

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DGEN	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY	
Closed	Closed	\$1,662.40	\$100.76	▲ 1.71%	▲ 1.05%	▲ 2.15%	▲ 4.18%	BUY TK	84.05	106.52	127.24	1.07
4,864.30	8,993.49	(per ounce)	(per barrel)	16,466.05	8,466.40	2,815.85	2,298.38	SELL TK	85.05	110.87	131.56	1.17

Breaking obstacles of payments through

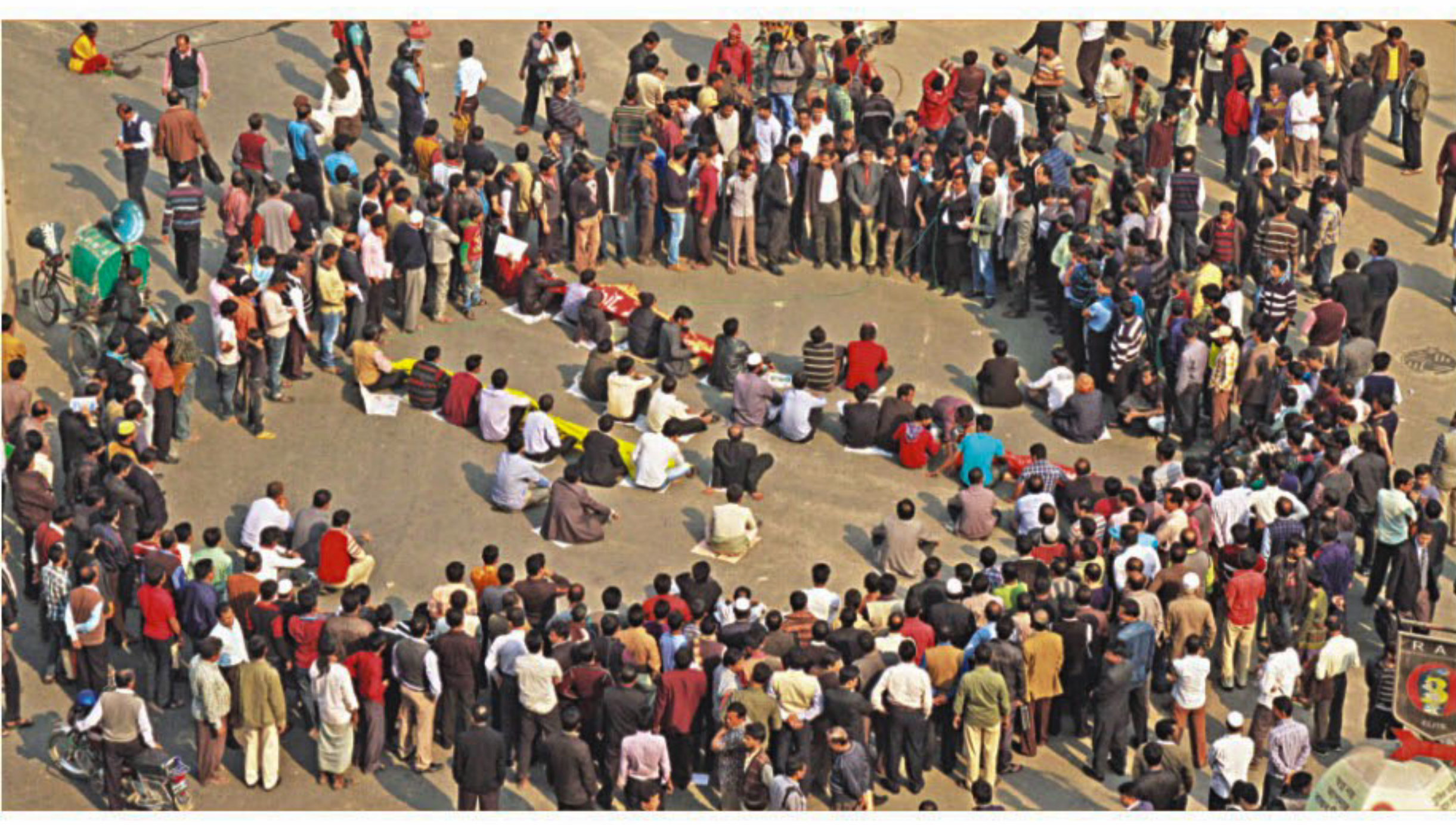
NCC BANK Virtual Card
Makes payment easier anytime anywhere around the globe

NCC Bank Ltd.
Where Credit and Commerce Integrates

www.nccb.com.bd

star BUSINESS

DHAKA WEDNESDAY JANUARY 18, 2012, e-mail:business@thedailystar.net



RASHED SHUMON

Stock investors gather near Shapla Chattar in Motijheel to protest a continuous downslide in prices and a move that restricts government employees' investment in the market.

Ex-bureaucrats welcome bar on stock trading by govt staff

MD FAZLUR RAHMAN
Former bureaucrats yesterday welcomed the government's move to warn public servants against profit-making activities, including stock trading.

"Government officials should not be allowed to engage in stock trading where there might be scope for a conflict of interest," said Akbar Ali Khan, a former finance secretary.

"Even where there is no conflict of interest, the government still can impose a ban as their involvement could hamper government activities," Khan told The Daily Star.

His comments came a day after the cabinet decided to remind government employees of service rules that prohibit involvement in profit-making activities without permission.

The public administration ministry will issue a notification to this effect in a day or two.

There are about 10-12 lakh active beneficiary owners' accounts registered with the country's stockmarket. But the number of government officials involved in share trading is hard to come by.

Khan, who joined the Civil Service of Pakistan in 1967, said the rule against trading in speculative market by government officials exists in many countries. "In those countries, the ban is usually applicable to

officials who may create a conflict of interest if they indulge in such activities."

But those countries have not imposed the ban on officials of other government agencies who have no conflict of interest with speculative markets, Khan said.

"In the past, government officials were not so much interested in the stockmarket. The number of clients from the government agencies as well as private individuals in the stockmarket was low at that time."

Former finance adviser to a caretaker government Mirza Azizul Islam echoed Khan.

He said he sees nothing wrong in the government decision to warn public servants against their involvement in the stockmarket.

"The decision reminding the government officials about the bar is not new. It is already there in the conduct rules of the public officials. The government has just given a reminder to the officials about the bar," he said.

Islam, who joined the Civil Service of Pakistan in 1964, said the government's plan to drive public employees out of the market should not affect the market as their number would be too small in terms of turnover or market capitalisation.

He also said the bourses' decision to keep trading closed in order to

put pressure on the government is not a good one. He opposed the plea of the Dhaka bourse authorities for allowing the government officials' investment in the stockmarket.

"I don't support it. And the government should not bow down to such pressure," added Azizul, also a former chairman of the Securities and Exchange Commission.

Some incumbent government officials also welcomed the decision.

"I think the government has taken the right decision," said ATM Murtoza Reza Chowdhury, an additional secretary of the commerce ministry, without elaborating.

But some mid-level officials said there should be some opportunities for them to invest their money.

"We regularly submit income tax return where we mention our incomes and properties. So, the government has the opportunity to know the sources of the income," said an official.

He also said there are government officials who have withdrawn their money from provident funds and have invested in the market.

The cabinet decision came after a couple of ministers drew its attention to the huge number of government employees and their dependants being engaged in the stock business, saying this has been hampering public service.

Flights to link Bangladesh with Myanmar

STAR BUSINESS REPORT

Bangladesh and Myanmar yesterday signed a new air services agreement, opening an opportunity to operate seven passenger flights and four cargo flights a week between the two countries.

Under the agreement, operators, including private airlines, will be able to run passenger and cargo flights, the foreign ministry said in a statement yesterday.

The inclusion of private airlines will help re-establish air connectivity to help develop tourism, enhance bilateral trade and people-to-people contact between the two neighbours.

The agreement was signed after an air services consultation meeting between Bangladesh and Myanmar.

Air Commodore Mahmud Hussain, chairman of the Civil Aviation Authority of Bangladesh (CAAB), and U Tin Naing Tun, director general of the Department of Civil Aviation of Myanmar, led their delegations.

The CAAB chairman is one of the three-member Bangladesh team led by Civil Aviation and Tourism Secretary M Ataharul Islam to explore the scope of tourism and resume air services between Bangladesh and Myanmar.

Last month, Prime Minister Sheikh Hasina visited Myanmar and stressed the need for resumption of the air link between the two countries.

Biman officials said the national flag carrier suspended its Dhaka-Yangon flights in 2007 due to losses.

Taka keeps falling, efforts fizzle out

SAJJADUR RAHMAN

The fall of the local currency, which was devalued by more than 15 percent against the dollar last year, is continuing this year despite measures from the central bank and dealers to prevent the downtrend.

In the latest move, Bangladesh Foreign Exchange Dealers' Association (BAFEDA) came up with a new remedy by setting a benchmark price for the taka against the dollar.

A statement signed by SM Aminur Rahman, chairman of BAFEDA and chief executive officer of Janata Bank, said no banks will be allowed to quote more than Tk 83 for a dollar to the exchange house abroad effective from Thursday last. Remitters send money through these exchange houses.

The BC (bills for collections/import payments) selling rate could be highest at Tk 83.5 per dollar, said the statement sent to all scheduled banks.

But only two banks out of 45 BAFEDA members kept the BC selling rate within Tk 83.5 yesterday. The average BC selling rate for a dollar was Tk 84.63, up by Tk 1.13 than the BAFEDA set price.

Earlier, BAFEDA set the dollar exchange rate at a maximum of Tk 76 in October. In December, the central bank imposed restrictions on imports, such as raising the LC margin to reduce the demand for the greenback.

But no step is working effectively. The average BC selling rate of the dollar was at Tk 84.5 on Sunday and Tk 84.51 on Monday, according to BAFEDA data on exchange rates.

Some banks, which tried to comply with the BAFEDA decision, missed out the much-needed remittances as other banks offered higher prices for the dollar.

"We quoted the dollar rate for exchange houses abroad at Tk 83 on Sunday, but we did not get any remittance," said a treasury official of a private commercial bank.

The taka has depreciated by more than 15 percent against the dollar last

year. In the beginning of 2011, the dollar was sold at Tk 71 for import payments. The exchange rate was steady at Tk 68-Tk 69 between 2004 and 2010.

Bankers attributed the rate hike to the widening gap between demand and supply. Exports, remittances and foreign aid compose the supply side and imports drive the demand for the dollar.

The ongoing debt crisis in Europe and rising oil prices are posing further threat to the widening gap. More than half of Bangladesh's nearly \$23 billion exports last fiscal year were destined to the Eurozone countries and a prolonged crisis may dampen the country's exports there.

On the other hand, the demand is surging, particularly for meeting the oil import bills. The recent fiasco between Iran and the western countries is likely to affect the oil prices and supply as well.

The Bangladesh Bank feels the heated exchange rate would cool down in a couple of months riding on more remittances and exports and less payments for imports.

"People are sending more money through the banking channel as they are getting good rates," said Dr Atiur Rahman, the central bank governor, citing \$1.15 billion remittance inflow in December.

Rahman hopes the supply side would improve in a few months. He said remittances would stand around \$12.5 billion at the end of the fiscal year.

On the other hand, the governor said a tight import policy would reduce the demand for the foreign exchange.

Like the central bank, some private bankers also feel that they should act responsibly to save the foreign exchange.

"I find no reason that banks should provide costly dollars for import of luxury goods. We've to think and behave responsibly for the sake of the country," said Matiur Rahman, head of treasury of Prime Bank.

sajjad@thedailystar.net

24 HOURS a day
7 DAYS a week
365 DAYS a year

MTB Contact Centre
just dial **16219** or **096040 16219**

www.mutualtrustbank.com
www.facebook.com/Mutual.Trust.Bank

মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.
you can bank on us

Apparel fair in Ctg tomorrow
STAFF CORRESPONDENT, Chittagong

Bangladesh Garment Manufacturers and Exporters Association will organise a three-day fair in the port city tomorrow.

The show -- Chittagong Apparel, Fabric and Accessories Exposition (Cafexpo) 2012 -- will take place at the gymnasium of Chittagong Zilla Krira Sangstha.

Thirty-five companies will take part in the fair with 65 stalls, said BGMEA First Vice President Nasir Uddin Chowdhury. The fair may draw 5,000 visitors.

10 days till paycheck
3 days till your son's school admission
1 Shariah-compliant card to pay his fees on time

ISLAMIC Financial Services
Standard Chartered **saadiq**

It's good to have a card that doesn't compromise on beliefs or values

A Shariah-compliant Credit Card from the first bank to introduce an Islamic Credit Card in Bangladesh.

SMS 'Saadiq' to 2727 or Call 8332272, 8957272

Here for good

HYUNDAI NEW THINKING. NEW POSSIBILITIES.

ACCENT **SONATA** **ELANTRA**

READY STOCK AVAILABLE

HYUNDAI MOTORS BANGLADESH LTD.
206/1-207/1, Bir Uttam Mir Shawkat Sharak, Tejgaon, Dhaka - 1208, Bangladesh, Tel: 88-02-8860104, 8860107
Fax: 88-02-8860073, Cell: 01199800110, 01199800108, 01199800119, E-mail: f.khan.sales@hyundaimotorsbd.com

Chittagong showroom: 334, Sk. Mujib Road, Agrabad, Chittagong, Tel: 88-031-724842
Fax: 88-031-716366, Cell: 01199700103, E-mail: mjuddin.sales@hyundaimotorsbd.com

*Till stock last