Demutualisation bill placed in parliament

Star Business Report

The Demutualisation Act 2012 was placed in the parliament yesterday with a call to ensure transparency, efficiency and accountability in the stockmarket through separating the ownership of stock exchanges from the management.

Cultural Affairs Minister Abul Kalam Azad, in absence of Finance Minister AMA Muhith, placed the bill in the parliament.

The bill was sent to the parliamentary standing committee on the finance ministry for vetting and submitting report to the parliament within the next 15 workdays.

The object of the bill said conflict of interest takes place if ownership and management are not separated from transaction of exchanges.

The stockmarket regulator approved a draft of the act in September last year.

Demutualisation transforms a stock exchange from an entity owned by stockbrokers into a public company owned by shareholders. The process is conducive to sound corporate governance.

Once the process is complete, majority of the board directors will be selected from independent directors.

The bourses will also be able to raise funds from the market through initial public offering. The stock exchanges can also sell shares to institutional investors.

The bourses will have to submit their demutualisation scheme within 90 days from the enactment of the act, the regulator had said earlier. The regulator will then give consent to the process within the next 60 days.

Bangladesh's stock exchanges are now non-profit co-operative organisations, owned by exchange members who are predominantly stockbrokers.

Since the stockmarket debacle in January 2011, market experts had been advocating demutualisation of the stock exchanges for greater transparency and accountability.

Also a probe committee in its report on the stockmarket debacle had recommended demutualisation of the bourses.

Conflict of interest occurs if businesspeople take the role of regulators, which results in shirking regulatory duties, the probe report had said.

Ctg shopping malls take hartal heat

Staff Correspondent, *Ctg*

Most of the shopping malls in the port city remained closed yesterday and consumers and retailers suffered as the nation passed the first day of a three-day hartal called by Jamaat-e-Islami and BNP.

Central Plaza, Amin Centre, Yunusco Centre and New Market in Chittagong remained closed.

But some malls, including Mimi Super Market, Afmi Plaza and Akhtaruzzaman Centre, were open from 5:00pm to 9:00pm.

"Political instability and frequent strikes have affected our business since the beginning of the year," said Mahbubul Alam, president of Welfare Association of Afmi Plaza.

Moreover, panic created by the Jamaat-Shibir men across the country over the past few days has kept people from going out to shops and malls, he added.

Customer turnout at the market has slowed due to political unrest over the past week, said Mohammed Ishaque, owner of Tisha Sarees at Mimi Super Market,

"We (businessmen) are the main victims of violent politics. If the strikes are frequent, we will be compelled to increase the prices of goods to make up for our losses."

Although shops at the mall are not making much profit due to the ongoing hartals and anarchy, shopkeepers have to pay rents and bills for their shops every month, so they would ultimately increase the price of their products, said Mohamed Zakaria of JN Collection at Sanmar Ocean City.

Transport was thin on the city roads, making it difficult for consumers to reach the shops and malls for necessary shopping, said Nasrin Akter, a shopper at Mimi Super Market.

"Due to the hartal, most of the port city's shopping malls will remain closed and so I am trying to complete all shopping," said Jahangir Alam, who came to Akhtaruzzaman Centre on Saturday to buy clothes for his sister's wedding.

TRIUNE

Norlin Binti Othman, Malaysian high commissioner to Bangladesh; Kazi Wahidul Alam, editor of The Bangladesh Monitor; AKM Fakhrul Alam, regional manager of Malaysian Palm Oil Council; and SK Raihan Ahmed, CEO of Seven Circle Edible Oil, pose with Jui, Momtaj and Nasrin of Khulna region, the champion team of Monitor-Malaysian Palm Oil Chef of the Year 2012 competition, at an awards ceremony at The Westin Hotel in Dhaka on Saturday.

Winners of 'chef of the year' contest awarded

Star Business Desk

The grand finale of a culinary competition -- Monitor-Malaysian Palm Oil Chef of the Year 2012 -- was held on Saturday at The Westin Dhaka.

Armin Sultana Jui from Khulna won in team, individual and nutrition knowledge categories of the country's premier culinary talent hunt competition, said a statement.

Khulna region was adjudged as the team champion, while Dhaka region became the runner-up. Jui was adjudged winner in the individual category and crowned as Monitor-Malaysian Palm Oil Chef of the Year 2012.

Momtaj Begum from Barisal became the runner-up. For best knowledge in nutrition, Jui was also awarded Professor Siddika Kabir Trophy.

Norlin Binti Othman, high commissioner of Malaysia to Bangladesh, was the chief guest at the award presentation ceremony.

Kazi Wahidul Alam, editor of The Bangladesh Monitor; Akhtar Uzzaman Khan Kabir, chief executive officer of Bangladesh Tourism Board; AKM Fakhrul Alam, regional manager of Malaysian Palm Oil Council; SK Raihan Ahmed, CEO of Seven Circle Edible Oil; Azeem Shah, general manager of The Westin Dhaka, and Syed Abdul Muktadir, senior adviser to United Airways, were also present.

Three winners of Dhaka, Chittagong, Rajshahi and Khulna regional competitions competed for team and individual championship, preparing and serving one main dish, one side dish and one dessert.

A jury committee comprising culinary experts and nutritionists adjudged the participants on the art of cooking, quality of food, service and knowledge of nutrition.

Professor Siddika Kabir Trophy was introduced this year in honour of the renowned nutritionist of the country and was awarded on the basis of nutrition knowledge of the participants.

The countrywide competition was formally announced on September 13, 2012 and recipes were invited from interested participants. Ten finalists were selected by the jury committee for each regional competition. The three winners of regional competitions competed at the grand final.

Along side the competition, a daylong fair was held at the South Park of The Westin Dhaka. More than 40 companies and individuals displayed handicraft, boutique products, home made food items, bridle accessories, gift items and so on.

Renowned travel journal The Bangladesh Monitor organised the competition for the eighth time. Malaysian Palm Oil Council, the worldwide marketing and promotion organisation of Malaysian Palm Oil, was the lead sponsor of the competition, while Seven Circle Edible Oil, the producer of 'Olein' brand palm oil in Bangladesh, was one of the main sponsors.

BANK ASIA

Prime Minister Sheikh Hasina presents a cheque for Tk 4.80 lakh on behalf of Bank Asia, to Rashida Kabir Reba, widow of late Major Md Humayun Kabir Sarker, a BDR carnage martyr, at a ceremony at the Prime Minister's Office in Dhaka recently. A Rouf Chowdhury, chairman of Bank Asia, was also present.

BTCL awards Tk 380cr deal violating rules

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An important condition of the bid was to quote the prices in both the Japanese yen and the taka for the project (Lot A) funded by Japan International Cooperation Agency.

But the company -- Marubeni KT Joint Venture, which won the bid -- quoted the prices in the dollar and taka.

The BTCL did not take the matter into consideration, for what the state-run company may lose Tk 50 crore due to currency fluctuation.

The international bidding was invited in March last year from two companies -- NEC Corporation of Japan and the joint venture of Marubeni Corporation of Japan and KT Corporation of Korea.

However, Abdul Baten, a deputy general manager at Marubeni's Dhaka office, said they did not commit any irregularities in the bidding process.

He also said he did not know anything about the note of dissent.

Ashok Kumar Mondal, the director of the telecom network development project, said there were options in the tender documents to quote prices in the dollar.

But the BTCL official said, although there were three versions of the tender documents, only version-3 was applicable, which did not allow currencies other than the taka and yen.

The BTCL board member in his note of dissent said the management sent the evaluation reports to the board members only a day before the board meeting.

So the directors could not go through the reports before attending the meeting, he added.

"Therefore, approvals given on plain trust without adequate scrutiny give the BTCL management chance to get away with inappropriate acts, wrong and biased evaluation," according to the note.

The move of the management was tantamount to corruption and members of the board unknowingly became party to it, the note said.

The Daily Star obtained the copies of the note and the evaluation reports of the bidding.

The director said compliance with the public procurement act (PPA) and public procurement rule (PPR) is mandatory for the procurement but the BTCL management misled the board in this regard.

Earlier, the Supreme Court upheld a verdict of the High Court confirming the applicability of PPA and PPR in such a procurement process upon a writ submitted by an aggrieved company regarding compliance with the procurement rule in the other part of the project (Lot B).

Both the High Court and the public procurement related review panel gave verdict in favour of conducting the procurement for the project (Lot-B) in line with the PPA and PPR.

Also, three members of the tender evaluation committee, who are not BTCL officials, had advised the authorities not to finalise the approval of Lot-A till the final verdict of Lot-B comes from the court. But the company did not follow the advice.

The bidding also disregarded prequalification of the aggrieved bidder who participated in the prequalification bid that covered both the Lot-A and Lot-B.

STANDARD BANK

Kazi Akram Uddin Ahmed, chairman of Standard Bank, attends the bank's annual business conference for 2013 at Radisson Blu Water Garden Hotel in Dhaka on Saturday. SA Farooqui, managing director, was also present.

BGCCI

David Hasanat, managing director of Viyellatex Group, speaks at the second Global Social Responsibility Conference organised by the Bangladesh-German Chamber of Commerce and Industry at Radisson Blu Water Garden Hotel in Dhaka on Thursday. Robert Juhkam, UNDP country director in Bangladesh, was also present.

DHL revamps its global magazine

Star Business Desk

Global logistics group DHL has recently relaunched its global customer magazine with a new name: "Delivered.".

The publication spans 40 pages and offers a new design and content, bringing its readers a comprehensive and convenient overview on current logistic topics and developments.

The first issue of the magazine with a focus on the technology sector will be published this week and supported by a brand new digital edition.

There were 500 million subscribers of the magazine in 2010 (double what there were in 2008) and some 850 million are expected by 2015.

"With now six issues per year instead of just four, we inform our customers of the latest industry trends and developments more regularly," said Bill Meahl, chief commercial officer of DHL.

""Delivered." offers insights, expert knowledge and solutions from various sectors in a modern and fresh design, and underlines our aim to deliver excellence to our customers."

"Delivered." runs with a circulation of 20,000 copies and features three main sections and additional short news about current industry topics.

Exports suffer most

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"We make a meagre amount of profit by stuffing and transporting a container. If a covered van comes under attack, the loss would be worth around Tk 1 crore to Tk 1.5 crore. Why will we take such big risk?"

Bangladesh Garment Manufacturers and Exporters Association's First Vice President Nasiruddin Chowdhury also echoed Sikder.

Chowdhury said the Jamaat-Shibir group set fire to an export goods laden covered van in Sitakunda on Saturday morning, which compelled many exporters to cancel plans of transporting goods during hartal.

These failures in transportation would harm the departure schedule of vessels waiting in the port jetties, while some vessels may have to leave the port without loading any container.

Two vessels -- Ocean Arrow and Sinar Subang -- had to postpone their schedule of leaving the port due to the hartal, according to officials at the Chittagong Port.

Exporters also fear to incur a huge loss in case of delay in shipment as they see no hope of any possible

Prices to spiral due to supply crunch

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"So, we have become very cautious. We do not want to jeopardise the lives of our truck drivers and the trucks," he said. Abdur Razzaque, president of Moulvibazar Wholesale Market Association in Dhaka, said many goods laden trucks from across the country have gotten stuck due to the strike.

"Truck owners have almost stopped transporting goods from North Bengal," he said, adding that higher rent is not even enough to convince owners to let vehicles out on the roads.

The inadequate supply has already caused prices of vegetables to spiral in city markets.

Potatoes were selling at Tk 16 a kg yesterday at Kar-wan Bazar kitchen market, up from Tk 14-15 a week ago. Onion prices rose to Tk 45 a kg from Tk 40 a week ago.

"The price of essentials is a little bit stable today in the city markets, though," said Lokman Hossain, general secretary of Kawran Bazar Khuddro Kachamal Aarot Babshayi Bahumukhi Samabay Samity Ltd, a platform of kitchen market wholesalers. The prices are bound to escalate in the next two days, he said.

Razzaque, however, said the prices of essentials will remain stable in the next two days as the retailers have secured a huge stock ahead of the three-day strike. He said the prices are likely to increase if the strike goes beyond Tuesday.

On the other hand, the presence of customers was very thin at the city's kitchen markets.

Hartal hits stocks hard

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"Investors are feeling nervous despite the economic stability," said LankaBangla Securities, a leading stockbroker. A total of 0.95 lakh trades were executed with 6.32 crore shares and mutual fund units changing hands on the Dhaka bourse.

Of the total 264 companies and mutual fund units that were traded on the DSE floor, 253 declined, nine advanced and two remained unchanged.

All major sectors posted deep losses with non-bank financial institutions suffering the most with 6.97 percent. Heavyweight banks followed at 5.14 percent, telecoms 4.26 percent, power 4.16 percent and

Law to tighten reins on Islamic banking

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During the time of the last BNP government, the central bank set the maximum number of directors at 13 but could not implement the directive as the provision was not included in the Banking Companies Act.

The proposed amendment also empowers the BB to remove any chief executive officer of the state banks.

Under the existing Act, the power of removing the chairmen, directors and other high officials, including the managing directors of state-run and specialised banks, remains in the hand of the government.

The existing Act says the BB can remove the chairman, any director or official of all commercial banks on charges of irregularities, except for the government-nominated chairman, director or chief executive.

In case of irregularities by any government-nominated official, the BB can only submit a report to the government for its consideration.

Besides, the banks' exposure to the capital market is being lowered to 25 percent of their regulatory capital. The existing law allows banks to invest 10 percent of