

Stocks

DGEN ▼ 0.33% 3,019.14

CSCX ▼ 0.38% 5,904.11

Asian Markets

MUMBAI ▼ 4.18% 13,094.11

TOKYO ▼ 0.16% 13,265.40

SINGAPORE ▼ 0.89% 2,880.45

SHANGHAI ▲ 1.95% 2,703.53

Currencies

Buy TK. Sell TK.

USD 68.15 69.15

EUR 106.64 111.26

GBP 134.02 139.32

JPY 0.64 0.67

Commodities

Gold \$941.42 (per ounce)

Oil \$145.85 (per barrel)

SOURCE: STANDARD CHARTERED

SOURCE: AFP

(Midday London Trade)

More News

A day of day labourers

Day-labourers gather at the city's different places, such as Jatrabari Crossing, Malibagh and others, in search of jobs for a day. They migrate to the capital from rural areas at an enhanced rate nowadays, but get less work, as the construction industry is passing through a dull season due to a significant rise in the prices of construction materials. B-4

NBR calls upon taxpayers to be more responsive

NBR chairman yesterday called upon the taxpayers to be more responsive to tax payment to help the government reduce its bank borrowing and stay away from increasing taxes or imposing new taxes. Abdul Mazid made the call while addressing a post-budget view-exchange meeting with businesspeople at CCCI auditorium. B-3

China faces challenges on grain supply: PM

China faces serious challenges in ensuring it will have enough grain to feed its population in the decades to come, with urbanisation and climate change two major problems, Premier Wen Jiabao said. China's grain supply and demand are basically balanced now but the situation is expected to worsen in the long term, he said. B-2

Contact Us

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

SoE loss up 132pc in FY 08

REJAUL KARIM BYRON

The net loss of the state-owned enterprises (SoEs) increased by 132 percent in 2007-08 fiscal mainly due to increased price subsidy for petroleum products.

According to the draft economic review, prepared by the finance ministry, 44 SoEs incurred net loss of Tk 5,276 crore in 2007-08 fiscal, up from Tk 2,275 crore a year ago.

Usually, the economic review is published along and attached with the budget, but this year the review has not been included in the budget documents.

Of the 44 SoEs, 15 incurred losses, while others either making profit or breaking even.

Total SoE sector losses, arising out of the losses incurred by the 15 SoEs, stood at Tk 8,635 crore in 2007-08 fiscal, up from Tk 4,774 crore in 2006-07 fiscal. Of the Tk 8,635 crore losses, Bangladesh Petroleum Corporation (BPC) alone incurred loss of Tk 5,882 crore, a substantial increase from Tk

2,628 crore in 2006-07 fiscal. SoE sector profit in 2007-08 fiscal totaled Tk 3,359, which was Tk 2499 crore in the previous fiscal. Of this, Bangladesh Telecommunications Regulatory Commission (BTRC) made profit of Tk 1478 crore, which was Tk 561 crore the previous fiscal.

BTRC's significant profit of 163 percent was due to fine imposed on the mobile telephone companies for illegal use of voice over Internet protocol (VoIP).

Finance Ministry sources said the calculated loss by BPC is up to May 15.

Energy Ministry officials said BPC was unable to reduce the gap between the prices of petroleum in the international market and its price in the local market.

They said there was a plan on the part of the government to increase the price of petroleum in last year's budget, but ultimately BPC could not increase the price for reasons such as high prices of essential

commodities and natural disasters.

The loss of Power Development Board (PDB) in 2007-08 stood at Tk 1361 crore, a 50 percent increase from Tk 904 of the previous fiscal.

Bangladesh Chemical Industries Corporation (BCIC) incurred a loss of Tk 365 crore last year, up from Tk 309 crore the previous year.

The loss of Bangladesh Jute Mills Corporation, however, came down to Tk 108 crore in 2007-08 fiscal from Tk 320 crore of the previous fiscal, as the corporation closed a few jute mills last year.

Multilateral donor agencies such as IMF have always set conditions like narrowing losses incurred by SoEs for financial assistance.

The IMF in October last year asked the government to introduce a quarterly flash reporting system for the five SoEs that account for the bulk of losses, which include BPC, BJMC, PDB, BCIC and Biman Bangladesh Airlines.

SOE FACTS IN FY 2007-08

- Total number of SoEs is 44
- 15 SoEs incurred losses, 29 made profits
- Gross losses at Tk 8,635cr
- BPC alone incurred Tk 5,882cr loss
- PDB losses rose to Tk 1,361cr
- BCIC losses reached Tk 365cr
- BJMC losses reduced to Tk 108cr

Bangladesh to keep enjoying GSP facilities in US

Foreign adviser says

UNB, Dhaka

Foreign Affairs Adviser Dr Iftekhar Ahmed Chowdhury yesterday said Bangladesh would "continue to enjoy the GSP facilities as before" in the United States.

The adviser said the news came to him as the US authorities informed the Bangladesh mission in Washington about the latest decision.

"For now, I can say that the continuation of GSP facilities is a good news for Bangladesh," the adviser told reporters at the ministry. "We will continue to work diplomatically with our American friends for further extension."

"In the meantime, we should emphasise workers' overall welfare, which will also improve our market access," the adviser said.

At the same time, he said, a review process initiated by a petition from AFL-CIO (American Federation of Labour and Congress of Industrial

Organisations) in the US would be extended by another year. The federation is responsible to oversee if Bangladesh ensures rights of the labourers, especially who work in the country's specialised export processing zones.

The Generalised System of Preferences (GSP) is designed to promote economic growth in developing nations by giving preferential duty-free entry of their products to the US market.

Bangladesh gets duty-free access to the US market on certain export items, including garment products, under the facilities.

The US had earlier put conditions that Bangladesh would not get GSP facilities anymore if the government does not ensure workers' freedom of association or the right to collective bargaining in its EPZs.

The government has responded positively and initiated welfare associations for the EPZ workers.

New World Bank VP for South Asia



Isabel Guerrero

UNB, Dhaka

World Bank President Robert B. Zoellick has appointed Isabel Guerrero as vice president for South Asia Region.

Ms Guerrero took over from retiring Vice President Praful Patel on Wednesday, a World Bank release said yesterday.

"It is a most special privilege to be invited to take on this role in one of the most important regions of the world as measured by the development agenda," Guerrero said in Washington.

Guerrero, who moves to her new position from that of County Director for India joined the bank as a "young professional" in 1982.

Inflation biggest challenge: Aziz

STAR BUSINESS REPORT

The biggest challenge for Bangladesh's economy at the moment is containing inflation, observed both the government and International Monetary Fund (IMF) yesterday.

"The major challenge for our economy now is checking inflation, but it is not possible to face it by taking domestic measures," Finance Adviser AB Mirza Azizul Islam told reporters after a meeting with a visiting mission of IMF at the ministry.

The 5-member IMF mission led by its Asia and the Pacific

Department Adviser Thomas Rumbaugh came to Bangladesh Wednesday on a two-week visit to review the macro-economic situation of the country.

IMF Adviser Thomas Rumbaugh told reporters IMF has a special fund to help the countries facing external shocks and the conditions for this loan will be relaxed by one month. "Bangladesh may also get help from the fund if it wants," he said.

The IMF mission will also meet National Board of Revenue, Bangladesh Bank and different ministry officials.



Saudi's Petroleum Minister Ali Al-Naimi speaks to the press after a ministerial session at the 19th World Petroleum Congress in Madrid yesterday.

Oil soars past \$146

AFP, Singapore

Oil surged past \$146 per barrel for the first time yesterday as the weak US dollar and Middle East tension stoked black gold's record-breaking run, analysts said.

Brent North Sea crude for August delivery climbed 1.06 dollars to 145.32 dollars from its record close of 144.26 in London on Wednesday, when it broke the 144 level for the first time.

New York's benchmark contract, light sweet crude for August delivery, hit an intraday record price of 144.61 dollars. By late afternoon, it was 96 cents higher at 144.53 against a

record close of 143.57 dollars in the US Wednesday.

The latest surge followed a warning from Iranian Oil Minister Gholam Hossein Nozari that his country, a key crude producer, would react fiercely to any attack against it.

"Iran, if there were any kind of activity of any sort, is not going to be quiet and would react fiercely," he told reporters on the sidelines of the World Petroleum Congress in Madrid.

He said oil prices, which have been driven to record levels partly because of fears about the loss of Iran's oil output, would rise radically if Israel or the United States launched a military strike.

Local sanitary napkins now hold 80pc market share

SAYEDA AKTER

The country's local sanitary napkin industry has grown fast in the past 15 years, as consumers are increasingly getting locally made products at competitive prices.

Industry experts estimate the existing market size of the product at around Tk 25 crore, with around 20 local brands available in the market now.

The local brands that currently hold more than 80 percent of the total market share include Senora, Monalisa, Savlon Freedom, Smile, Cottex, Rose, Nirapad, Modex and Softex, with Senora as the market leader and Monalisa already in the export basket.

The price of a regular pack of the item containing 10 napkins ranges from Tk 30 to Tk 70, while a Tk 80 pack contains 15 napkins.

Industry insiders attributed the growth to consciousness of reproductive health and hygiene issue, and the increased number of workingwomen in the recent years.

The major stakeholders in the industry are Square Group, Bashundhara Group and ACI Ltd.

Square Group launched Senora, the first-ever local



Photo shows few packs of locally made sanitary napkins. The country's local sanitary napkin industry has grown fast in the past 15 years, as consumers are increasingly getting locally made products at competitive prices.

sanitary napkin in the country, in 1989 with the aim to create awareness of reproductive health and hygiene issue.

Jesmin Jaman, senior brand manager of Square Group, said when they launched Senora, the urban upper class women were the only consumers of this product, which was all imported then.

The usage was limited too as the middle class women were not used to the item at that

time, she said, adding that there was hardly any awareness among them of diseases and difficulties that can arise out of traditional use of cloths or other things during menstruation.

Square arranged a series of workshops at that time in many schools, colleges and universities to raise awareness in this regard, and its Senora brand now holds around 55 percent of the total market share.

Shamsuzzaman, a retailer in Dhanmondi, said now the main consumers of these local products are the middle class women.

He said the sales of local napkin have grown up in recent years, as the product quality is quite good and price is reasonable compared to that of imported ones from India, China and Thailand.

Meeting the local demands, the country's sanitary napkins are making their ways to some neighboring countries too.

In 2004 Bashundhara Group started exporting its Monalisa brand napkin to India, Nepal and Bhutan.

In January this year, ACI Ltd launched Savlon Freedom.

Farzana Hossain, brand manager of ACI, said the product has become popular as it is user friendly and cheaper than other local products.

But yet the industry is facing some difficulties. Jesmin of Square said the local products have to fight back against the illegally imported ones.

She said the government should take necessary measures to stop import of the product so the local industry can flourish.

She also said the industry needs government support, sayeda@thedailystar.net

65,400 Titas Gas shares traded on second day

Petrobangla re-fixes selling price at Tk 500

STAR BUSINESS REPORT

A total of 65,400 shares of the state-run Titas Gas Transmission and Distribution Company were offloaded yesterday on the second day of the company's stock exchange debut.

However, market operators praised the owners of the company for embarking on the proceeding.

"It is a good sign that the owners have changed their approach and started offloading of shares at the market price," said Saiful Alam, senior vice-president of Dhaka Stock Exchange (DSE).

On the Dhaka and Chittagong stock exchanges 65,400 of the company's shares were offloaded yesterday.

Opening price of Titas shares stood at Tk 257.50, while its closing price was Tk 386 on the Dhaka Stock Exchange (DSE) as well as Chittagong Stock Exchange (CSE).

A total of 59,000 shares of Titas, worth Tk 2.28 crore, were sold on the DSE, while 6,400 shares of the company, worth

Tk 24.7 lakh, were sold on the CSE yesterday.

Earlier on Wednesday, on debut of the company's trading, none of its shares was offloaded, as the owners including majority stakeholder Petrobangla desired higher prices.

Petrobangla set a selling price of Tk 750 for each Titas share on Wednesday, while the buyers opted for Tk 520 per share as their highest offer.

However, Petrobangla yesterday re-fixed the selling price of the shares at Tk 500 each. But, no investor accepted the price, offering no more than Tk 390 per share.

Just 10 minutes before closing, the Petrobangla hoisted the green signal to let the selling agent Investment Corporation of Bangladesh to sell the shares at the market prices.

Earlier, the government decided to sell 20 percent or Tk 214 crore worth of shares of Titas Gas to the public through stock exchanges.

The state-run gas company has joined the country's two bourses under direct listing

rules.

The company will offload shares worth Tk 214.11 crore, which is 20 percent of its paid up capital of Tk 856.47 crore. The face value of each Titas share is fixed at Tk 100.

Meanwhile, price indices on the DSE fell yesterday. The DSE General Index declined by 10.09 points, or 0.33 percent, to 3019.14 points, while the DSE All Share Price Index fell by 14.82 points, or 0.56 percent, to 2588 points.

A total of 2,38,75,376 shares worth Tk 277.41 crore changed hands. Of the issues traded, 110 advanced and 107 declined with five unchanged.

Like the premier bourse, prices on the Chittagong Stock Exchange (CSE) also fell yesterday. The CSE Selective Categories Index fell by 0.38 percent to 5904.11 points, while the CSE All Share Price Index declined by 0.37 percent to 9112.22 points.

A total of 53,33,214 shares worth Tk 39.19 crore changed hands. Of the issues traded, 62 advanced and 76 declined with five unchanged.