

# Star BUSINESS

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## Trade info centre opens in Ctg Feb 14

STAFF CORRESPONDENT, Ctg

With a view to providing export-oriented information for the businesses in Chittagong region, Export Promotion Bureau (EPB) will open a trade information centre here in the portcity on February 14.

The centre will be set up at Chittagong Chamber of Commerce and Industry (CCCI) building in Agrabad. EPB Vice Chairman Sahab Ullah announced this while exchanging views with the leaders of the CCCI at a meeting on Thursday.

The EPB vice chairman urged the businesspeople of the region to be more active since he observed that Chittagong contributed only 20 percent to the total export despite being a hub of economic activities of the country.

He also stressed on diversification of export items to boost export volume.

CCCI President Saifuzzaman Chowdhury said the 6.5 percent GDP (gross domestic product) growth that the country achieved in the last fiscal year could be easily raised to 8 percent if the international market of Bangladeshi items could be expanded and export items could be diversified.

The CCCI president also emphasised initiatives for drawing foreign investment in the backward linkage industries to help the import-based export sector.

The CCCI leaders at the meeting underscored the need for handing over the operational activities of Chittagong airport to private sector and increasing export in the seven neighbouring states of India.

## Pizza Pooch greets kids at Ctg Pizza Hut

STAFF CORRESPONDENT, Ctg

Pizza Hut yesterday launched 'Pizza Pooch Birthday Party', a programme tailored for kids, at its Chittagong outlet.

The theme of the party is based on a story with characters such as Pizza Pooch, Hut Mutts and the Cat. Pizza Pooch is the clear leader and the Cat is clear villain in this story. Their ongoing battle, portrayed in the story, dramatises their love and craving for pizza.

Customers can book the programme throughout the week for Tk 350 to Tk 400 per child. The party timing is 3:00pm to 5:00pm. The decorated atmosphere of the party at the GEC intersection outlet provides the kids with invitation cards, nametags and party hats/gifts for all children.

The package also includes two games for the children, prizes for winners and special gifts.

Pizza Hut, the international chain restaurant, opened its flagship restaurant in Dhaka in December, 2003. The pizza chain leader has over 12,000 outlets across 100 countries around the globe. After its success in Dhaka, the Chittagong outlet was inaugurated in 2005.

## WEEKLY ROUNDUP

# DSE turnover up 45.16pc

STAR BUSINESS REPORT

The overall turnover on the Dhaka Stock Exchange (DSE) increased by 45.16 percent last week.

The turnover reached Tk 706.10 crore against Tk 486.43 crore the previous week. Rising by 16.13 percent, the daily average turnover in the week hit Tk 141.22 crore, which was Tk 121.60 crore the previous week.

On February 5, the turnover recorded the all time high of Tk 159.20 crore.

Market analysts said the daily turnover will rise further in near future when Shahjalal Islami Bank will make its debut on the bourses.

The bank has already completed its subscription process to raise around Tk 94 crore from the stock market through initial public offering (IPO). Shahjalal Bank offered the largest banking sector IPO in the stock market.

On a week-on-week basis, the benchmark DSE General Index ended the week at 1854.91 points, up by 28.33 points or 1.55 percent over its close previous week, while

the DSE All Share Price Index, which includes all categories shares on the premier bourse, rose by 5.05 points or 0.34 percent, closing at 1500.52 points on the last trading day.

Out of 263 issues, 238 were traded and of them 75 gained and 156 made losses with seven remained unchanged.

On the DSE last week, the total transactions rose by 25.03 percent. A total of 119,976,834 shares were traded on the bourse, while 95,955,077 shares changed hands the previous week.

The top ten turnover leaders of the week were Brac Bank, Rupali Bank, Pubali Bank, Grameen Mutual Fund One, Bextex, AIMS First Mutual Fund, Jamuna Bank, PGCB, Southeast Bank and Lafarge Surma Cement.

Brac Bank topped the turnover list with 368,450 shares worth Tk 22.47 crore.

At the end of week, the market capitalisation on the DSE stood at Tk 38,037 crore while the capitalisation on the CSE stood at Tk 30,724 crore.

Meanwhile, price indices closed

mixed on the Chittagong Stock Exchange (CSE) last week.

At the end of the week, closing at 4162.21 points the CSE All Share Price Index dropped by 1.2025 percent while the CSE Selective Categories Index marginally gained by 0.05 percent finishing the last trading day at 2751.81 points.

A total of 26,300,371 shares of 137 issues worth Tk 133.40 crore were traded. Of the issues traded, 32 advanced, 93 declined and 12 remain unchanged.

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## Corporate Bazaar kicks off today

STAR BUSINESS REPORT

In a bid to showcase all types of products and services necessary for running a business, a three-day exhibition of corporate houses begins today at Bangladesh-China Friendship Conference Centre in Dhaka.

The second version of the show styled 'Corporate Bazaar-2007' will provide corporate solutions for local and multi national business houses, Russell T Ahmed, convener of the fair, said at a press conference in Dhaka on Thursday.

Global Online Services Ltd (GOSL), a local corporate internet service provider, is the organiser of the exhibition where a total of 49 organisations from different industries will showcase their corporate packages, said T Ahmed, also chief operating officer of GOSL.

Corporate Bazaar is a market-place for corporate solutions such as products and services necessary for a business house, he said.

He also said the exhibition is exclusively for business leaders, entrepreneurs, managers, executives and those who belong to the business community and influence decision-making.

Telecommunications and IT companies, banks, airlines, office equipment manufacturers and distributors, advertising firms, security service providing companies, hospitals, electronics firms and power supply companies, among others, are participating in the show.

Besides, SouthAsia Enterprise Development Facility (SEDF) will set up an RMG corner where 14 companies involved with readymade garment industry will exhibit their products and services.

Showing their business cards visitors can enter the fair, which will remain open only to corporate visitors from 10am to 9pm. Industries Adviser Geeteara Safiya Choudhury is expected to inaugurate the show.

## Nokia's new nationwide distribution network launched

Nokia Bangladesh launched its new distribution network at a function in Dhaka yesterday with the aim of 'connecting partners.'

The entire Nokia team along with three authorised distributors -- CMPL, Excel, and GTC-- and territory distributors formally got inducted into the Nokia global family, says a press release.

Addressing the function, Prem Chand, general manager of Emerging Asia, said Nokia's vision of moving towards a world where everyone can be connected and where Nokia takes a very human approach to technology.

This event was accompanied by a display of innovative Nokia devices from the N-series, E-series to a wide array of new phone models that are to be introduced to the Bangladesh market.

# India to privatise state-run power companies

PALLAB BHATTACHARYA, New Delhi

Notwithstanding reservations by Left parties, which provide it with key outside support, the Indian government revived its plan to privatise three key state-owned power-generating companies to raise money for National Investment Fund for social sector projects.

A meeting of the Indian cabinet on Thursday decided to ride piggyback on initial public offerings (IPOs) of Rural Electrification Corporation, Power Grid Corporation of India and National

Hydroelectric Power Corporation to raise Rs1500 crore to mobilise fund, Finance Minister Palaniappan Chidambaram told reporters here.

The government had in July last year put on the backburner a plan to disinvest two key public sector undertakings following strong objections from Left parties and trade unions controlled by them.

Asked if riding piggyback of IPOs of the three state-owned power companies would be seen as revival of the privatisation programme, a key economic reform measure, Chidambaram said 'this is not stand-alone disinvestments'.

He said External Affairs Minister

Pranab Mukherjee had discussed with the leaders of CPI (M) the issue of disinvestments of the three power corporations, riding on a portion of the money derived from their IPOs.

However, CPI (M) General Secretary Prakash Karat said Thursday the move was 'uncalled for' and asked the government to halt the process.

Chidambaram said if the disinvestment through IPO route goes through, it would not amount to total privatisation and only the government's holdings in the three power companies would come down.

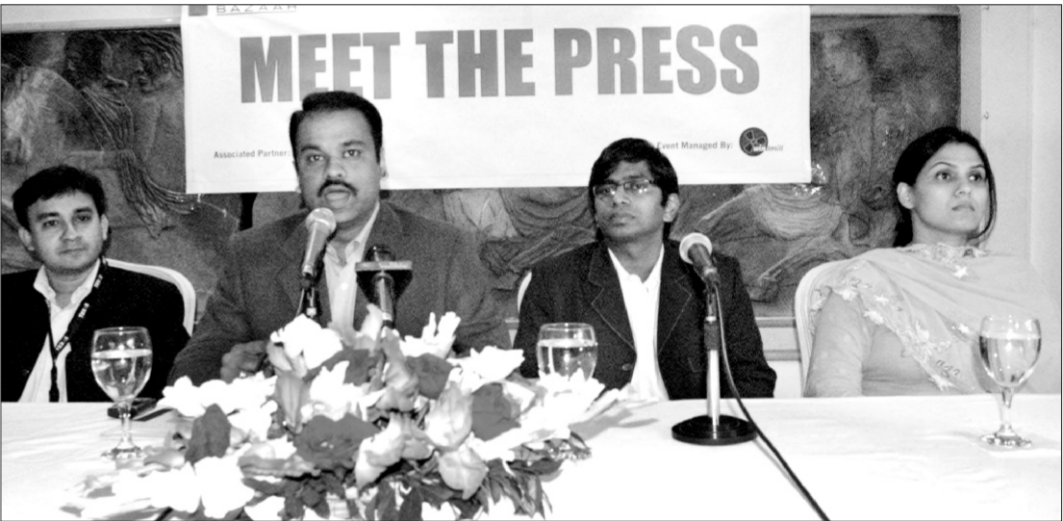


PHOTO: STAR

Russell T Ahmed, convener of 'Corporate Bazaar-2007' speaks at a press conference in Dhaka on Thursday on the eve of the three-day show of corporate houses that begins in the capital today.

## China textile products losing competitiveness

AFP, Beijing

Textile products from China are losing competitiveness as export tax rebates are being lowered and the currency is gradually rising, state media reported Friday.

The whole industry will lose strength in overseas markets if the yuan rises too much, the Beijing Morning Post said, citing a statement from the National Development and Reform Commission, the top planning agency.

A growing number of anti-dumping cases against Chinese

textiles filed by trading partners also makes conditions tougher for the industry, the statement said.

It said the average profit margin of the textile sector was under 3.7 percent, or about two thirds of the average national industrial profit margin.

Analysts say domestic markets will become more important for Chinese textiles as the export environment deteriorates, according to the Beijing newspaper.

Profits in the textile industry totalled 88.3 billion yuan (11.4 billion dollars) in 2006, the statement said.

## Emirates to fly to Houston

Emirates, one of the world's fastest-growing international airlines, is set to launch services to Houston, Texas - its second destination in the United States starting 3rd December 2007, says a press release.

The non-stop service between Dubai and Houston will initially operate three times a week, increasing to a daily service from 1st February 2008. Emirates will fly its new

Boeing 777-200LR on the route, offering 266 seats in a three-class configuration and up to 18 tonnes of cargo capacity.

# Crackdown on trading houses: Shift to quality or supply crisis?

MAMUN RASHID

There has been a lot of uproar about hoarding of commodities by a group of 'trade syndicate' in recent times. Allegations run around that this trade syndicate, by manipulating supply and availability of various commodities, has kept the prices of essentials artificially high. Law enforcing agencies have raided a number of warehouses and found evidence of hoarding. It has been reported that these unscrupulous importers were not only hoarding, but also selling adulterated, rotten and low quality food items. Indeed, words are not enough to criticize manipulation of commodity prices as well as the unethical practices of selling commodities. We all are worried about the situation and have whole-heartedly supported the caretaker government's crackdown on the responsible trading houses.

While we all understand the situation, we must be aware of some issues which are very important for the economy and the consumers. Crackdown on trading houses has caused panic among the business community and the import of essential commodities has stalled or decreased significantly. It was even heard that at present there are only 3

weeks' stock of soybean oil available in the country. Here, we must be extremely cautious that the whole process does not dissuade honest businessmen and traders from carrying out normal business activities. Otherwise it will create supply shortages in the market in the short run and will also have far reaching impact in the long run. Supply scarcity may take the price level to abnormal high and dishonest businessmen will take this opportunity further to make unlawful gain. The consumers and the general public will suffer mostly from this disaster. Not only so, it will impact the banks and financial sector as most of these imports have been financed by the commercial banks. Also, when importers will shy away from their trading activities, money circulation in the economy would slowdown, resulting in reduced economic activities. All of this will put serious dent on our revenue collection as well as GDP growth prospects.

It should be emphasised that there cannot be any compromise with the dishonest businessmen who have been found guilty of hoarding and selling adulterated food items. They have to be taken to task and must be given exemplary punishment. The crackdown of warehouses has brought a process of accountability, which was not there

previously and there was hardly anybody to look after the interest of consumers and general public. However, my concern here is we have to make sure that the whole accountability process must not create obstacle for the honest businessmen to continue their normal business activities. The crackdown and raids will have to continue, but at the same time positive steps have to be taken to reassure the business community to continue to do uninterrupted business. The whole accountability process has to be established where, no one can be above the law and the criminals have to be punished and the honest businesspeople have to be incentivised.

In this connection, let us draw your attention to another important issue. It has been noticed in various forums that an effort is being made to exaggerate the actual impact of the rise in price level. One should not fail to ignore the fact that during the last 3/4 years price hike of commodities have also been fueled by tremendous rise in international prices. These commodities are being imported and distributed by business houses who have to add up their margins in order to sustain. Through the efforts of all these

stakeholders, a commodity is being made available to the consumer and without the effort of all of them the entire economic activity would not have taken place. By ignoring the effect of international price rise and the efforts of various distribution agents, many economists are portraying an unreal level where the price of a commodity should be. This false hope is not only irresponsible, but also dangerous. To bring down the prices of the commodities to an unreal level, the government either has to give subsidy or create an excess-supply situation. We must realise that, we are practicing market economy and the market price would have to be determined through consumer choices. Government should focus more on the mechanism through which the price is determined rather than the price itself. It should focus on whether there are enough market players to weed out any possibility of monopoly or curtail who could artificially manipulate the price. It should also focus on various stakeholders on the entire value chain to make sure that they are adequately compensated for their effort. Without strong stakeholders in the entire value chain, the process of eco-

nomie activity will fall apart. Irresponsible comments not backed by proper homework can create 'popularity value' not the 'market or economic value'.

In Bangladesh, we have been seriously practicing market economy only for the last two decades. We have a general misconception that open market economy suggests independence from everything and accountability towards none. From this misconception, our private sector has grown without the supervision of any credible institutions. The situation has also been complicated by the patronage of political ill motives. The current effort of the government to crack down on the illegal trading activities is a beginning of the process for bringing accountability. But we must remember that the overall objective of the process of accountability is not to curtail economic activities, but to develop it further, more equitably. That is why this process must make sure that business activities can continue to grow, honest businessmen can become more active and dishonest ones are adequately punished.

The writer is a banker