

Star BUSINESS

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DSE turnover continues rising

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Turnover on the Dhaka Stock Exchange (DSE) yesterday continued rising, hitting new all time high of Tk 119.06 crore.

Earlier, the highest turnover on the DSE was Tk 110.89 crore on Sunday.

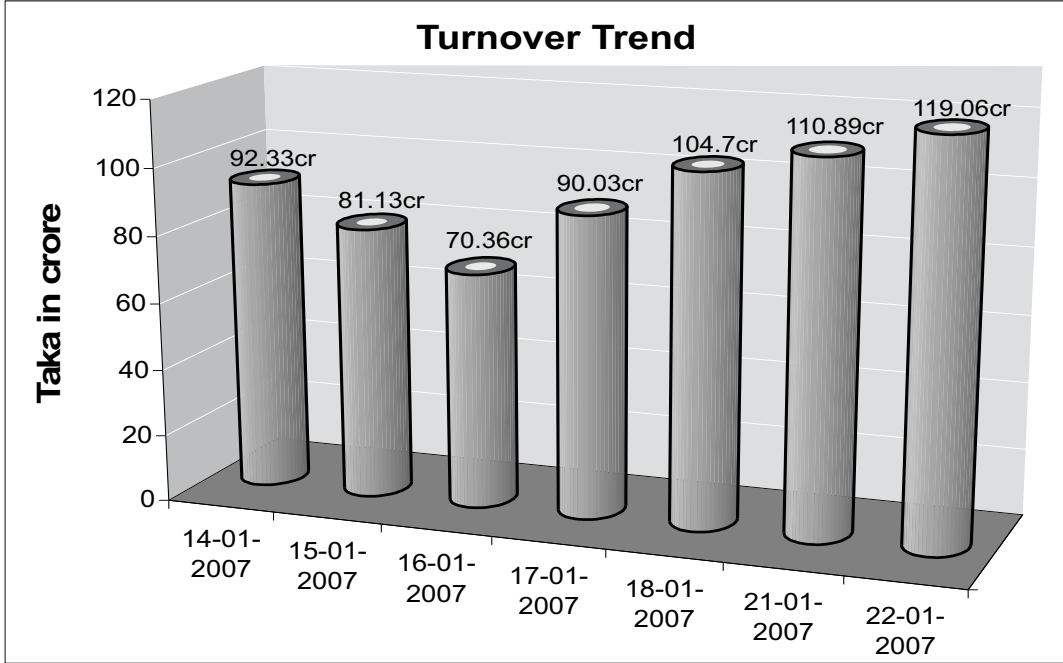
DSE market capitalisation stood at Tk 34,547 crore, which was also the highest. Along with the turnover, the stock prices also increased slightly on the DSE led by power and banking sector scrips. The DSE All Share Price Index rose by 5.81 points or 0.4 percent to close at 1427.73 points while the DSE General Index went up by 5.89 points or 0.33 percent finishing at 1762.43 points.

However, DSE-20 Index, comprising blue chips, dropped by 6.94 points, or 0.44 percent, to close at 1539.15 points.

Commenting on the latest development, DSE Chief Executive Officer Salahuddin Ahmed Khan said both general and institutional investors are participating in a renewed enthusiasm.

"Investments from banks and other financial institutions were around 50 percent of the total turnover on Thursday and 62 percent on Sunday," said the DSE CEO adding, "Today [yesterday] the percentage could be same or more."

Terming the share price behaviour as normal, he said the institutional investors are investing in the securities having good fundamen-



tals. "If the general investors follow the institutions, the market will act normally," he observed.

Nurul Amin, managing director and chief executive officer of National Credit and Commerce Bank Ltd, said the investors got back the confidence to invest in the stock exchange following the latest political development.

He also said the present market will not face any bubble burst like in 1996 as scripless trading, strong monitoring and surveillance, strict

rules and regulations and a state-of-the-art infrastructure are now in place.

A total of 25,905,538 shares of 210 issues worth Tk 119.06 crore were traded on the premier bourse. Of the issues traded, 116 closed in gains, 76 suffered losses and 18 remained unchanged.

Experts said the market started witnessing a huge capital inflow since January 14 following declaration of a state of emergency in the country and formation of a new

interim government. On that day, the DSE turnover was Tk 92.33 crore, which increased to Tk 110.89 crore on Sunday.

Power Grid Company of Bangladesh (PGCB) topped the turnover leaders followed by Beximco Pharma, Southeast Bank, Jamuna Bank and Bextex.

The PGCB, the state-owned power company, topped the list with 500,750 shares worth Tk 15.38 crore.

Garmentech Bangladesh concludes

STAR BUSINESS REPORT

The sixth version of international garment and textile machinery trade show, Garmentech Bangladesh 2007, concluded yesterday, which attracted a huge local and foreign crowd related with readymade garments and textile industries.

During the four-day fair, more than 200 machine manufacturers from 30 countries of the world displayed sewing, knitting, dyeing, embroidery and fabric accessories machineries.

The machine manufacturing companies as well as their local agents from the United States, Europe, Canada, South Korea, Sri Lanka, Hong Kong, Taiwan, India, Malaysia and Pakistan displayed their machineries in the fair, among other countries.

The renowned companies that took part in the show included Brother, Juki, Pegasus, Beisler, Hashima, Ashok Leyland and Kansai.

"Through the fair, the apparel manufacturers had an opportunity to get a view about the latest technological advancement of garment machineries in the world," Shiddikur Rahman, senior engineer of Glory Trade Centre Ltd, said.

Sarwar Ahmed, a garment factory owner who visited the exhibition, said, "I am visiting the fair the concluding day for the second time as I need to buy embroidery machineries for my newly set up garment factory."

"I have checked some machines of different countries to buy one after consulting with experts who have knowledge of embroidery machineries," he mentioned.

The participating companies termed the fair a success as many potential buyers came to the fair and expressed their curiosity about the appliances that put on display.

"Actually it is not possible to ascertain the successes immediately in such a fair where machineries of high investment are displayed", said an official of E-Cool International. E-Cool displayed evaporative cooling and ventilation system in the fair.

The fair, inaugurated by the president of the country's apex trade body Federation of Bangladesh Chambers of Commerce and Industry at the Bangladesh-China Friendship Conference Centre in Dhaka on Friday, was organised jointly by Zakaria Trade and Fair International, Bangladesh and Exhibition Pvt Ltd, India.

On the sidelines of the fair, international seminar and workshop were also organized with participation of world famous technologists and consultants.

Citigroup gets awards for cash management, cash solutions

FinanceAsia magazine has rated Citigroup as the best cash management bank and best cash solutions bank in Asia awards for 2006, says a press release.

It is the first time that Citigroup has picked up both the major cash management awards from the magazine in the same year, and the third year in a row that Citigroup wins the best cash management bank award.

Commenting on the bank's year, FinanceAsia said "Citigroup has again proved its standing in 2006 as Asia's top cash management bank. In 2006 the bank continued to fire on all cylinders, greatly expanding its client base, rolling out an immense number of new and innovative cash products."

Citigroup also won the best 'Cash Solutions Bank' award with its transaction for Roche. "Citigroup's solution for healthcare company Roche proved to be an exceptional solution, thanks to its sheer scale and geographic reach," said FinanceAsia.

"The key reason for reviewing banking arrangements in Asia-Pacific was the planned introduction of our In House Bank in Asia-Pacific and the opportunity to standardise and simplify processes, reduce the number and value of external bank transactions and reduce costs," says Martin Schlageter, head of Global Cash Management at Roche.

"The implementation so far has exceeded our expectations. It has been smooth, delivered within the timelines set and well resourced by Citigroup."

"We are very pleased to have achieved these winning results," said Khondoker Rashed Maqsood, director and head of Global Transaction Services for Citigroup Bangladesh.



PHOTO: STAR

Visitors gather at a stall at the 6th international garment and textile machinery trade show in Dhaka that came to a close yesterday.

Bangladesh key market for Sony Ericsson

Regional top official tells *The Daily Star*

MD HASAN

As part of its strategy to secure the third position in the global mobile handset market, Sony Ericsson is considering Bangladesh a key strategic market.

"Our vision is to emerge the number three market player over the world from the existing number four. As we have seen mobile phone business the next biggest thing that is happening in Bangladesh. And, we believe this country can be the very key strategic market to grow our share in the global market," Neeraj Bansal, head of Market Units of Bangladesh and Sri Lanka of the cellphone set manufacturer, told The Daily Star in an interview on Sunday.

Bansal said mobile penetration rate is less than 15 percent in Bangladesh, which is actually a big opportunity for doing hand set business here.

"It's a vibrant society, where people are intending to connect each other. And that's why it is very likely that mobile set becomes a part of daily life. Now we assume that penetration rate would double to 20 percent, if the low connection rate continues," he said.

Bansal, who was working in the Sony Ericsson's head office in Sweden for the last few years, said Sony Ericsson eyes for being a leader of the market at a time when Bangladeshi mobile phone market just takes off.

"We are planning to invest in marketing our entire global portfolio into the Bangladesh market so that our customers from lower to upper



Neeraj Bansal

level can experience the unique feature of Sony Ericsson," he added.

On grey market of handset, Bansal said once upon a time none of the mobile set companies was actively doing business in Bangladesh; even then, all types of mobile sets were available in the local market.

He said when import tariffs on mobile sets are reduced, some companies like Sony Ericsson are coming forward to do business here, which would ultimately check the so-called grey market.

The regional top official of the company said Sony Ericsson is one of the popular brands in Bangladesh, but the company did not have the access to providing warranty support for the customers.

"We feel people want warranty, after sales services and accessories to enjoy the real experience of a mobile set. And that's why we are planning raising the number of our service centres from the existing

nine to provide door-to-door services for the customers," he said.

Describing the year 2007 a very bright time for his company's business in Bangladesh, Bansal unearthed a plan that includes bringing all of its global portfolios here within a short time, such as FM radio, camera, cyber shot, 3d movie and audio-visual enable sets.

Theirs is a proven track record of catering to the customers' choices, the Sony Ericsson official said, adding that it has successfully brought the trend of latest technology globally. "And we believe, we can keep up the trend in Bangladesh to grow very big market share here by the year-end," Bansal said.

Terming the recent political turmoil a short-term problem, he said overall Bangladesh economy is resilient.

There has been a steady GDP growth here, which will tend the country to be a peaceful hub for doing any kind of business, he opined.

While asked whether they have any plan to set up a Sony Ericsson mobile set business, he replied, "We are observing the company's selling growth rate over the Asia Pacific region. It's a just matter of business and this kind of venture may take some time before reaching any decision."

"It is quite possible to take on the leadership position in Bangladesh mobile set business, if we bring the latest product of Sony Ericsson into the market. We are definitely confident we can do it," he concluded.

SEC issues show cause notices on Southeast Bank, Ctg Vegetables

STAR BUSINESS REPORT

The Securities and Exchange Commission (SEC) has issued show cause and hearing notices on Southeast Bank and Chittagong Vegetables Oil Industries for non-compliance with rules.

The SEC on Thursday issued show cause and hearing notice on the bank, its directors, managing director and company secretary in connection with upward revaluation of fixed assets in the audited financial statements for year that ended on December 31, 2005.

The SEC also issued show cause and hearing notice on Chittagong Vegetable Oil, its directors, managing director and company secretary for non-compliance with the securities rules in audited financial statements for the years that ended on June 30, 2005 and June 30, 2006.



PHOTO: GRAMEENPHONE

Yasir Azman, head of Dhaka Region of Grameenphone Ltd, and DM Khaled Osman, head of Operations (GPC Franchise), cut a cake to mark the inauguration of a Grameenphone centre in Dhanmondi, Dhaka recently. Other senior officials were also present.

Philips reports 87pc profit rise

AFP, Amsterdam

Dutch electronics group Philips announced Monday that its net profit in 2006 rose 87 percent, boosted by divestments and a fall in taxes.

Net profit rose to 5.4 billion euros (7.0 billion dollars) from 2.9 billion euros in 2005, while sales increased by 4.6 percent to 26.976 billion euros.

Philips announced a full-year dividend of 0.60 euros, compared with 0.44 euros in 2005.

Known for decades for household electrical goods, Philips is transforming its business to focus on healthcare and lifestyle technology.

In August, the group announced the sale of its semiconductor division for 8.3 billion euros to a group of investment funds.

Besides a positive impact from the divestments, Philips said its figures were also boosted by a drop in taxes.

In the fourth quarter the electronics giant reported a net profit of 680 million euros, more than double the 332 million-euro net profit in the same period in 2005.

Emirates offers toys to onboard children

Emirates has a surprise for children travelling on board the airline's long haul flights, says a press release.

From the beginning of January, they will find a brand new bumper bag of goodies to make flying a fun, in addition to the airline's extensive inflight entertainment package.

The new toys come in one of two must-have bags: a colourful rucksack, which is presented on flights outbound from Dubai, and a cool bag that is presented on inbound flights. Each one comes in five different colour combinations.

IMF calls for 'more flexible' Chinese exchange rate

AFP, Tokyo

IMF managing director Rodrigo Rato called here Monday for China to be "more flexible" in setting its exchange rates, renewing a demand frequently made by Western nations.

"A more flexible exchange rate regime is in the interest of China," Rato told reporters on a visit to Tokyo.

The United States and other major industrialized countries accuse China of keeping its yuan artificially low to make cheaper its manufacturing exports which have flooded foreign markets.

China in July 2005 ended a

decade-long peg to the dollar in favor of a managed float and has repeatedly promised to allow its forex regime to become more flexible.

"We supported the decision of the Chinese authorities in July 2005 and we think the implementation of that decision should be taken more vigorously," Rato said.

But he stressed that the International Monetary Fund welcomed China's growth.

"It is clear that China has emerged like one of the big economic agents in the world. It is very welcome, because it has changed the face of China in terms of poverty reduction," he said.

"Looking forward we see that it will be the interest of China to rebalance its demand and private consumption," he said.

"We believe also that the market forces should play a bigger role in the allocation of resources and that the monetary policy should be allowed to be used more efficiently," China's Commerce Minister Bo Xilai last week highlighted the urgency of cooling China's relentless export machine amid growing tensions over its ballooning trade surplus with key trading partners.

On January 17, China's currency, the yuan, closed at 7.7750, its highest point since the revaluation in 2005.



PHOTO: EBL

K Mahmood Sattar, managing director of Eastern Bank Ltd (EBL), inaugurates an automated utility bill payment service styled 'Bills Pay' at one of the branches of the bank yesterday. Other senior officials of the bank were also present.

SELLING GOVT BONDS

Lanka to raise \$200m from foreigners

AFP, Colombo

Sri Lanka hopes to raise 200 million dollars by selling government bonds to overseas portfolio investors this year to help fund a sharp jump in the budget, the central bank chief said Monday.

The central bank partially liberalised foreign currency investment rules in November to allow funds to buy up to five percent of Sri Lanka government bonds outstanding in the market in an effort to bring more liquidity into the market.

The benchmark five-year government bond currently yields 13.85 percent in Sri Lanka where inflation stood at 19.3 percent in December year-on-year and averaged 13.7 percent in 2006.

Since liberalising debt investment rules, commercial overseas banks such as Citibank and Hong Kong and Shanghai Banking Corp have invested 230 million rupees (2.13 million dollars) in bonds, central bank Governor Nivard Cabraal said.

Sri Lanka is stepping up efforts to raise revenue as the 35-year old ethnic conflict, which has claimed over 60,000 lives, puts a strain on government coffers.

The government last year raised its 2007 defence budget by 45 percent to 139.55 billion rupees (1.29 billion dollars), in the back-

drop of heavy fighting between the military and Tamil Tiger rebels.

A flare-up in violence last year killed over 3,800 people, in defiance of a Norwegian brokered February 2002 truce pact.

Earlier, overseas portfolio investors were limited to shares in firms listed on the Colombo Stock Exchange and dollar-denominated bonds issued by the government also known as Sri Lanka Development Bonds.

As at the end of 2006, Sri Lanka's total outstanding debt had climbed to 1.15 trillion rupees or 44 percent of GDP, of which treasury bonds accounted for 901.3 billion rupees, according to central bank figures.

KSA imposes check on firms hiring foreign workers

PTI, Dubai

To check incidents of expatriates being denied their salaries, Saudi Arabia is planning to make it mandatory for companies to prove that they are financially viable before recruiting workers from abroad.

"We have an initiative we intend to implement that links the import by any company of foreign labourers to its capital and its capability of paying their salaries," Labour Minister Ghazi al-Gosaibi said.

The minister said that the guarantee of payment of salaries to foreign workers was a top priority for the ministry.

He, however, didn't give details of this new initiative to crack down on companies that delay or refuse to pay the salaries of foreign workers, but underscored his ministry's efforts to receive complaints from employees.