Star Business

DHAKA WEDNESDAY FEBRUARY 27, 2008

Stocks

DGEN	2814.61	0.61%
CSCX	4649.70	0.50%

Asian Markets

MUMBAI	17,806.19	0.88%
TOKYO	13,824.72	0.65%
SINGAPORE	3,077.83	0.42%
SANGHAI	4,238.18	1.09%

SOURCE: AFP

Currencies

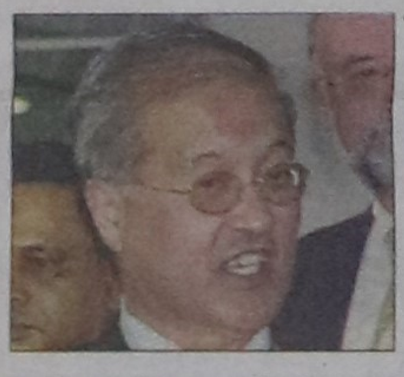
	Buy TK.	Sell TK.
USD	68.05	69.05
EUR	99.67	104.06
GBP	132.16	137.17
JPY	0.63	0.66

SOURCE: STANDARD CHARTERED

More News

Bangladesh to lose jute export market

Bangladesh is going to lose export markets of jute-made



sacks and bags to India and China, which are coming up faster to share Bangladesh's monopoly market, industry people said.

B-3

FDI comes with clear future

Only a clear political future will encourage increased foreign investment in Bangladesh, according to Kihak Sung, one of the country's largest foreign investors.

B-4

International

Indian Railways posts record $6.3b budget

Indian Railways posted a record 6.3-billion-dollar surplus on Tuesday. The railway budget for the fiscal year to March 2009 is seen as a harbinger of the national budget.

B-4

Visa unveils largest IPO bid

The world's largest electronic payment processor Visa said it was planning an initial public offering (IPO) aimed at raising a hefty 18.8 billion dollars.

B-2

Bangla Biz Lexicon

Maund-a unit of weight used in Bangladesh and other countries in South Asia which is equal to just over 37 kg/82 lb.

Contact Us

If you have views on Star Business or news about business in Bangladesh, please email us at business@thedailystar.net

Multinationals to be asked to list on stock markets

Issue to be raised on company boards

JASIM UDDIN KHAN

The government will ask all multinational companies in Bangladesh where it is a part owner to list on the country's stock exchanges in an effort to increase the number of quality shares available to local investors.

The government will also ask the already listed multinational companies where it is a shareholder to increase the percentage of their stock which is traded on the country's bourses.

The proposals will be placed at the concerned boards of those companies through the government's representatives.

The companies involved include some of Bangladesh's well-known firms -- Unilever Bangladesh Ltd, British American Tobacco Company, Industrial Promotion Development Corporation and Fisons (Bangladesh) Ltd.

An inter-ministerial meeting with Finance Adviser Mirza Azizul Islam yesterday directed the matter to the industries ministry.

Company name	Government share
Fisons (Bangladesh) Ltd.	51%
Organon Bangladesh Ltdt	12.92%
British American Tobacco Company	0.64%
Hoechst Bangladesh Ltd.	48%
Industrial Promotion Development Corporation (IPDC)	28.24%
Mirpur Ceramics Works Ltd.	20%
Reckitt Benckiser Bangladesh Ltd.	3.79%
Unilever Bangladesh Ltd	39.25%

The meeting also decided to offload 25 percent of government stakes in four state-owned companies and asked for a report from industries ministry about offloading shares in a further 27 state-owned companies by June this year. "The government is not able to offload shares in these multinational private limited companies unilaterally as the government owns minimum amount of shares. Such companies like Fisons or Organon will be asked to discuss the issues in their respective boards through their local representatives," Finance Adviser Mirza Azizul Islam said.

Earlier, the industries ministry sought Securities and Exchange Commission (SEC) opinion on offloading 10 percent (five percent held by the government and five percent held by the company) shares in Unilever Bangladesh Ltd. The decision is yet to come from the SEC.

25 percent government stakes in another four companies-- Osmania Glass Sheet Factory Ltd, Atlash Bangladesh Ltd, National Tubes Ltd and Estern Cables Ltd -- will be offloaded by May this year. The government will release these shares on the Dhaka and Chittagong stock exchanges by direct listing.

Moreover, the government will offload 50 percent shares in 12 states-owned engineering and fertilizer companies by June this year. These companies are public limited but not listed with the stock markets.

The companies are TSP Complex, Karnaphuli Paper Mills , Bangladesh Insulator and Sanitary ware Factory, Chittagong Urea fertilizer, Jamuna Fertilizer Co, Zia Fertilizer Co, Urea Fertilizer Factory, Natural Gas Fertilizer Factory, Polash Urea Fertilizer Factory, Chhatak Cement Factory, Progati Industries and Chittagong Dry Dock.

"The government will examine pros and cons ... and will offload shares by June this year. The government may require devaluation of assets of these companies before going to the market," Mirza Aziz said.

About offloading of shares in loss making sugar mills the government has formed a committee comprising officials from Investment Corporation of Bangladesh (ICB), Securities and Exchange Commission (SEC) and the industries ministry. The committee will submit report by June 30 next.

The government will later take decision about the loss making sugar mills in a case-to-case basis.

Govt considering inclusion of women on NCB boards

Says finance adviser

STAR BUSINESS REPORT

The government is considering inclusion of women on the boards of directors of nationalised commercial banks (NCBs) to ease the loan process for women entrepreneurs, Finance Adviser Mirza Azizul Islam has said.

"Banks should disburse collateral-free loan for the women entrepreneurs to ensure economic growth," he told a seminar in Dhaka yesterday.

Bangladesh Women Chamber of Commerce and Industry (BWCCI) and Center for International Private Enterprise jointly organised the seminar on Bringing Women Entrepreneur in Policy Focus for Development in Bangladesh at the National Press Club.

In her keynote paper, Dr Rita Afsar, senior research fellow of Bangladesh Institute of Development Studies, shows that in Bangladesh at least eight thousand women are involved with small and medium enterprises (SMEs).

"Nevertheless, women have to face problems in trade license, tax, insurance and most importantly in loan disbursement," said Rita.

Rita also pointed out that there is no single woman entrepreneur has received long-term bank loan for SME in recent years.

She suggested the government finalise the Gender Action Plan to help sustain the SME sector.

Dr Atiur Rahman, chairman of Unnayan Onnesan, recommended to the government to implement the central bank's advice to disburse loans at less than 10 percent interest to the women entrepreneurs.

Atiur also said SME and women entrepreneurship should be included in bank training programmes.

Selima Ahmed, president of BWCCI, demanded more gender-friendly environment to encourage women entrepreneurship.

A salesman shelves energy drink cans at his shop in Dhaka yesterday. STAR

Energy drink's fizz lifts beverage producers

SOHEL PARVEZ

Domestic beverage producers have joined the global rush to produce so called 'Energy' drinks with brands such as Royal Tiger, Speed and Big Boss capturing an increasing slice of the country's soft drink market.

Industry sources claim Energy drinks are now taking between 10 and 20 percent of a drinks market worth around Tk 650 crore a year, and are continuing to grow despite costing about twice as much as normal soft drinks.

Energy drinks are soft drinks advertised as being specifically designed to provide more energy than a typical drink. The best known international brands include Red Bull and Gatorade but these are expensive locally.

Speed and Royal Tiger cost Tk 25-30 while the cost for a single Red Bull is Tk 230-250.

Producers attributed energy drinks' increased stakes in soft drinks market to a slump in the sales of other beverages due to changes in consumers taste and erosion of purchasing capacity on price hike of essentials.

"People's awareness has increased. Consumers, especially the young generation, are showing more interests in energy drinks," said Md Khairul Anam, sales & marketing director of Globe Soft Drinks, the producer of leading brand ' Royal Tiger.'

He said the demand for energy drinks had remained stagnant till 2003. But it started to pick up later.

"We have had an average of 20 percent growth in sales since 2005," he said, " Young and adult people in urban and semi urban areas are our main consumers."

"It has no alcoholic or harmful elements. The drink contains sugar and some vitamin components," Khairul said.

The Globe official attributed the fall in the consumption of other soft drinks to the global phenomena.

"Consumers worldwide showing more interests to malted beverage, energy and sports drinks," he said.

Increased demand also encouraged some others to hit in the segment of the market following Globe's Tiger came in local market in 2001 to compete with the imported ones.

Akij Food & Beverage came up with Speed last year while Partex Beverage brought Big Boss last month.

"We always prefer to go with consumer demand. Consumers are showing more interests to have drinks with different tastes. That's why we are here," said Aktartuzzaman, marketing manager of Partex Beverage.

"We have got an excellent response in a very short time," he said.

Apurba Shaha, a consumer who prefers Royal Tiger brand, said, " I like it for its different tastes. I usually drink the energy beverage to have fun with friends."

"It energises me a bit. But I like mainly for it taste difference from other soft drinks," he said.

"Strong marketing effort of companies has helped energy drinks get popularity.We hope have got wonderful response last year," a senior official of Akij Food & Beverages said.

Sohel@thedailystar.net

Food inflation hits Cambodia's poor, threatens hunger

AFP, CHRANG CHAMRES, *Cambodia*

On the long, gently sloping bank of Cambodia's Tonle river, Doem Lao chops half a dozen large fish heads in the early morning for the one meal that her family will eat that day.

It is the 45-year-old farmer's fourth unseasonably cold dawn in this quiet Muslim neighbourhood on the outskirts of Phnom Penh, where her extended family has set up camp with others from their village in the southern province of Takeo.

Like tens of thousands of rural Cambodians, they have joined the annual migration to the river to buy enough fish to make a year's worth of prahoc, a pungent fermented paste that is the only source of protein for many in the country's impoverished rural regions.

But the rice brought they from home has nearly run out and the fish have yet to appear in the large nets strung across the river in front of their camp.

The crude bamboo and metal mesh processing stalls on the riverbank are silent -- and February is the last month of the fishing season.

A sudden drop-off in the numbers of prahoc fish has seen their price more than triple this year, up to as high as 50 US cents a kilogramme from around 12 cents, putting this most basic of Cambodian commodities out of reach for many.

While not normally a benchmark by which to measure food security, prahoc prices have highlighted the spiralling costs of staple goods that are threatening Cambodia's poorest with hunger.

"We eat prahoc every day. Last year we made so much that we could sell some or trade it for rice," Doem Lao said, sitting in a tight circle with other village women and a few young children, while their men stood further up the river bank smoking cigarettes in anticipation of another long day spent waiting.

"This year I'm not at all hopeful. Some of us have left already. We're not going to have enough prahoc. We're not even going to have enough rice," she said.

Across Asia the cost of food is rising, for a variety of reasons, from higher demand and spiking global oil prices to environmental factors like global warming which disrupt the normal agricultural cycles.

But while other regional governments have responded by cutting import tariffs or establishing national food stockpiles, Cambodia appears reluctant to step in and halt the continuing upward climb of food costs.

For poor Cambodians, this means that in addition to losing their traditional staples like prahoc, they are not able to supplement their already meagre diets with other foods, particularly meat.

"Everything now is so expensive," said another village woman, Bhum Sap, rattling off the current prices of chicken, pork and beef, which can cost as much as five dollars a kilogramme, a fortune for Cambodia's estimated 4.6 million people struggling to live on less than one dollar a day.

-- A victim of its own economic success --

Cambodia, in some ways, has become a victim of its own economic success. The country has recorded economic growth averaging 11 percent over the past three years, spurred on by a galloping tourism sector and strong garment and building industries.

A worker cuts up fish in preparation near Phnom Penh. AFP

Growing interest by foreign investors and a real estate boom that has helped create more than a few overnight millionaires have resulted in an unprecedented explosion of wealth.

But the sudden influx of cash into the fragile economy has not come without its pitfalls.

Over the past year inflation has spiked at 10.8 percent, compared with 2.8 percent at the end of 2006, driving up the cost of food and other staple goods and pushing the most vulnerable deeper into poverty.

For as many as 2.6 million people living in extreme poverty, the situation has been worsening over the last several years, which have been marked by poor harvests brought on by natural disasters such as flood or drought.

"Too many Cambodians still suffer from hunger and malnutrition for some or most of the time," the World Food Programme (WFP) said on its website.

The unrelenting rise in food costs only adds more depth to their misery.

Food inflation has even affected aid efforts at a crucial time, as aid agencies anticipate the need for more handouts in rural areas facing a leaner than normal year ahead.