before fiscal 2009-10 Bangladesh received commitment worth $2 billion on an average every fiscal year.

But in fiscal 2009-10, the commitment rose to $2.98 billion and in fiscal 2010-11 the total commitment was $5.9 billion.

Till March of the current fiscal year the donors have already committed $4.15 billion. The ERD official said, at the end of June the amount may reach $6 billion.

The ERD in March reviewed 58 slow projects that were running with foreign aid, and identified the causes of delays on both the government and the donors' sides.

The ERD official said they have taken a new move to increase utilisation of foreign aid.

Major multilateral and bilateral donors will hold face-to-face review meetings with the project directors of the ministries and development partners concerned from time to time.

Already, a two-day review meeting was held this month on 34 World Bank projects. The process will continue, the ERD official said.

Adviser to a former caretaker government Mirza Azizul Islam told The Daily Star that project utilisation is delayed due to weaknesses of the public administration. However, he said, if the public administration is not reformed and their capacity not improved, the problem will not go away.

He said it is a long process and any tangible improvement in the next one year is unlikely.

The ERD and donors have taken initiative to speed up the disbursement of foreign aid. In March, the ERD, the line ministries and development partners including the World Bank and Asian Development Bank sat in a review meeting to identify problems in foreign aid utilisation.

SMEs receive free training on tax, VAT

STAR BUSINESS REPORT

The SME Foundation started training the country's small and medium entrepreneurs on tax and value added tax for free to help them run businesses properly, officials said.

The state-run agency responsible for promoting SMEs across the country has taken steps to organise workshops in four divisional cities in the upcoming fiscal year of 2012-13.

Under the programme, a three-day training workshop to provide training to 40 SME entrepreneurs from Dhaka region began on Tuesday at the office of the foundation in Dhaka, said an official of the agency.

At the workshop, the participants got detailed ideas on topics tax and VAT laws, the loading and unloading system of imported and exported goods, and VAT registration and tax identification certificates.

Syed Rezwanul Kabir, chief executive officer of the SME Foundation, presided over the inaugurating ceremony. Farid Uddin, a member of the National Board of Revenue, and Mohammad Shahab Uddin, a former member of the NBR, were also present.

Forty entrepreneurs from Chittagong region already received training on tax and VAT related issues.

The foundation will organise the same workshop in Khulna and Rajshahi later.

Eurozone tells members to prepare for Greece exit

REUTERS, *Brussels*

Eurozone officials have told members of the currency area to prepare contingency plans in case Greece quits the bloc, an eventuality which Germany's central bank said would be testing but "manageable".

Three officials told Reuters the instruction was agreed on Monday during a teleconference of the Eurogroup Working Group (EWG) - experts who work for the bloc's finance ministers.

"The EWG agreed that each eurozone country should prepare a contingency plan, individually, for the potential consequences of a Greek exit from the euro," said one eurozone official.

The news comes at a highly sensitive time, just before EU leaders gather to try to breathe life into their struggling economies at a summit over dinner on Wednesday.

Although minds will be focused by the prospect of Greece leaving the currency area, now called "Grexit" and something EU leaders say they want to avoid, disagreements over a plan for mutual euro zone bond issuance and other measures to alleviate two years of debt turmoil have already been laid bare.

In its monthly report, Germany's Bundesbank said the situation in Greece was "extremely worrying" and it was jeopardising any further financial aid by threatening not to implement reforms agreed as part of its two bailouts.

It said a euro exit would pose "considerable but manageable" challenges for its European partners, raising pressure on Athens to keep its painful economic reforms on track.

Greek officials have said that without outside funds, the country will run out of money within two months.

For the first time in more than two years of debt-crisis meetings, the leaders of France and Germany have not huddled beforehand to agree positions, marking a significant shift in the Franco-German axis which has traditionally driven European policymaking.

Instead, new French President Francois Hollande met Spanish Prime Minister Mariano Rajoy in Paris to discuss policy, before the pair travelled to Brussels for the 1800 GMT summit.

Despite fears Greeks could open the departure door if they vote for anti-bailout parties at a June 17 election, Spain, where the economy is in recession and the banking system is in need of restructuring, is at the frontline of the crisis, with concerns growing that it too could need bailing out.

After meeting Hollande, Rajoy said he had no intention of seeking outside aid for Spain's banks.

Malaysian economy grows 4.7pc in Q1

AFP, *Kuala Lumpur*

Malaysia's economic growth slowed to 4.7 percent in the first quarter, the government said Wednesday, due to weakening exports sparked by a stuttering global economy and debt woes in Europe.

The slower expansion in the export-dependent Southeast Asian country came after the economy grew at a 5.2 percent clip in the fourth quarter of 2011.

"Domestic demand remained firm, supported by both private and public sector economic activity, while exports moderated amid weaker external demand," Bank Negara, the central bank, said in a statement.

The bank has projected growth to expand four to five percent this year, slower than the 5.1 percent seen in 2011.

Economists said the slower growth indicated that the economy was "moderating at a better pace than expected" in light of the eurozone crisis.

"One of the headwinds hitting not just Malaysia but also regional economies is the very weak growth in Europe with some countries mired in recession," said Yeah Kim Leng, chief economist with financial research firm RAM Holdings.

"The concern here is of course the slowdown is affecting Asian exports including Malaysia, given its sizeable export sector."

But Yeah said he expected the Malaysian economy to grow at 4.6 percent in 2012, backed by strong domestic demand.

In early May, the central bank kept its key interest rate at 3.0 percent for the sixth time in a row to drive domestic demand.

DSE seeks shareholding info from listed firms

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"But the exchange needs to know the exact number of complying sponsors and directors," said a DSE official.

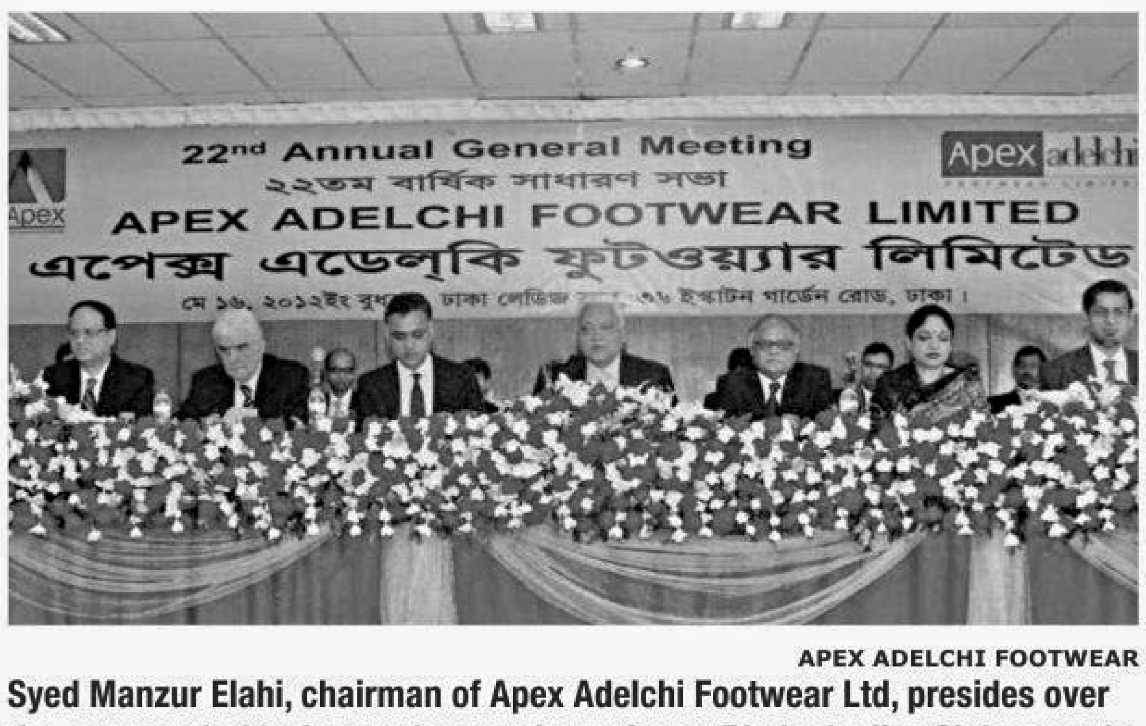
"After receiving the shareholding status, the management will send it to the Securities and Exchange Commission for the next course of action," he added.

The SEC directive on minimum shareholding was meant to stop sales of shares by sponsors and directors and to create a buying pressure in the stockmarket for the benefit of general investors.

There were also allegations that many sponsors and directors sold off their shares but still held the

CASTROL

William Dsouza, regional business manager for India, Middle East and South Asia of Castrol Offshore, and Mudassir Murtaza Moin, managing director at Rahimafrooz Distribution Ltd, attend a programme recently where Castrol Offshore announced Rahimafrooz as its distributor in Dhaka.



APEX ADELCHI FOOTWEAR

Syed Manzur Elahi, chairman of Apex Adelchi Footwear Ltd, presides over the company's 22nd annual general meeting at Dhaka Ladies Club recently. Syed Nasim Manzur, managing director; Adelchi Sergio, director, and Golam Mainuddin, independent director, were also present.

SIBL

AMM Farhad, deputy managing director of Social Islami Bank, and ANM Shahjahan, general manager of Jamuna Resort, exchange documents after signing a deal at the corporate office of the bank recently to provide priority service and discount offer to the bank's debit and credit cardholders.