

# Star BUSINESS

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## Turnover on DSE hits highest Tk141cr mark

SARWAR A CHOWDHURY

Turnover on the Dhaka Stock Exchange (DSE) yesterday hit the highest mark of Tk 141 crore, surpassing the previous record of Tk 119 crore on Monday, amid a strong buying support from investors including foreign participants.

The DSE through block market transactions witnessed foreign portfolio investment of around Tk 19 crore, over 13 percent of the total turnover on the premier bourse, DSE sources said.

A total of 349,500 shares worth Tk 19.01 crore were traded on the DSE's block market.

"The foreign portfolio investment led the DSE to cross the previous highest turnover," said a DSE official.

DSE market capitalisation stood at Tk 35,369 crore, also the highest.

Commenting on the latest development, Chairman of Securities and Exchange Commission (SEC) Faruq Ahmad Siddiqi said the recent improvement of law and order situation, glut of liquidity, listing of new shares and a healthy operating profit by the banks in the last year contributed to the surge in turnover.

Referring to the rising trend of share price indices over the last two weeks, he also said, "I feel that now the investors, especially the retail investors, should invest carefully in

the securities."

"There is a trend among the retail investors that they buy shares when the price indices go up. But, the indices increase up to a certain limit, as the price indices witness a downturn due to profit taking selling pressure from the big or institutional investors," he explained.

Replies to a query, the SEC chief said they are yet to find any sign of manipulation in the market.

The commission, however, is watching the price behaviour of some Z category shares, he said, adding, "monitoring would be continued."

Echoing him, DSE Chief Executive Officer Salahuddin Ahmed Khan said the investors should decide on which security they will invest. "They will also have to analyse fundamentals, such as past and present price, previous dividend records and price earning ratio of a share before putting money on that chip," he observed.

On the DSE yesterday, the price indices also went up heavily led by power and banking sector. The DSE All Share Price Index rose by 25.26 points or 1.75 percent to close at 1466.84 points while the DSE General Index shot up by 33.5 points or 1.9 percent finishing at 1794.93 points.

Besides, DSE-20 Index, comprising blue chips, also increased by 17.33 points, or 1.14 percent, to close at 1536.41 points.

A total of 25,092,313 shares of 212 issues worth Tk 140.93 crore were traded on the premier bourse.

Of the issues traded, 150 closed in gains, 41 suffered losses and 21 remained unchanged.

Power Grid Company of Bangladesh (PGCB) topped the turnover leaders followed by Dhaka Electric Supply Company of Bangladesh, Jamuna Bank, Summit Power, Lafarge Summa Cement and Southeast Bank.

The PGCB, the state-owned power company, topped the list with 405,050 shares worth Tk 14.06 crore.

Meanwhile, trading at Chittagong Stock Exchange (CSE) closed higher yesterday with gainers dominating the losers.

The CSE All Share Price Index increased by 66.81 points or 1.65 percent to close at 4114.97 points while the CSE-30 Index went up by 32.47 points or 0.9 percent to close at 3620.68 points.

Besides, CSE Selective Categories Index also shot up by 47.85 points or 1.8 percent finishing at 2700.6 points.

A total of 6,104,116 shares of 115 issues worth Tk 25.10 crore were traded. Of the issues traded, 93 gained, 20 declined and two remained unchanged.

### BENEFIT OF SAFTA

## MCCI for thorough review of the pact

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As the Safta Ministerial Council (SMC) is due to hold its second meeting shortly, the metropolitan chamber has urged the SMC to make a thorough review of the implementation of the Safta agreement to find out whether it has been able to help expand intra-Safta trade.

Meanwhile, some confusion has been created by a World Bank study conducted recently on bilateral free trade negotiations between India and Bangladesh, said an MCCI press release yesterday.

South Asian Free Trade Area (Safta), as well as bilateral free trade between India and Bangladesh will be helpful to Bangladesh, added the release signed by Latifur Rahman, president of the Metropolitan Chamber of Commerce and Industry.

Any hesitation and delay in this regard will deprive the Bangladeshi exporters of taking advantage of market access. Tariffs on Bangladeshi products have already been reduced by 33 percent to 40 percent by India, Pakistan and Sri Lanka. The reduction provides ample scope for Bangladeshi products to secure market.

The MCCI has requested the commerce ministry to call a meeting of the Experts Committee on Safta at the earliest to discuss the issues.

exporters from taking advantage of the tariff concessions. It is, therefore, most important for Bangladesh to highlight the non-tariff- and para-tariff-related problems at the next meeting of the SMC.

Besides, the MCCI suggests that Bangladesh should consider raising three issues, which include complete elimination of tariffs by 2008 and at the same time, implementation of the tariff concessions given in favour of the LDCs (least developed countries) by India, Pakistan and Sri Lanka.

Another issue is that a roadmap should be agreed upon for elimination of non-tariff barriers so as to maximise the benefits of Safta. In this context, Bangladesh should request for firm commitments by the SMC to resolve by 2007 the problems associated with non-tariff barriers on a fast track basis.

The MCCI also suggests that a decision should be taken by the SMC to strictly follow the procedures for issuance and verification of certificates of Safta Rules of Origin so that the procedures adopted by the issuing and accepting authorities do not create unnecessary obstacles.

The MCCI has requested the commerce ministry to call a meeting of the Experts Committee on Safta at the earliest to discuss the issues.



PHOTO: FBCCI

Mir Nasir Hossain, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), speaks at a discussion yesterday in Dhaka with the delegation of European Union, who met business leaders as part of their efforts to assess the need for Bangladesh to hold a fair election. Helen Campbell, head of South Asia Department of the European Commission, and Stefan Frowein, ambassador and head of the EC Delegation to Bangladesh, among others, are seen in the picture. The EU-Bangla trade ties also came up for discussion.

## Corruption major obstacle to boosting economic activities: Geeteara

### DCCI places 8-pt recommendation

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The industries adviser has urged the business community not to pay bribe to get their jobs done as corruption is considered a major obstacle to boosting economic activities.

"If one end of corruption is stopped, the other end will stop automatically, so if people do not pay bribe the takers will not be able to pocket it," Geeteara Safiya Choudhury told the newly elected executive body of Dhaka Chamber of Commerce and Industry (DCCI) led by its president Hossain Khaled when the delegation met her yesterday at the conference room of the Ministry of Industries.

She also shared views with a separate delegation of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

Pledging her commitment to fighting corruption she further

mentioned, "Like the takers, the bribe payers are also responsible equally, so paying of bribe should be stopped".

She also figured out policy complexity as one of the reasons for corruption and sought suggestions from the business community regarding simplification of those complexities.

"Trade and economy are the backbone of the country. As I don't know everything of the sector please come up with specific suggestions and recommendations so that a friendly business policy could be formulated," said Geeteara, also adviser to the ministries of social welfare, textile and jute and women and children affairs.

DCCI leaders also stressed the need for regular meetings with the industries adviser to have interactions with the business people.

Earlier, in a meeting with FBCCI led by its president Mir Nasir Hossain, the adviser urged the apex body to issue a circular urging their members not to bribe officials to have their business purposes served.

At the meeting the FBCCI delegation proposed to the government to form a joint industrial development council with representation from the private sector for industrialisation.

## Entrepreneurs demand agro-based EPZ in Rajshahi

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Industrialists and entrepreneurs of Rajshahi urged the government to set up an agro-based Export Promotion Zone (EPZ) in Rajshahi to help make proper utilisation of the agricultural resources of the region.

Due to insufficient preservation facilities and lack of efficient marketing tools, the potentials of agro-based sectors such as fruits and vegetable are yet untapped, they observed.

The businesspeople were speaking at a daylong round-table on 'Prospects and Problems of Local Trade and Commerce' jointly organised by the Centre for

Communication and Development and Economic Journalist Network (EJNet) in Rajshahi recently.

They also urged the foreign entrepreneurs to invest in the sector.

The speakers said huge quantity of mangoes worth crores of taka is being perished every year in the region for lack of proper marketing tools and preservation facilities. Mango, internationally considered one of the most delicious fruits, has a huge export potential.

If properly processed and exported to international markets, agro-based industry of Rajshahi will secure its due share of the national export basket and help the country achieve a robust economic growth through creating employment opportunities, they added.

They also underscored the potentials of the traditional sericulture industry, which is on the verge of ruination. The government's promise to develop this sector is still a far cry, they observed.

Anwarul Alam Fatik and Monjuara Khatun, two journalists of Rajshahi, were offered fellowships for research on mango and silk.

## Euro hits all-time high

AFP, Undated

The euro hit an all-time high against the yen in Asian trade Wednesday, with the Japanese currency under heavy selling pressure with no sign in sight of higher local interest rates, dealers said.

The euro breached the upper 158 yen levels, the highest since the single unit's debut in 1999, before slipping to 158.41 in Tokyo afternoon trade, still up from 158.00 in New York late Tuesday.

The dollar was barely changed at 121.60 yen compared with 121.62 in New York. The euro inched up to 1.3032 dollars from 1.3025.

The pound firmed to 1.9822 dollars from 1.9811 after briefly reaching near 15-year highs of 1.9900 dollars Tuesday on the view that British interest rates are likely to rise further in a strong economy.

The euro gained after European Central Bank officials Lorenzo Bini Smaghi and Christian Noyer said interest rates would need to rise if economic growth proves solid.

Separately, Bank of England Governor Mervyn King said in a speech that "the balance of risks to output and growth and inflation has shifted towards the upside."

The dollar continued to benefit, however, from the Bank of Japan decision last week to keep its benchmark interest rate unchanged at 0.25 percent, making investors abandon the low-yielding yen for higher-yielding currencies.



PHOTO: BEPZA

M Fazlur Rahman Bhuiyan, general manager (in-charge) of Investment Promotion of Bangladesh Export Processing Zones Authority (Bepza), and Jahir Uddin, managing director and chief executive officer of Mostafa Knitting & Dyeing Ltd, exchange documents after signing an agreement in Dhaka on Monday. Under the deal, the local business house will invest US\$20 million to set up a knit garments factory in Karnaphuli EPZ. Ashraf Abdullah Yussuf, Bepza executive chairman, was also present among others.

## Upbeat Davos delegates see strong growth in 2007

AFP, Davos, Switzerland

The world economy is set for another year of strong growth, a panel of experts predicted in Davos on Wednesday, reflecting the upbeat mood of business leaders here about prospects for 2007.

The first debate kicked off the four-day World Economic Forum in bright form, with the dominant view that global expansion would continue this year despite a predicted slowdown in the US economy.

Laura Tyson, a professor of economics at the University of California, Berkeley, said 2007 could be another fairytale year but cautioned that "the big bad wolf was hiding in the forest" in the medium term.

This view was endorsed by three of four fellow panel members, namely Jacob Frenkel, vice chairman of insurance group AIG, Min Zhu, the vice president of the Bank

of China, and Montek Ahluwalia, the deputy chairman of the Indian Planning Commission.

Following a sustained period of growth in the global economy, business leaders gathering at the exclusive Davos event this year are notably bullish about the future.

A poll of Davos participants by the organisers revealed that 65 percent of corporate chiefs and politicians thought their children would live in a more prosperous world.

Another broader survey by auditors PricewaterhouseCoopers, published to coincide with the opening of Davos, showed that 92 percent of 1,100 chief executives in 50 countries were confident about their company's revenue growth in 2007.

But panel member Nouriel Roubini, a professor and chairman of Roubini Global Economics, was far more pessimistic, saying that a

sharp slowdown would hit the US economy this year and have global repercussions.

"The main threat from the US slowdown is whether the US is going to have a soft landing or a hard landing," he said.

He said a recession in the housing market, coupled with job losses in the manufacturing sector, would hit consumer confidence, leading to lower spending and lower economic growth.

Ahluwalia of the Indian Planning Commission questioned the extent to which a US slowdown would affect Asian economies, saying that they had a higher degree of economic independence than in the past.

Referring to a much-hoped for "decoupling" from the US economy, he said: "We like to think it is structural, but we have to wait and see."



PHOTO: BANGLALINK

Rashid Khan, chief executive officer of mobile phone operator Banglalink, inaugurates the company's regional office in Sylhet on Tuesday. Other senior officials are also seen.

## US losing billions in tourism revenues

### Quick fixation of broken visa system stressed

AFP, Washington

The number of visitors to the United States has dropped sharply since the attacks of September 11, 2001, costing the country tens of billions of dollars, a travel industry study showed Tuesday.

The report released by the Travel Industry Association of America found that the US market share of the six trillion dollar worldwide travel market fell from 7.5 percent in 2000 to 6.1 percent by 2006, a 20 percent drop.

Geoff Freeman, executive director of the Discover America Partnership, said the proposals would focus on three areas -- visa delays, the arrival process and the US image abroad.

"Our visa system is broken, and

people are waiting upwards of 100 days simply to get a visa," Freeman said. "That is unacceptable and we will unveil concrete solutions to fix the visa system."

Over the five years, the decline has meant 58 million fewer foreign visitors, 194,000 lost jobs, 94 billion dollars in lost spending and 15.6 billion dollars in lost tax revenues.

Aside from the security concerns after the attacks, the report highlighted concerns about the US entry process that some say discourages foreign visitors.

"We are in the midst of a travel crisis and it is time for Congress to act," said Steven Porter, chairman of the Discover America Partnership, a business group representing the travel and tourism industries.