

Star BUSINESS

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Stocks slide on profit taking

STAR BUSINESS REPORT

After three-days of steady gains share prices slipped back yesterday as investors rushed to take profits.

The DSE General Index fell by 29.81 points, or 1.58 percent, to close at 1853.80 points while the CSE Selective Categories Index gained 26.92 points, or 0.97 percent, finishing at 2726.57 points.

The DSE All Share Price Index declined by 21.71 points, or 1.40 percent, to close at 1518.52 points while CSE All Share Price Index lost 35.43 points, or 0.84 percent, to close at 4180.35 points.

Turnover fell to Tk 147.33 crore from Tk 159.20 crore on Monday.

The losers dominated the gainers, both on the Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE). Of the 207 issues traded on the DSE, 53 closed up and 138 down with 16 remaining unchanged. Of the 101 issues on the CSE, 30 made gains, and 70 declined with one unchanged.

DSE Chief Executive Officer Salahuddin Ahmed Khan said although the price-earning (P/E) ratio of most of the shares is rational, the ratio is much higher in the case of a few shares and these issues were overvalued.

The P/E ratio is calculated by dividing a share's closing price by the company's earning per share.

"The investors should examine the earning per share and the fundamentals such as price level and declared earnings before investing in any share," he observed.

On yesterday's trade statistics, the P/E ratio of Brac Bank stood at 39.62 per share while the ratio of IFIC Bank stood at 36.38, Rupali Bank at 140.88, UCBL at 48.64, Southeast Bank at 20.94, Social Investment Bank at 48.11, Summit Power at 24.26, Power Grid Company of Bangladesh at 24.58, First BSRs at 39.09, AICM First Mutual Fund at 48.7 and ICB AMCL Islamic Mutual Fund at 51.84.

Market sources said shares of the above companies were traded heavily in recent days.

"In the context of our market, the P/E ratio of a share should range between 10 and 12. If it crosses the 20 marks, investment on that security becomes risky," said an expert.

Brac Bank, which debuted on the bourses last Wednesday, maintained its top position among the turnover leaders for the fourth consecutive day.

HC stays SEC showcase on One Bank

The High Court has stayed the showcase and hearing notice served by the Securities and Exchange Commission on One Bank Limited regarding the transfer and dematerialisation of shares of Abdus Salam, a sponsor shareholder and ex-director of the bank.

It also issued a rule nisi, returnable in four weeks from January 29, asking the government and capital market regulators to explain why the purported transfer of 31,000 shares of Abdus Salam and dematerialisation of his 3,06,000 shares shall not be declared illegal, says a press release.

The regulators have also been barred from regularising the transfer of shares and proceeding with the demat process.

The SEC earlier issued showcase and hearing notice on One Bank, its directors, managing director and company secretary alleging non-compliance of securities laws in connection with demat of share certificates of Abdus Salam.

Unilever Bangladesh receives intl awards

Unilever Bangladesh Ltd (UBL) has received two of Unilever's international awards at the Asia-Amet (Africa Middle East Turkey) level.

The company received the AA Vitality Awards 2007 in the 'Win Key Markets' and 'Win With Customers' categories from among the operating companies in the region, says a press release.

Rakesh Mohan, chairman and managing director of Unilever Bangladesh Ltd, received the awards in Singapore on behalf of the company recently.

Receiving the award, Mohan said, "All of you have had an important role to play with respect to making growth happen and our winning those awards."

Last year, Unilever Bangladesh received Unilever's global Platinum Sustained Innovation Performer Award and Asia's Best CD Country and the Best Distributor Management Awards.

The AA Vitality awards recognise the outstanding performance of the company in Bangladesh over the last few years.

Adviser vows to up Ctg port efficiency

STAFF CORRESPONDENT, Ctg

The shipping adviser has expressed his determination to enhance the efficiency of Chittagong Port.

"We will do everything within capacity to modernise the country's prime sea port," Major General (rd) M A Matin told a meeting with the port officials at the Bandar Bhaban yesterday.

He also urged all concerned to identify the impediments to smooth and efficient operation of the port and come up with specific suggestions as to what could be done at the highest level of the interim government for the port's capacity building.

"The suggestions you make would be placed and discussed in the advisory council meeting scheduled for day after tomorrow (Thursday) and decisions would be taken accordingly," said the shipping adviser, also in charge of the communication ministry.

As an immediate step to help ease the congestion-like situation at the port, the adviser directed the Chittagong Port Authority (CPA) for raising tariff on the empty contain-

ers at an exorbitant rate so that they could not stay inside the yard for even an additional day.

Earlier, while identifying the reasons behind the frequent congestion, the port officials informed the adviser that around 90 per cent of the FCL (Full Container Load) containers, which are supposed to go directly to the doorsteps of the importers, were being unstuffed inside the port.

Some 8 lakh 82 thousand TEUs (Twenty Equivalent Unit) containers were handled at the port last year and the quantity could be 11 lakh and 76 thousand if the space required for handling operation were ensured, observed the CPA officials.

Referring to the increased activities of the port, they underscored the need for speeding up the process of setting up two more proposed container terminals Karnaphuli Container Terminal (KCT) and Patenga Container Terminal (PCT).

They also felt the necessity of reviving the initiative of appointing private operators on SOT (Supply, Operate and Transfer) basis for installation of equipment and oper-

ation at New Mooring Container Terminal.

They also referred that an order made in this connection inviting tenders from the interested private operators was postponed in March last year.

The port officials stressed for capital dredging of the river to facilitate smooth movement of vessels along the port channel.

They suggested setting up a deep-sea port as a long term solution.

Responding to the suggestions, the adviser said that a deep-sea port could be developed.

"Even keeping the matter of national security in mind, we can go for a deep-sea port where the management would be at our hands" he said.

CPA Chairman Md Mosleh Uddin, Member (Finance) Ahmed Abul Kashem, Member (Operation) Captain Quamrul Hossain, Member (Engineering) Dr Safayat Hossain Khan and Director (Admn) ANM Munim, were present at the meeting among others. The director general of Bangladesh Railway also attended the meeting.

Germany to help emerging states to boost bond markets

AFP, Frankfurt

The German government will this week put forward proposals to help emerging market economies build up their domestic bond markets so as to better cushion them against potential financial shocks, the Financial Times reported on Monday.

Berlin is to present its proposals to the upcoming meeting of Group of Seven (G7) finance ministers and central bank chiefs in Essen at the weekend, the FT and its German-language edition, Financial Times Deutschland, said, quoting a finance ministry official.

"It is mainly about making countries less susceptible to financial shocks by developing local and regional bond markets in domestic currencies," Joerg Asmussen, head of the ministry's international department, told the paper.

Attending this weekend's summit in Essen's prestigious Villa Huegel mansion will be the finance ministers and central bank chiefs of Britain, Canada, France, Germany, Italy, Japan and the United States, as well as top officials from Brazil, China, India, Mexico, Russia and South America.

On the agenda in Essen financial market transparency, with particular focus on hedge funds, the reform of the International Monetary Fund, the fight against corruption in Africa,

energy and climate change.

The recent sharp fall in the yen and exchange rates in general will also be discussed.

Strong and liquid local bond markets are seen as an important cushion against potential financial shocks, protecting against sudden swings in global exchange rates, and allowing governments, companies and banks to broaden their sources of financing, FT said.

"In industrial countries, outstanding bonds amount to 140 percent of gross domestic product. In emerging economies, it is only 43 percent," Asmussen said.

Germany believes that developing and emerging economies could be given help in improving legal systems, developing common standards and establishing financial market supervisory authorities, the newspaper said.



Brac Bank MD & CEO Imran Rahman (C) displays a visa credit card of the bank while launching the product at a press conference in Dhaka yesterday.

Apparels, fabrics, accessories show in Ctg from tomorrow

STAFF CORRESPONDENT, Ctg

A three-day fair of apparels, fabrics and accessories begins tomorrow here in the port city with some 16 firms showcasing a wide range of products.

The participants will display their products in Chittagong Apparel, Fabric and Accessories Exposition (Cafaxpo)-2007, the fifth version of the show, to be organised by Bangladesh Garments Manufacturers and Exporters Association (BGMEA).

The Cafaxpo-2006 fetched export order of \$ 30 lakh for fabrics, \$ 3 lakh for garment machinery and \$ 4 lakh for accessories, organisers told a press conference yesterday.

Commerce Secretary Firoze Ahmad will inaugurate the show at Engineers Institute auditorium.

BGMEA's First Vice President Moinuddin Ahmed Mintu, and Director SM Nurul Hoque, among others, were present at the press briefing.

Brac Bank launches visa credit card

STAR BUSINESS REPORT

Brac Bank Limited yesterday launched its first visa credit card aiming to take a slice of the country's rapidly growing market for credit card use.

At present around 2 lakh people in Bangladesh have credit cards, however, Brac Bank believe that 10 times as many people could be entitled to use them.

Apart from normal shopping, credit cards in Bangladesh are commonly used in emergency situations such as health care.

Brac Bank will introduce two types of plastic money --gold and silver cards, which will be accepted by 6000 visa merchants over the country.

The rate of interest of the credit cards has been 30 percent, although the first 50 days will be interest free.

Imran Rahman, managing director and chief executive officer of Brac Bank, formally launched the cards at a press conference held at Sheraton Hotel in Dhaka.

The bank also offers 10 percent cash back facility and a three-month free insurance coverage for the customers. The bank will provide visa credit cards facility through its existing 24 ATM outlets.

The bank is planning to have 50 branches and 100 ATM booths across the country by the year end, said Imran.

He said technology put in the credit cards will prevent credit cards forgery.

Kaiser Tamiz Amin, chief operating officer, Imtiaz Ahmed Siddiqui, head of external affairs, Mamunur Rashid, head of cards and Zahid Ibne Hal, senior manager of marketing, were also present at the launching ceremony.

Become more compliant

Azizul asks RMG makers

STAR BUSINESS REPORT

Finance and Commerce Adviser Mirza Azizul Islam yesterday warned the country's Ready Made Garment makers of the need to improve working conditions if they want to remain competitive in international markets.

"You have to improve the compliance situation in order to sustain competitiveness in international textile markets across the world," Mirza Azizul Islam said at a meeting with the RMG owners at the commerce ministry.

The adviser directed the monitoring committee on compliance to prepare a report soon focusing on how conditions in factories can be improved in terms of maintaining

labour rights.

He also urged the apparel entrepreneurs to implement the workers' minimum wages announced by the new Wage Board.

He also made some suggestion for improving the RMG working conditions, which include issuance of identity cards and age certificates for the workers besides ensuring maternity leave.

President of the Bangladesh Garments Manufacturers and Exporters Association (BGMEA) SM Fazlul Hoque, who was present at the meeting, claimed that 60 percent RMG units are labour complaint.

He demanded punishment to the outsiders who were involved in the labour unrest last year and took bribe from some of the competitive countries

to artificially create the turmoil.

Hoque also sought uninterrupted port services for the next two years in the greater interest of the sector.

Anwar Hossain, joint secretary, Jatiyatabadi Sramik Dal, urged the RMG entrepreneurs to form trade unions at all the garment units with a view to easing the labour unrest.

"I am sure that if such trade unions are formed, the possibility of labour unrest would come down to 50 percent," Anwar hoped.

Toon Vandamme, branch manager, The Cotton Group SA/NV, said the buyers are happy with the compliance situation as the government is trying to improve it gradually. But, he said, the government has a lot to do in this connection.

Demand for separate bank voiced as most women denied business loans

STAR BUSINESS REPORT

Business lending by commercial banks to women in Bangladesh is virtually non-existent, a survey revealed, re-enforcing demands by a leading women's business organisation for an independent women's bank.

President of the Bangladesh Women Chamber of Commerce and Industry (BWCCI) Selima Ahmed said a survey of lending in 2005 showed that the six public commercial banks had granted business loans to 878,960 persons across the country, but only 64 of these had been to women.

She said the situation is difficult for women, as banks demanded property as collateral for loans. However, traditional patterns of ownership in Bangladesh mean few women ever own property.

Selima made the comments at a seminar on 'Access to Finance and

Women Entrepreneurship Development" held at CIRDAP auditorium in Dhaka on Monday.

In an effort to tackle the problem, the BWCCI has long called for the creation of a women only bank. However, at the seminar Bangladesh Bank Governor Salehuddin Ahmed rejected the idea.

"If all branches of the banks set up women branches and separate cells for women, there is no need to set up a separate women's bank," the governor said.

Salehuddin said the central bank will issue an instruction to all commercial banks to introduce a one stop service for women entrepreneurs and a minimum allocation of funds for them.

The BB will also examine the possibility of whether commercial banks can lend against export orders or advance payment for exports.

Munir Uddin Shamim, project coordinator, BWCCI, presented the keynote paper at the seminar where

Atiur Rahman, chairman of Unnayan Shamannay, and Hossain Zillur Rahman, executive chairman of PPRC, spoke among others.

Md Shahab Ullah, vice chairman of Export Promotion Bureau (EPB), said the EPB conducted a study where it found that a total of 1307 women entrepreneurs are currently in business in the country.

Discussions suggested that the women entrepreneurs should expand their horizons from traditional businesses such as boutique house and catering services.

"Women should come out from cottage industries and open-up the potential of half of the people of the community," said architect Lailunnahar Ekram.

Munir Uddin Shamim in his paper identified that majority of the women entrepreneurs have no trade license which prevent them from institutionalising their trade and from getting loans.



Bangladesh Bank Governor Salehuddin Ahmed speaks at a seminar on 'Access to Finance and Women Entrepreneurship Development' held in Dhaka on Monday. Organised by Bangladesh Women Chamber of Commerce and Industry (BWCCI), the seminar was chaired by BWCCI President Selima Ahmed, while Atiur Rahman, chairman of Unnayan Shamannay and Hossain Zillur Rahman, executive chairman of PPRC, were also present.

In support of a Sunday holiday

MAMUN RASHID

For some period, the business community of the country has been advising the government to shift the weekly holiday from Friday to Sunday. Recently after the new caretaker government with few forward-looking people has taken the office, this proposition has gained momentum. The caretaker government has requested the business leaders to put forward the rationale behind this proposal and assured everybody it would consider the proposal, if justified appropriately.

The basic rationale behind the idea of changing the weekly holiday from Friday to Sunday is that as most of the world remains open on Friday and closed on Sunday, we miss trade opportunities. As a growing economy and an emerging trading nation, we can no longer afford to lose these trade or business opportunities. Staying out of the world market for almost 3 days, we are pushed to the sideline of the main stream of world trade and commerce. The typical argument for keeping Friday as weekly holiday is that it is the day of Jumma prayer and to attend the prayer the pious Muslims of the country would like to enjoy the day as weekly holiday.

Very recently, the Almighty Allah had given me the opportunity to perform the holy Hajj and thereby visit the holy cities of Makkah and Madina. In preparation for the Hajj,

I had to read and study the teachings of the holy Quran and the Hadith Sharif more attentively. I had also been able to know many unknown events in the life of our dear Rasul Hazrat Muhammad (Peace be upon him). Also, I met many Muslims across the world, exchanged views and observe their religious practices. Like many other Muslims, I have been profoundly overwhelmed by this entire experience. I have been a God fearing Muslim all my life. But the Hajj experience had unfolded many the unique aspects of Islam and its greatness to me. It became clear to me why Islam is called not only a religion, but also a complete code of life. While other religions tend to focus on mere spirituality, Islam shows the gate to spirituality by providing an appropriate way for everyday life. It gives high priority for every Muslim to perform his/her responsibilities for family, neighborhood, society and country as a whole. We, all Muslims are disciples of our beloved Rasul Hazrat Muhammad (Peace be upon him). He had shown us the example of a life style of a devout Muslim. He was an excellent businessman, visionary statesman, prudent diplomat and also when it was needed a very brave general. He never neglected his worldly duties. Through his teachings, he taught us the Islamic way of life, which gives us a comprehensive guideline for everyday life. It not only preaches us on how to conduct

ourselves in every day life, but also provide solutions for us to rectify the misdeeds that we mortals knowingly or unknowingly have committed.

From this realisation, I have come to the conclusion that for the greater good of our society, country and economy, it is imperative that we change our weekly holiday from Friday to Sunday. While I sympathize with the sentiments of many other devout Muslims who think that shifting of Friday holiday will reduce the sacredness of the Jumma prayer, I strongly believe that as Muslims our commitment to Islam will be strengthened if we do our normal business before and after Jumma prayer. The true spirit of Islam is like that and there are relevant Hadiths supporting growth through business in Islam. If working on Friday without hampering the Jumma prayer will enhance trade and commerce of the country, which ultimately will create wealth for the nation and change the lives of millions of ill-fated people, then definitely the true spirit of Islam will prevail. Friday being a working day more people or office colleagues will attend the prayers, under 'demonstration' effect, while we usually see our youngsters sleep till mid afternoon on a weekend or Friday. There is expected to be less of unnecessary lying, bribing or corruption in the offices Friday being a sacred day and most of the people are supposed to maintain 'Ozu'(ablution) through out the day

and even offer other prayers. Unnecessary lying and corruption being very rampant in our country, Friday as a working day may contribute towards reducing this to a certain level, at least.

We all recognize the commercial rationale of changing weekly holiday from Friday to Sunday. However, all of us must also be aware of the greater implication in the horizon. In the context of current geo-political atmosphere, we are all observing how Muslims all over the world are getting sidelined from the main stream. All over world, the Muslim image has been developing as a society who is not capable of adapting with the development of modern civilisation. Increasingly a greater number of people have started to generalise a very few misled terrorists with the entire faith. We have to break away from this image and we have to do this by strengthening our ties with our faith, not by severing the ties. To do that we have to be able to engage in all our efforts to gather around the main stream of ideas and activities of the world. I am sure we can do this, because the way of life prescribed by Islam encourages such effort. We all know that Hazrat Muhammad (Peace be upon him) directed us to go to the far away land of China in quest of knowledge. The spirit of such direction should encourage us to break away from the stigma that we do not deserve. In recent times we have seen how Malaysia,

Indonesia and even Pakistan as Muslim countries have continuously tried to get into the main stream of world affairs and the at the same time kept their Islamic identity intact while countries like Saudi Arabia is gradually drowning in the hole of isolation (despite having lots of wealth), at least lagging behind in upholding democratic values, distribution of wealth and leadership to the Muslim world. The entire world community has accepted one idea of - In isolation we lose, in integration we gain'.

The shifting of weekly holiday from Friday to Sunday will have greater economic impact on our economy. We shall be able to enhance our trade volume, create greater number of jobs and better the quality of life. This economic development will also have far reaching impact on our social, cultural and religious life. More and more people would start attending prayers at mosques; more educated Muslims would start to identify their cultural and religious identity and would want to enhance the quality of that identity. The whole world would start to observe the true spirit of Islam through our activities and pay us more respect. All our spirit and resilience to build up a better economy with better distribution of wealth will come under lime light and we will be able to come out of despair and lack of confidence, created by continuous marginalisation.

The writer is a banker

China's booming economy leads retail spending in Asia

AFP, Singapore

Retail sales in 12 key Asia Pacific economies are expected to increase in the first-half of 2007, with China set to lead the way with the highest rise in percentage terms, a report said Tuesday.

The twice yearly index of retail forecast by credit card firm MasterCard projected shoppers in China would spend 527 billion US dollars, up 12 percent over the same period last year, the report said.

Rising disposable income is the main catalyst for the projected surge in retail spending in China where the economy grew 10.7 percent in 2006.

In Australia, consumption growth is tipped to remain steady with retail sales to rise 4.9 percent to 72.4 billion dollars while in New Zealand, the figure is expected to total 12.14

billion dollars, up 3.8 percent year-on-year.

Within Southeast Asia, retail sales in the Philippines are expected to grow at the fastest pace at 9.6 percent to 9.0 billion dollars followed by Thailand where it is seen to rise 7.0 percent to 17.49 billion dollars.

In Malaysia, retail sales should grow 6.5 percent to 10.32 billion dollars, while in Singapore it is projected to rise 5.2 percent to 11.06 billion dollars and Indonesia should see a 4.6 percent expansion to 21.04 billion dollars.

In East Asia, retail sales in Japan are expected to rise 1.25 percent to 469.04 billion dollars, in South Korea 3.4 percent to 77.62 billion dollars, in Hong Kong 3.2 percent to 13.9 billion dollars and in Taiwan 2.3 percent to 48.44 billion dollars.