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CS 24T/EM (24,000 BTU/hr)  
CS 18T/EM (18,000 BTU/hr)  
CS 12T/EM (12,000 BTU/hr)

TRANSCOM ELECTRONICS

0171-464643

## Stocks

|                      |       |
|----------------------|-------|
| DGEN                 | 0.22% |
| 3,126.12             |       |
| CSCX                 | 0.27% |
| 5,965.60             |       |
| <b>Asian Markets</b> |       |
| MUMBAI               | 0.53% |
| 15,962.56            |       |
| TOKYO                | 1.60% |
| 14,209.17            |       |
| SINGAPORE            | 1.07% |
| 3,153.94             |       |
| SHANGHAI             | 0.35% |
| 3,436.40             |       |

## Currencies

|     | Buy TK. | Sell TK. |
|-----|---------|----------|
| USD | 68.00   | 69.00    |
| EUR | 104.09  | 108.67   |
| GBP | 131.98  | 137.12   |
| JPY | 0.65    | 0.68     |

## Commodities

|      |                        |
|------|------------------------|
| Gold | \$ 896.39 (per ounce)  |
| Oil  | \$ 127.62 (per barrel) |

## More News

**Private firms grab growing slice of security market**

From a few hundred people back in 1988 when the first private security service firm Securex International began commercial operations, the number of guards has reached more than quarter of a million, according to industry sources. Private security guards now outnumber the police.

**Enhance ADP size: MCCI**

The Metropolitan Chamber of Commerce and Industry (MCCI) has suggested the government enhance the size of its annual development programmes (ADP) in the national budget for the 2008-09 fiscal.

## International

**Tata Motors acquires Jaguar-Land Rover**

India's truck and car-maker Tata Motors announced Monday it had completed its acquisition of Jaguar and Land Rover from ailing US carmaker Ford for 2.3 billion dollars in an all-cash transaction.

## WTO rejects US appeal over cotton subsidies

The World Trade Organisation on Monday rejected an appeal by the United States over its cotton subsidies, paving the way for Brazil, which lodged the original complaint, to demand sanctions.

## Contact Us

If you have views on Star Business or news about business in Bangladesh, please email us at [business@thedailystar.net](mailto:business@thedailystar.net)

# Banks raise rates in battle to attract deposits

**SAIJADUR RAHMAN**

A battle for deposits has erupted as private banks have embarked on aggressive campaigns to offer higher interest rates on deposits to gather more resources.

Some banks however termed the race as 'unhealthy competition', since the banking sector is under pressure to narrow the spread between deposit and lending rates.

The private banks are now offering 13.5-14 percent interest on deposit in recent weeks.

BRAC Bank Limited offered 14 percent interest on short-term deposits in May. However, the bank now has reduced the

interest rate to 13.5 percent for even 3-month deposit schemes.

National Credit and Commerce (NCC) Bank Limited also offers 13 percent on large deposit funds, which was 12 percent a month ago.

Prime Bank Limited (PBL) hiked the deposit interest rates to a maximum of 12.5 percent from 11.30 percent a few months ago.

Dutch-Bangla Bank Limited (DBBL) offered the highest, 12.5 percent, interest on deposits about one and a half months ago.

"At a time when we are under huge pressure to reduce interest rates on loans and advances

we are forced to offer more interest on deposits in the face of fierce competition," Abul Kashem Md Shirin, deputy managing director of DBBL, said.

"This is nothing but an unhealthy competition among the banks," Dutch-Bangla DMD Abul Kashem observed.

Nurul Amin, managing director of NCC Bank, also said banks are in a fierce race to attract deposits.

Deposits are the bank's main source of resources in Bangladesh. Almost 80 percent of banks' resources come from the depositors.

Recently, bank owners and senior bankers claimed that

the PCBs are facing a deposit crisis, mainly due to a rise in imports, investment demands and withdrawal of deposits to combat the soaring inflation that hovers around double digits since June 2007.

Bangladesh Association of Banks (BAB) has recently agreed to reduce the ceiling for lending rates at 14 percent from the previous 15 percent, following pressures from the central bank and the business community.

"BRAC Bank has made getting deposits tough for other banks by offering 14 percent rates," an NCC Bank official at its headquarters said.

"BRAC may be in need of

deposits and that is why they have offered an unbelievable 14 percent rate," an official of PBL at Karwan Bazar branch said.

"BRAC may offer more interest on deposits because it takes more from borrowers," Shirin said. "BRAC Bank focuses on high-cost retail and SME banking, while other commercial banks mainly does low-cost corporate banking business."

It will be tough to sustain if we continue with such rates along with an administrative costs of about 2.5 percent, he added.

Public sector banks however plan to cut rates. Managing director and CEO of state-

owned Agrani Bank Limited Syed Abu Naser Bukhtear Ahmed said his bank has a plan to slash the high interest rates on deposit instead of hiking it.

"Our maximum deposit rates are between 9 and 9.5 percent," Ahmed said adding that the other two state-owned banks Sonali and Janata also offer their depositors single digit interest rates.

Economist Dr Atiur Rahman said liquidity crisis is the main reason for the hike in deposit rates. "Flight of capital by corrupt businesses and politicians may be another major reason for shortage of liquidity," Rahman said.

On the real effective rates (de-

**PRIVATE BANK DEPOSIT RATES**  
(ALL FIGURES ARE IN PERCENTAGE)

|               | Current (June) | Previous (April) |
|---------------|----------------|------------------|
| BRAC Bank:    | 13.50          | 12.50            |
| NCC Bank:     | 13.00          | 12.00            |
| Prime Bank:   | 12.50          | 11.35            |
| Dutch-Bangla: | 12.50          | 12.00            |

posit rates-inflation rates), Rahman, a former chairman of state-owned Janata Bank, said the people in the country are not conscious enough in spending their money when the effective deposit rates are even negative.

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# Renata set to export medicine to Europe

## First consignment ready for shipping to UK

**JASIM UDDIN KHAN**

Renata Limited, the second pharmaceutical company in Bangladesh to win approval to manufacture drugs for the European market, is poised to send its first consignment to the UK.

The country's seventh largest pharmaceutical group in terms of sales, has won an order to supply a UK drug company with Prednisolone, a generic steroid product.

The deal marks another significant step in the attempts by Bangladesh's pharmaceutical industry to expand its export markets and become a serious player in the global pharmaceutical business.

The consignment has already been produced at the Renata's facility in Mirpur and is now waiting for the final approvals

before it can be shipped.

"We are ready to ship the first consignment of drug anytime to Europe as soon as we get the green signal from the UK company," Syed S. Kaiser Kabir, Chief Executive Officer and Managing Director of Renata Limited.

Gaining access to the European market is a long and difficult process and took Renata around four year. Before any drugs can be sold authorities from the importing country must meticulously inspect production facilities.

Last year Renata's newly built US\$3 million Potent Product Facility was approved by the UK's Medicines and Healthcare products Regulatory Agency.

The approval was for Prednisolone tablets and the company is now seeking MHRA approval for other classes of drugs including oncology medicines and immunosuppressants in order to supply these to European markets.

Prednisolone is used to treat

**The country earned US\$32.97 by exporting medicines to around 67 countries during the first nine months of the current fiscal**

different conditions such as allergic disorders, skin conditions, ulcerative colitis, arthritis, lupus, psoriasis, or breathing disorders.

Renata is the second pharmaceutical company after Square Pharmaceuticals to gain MHRA approval. Square has already shipped products to the UK, and hopes to gain further orders in the lucrative European market through contract manufacturing of bulk drugs and formulations.

Several other groups are in the process of seeking MHRA approval.

Industry leaders believe the

country has the ability to win a greater share of the international drug market due to the low costs of manufacture in Bangladesh. Mainly this is due to the relatively low cost of labour, especially skilled white-collar staff.

Bangladesh also has opportunities under the WTO's agreement on Trade-Related Aspects of Intellectual Property Rights that give the country the strong rights to manufacture generic drugs that it can export to other less developed countries.

So far however the process has been slow, due to the extreme difficulty in gaining

approvals from foreign regulatory bodies, especially to the major markets of Europe and North America.

The country earned US\$32.97 by exporting pharmaceuticals products to around 67 countries during the first nine months of the current 2007-08 fiscal up 60 percent over the same period in the previous fiscal.

Renata Limited earned 33.60 crore net profit after tax in the year 2007 ended December 2007 against the profit of Tk 24.21 crore in 2006.

Earning per share of the company rose to Tk 348.47 each in the year 2007 against the previous year's Tk 251.18 against the value of each share Tk 100.

The company was founded in 1972 as a subsidiary of Pfizer Inc and the ownership transferred from Pfizer Inc to local institutions and the general public in 1993.

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# Exporters concerned at investment future

**STAR BUSINESS REPORT**

Concerns over the future of investment were expressed in a meeting of exporters in Dhaka yesterday. The exporters said due to the lack of government's cooperation they now face tremendous difficulties to run business.

"We need a protection of our investment. At present we are not receiving proper cooperation from the government side to run our businesses smoothly," said Anwar-Ul-Alam Chowdhury Parvez, president of the Bangladesh Garments Manufacturers and Exporters Association (BGMEA), an association of the second largest export earning world sector, followed by knitwear sector.

Pointing to the fact that the country's apex trade body, FBCCI (Federation of Bangladesh Chambers of Commerce and Industry), has failed to appease the exporters of some specific sectors in terms of mitigating their problems, the exporters stressed the need for an organisation that is to work as a pressure group to realise different demands from the government. In this regard they advocated the revival of the Bangladesh Exporters



**BGMEA President Anwar-Ul-Alam Chowdhury Parvez**

Association, which remained dysfunctional after a short while of its inception in 1998 in absence of a strong leadership.

The BGMEA chief pointed out that the government could not ensure uninterrupted supply of gas, electricity. Parvez said it also failed to reduce bank rates. "So, our investment here is not safe," he lamented.

At the end of the meeting, a 10-member revival committee was formed with Harun-ar-Rashid as its convener. The body will set the course of actions of the Bangladesh Exporters Association in the next two months.

# First Security Bank gets nod to raise Tk 115cr

**SARWAR A CHOWDHURY**

The stock market regulator yesterday approved prospectus of the First Security Bank, prepared for initial public offering (IPO) to raise Tk 115 crore.

The Securities and Exchange Commission (SEC) also gave its clearance to Titas Gas for getting listed on the stock exchanges under direct listing regulations, approved the right share issue offer of Brac Bank, and gave an asset management company permission to start its operation.

The approvals came at a meeting of the Securities and Exchange Commission (SEC) in Dhaka.

First Security Bank, which started operation in 1999, decided to go public to fulfill the regulatory requirements, said Farhad Ahmed, executive director of SEC, after the meeting.

The bank will float 115,00,000 primary shares with a face value of Tk 100 each to raise Tk 115 crore.

As on December 2007, the net asset value (NAV) per share of the bank stood at Tk 113.

The paid up capital of the bank is Tk 115 crore, while its authorised capital is Tk 360 crore.

Regarding Titas Gas Transmission and Distribution

Company, Ahmed said, "We found the gas company's information memorandum flawless and we will ask the stock exchanges to list the company as soon as possible."

Titas Gas, with the largest-ever public issue in the history of the country's stock market, applied for getting listed on the Dhaka Stock Exchange last month.

As the SEC approves Brac Bank's right share issue offer, the bank is now all set to offer one right share per 5 shares with a value of Tk 500, including a premium of Tk 400, to raise Tk 132 crore.

The bank will use the raised fund for increasing its capital base.

The SEC approved the entry of the fourth asset management company, LR Global Bangladesh Asset Management Company Limited, for managing funds including mutual fund.

The SEC said the LR Global Bangladesh's paid up capital stands at Tk 3 crore.

Of the paid up capital of LR Global Bangladesh, an USA-based asset management company, LR Global Partners contributed Tk 2,99,900, while Saiful Islam, chief executive officer of Equity Partners Limited, sponsors the rest.

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# Car hire companies boom

**SAYEDA AKTER**

The number of car hire companies has rocketed in the last decade, as more and more business groups rent rather than own their own vehicles.

According to industry sources, there are now around 1000 car rental groups operating in the country, up from around 100 ten years ago. They range in size from companies with just a handful of vehicles to larger groups with a fleet of several hundred cars and buses.

For the past few years the car hire market has been showing double-digit growth.

Currently, the biggest clients are the mobile telecom operators, multinational companies and non-governmental organizations (NGOs).

Dhaka Tours Rent-A-Car Association, one of the oldest car rental companies in the city, has 50 microbuses and cars (Sedans), which they rent out to Grameen Phone, Nokia, Siemens, Bangladesh Bank, Dhaka Sheraton and Pan Pacific Sonargaon Hotel.

Rafiq Alam, general manager of Dhaka Tours, said the car rental services started booming in recent years, with booming mobile telecom operators and multinational companies.



Two microbuses wait in front of a car hire office.

International groups are also present in the Bangladesh market. Hertz International Licensee, one of the leading car rental companies in the city, has a fleet of 164 cars, including bus and microbus.

"Our biggest clients are Banglalink, AKTEL, Best Air and Westin, and we rent out vehicles on a monthly basis," said Abdul Kaum, logistic officer of Hertz.

He said they charge Tk 1 lakh for each vehicle monthly.

Pathachola Rent a Car, comparatively new in the business, started with a very small

investment of only one microbus eight years back. It has now 16 cars and is planning to expand its business with new 5 cars by the year-end.

SM Jewel, the company's general manager, said, "Now this business has become profitable. Once you buy a car you can rent it out."

Grameen Phone (GP), the country's largest mobile phone operator, hires 200 buses and cars everyday from different rental services firms.

"We do hire cars to meet our requirements, both in Dhaka

and our other regional offices," said Syed Yamin Bakht, public relations director of GP.

"It's somewhat profitable, because when hire cars from the rental services companies we need not to look after some issues, such as servicing of the car, or employing and maintaining drivers as members of the staff," a senior manager of GP said.

Asaduzzaman Litu, administrative executive of Citycell, echoed him and said they have to spend around Tk 30 lakh per month for hiring cars.

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# BB issues notice to One Bank chairman

**STAR BUSINESS REPORT**

Bangladesh Bank (BB) yesterday served a show cause notice to One Bank Chairman Sayeed Hossain Chowdhury, asking him to explain why his shares in the bank bought in fictitious names should not be confiscated.

The central bank also suspended the trading of the One Bank shares on the stock market until further directives, BB sources said.

A recent BB probe found that the One Bank chairman holds 24.52 percent of the bank's shares bought in fictitious names in violation of the Banking Companies Act 1991.

The act allows a sponsor director or an individual to hold maximum 10 percent shares in a bank as per a decision taken in 2006 by the BB.

The BB investigation revealed that Chowdhury holds shares bought in the names of five different business entities and non-resident Bangladeshis, which in reality are owned by him.

One Bank Chairman Sayeed Hossain Chowdhury on Sunday told a press conference, "Of the five companies, I hold majority shares in the three. The other two companies belong to NRBs."