

DHAKA THURSDAY APRIL 24, 2008

Stocks
DGEN 3,053.31 1.01%
CSCX 5,522.39 0.07%

Asian Markets
MOMBAL 16,698.04 0.51%
TOKYO 13,579.16 0.23%
SINGAPORE 3,193.84 0.21%
SHANGHAI 3,278.33 4.15%

Currencies
Buy TK. 68.10
USD 68.10 69.10
EUR 106.81 111.44
GBP 133.24 138.41
JPY 0.66 0.69

SOURCE: STANDARD CHARTERED

Commodities
Gold \$918.25 (\$per ounce)
Oil \$119.90 (\$per barrel)

SOURCE: AFP

More News

Move to ensure transparency in diesel subsidy

The government will ensure transparency in the disbursement of diesel subsidy of Tk 250 crore to some 66 lakh farmers, a top government functionary said yesterday.

Duty free access to US to further expand RMG sector

The ready made garment (RMG) sector of the country will further expand to generate 1,80,000 new employment opportunities, provided the US grants Bangladeshi RMG products a duty free access through the passage of the New Partnership Development Act (NPDA).

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International

Tough times in US economy play into Google's strengths



Tough times in the US economy play into Google's strength as businesses trust the Internet giant to best target their precious advertising dollars, analysts said.

Japanese exports grow at weakest pace since 2005

Japan's trade surplus shrank 30.2 percent in March with exports growing at the weakest pace in almost three years due to the US economic slowdown, official figures showed Wednesday.

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

Jamuna Oil proves bonanza for govt

Receives Tk 444cr against Tk 13.50cr shares

SARWAR A CHOWDHURY

Jamuna Oil Company was a bonanza for the government as it received Tk 444 crore against only Tk 13.50 crore shares.

The government on Monday completed the sale of its 30 percent or 1,35,00,000 shares through Investment Corporation of Bangladesh, the selling agent of Jamuna Oil Company.

Offloading of the state-run oil company's shares started on January 9 this year and on the first day price of Jamuna shares rose as high as Tk 950 before closing at Tk 600. However, the share prices came down to as low as Tk 255 last week.

The bonanza could encourage the government for privatising the government entities through stock market, according to market analysts.

All the government entities should list on the stock exchanges, they said.

"Had the government privatised the Rupali Bank through stock market, the state-run bank would not have fallen into a deep trouble," said Abu



Ahmed, professor of economics at Dhaka University.

Recently, the government cancelled the sell-off process of Rupali Bank with a Saudi prince, as the prince was dilly-dallying for years to complete the final sales and purchase agreement.

Referring to examples of Malaysia and China, he said the government should hold only minority shares in a company and offload the majority shares to bring a qualitative change in the management.

Other market experts said

buying pressure from retail investors pushed the Jamuna share prices up in some cases 90 times higher than the face value of Tk 10 only.

They said although the Jamuna came down to below Tk 300 in the later part of offloading, the prices in the early stage of offloading were abnormally high.

"The Jamuna scrips were overvalued and beyond fundamentals. The market was also distorted which was not healthy for the market," said Yawer Sayeed, managing director

of ALMS of Bangladesh.

However, the only good thing was that instead of individuals the government received the money, he added.

The Jamuna shares were sold under the direct listing rules, through which the price of a security is determined by prospective investors.

Jamuna is the third government entity, which got listed with the bourses under the direct listing regulations. Prior to Jamuna, Dhaka Electric Supply Company and Power Grid Company of Bangladesh offloaded their shares on the bourses in 2006.

Share sale of another state-run energy company, Meghna Petroleum, which made its debut on the market January 14, nears completion. Out 12 lakh shares, almost nine lakh shares were sold by the ICB, selling agent of Meghna, source said.

The sources said by selling Meghna shares the government may receive around Tk 300 crore against only Tk 12 crore.

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BUDGET PROPOSAL
FBCCI to seek changes in import tariff, income tax

UNB, Dhaka

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) will submit a 592-point recommendation at a pre-budget meeting today, seeking substantial changes in import tariff, income tax and VAT provisions.

The recommendations in three separate sets will be placed before the government for consideration while preparing the next budget for the fiscal year 2008-09.

The apex trade body's recommendations will be discussed at the 29th pre-budget meeting of the National Consultative Committee of the National Board of Revenue on budget.

The apex trade body will make proposal on individual income tax and corporate income tax, urging the government to fix income tax exemption limit to Tk 300,000, while keeping the minimum tax unchanged at Tk 2,000.

The proposals include among others a 10 percent cash subsidy for the export-oriented pharmaceutical factories and relaxation of the stringent foreign currency expenditure policy for the pharma industry as the industry needs to spend a huge amount abroad for its marketing drive. The committees recommended a ceiling of such expenditure at US\$50,000 per year for a new company.

It also recommended sending pharmaceutical samples to overseas market at 10 percent of each consignment of the export.

"If the government announces pharmaceutical item as the product of the year and implement the recommendations, it will be a real boost for the sector," said President of Bangladesh Association of Pharmaceutical Industries (Bapi) SM Shafuzaman, suggesting removal of bureaucratic complications to help the sector grow.

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Medicine to be declared product of the year

JASIM UDDIN KHAN

Considering the pharmaceutical industry as a potential export earner, the government has decided to shortly announce medicine as the product of the year 2008.

The industry meets 95 percent of the local demand and is exporting to as many as 100 countries.

According to official data, the country fetched

Tk 130 crore from medicine exports in the fiscal year 2004-05, Tk 184 crore in FY 2005-06 and Tk 194 crore in FY 2006-07.

A technical committee selected pharmaceutical products as the product of the year, pointing out that Bangladesh pharma sector is enjoying low cost labour and patent liberty compared with the neighbouring countries.

The committee headed by Abdur Rahman, director, Export Promotion Bureau (EPB), in its 9-point proposal submitted recently to the Ministry of Commerce eyed a double export earning next fiscal on taking necessary measures by the government for flourishing the sector.

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Extra 100m now can't afford to buy food: WFP

AFP, London

Sheeran in a statement.

The world faces a "silent tsunami" of soaring food prices and more must be done to help secure future supply, the UN food agency said Tuesday as experts gathered in London for a special summit on the problem.

The United Nations World Food Programme (WFP) said an extra 100 million people who previously did not require help could now not afford to buy food.

It said the soaring prices threatened anti-poverty and health improvement initiatives in the world's poorest nations and left a 755-million-dollar hole in the organisation's 2.9-billion-dollar budget.

"This is the new face of hunger -- the millions of people who were not in the urgent hunger category six months ago but now are," said WFP executive director Josette

increases mark the end of the cheap food era, said it was a distribution rather than a food shortage problem, while Thailand has attacked critics for laying the blame at biofuel producers.

Sheeran, who described the situation as a "wake-up" call about the threats to food supply, refused to pinpoint one reason for the crisis, instead stressing the urgent need for action by governments and world bodies.

She was later one of 25 experts in the field who attended a summit on the subject hosted by British Prime Minister Gordon Brown at his Downing Street offices.

A statement from Brown's office released after the meeting said that delegates pledged to work with the G8 and EU towards a global strategy to tackle price rises and increase support for the world's poorest nations.

BTTB to offer free dial up internet connection

MD HASAN

State-owned land phone operator BTTB plans to offer free dial up internet connection to its customers in a bid to sustain stiff competition in the telecommunications market.

On execution of such a plan, 7 lakh digital connection holders of the Bangladesh Telegraph and Telephone Board will be benefited. Presently, one time registration fee for any dial up internet connection is charged Tk 300.

"We are considering withdrawing such dialup internet connection fee," Telecommunication Secretary Iqbal Mahmud told The Daily Star yesterday, hoping the move will bring the BTTB back into competition.

The BTTB has been facing stiff competition since 2005 when its rival private land phone operators entered the market with lucrative packages.

BTTB has two internet services: Dial up for home based use and broadband for commercial use. Presently, 28,000 customers of the BTTB use dial up connection, while it provides broadband and internet for more than 100 internet service providers.

Under the new plan, any customer having digital connection can apply for internet services and will be connected without any charge. The customer will get internet access through its digital phone line just putting secret password given by the BTTB.

The private landline operators do not charge for internet connection.

"Such decision will not make any competitive change," Masrur Nawaz Waiz, head of operation and coordination for Rankstel.

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Anders Jensen (2-right), chief executive officer of Grameenphone, hands over a handset with connection free of cost to a farmer at Boro Koyer village in Gazipur yesterday as Rubaba Dowla (right), director (marketing), and Syed Yamin Bakht (3-right), director (public relations), look on.

Grameenphone zooms in on rural areas

STAR BUSINESS REPORT

Grameenphone, the country's leading mobile phone operator, eyes increased number of customers in rural areas, as the company believes its future growth lies in rural areas.

"Definitely, there is a big market in the rural area. So, we are focusing on it," Anders Jensen, chief executive officer of Grameenphone, said yesterday.

He said in the light of livelihood of rural people GP is planning cost effective mobile services for them.

As part of the company's rural telecommunication campaign, the CEO and other high officials were visiting Boro Koyer village in Gazipur.

Among others, Rubaba Dowla, director (marketing), Md Shafiqul Islam, chief technical officer, and Syed Yamin Bakht, director (public relations), accompanied the CEO.

The primary purpose of the

visit was to know about the village people's communications needs, their experiences