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DSE General Index incurs record single day loss

STAR BUSINESS REPORT

The general index of Dhaka Stock Exchange (DSE) yesterday plummeted by 92 points or 3 percent, the largest single day drop since 2001.

Starting the trading hours with 2971.11 points, the DSE General Index, also the benchmark index of the premier bourse, went down to 2849.92 points with a 121.19-point drop at one stage before closing the day at 2878.74 points.

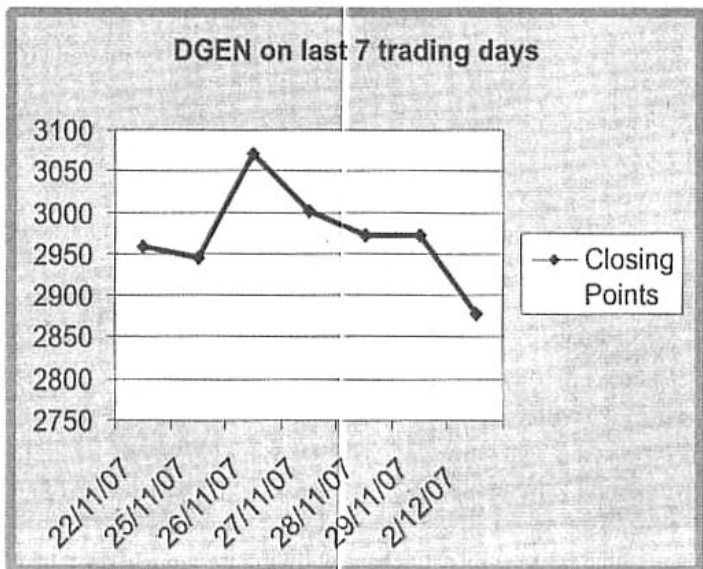
Market insiders said selling pressure from the institutional investors especially the brokerage houses forced the market to start the morning trade with a steep fall.

They said the brokerage houses are unhappy with the Securities and Exchange Commission's (SEC) move on continuing ban on lending by the brokerage houses to the investors for purchasing shares, while the SEC lifted the ban last week on merchant banks lending.

They said the general investors, especially who entered the market during a whopping rise of the scrips, have also become frustrated due to the intervention by the SEC to cool the market as many analysts were warning that the market is overheated.

The investors also got afraid with the SEC's warning that it would take hard measures if the indices continue to rise that could lead the market towards a possible collapse, the market people said.

However, earlier in last week the DSE general index jumped by 127



points or 4.31 percent, the largest single day rise since the introduction of the general index. The DSE introduced the general index on November 27, 2001 with a base of 817.62 points. The index, which excludes companies of 'Z' category, is calculated on the basis of price movement of individual stocks under 'A', 'B', 'G' and 'N' categories.

Along with the general index, the DSE All Share Price Index also dropped by 77.4 points, or 3 percent, to close at 2433.92 points.

Of the issues traded on the bourse, only 16 advanced, while 181 declined and 11 remained unchanged. A total of 8,429,980 shares and bonds worth Tk 135.19

crore changed hands. On the Chittagong Stock Exchange (CSE), all the indices went down yesterday with the losers outnumbering the gainers.

The CSE Selective Categories Index fell by 133.34 points, or 2.75 percent, finishing the day at 4715.6 points, while the CSE All Share Price Index dropped by 218.82 points or 2.87 percent, ending the day at 7390.41 points.

Of the issues traded, only five advanced with 90 declined and six unchanged. A total of 2,000,757 shares and bonds worth Tk 22.30 crore changed hands on the port city bourse.

Tax returns moderate as deadline finally expires

STAR BUSINESS REPORT

The deadline for submission of tax returns expired yesterday with a moderate response from taxpayers.

All the circle offices of the National Board of Revenue (NBR) and banks remained open until 8 at night to accommodate the taxpayers intending to avail the last moment chance for such submission.

However, the office did not experience any rush or long queue.

NBR sources said the revenue from income tax would cross Tk 600 crore mark this year although the number of the taxpayers did not mark a significant rise compared to the previous year.

The board will calculate today the actual number of taxpayers and the amount of tax collected.

Until November 27, the NBR received around 4.5 lakh income tax returns with Tk 580 crore revenue.

It earned Tk 252 crore revenue in income tax from around 5.35 lakh taxpayers last year.

Expecting a considerable rise in submission of tax returns on the current anti-graft and anti-tax evasion drive, the NBR extended the deadline three consecutive times from September 30 to December 2.

The board first extended the deadline from September 30 to October 31, but it could not generate any significant response as only 226,993 taxpayers submitted their returns by October 25.

NBR Chairman Muhammad Abdul Mazid, however, sees the amount of revenue in income tax satisfactory in comparison with that in the previous year.

Currently, the country has about 20 lakh registered taxpayers who are duty-bound to submit their returns, according to the tax law.

BPC signs MoU with Katalyst to study shrimp industry issues

Business Promotion Council (BPC), an undertaking of the Ministry of Commerce responsible for the task of export diversification through capacity building, entered into an MoU with Katalyst yesterday, says a press release.

Under the memorandum of understanding, a study will be conducted to identify problems associated with compliance and standards in respect of labour issues in the shrimp industry value chain.

In presence of Commerce Secretary Feroz Ahmed, BPC Coordinator Md Ghulam Hussain and Katalyst General Manager Peter Roggekamp signed the MoU on behalf of their respective sides.

Syed Mahmudul Huq, president, Bangladesh Shrimp and Fish Foundation, Kazi Belayet Hossain, president, Bangladesh Frozen Food Exporters Association and industry leaders were present at the MoU signing ceremony.

IMF warns Sri Lanka on debt

AFP, Colombo

Sri Lanka plans to raise more money from overseas investors, officials said despite the International Monetary Fund warning that the island could be heading for a foreign debt crisis.

Sri Lanka's Central Bank said Sunday it had lifted the ceiling on foreign holdings of government rupee bonds, allowing overseas investors to buy into more than 500 million dollars worth of new debt.

Bangladeshi porcelain wins prestige in European stores

SUMON SALAH UDDIN

Two Norwegian designers have launched a new range of exclusive porcelain in Europe, manufacturing and decorating the plates, vases and bowls in Bangladesh.

The items produced at the Shinepukur Ceramics factory in Gazipur are on sale in Oslo, London and other European capitals, and have already featured in several European design magazines.

Designers Linda Svedal Walsøe and Ragnhild Wik had very little knowledge about Bangladesh before they decided to start their new venture.

In a mail from Oslo, Ragnhild said: "My companion Linda had never visited Bangladesh before we started our design company wiksalsøe last autumn although I had some experience of working with Bangladesh's Shinepukur back in 2001."

"From my experience I knew the quality of made-in-Bangladesh products in fine porcelain and bone china was the very best. Bangladesh has a long tradition of handicrafts and the people are very skilled and interested in colours and shape, and enjoy creating new and beautiful things," she added.

"Our first thought was to make a full design collection based on metal, textile, porcelain and leather products but after a sourcing process during our first visit we found that we wanted to focus on porcelain design only," she said.

Linda and Ragnhild launched their first collection in the Norwegian market in August this year and are now selling in shops all over the country. The porcelain collections were also launched in London last week.

The designs are inspired by Norwegian nature and folklore. One range features winter trees without leaves, another elves,

small mythical beings, symbolizing dreams.

Porcelain, which is a very difficult material to work with, needs high craftsmanship on an industrial scale.

"Everyone at the factory is willing to listen to us as designers and try out our new ideas. They are very interested in cooperation, development, learning and trying our new things," Ragnhild said.

"Our experience so far has been very positive. Most important of all, we like the people of Bangladesh and we feel very welcome."

On the future plans, she said, "Our first goal is to expand and sell our designs in Scandinavia and the rest of Europe and hopefully we will sell worldwide in the future."

Ragnhild said she hopes the project will contribute to employment, skill development and economic growth in Bangladesh.

Md Ashek Alam, Shinepukur's head of international marketing, said the company welcomes new designers like Linda and Ragnhild.

"We always welcome new designers and offer them good support to realise their creative ideas through custom made products like porcelain," he said, adding that the company is making a new initiative to attract quality designers as part of its international marketing policy.

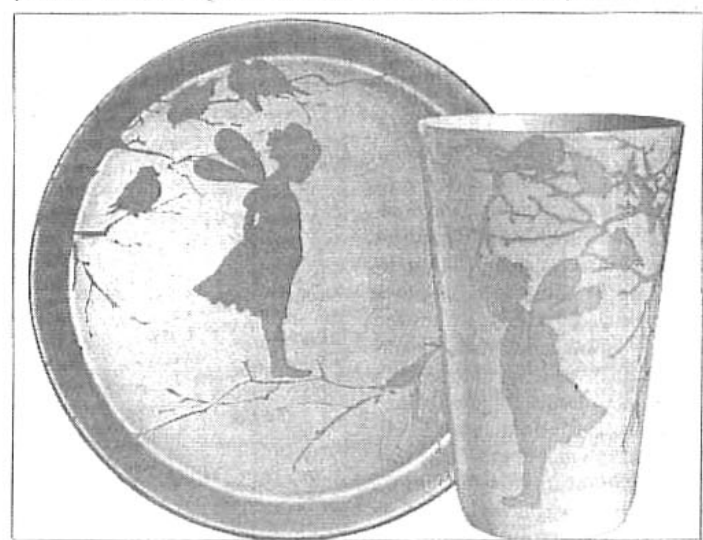
Shinepukur has been exporting ceramic products since 2000 and now counts brands such as Royal Doulton as its customers. Producing ceramics is labour intensive and foreign customers are attracted by low labour costs and skilled workers.

In 2007 exports of ceramics reached more than 30 million US dollars, up from around nine million dollars in 2000, Ashek said.

"Although quality designers often order small quantities, we don't mind since we get interna-



Designers Ragnhild Wik and Linda Svedal Walsøe, whose fashionable porcelain has recently been launched in several European capitals.



Elfin porcelain, one of the ranges produced by Shinepukur in Gazipur. According to the designers, the elves symbolize dreams and hope. In Norway, the plate retails for around US\$145, the vase around \$90.

tional exposure though quality and trendy products," he added.

Shinepukur Ceramics is also

taking various measures to train their own designers at world-class institutions.



Izzet Akyol (R), an RMG importer from Turkey, inquires about new product ranges of a Bangladeshi knitwear manufacturer exhibiting at the 'Knitexpo-2007' in Dhaka yesterday.

Knitwear expo attracts buyers

STAR BUSINESS REPORT

The knitwear exposition in Dhaka on its first day yesterday attracted a large number of local and foreign buyers, specially interested in Bangladesh's growing expertise in non-cotton items.

The buyers found that the usual cotton based industry had changed production patterns as well as designs in line with global demand.

"Bangladesh now does not confine itself merely to basic items. You can also find the latest, well-designed items," said Fazlul Haque, president of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA).

He also pointed to the fact that makers now look to 'active wears' like synthetic and polyester items as global demand for such wears is higher than cotton items.

"We are importing raw materials from China, whatever we need. We have heard about Bangladesh's variety of knit fabric and therefore come here to know what actually it does," said Stephan F Blanc, managing director of United Surgical Ltd, an export oriented foreign company in Dhaka.

Among the 51 companies attending the fair, 29 are displaying basic knitwear, 6 sweaters, 7 machineries, 3 accessories, 5 spinners, while the rest one is Prime Bank, major sponsor of the fair.

Pointing to the recent increased

demand for variety products in the global market, M Rahman Chowdhury, director of Defoin, a local printing company, said, "We did metal printing few years ago, but now the demand for screen print has been raised significantly."

According to Chowdhury, Bangladesh's designs in garment, especially knitwear, is really unique.

"We are now able to cater to the buyers' requirements," he said.

Around 1500 knitwear units are operating in Bangladesh, who contribute 39 percent to the total exports.

The BKMEA president said he is very much hopeful of significant response from buyers as some new buyers flocked to the fair this time.

STAR BUSINESS REPORT

BIDS Golden Jubilee Celebration

Economists for research-based policies to spur growth

Job-intensive growth needed

STAR BUSINESS REPORT

A strong linkage between research and formulation of development policies is needed to spur Bangladesh's economic development, economists told a conference in Dhaka yesterday.

The economists also said political influence not research has overshadowed policy formulation processes since the country's independence.

Chief economist of Bangladesh Bank Dr M K Mujeri said research based policies will steer the economy to reduce poverty.

The Bangladesh Institute of Development Studies (BIDS) organised two-day conference to mark its golden jubilee. Academics from home and abroad presented their keynote papers. The Daily Star is the media partner of the event.

Senior fellow of the BIDS M Syeduzzaman chaired a session on development challenges for Bangladesh.

Mujeri said adoption of research based development policies could act as a catalyst in poverty reduction.

Presenting a paper titled 'Research-Policy Links: An Analysis of Institutional Issues in Macroeconomic Policy Making in Bangladesh', Mujeri also underscored the need for effective imple-



PHOTO: STAR

ment of suggestions of researches. Mujeri lauded the performances of BIDS, Centre for Policy Dialogue (CPD) and other organisations for their contributions to researches for formulating development policies.

Consultant of the World Bank Zaidi Sattar presented a paper titled 'From Protection to Liberalisation: The Saga of Bangladesh Trade Policy'.

Advocating liberal trade policies for the economic development of the country, Sattar said Bangladesh is a 'living proof' that

trade liberalisation works.

"The tremendous success of the ready-made garment sector is not just because of Multi-fibre Arrangement (MFA), but because that sector was given the facility of a free trade regime (through duty-free imports of inputs) in an otherwise highly restrictive import regime," Sattar said.

Commenting on the keynote papers, Professor of University of Massachusetts Arthur MacEwan said research is closely connected with policy, but policy is primarily determined by power, not by research.

Economists at a seminar yesterday called for establishment of employment-intensive industrial growth.

They also stressed the need for establishing well-functioning institutions to design and implement economic policies.

"Ensuring an egalitarian income distribution will prove more difficult as is shown by the experience of the contemporary imitators of the East Asian model. But here one can design policies to limit inequality by emphasizing employment-intensive industrial growth," said AR Khan, professor emeritus of University of California at a conference in Dhaka.

Khan also recommended for well-functioning institutions for these tasks to be carried out.

Khan's remark came at a technical session of the two-day international conference on Development Prospects of Bangladesh: Emerging Challenges at Dhaka Sheraton Hotel.

Bangladesh Institute of Development Studies (BIDS) organised the conference to mark its golden jubilee.

Dhaka University Professor Wahiduddin Mahmud chaired the session.

Dr Just Faaland of Norway based research organisation Chr. Michelsen Institute and Dr Rizwanul Islam, special adviser on Growth, Employment and Poverty Reduction at International Labour Organisation, also presented papers.

WTO wants end to most fishing subsidies

AFP, Geneva

The World Trade Organisation on Friday proposed the elimination of most subsidies for the fishing industry in a compromise package submitted to the global body's 151 members.

The text, presented by Guillermo Valles Galmes, chair of the WTO's negotiating group on rules, proposes the scrapping of all subsidies for the acquisition, construction, repair or renewal of fishing vessels.

It also calls for the end of subsidies towards the operating costs of

fishing fleets such as licence fees, or fuel purchases as is currently the case in the European Union.

Port infrastructure subsidies are also scheduled for the chop along with aid to wild marine life fishing. Environmental lobby group Oceana estimates that world fishing fleets are kept afloat by subsidies amounting to between 30-34 billion dollars (20-23 billion euro) a year.

Oceana welcomed the WTO's proposals on Friday, saying that if adopted they would amount to a "hands-down win for the environment."

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