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DSE turnover hits Tk104cr

Stock prices continue rallying on bourses

SARWAR A CHOWDHURY

Turnover on the Dhaka Stock Exchange (DSE) yesterday reached Tk 104.70 crore, the highest after 1996's bubble and bust, thanks to a huge rush of investors--both general and institutional.

On November 13, 1996, the DSE turnover hit Tk 106 crore.

The latest development, which resulted in an end to the confrontational politics over the national election, inspired the investors to put money on the securities, officials and market operators said.

They also said investors' presence at brokerage houses has considerably increased in recent days following declaration of a state of emergency and formation of a fresh interim government.

"The investors are cheering on the hopes that the present peaceful political situation will continue for a certain period," said an official of a DSE broker.

DSE Chief Executive Officer Salahuddin Ahmed Khan said along with general investors, participation of institutional investors such as banks and other financial organisations were very good.

Referring to the recent political turmoil, he said the investors were very cautious during that time. "Now, they got back confidence to invest in the stock exchanges," he observed.

Replying to a query, Khan said the DSE did not find any abnormal behaviour in the market. "If the investors behave normally instead of becoming crazy during the bullish trend, the market will also act usually," he pointed out.

Anwarul Kabir Bhuiyan, executive director (surveillance) of Securities and Exchange Commission (SEC), said the recent upward trend both in indices and turnover proves that Bangladesh's capital market has the ability to grow further.

Like DSE, the SEC is also regularly monitoring the market through its surveillance department. "And so far, we did not find any abnormal behaviour in the market," he said.

Along with the turnover, the stock prices also rallied on the DSE yesterday for the third consecutive day. The DSE All Share Price Index rose by 13.53 points or 0.98 percent to close at 1390.53 points while the DSE General Index went up by 21.78 points or 1.28 percent finishing at 1713.52 points.

Besides, DSE-20 Index, comprising blue chips, also shot up by 20.32 points, or 1.35 percent, to close at 1521.43 points.

A total of 14,284,954 shares of 206 issues worth Tk 104.70 crore changed hands on the DSE. Of the issues traded, 158 gained, 30 suffered losses and 18 remained unchanged.

With the rise of share prices, market capitalisation on the DSE recorded its highest with Tk 33,765 crore. The market indicator touched Tk 30,000 crore on November 21 last year for the first time.

Power Grid Company of Bangladesh (PGCB), the state-owned power company, topped the turnover leaders followed by Dhaka Electric Supply Company of Bangladesh, Southeast Bank, Exim Bank and Bextex.

The PGCB topped the list with 334,000 shares worth Tk 9.44 crore.

Like DSE, trading on the Chittagong Stock Exchange (CSE) also closed higher yesterday with gainers dominating losers.

The CSE All Share Price Index increased by 32.77 points or 0.84 percent to close at 3907.19 points while the CSE-30 Index shot up by 57.21 points or 1.62 percent to close at 3584 points.

CSE Selective Categories Index also went up by 32.37 points or 1.26 percent to close at 2586.63 points.

A total of 95 issues were traded yesterday. Of them, 71 gained, 16 declined and eight remained unchanged. A total of 3,421,374 shares worth Tk 21.57 crore changed hands on the bourse.

Banglalink offers Tk1.96 per minute call charge

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Banglalink, owned by Egyptian telecoms giant Orascom, has offered Tk 1.96 per minute call charge under its 'desh package' from Banglalink to any operators, anytime.

Customers of 'desh package' can also enjoy 3 FnF (Friends and Family) facility to any networks, according to a press release.

FnF charge for banglalink to banglalink will be 79 paisa and banglalink to other networks will be Tk1.25.

The price of mobile to mobile 'desh package' is Tk 150 with Tk120 free talk time and the price of 'desh standard package' is Tk199 with the same free talk time. Besides, 'desh standard package' customers get the advantage of free BTTB incoming and 30 days incoming facilities even after the scratch card or I top up recharge expires.

In addition to these, the customers will enjoy e-ISD, enabling them to make overseas calls to 25 countries at economy rates.

WRIT PETITIONS AGAINST NBR

Govt moves to recover Tk4000cr revenue from importers

JASIM UDDIN KHAN

The newly formed caretaker government initiated a drive hurriedly to recover from a section of importers an amount of revenue of over Tk 4000 crore that remained stuck for a long legal fight, official sources said.

As many as 11398 writ petitions filed to the High Court by some businessmen and entrepreneurs against the decisions of customs and tax officers are yet to be disposed of, which, according to the National Board of Revenue (NBR), is deemed urgent to maintain a vibrant growth in revenue earning besides bringing discipline in the source of internal resources.

In a bid to reach a resolution on such cases, a high-profile meeting would soon be held with finance adviser, law adviser, attorney general and NBR chairman attending it.

Finance Adviser Mirza Azizul Islam will write to the law adviser next week to decide on the cases.

When contacted, NBR Chairman Sheikh AK Motaher Hossain said the government would take the measure to cope with the shortfall the revenue board now faces.

"You know the NBR faces shortfall in revenue earning of over Tk 1500 crore for reducing import duty from sugar and another Tk 500 crore for readjusting tariff structure on essential products before Ramadan last year," he said.

The government has to maintain its budgetary expenditure through its internal resources but at the same time it has to consider the perils of the mass people, he added.

The importers, who sued the tax officers, owed Tk4161crore revenue to the NBR.

On this tax evasion attempt, a high official of the NBR said, "If an importer needs not to pay Tk 1 crore tax for over three years by filing a case to the court, he can earn a huge amount of money by investing the amount."

These unscrupulous businessmen are using the right to sue any individual or organisation as a weapon to abstain from paying duties for a long time threatening discipline in the revenue earning, the official lamented.

The NBR is facing 9816 cases involving Tk1617 customs duty, 1437 cases involving Tk 1364 crore value added tax and 145 cases involving Tk 1180 crore income tax.

The NBR sources believe that hurried disposal of the cases will enable the government to meet its expenditure from internal resources other than bank borrowing.

Citigroup rated best in transaction services

Global Finance magazine has awarded Citigroup the title of Best Global Corporate/Institutional Internet Bank for 2006. Citigroup also picked up best online cash management internet bank and best trade finance services bank in the global awards announced in November, according to a press release.

These global honours complement Citigroup's 61 regional awards that were announced earlier last year.

Citigroup was selected for its strength of strategy for attracting and servicing online customers, success in getting clients to use web offerings, growth of online customers, breadth of product offerings, evidence of tangible benefits gained from internet initiatives, and web site design and functionality.

Mamun Rashid, managing director and Citigroup country officer-Bangladesh said, "In Bangladesh as well, Citibank has been a pioneer in offering world-class cash management services along with the CitiDirect Online for customers to increase efficiency and improve the ability to make critical cash management decisions.

GDP may fall behind 6.7pc in event of fresh political unrest: ICC-B

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The country's Gross Domestic Product (GDP) growth in the current fiscal year may fall behind last year's 6.7 percent if there is a further political unrest, said International Chamber of Commerce-Bangladesh (ICC-B).

The chamber said any deterioration in political situation will also pose a potential risk to sound macroeconomic management and implementation of structural reforms.

"The deteriorating political situation in the country of 150 million people could turn into a man-made tsunami and may derail the economy projected to grow over 7 percent in the current fiscal year," said the Bangladesh chapter of the ICC in its October-December quarterly newsletter editorial.

Furthermore, the rising power shortage and the delayed decision on power sector reforms, if not addressed immediately, may also negate growth prospects, it said.

Increase in oil prices on international markets and intensified competition on the global textile markets identified by the chamber as other major risks.

"As a result, the cost of living and prices of essentials, which had gone up by 13.52 percent and 15.22 percent respectively in 2006, may soar further in 2007," the editorial said.

Terming the year 2006 as an 'uneasy time' for Bangladesh economy, the chamber said it had to face serious challenges including the man-made ones.

However it also mentioned despite having some negative factors in 2006, Bangladesh successfully recovered from the much-apprehended impact of MFA (Multi-Fibre Arrangement) phase-out.

Export of knitwear and oven apparels grew by 35.38 percent and 13.5 percent while total export exceeded US$10 billion. Besides, foreign exchange reserve reached an all time high level of US$ 3.97 billion, remittances by expatriate workers increased to the highest ever level of US$ 5.46 billion and taka appreciated against dollar by a small percentage during the year.

ICC-B predicted the industrial growth for fiscal 2007 would be in the range of between 9.5 and 10.5 percent. The service sector, based on the past year's performance, may yield a growth of 6.6 to 6.8 percent.

"So, it seems despite various ordeals Bangladesh has the inherent potential to perform better. The GDP growth is increasing and the country could easily look forward to achieving a double-digit growth if only the political leaders avoid confrontational politics, develop a culture of sorting out differences through dialogues with an open mind as well as nurturing democracy within and practice proactive politics," it said.

Congenial and conducive political environment is a precondition for sustained economic growth and to meet the 2015 MDGs (Millennium Development Goals), it said adding that the nation at this critical juncture needs political sagacity and visionary leadership to overcome the adverse effect of negative and outdated politics.

India to regulate micro-finance institutions

OUR CORRESPONDENT, *New Delhi*

A parliamentary bill to regulate the micro-finance institutions in India will be brought in the budget session beginning next month.

"We are ready with the draft Micro Finance Institutions bill which would be presented in Parliament during the budget session and may go to a Standing Committee for further discussions by all stakeholders", a senior official of Finance Ministry said here on Wednesday.

The bill is aimed at putting in place stricter regulations for institutions engaged in deposit and lending of funds and minimum regulations for others engaged in offering lending services at the micro level, said Amitabh Verma, joint secretary (Banking) in the Finance Ministry.

He said the National Bank for Agriculture and Rural Development would be appointed as the regulator for the micro-finance sector as it would frame rules for maintenance of credit adequacy ratio and other norms.

He said there would be no cap on interest rate for micro financing though there was pressure from certain sections which believe the absence of a cap could encourage foreign financial institutions entering this sector to exploit the poor people by giving them a free hand.

India defends its bilateral, regional trade talks

PALLAB BHATTACHARYA, *New Delhi*

India has defended its negotiations for bilateral trade and regional trade agreements with a number of countries in Asia and Europe saying they are compatible with the World Trade Organisation (WTO) rules.

"Regional trade agreements are a fact of life. In no way do they replace, displace or contradict a rule-based multilateral trading system. Regional trade agreements and bilateral Comprehensive Economic Cooperation Agreement (CECA) are all WTO-compatible and WTO provides for bilateral trade agreements," Commerce and Industry Minister Kamal Nath said on Wednesday.

India, a member of Safta, has signed a CECA with Singapore and is in talks for a similar arrangement with South Korea and Japan and Free Trade Agreements with Asean and European Union. A framework of agreement with BIMSTEC countries is also being negotiated as a link between Asean and South Asia.

India has a functional FTA with Sri Lanka and firmed up a similar accord with Thailand while joint study groups have been set up for such arrangements with Israel and Gulf Cooperation Council countries.

Nath, who was addressing the Partnership Summit organised by Confederation of Indian Industry in Bangalore, said India's commitment to WTO and Doha round of trade development talks remained unchanged.

"In India's view, the bilateral route that we have chosen is complementary to the multilateral process and will not derail the Doha round of multilateral trade negotiations," he said.

PHOTO: BRAC BANK

Managing Director of Brac Bank Limited Imran Rahman and Managing Director & Economic Adviser of Credit Rating Agency of Bangladesh Limited (CRAB) Masihur Rahman sign an agreement on behalf of their companies in Dhaka recently. Under the accord, the agency will provide rating and annual surveillance service for the bank.