

PHILIPS
sense and simplicity

LCD HD TV
42TA2800
37TA2800
32TA2800
26TA2800

TRANSCOM ELECTRONICS 8855366-8, 01712-665463

Stocks

DGEN 0.67%
3,034.61

CSCA 0.66%
4,962.80

Asian Markets

MUMBAI 1.25%
16,123.15

TOKYO 1.0%
12,658.28

SINGAPORE 0.86%
2,860.85

SHANGHAI 0.47%
4,165.88

Currencies

Buy TK. Sell TK.
USD 68.00 69.00

EUR 102.80 107.38

GBP 134.78 139.97

JPY 0.66 0.70

Commodities

Oil \$109.72 (per barrel)

SOURCE: STANDARD CHARTERED

More News

BJMC yet to recover Tk 327cr from Sudan, Iraq

The ailing Bangladesh Jute Mills Corporation has been struggling to recover about Tk 327 crore export bills from Iraq and Sudan for years. Officials of the state-run body said despite repeated attempts, Bangladesh neither got any cotton from Sudan nor oil from Iraq in exchange.

Automation of Chittagong Customs House uncertain

Uncertainty looms on the implementation of a project to automate the activities of Chittagong Customs House. The project is now caught in bureaucratic tangle despite the fact that irregularities and malpractice cause a huge amount of revenue loss to the government.

International

End of cheap China labour



Chinese workers these days have more choices than ever when hunting for jobs. Wages are being pushed up and firms' margins are being squeezed. Companies are finding it harder and harder to get people. Business might be booming in China but the workforce is shrinking.

Bangla Biz Lexicon

RMG- ready made garments are the export engine of Bangladesh accounting for around 75 percent of total export earnings. RMG is divided into two segments -- woven and knit.

Contact Us

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

Rupali Bank staff heave a sigh of relief

SAJJADUR RAHMAN

Some 3,500 employees of the state-owned Rupali Bank Ltd have breathed a sigh of relief following the cancellation of the proposed deal on sale of the bank to a Saudi prince.

The bank's future was thrown into uncertainty by its stalled privatisation with profits falling, bad loans increasing and key staff and customers deserting.

"We were in total uncertainty for about three years. Complexities are over now with the cancellation of the proposed deal," Abdul Hamid Miah, managing director of RBL told The Daily Star in his reaction.

After two years of negotiations, the government Monday cancelled the process of RBL sale to Saudi Prince Bandar Bin Mohammed Bin Abdulrahman Al-Saud because of his delay and non-responsiveness to pay the money.

Prince Bandar won the bidding in two phases to buy 93.26 percent stakes held by the government in the bank at \$458 million.

"The employees were getting frustrated and many bright young professionals who were recruited in 1998 already left the bank on the persisting uncertain situation," Abdul Hamid Miah said.

Once the redundant staff-driven state-run bank is now facing severe scarcity in manpower. The number of the employees has come down to 3,500 from 8,500 some years back.

There has been a standstill in all kinds of recruitment, promotion and new lending in the bank for about three years.

Some of the bank branches are now running with three employees including peons, Hamid Miah said, adding recruitment of manpower is urgent.

A deputy general manager of



Rupali Bank staff busy at the bank's head office in Dhaka yesterday. Employees of the state-owned Rupali Bank Ltd have breathed a sigh of relief following the cancellation of the proposed deal on sale of the bank to a Saudi prince.

the bank who has been serving here for about 36 years said he along with his colleagues are deprived of their due promotion since 2003 due to the time-consuming sale process of the bank.

"I was supposed to be promoted as a general manager, but I was denied promotion due to the bar under a memorandum of understanding between the central bank and the RBL," DGM Shah Faruk Ahmed, who will retire after 10 months, said.

Even the lower level staffs of the bank were seen delighted. Some of them expressed their gratitude to the media because they believe the journalists have played an important role

in taking the decision on RBL sale.

"We were in great tension for about three years. No organisation can run under such uncertainty," a liftman of the bank said.

The bank's managing director hoped that the central bank would withdraw its bar on giving new loans and recovery of the classified loans amounting to Tk 1,830 crore.

"Some of the big borrowers, who thought that they wouldn't need to pay their loans to the bank, now understand they have to pay," Hamid Miah said.

Some 20 big borrowers owe over 60 percent of the Tk 1,830 crore classified loans, the officials concerned said.

The shareholders of Rupali Bank also expressed their satisfaction with the cancellation of the sale of the bank.

Share prices of the bank had been witnessing ups and downs for about two years on the basis of the media reports. At one stage in November last year, the market regulator Securities and Exchange Commission halted trading of Rupali's shares.

"We're happy to hear that the trading of Rupali shares will resume shortly," Masud Parvez, a shareholder told The Daily Star.

The government decided to privatise the RBL in 2005 under a World Bank-funded bank modernisation project.

After road shows in Dubai, Singapore, Kuala Lumpur, Delhi and London in 2005 and 2006, the Privatisation commission in 2006 floated tender for sale of the bank. Some 10 bidders were short-listed. Of them, Prince Bandar won the bidding at his offered price of \$330 million for 67.26 percent shares of the bank. Later, the Prince was awarded the remaining 26 percent government-held stakes at \$128 million in 2007.

Since then, the Prince was making dilly-dally to take over the bank and recently he offered \$185 million instead of his earlier offer worth \$458 million, which many said unwanted.

Poor governance 'hurting Southeast Asian economies'

ANN/THE STRAITS TIMES

Poor governance in South-east Asian countries is a serious problem that is hurting the economies, a prominent Hong Kong businessman said Monday.

Ronnie C Chan of the Hang Lung Group, a property conglomerate, noted that business people weighed the opportunities and risks of any business environment and acted accordingly.

And if government leaders did not set rules well, then "the environment will not be conducive to sustainable growth", he said, citing as examples Thailand and Malaysia which were hit hard by the financial crisis of 1997.

He was speaking at a dialogue organised jointly by entertainment cable channel AXN Asia and the Singapore Institute of International Affairs.

Chan suggested that business people take the initiative to get governments to regulate the business community better.

Elaborating later at an interview with The Straits Times, he said: "All the countries in this part of the world-with, perhaps, the exception of Singapore-have corruption problems, efficiency problems, policy coordination problems, alot of issues."

"How do you grow economically and compete in this day and age when you have a lot of drags on the economy?"

Another participant, Asean Secretary General Surin Pitsuwan, indicated he did not think that the situation was dire, noting that the region has had a good track record of phenomenal growth in the past three decades.

Public governance and the regional business environment were among issues discussed under the theme of 'Rising Asia - The Next 10 Years'.

Monday's event-part of AXN's 10th anniversary celebration-included recognition of 10 prominent personalities as 'icons of Asia', based on their

contribution to the region.

Among them were Chan; AirAsia group CEO Tony Fernandes; Indian IT firm Infosys Technologies chairman and chief mentor Narayana Murthy; Surin; Indonesian Finance Minister Sri Mulyani Indrawati; and Hyflux group CEO and president Olivia Lum.

AFP from Beijing adds: In an effort to streamline the government and fight corruption, China announced Tuesday it would set up five new 'super ministries'.

Cabinet secretary general Hua Jianmin told parliament that the changes were necessary to make the government more efficient and to curb abuse of power. "Public administration and public services are still weak," Hua said. "The phenomena of misuse of authority, abusing power for personal gains and corruption still exist."

Hua said the problems of overlapping responsibilities and low efficiency within the government remained "quite serious", while some areas of the bureaucracy were not being adequately supervised.

The five new ministries will be: the Ministry of Industry and Information, the Ministry of Human Resources and Social Security, the Ministry of Environmental Protection, the Ministry of Housing and Urban-Rural Construction, and the Ministry of Transport.

A National Bureau of Energy will also be set up to oversee energy policy across all ministries.

In an effort to improve macro-economic policies, the government will establish a body to co-ordinate between the central bank, finance ministry and the main economic planning body.

Under the new system, China's cabinet, or State Council, will have 27 ministries and commissions, one less than before. No timeline was given for when the reformed cabinet would come into effect.

Tk100cr 2nd NRB mutual fund gets SEC nod

STAR BUSINESS REPORT

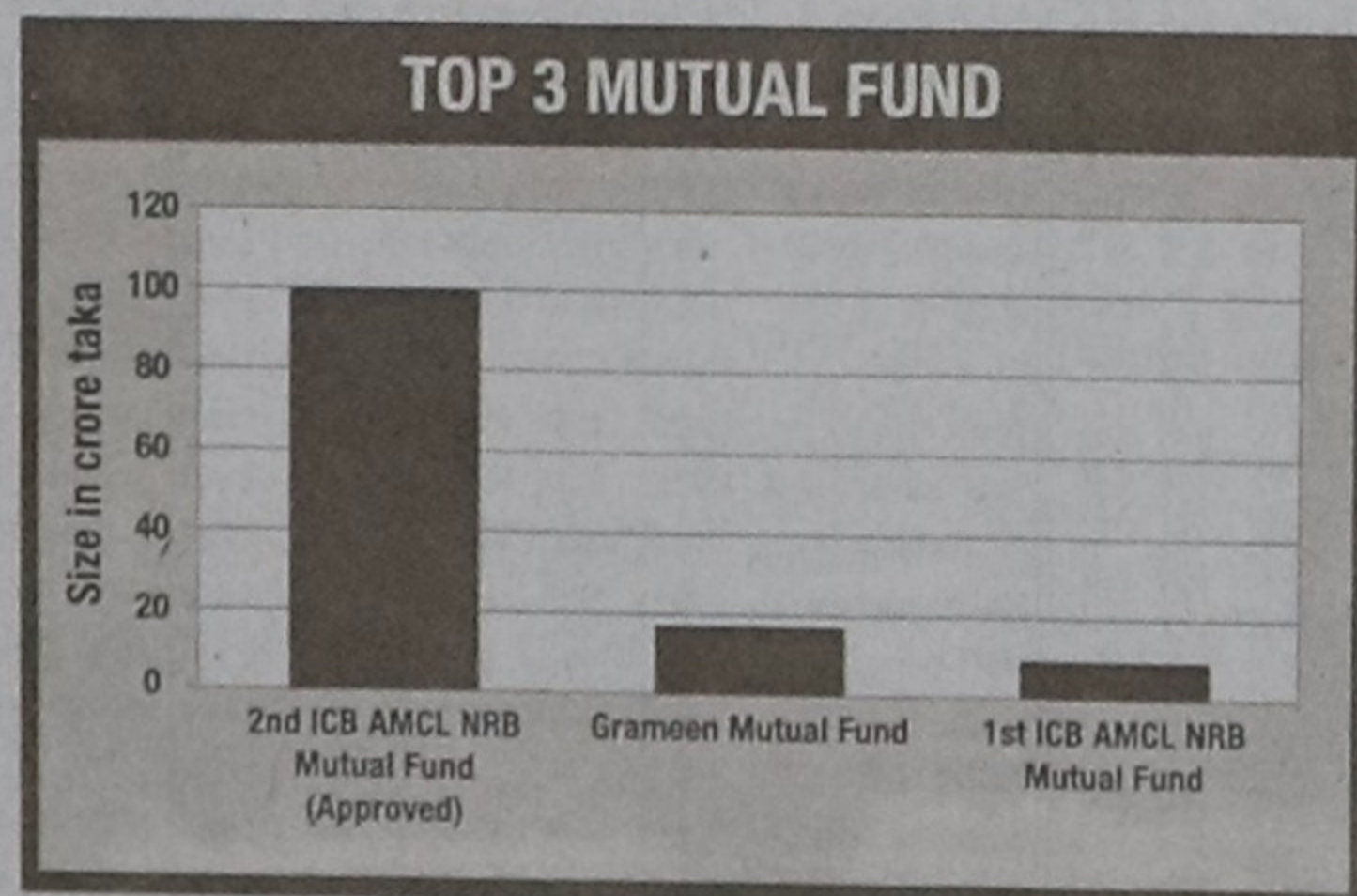
The Securities and Exchange Commission (SEC) yesterday approved the IPO (initial public offering) prospectus of a Tk100 crore mutual fund for non-resident Bangladeshis (NRBs) styled '2nd ICB AMCL NRB Mutual Fund', the biggest-ever mutual fund.

The approval came at a meeting of the stock market regulator in Dhaka, SEC officials said.

The officials said of the Tk100 crore, Tk60 crore will be reserved for NRBs, while Tk10 crore for sponsors, Tk10 crore for mutual funds and Tk20 crore for general investors.

The ICB (Investment Corporation of Bangladesh) Asset Management Company Ltd (AMCL), a subsidiary of ICB, is the manager of the fund. Earlier, Gramen Mutual Fund One was the biggest mutual funds with an amount of Tk17 crore.

The market watchdog at the meeting also decided to confiscate the shares if those cannot be transferred to a BO account



Of the Tk100 crore fund, Tk60 crore will be reserved for NRBs, while Tk10 crore for sponsors, Tk10 crore for mutual funds and Tk20 crore for general investors

DSE turnover hits Tk400cr

STAR BUSINESS REPORT

Turnover on the Dhaka Stock Exchange (DSE) yesterday crossed Tk400 crore for the first time, led by hefty transactions of shares of the day's top ten companies.

Trading in shares of the top ten companies that are AB Bank, Gramen Mutual Fund One, IFIC Bank, Square Pharma, ACI, Heidelberg Cement, Apex Adelchi Footwear, Fareast Life Insurance, 1st ICB NRB Mutual Fund and Uttara Bank reached more than Tk200 crore, an amount that accounts for around 50 percent of the day's total turnover on the premier bourse.

The total turnover hit Tk409 crore, surpassing the previous high of Tk372 crore on February 5 this year.

With the increasing trend, market capitalisation on the prime bourse also reached its highest level at Tk82,671 crore yesterday, which is around 18 percent of the country's gross domestic product (GDP).

Market operators said in spite of slight volatility in price indices, the market was in an upbeat mood, mainly contributed by the day's top ten com-

Name of securities	Value in taka	Volume
AB Bank	75.84 crore	207620
Gramen Mutual Fund One	24.41 crore	1844500
IFIC Bank	22.99 crore	79365
Square Pharma	14.96 crore	41161
ACI	10.92 crore	509550
Heidelberg Cement	10.76 crore	83705
Apex Adelchi Footwear	10.68 crore	38500
Fareast Life Insurance	10.55 crore	27950
ICB 1st NRB Mutual Fund	10.19 crore	199900
Uttara Bank	9.39 crore	19835

panies' share transactions. They said liquidity glut, financial disclosures and the investors' confidence led the turnover to reach a new high, crossing Tk400 crore for the first time.

"Some were busy earning profits by selling shares, while others were taking positions through buying shares," said Yawer Sayeed, managing director and chief executive officer of AIMS of Bangladesh.

He said it's a good sign for the market that though the turnover hits a new record the price indices came down.

After a continuous rise over five consecutive days, the DSE General Index fell by 20.58 points, or 0.67 percent, ending the day at 3034.61 points, while the DSE All Share Price Index declined by 15.37 points, or 0.59 percent, finishing at 2561.76 points.

Meanwhile, the price indices on the Chittagong Stock Exchange (CSE) fell yesterday with the losers dominating the gainers.

The CSE Selective Categories Index fell by 32.95 points, or 0.65 percent, to close at 4962.8 points.