

PHILIPS
sense and simplicity
LCD HD TV
42TA2800/37TA2800
26TA2800

TRANSCOM ELECTRONICS

855346-8
0171246543

Stocks

DGEN ▲ 0.04% 3,020.30
CSCX ▲ 0.67% 5,943.99

Currencies

	Buy TK.	Sell TK.
USD	68.15	69.15
EUR	105.53	110.26
GBP	133.45	138.59
JPY	0.63	0.66

SOURCE: STANDARD CHARTERED

Commodities

Gold
\$931.25 (per ounce)

Oil
\$144.10 (per barrel)

SOURCE: AFP (As of Friday)

More News

Small investors form human chain

A group of small investors formed a human chain in front of the DSE building to protest the market regulator's move to review the mutual fund rules as Dhaka Stock Exchange key index closed slightly higher yesterday, the first trading day of the week. The Securities and Exchange Commission recently decided that it will not allow the mutual funds to increase their capital base through offering bonus or rights shares.

B-2

FBCCI price monitoring task force yet to gather pace

The FBCCI Price Monitoring Task Force is yet to gather pace two months after its launch in May. During the last two months a single meeting was held where 14 of its 27 members were present. The task force is supposed to sit twice a month.

B-3

International

Airlines shed weight as fuel costs soar



Next time you take to the skies you may find there are fewer pages in your in-flight magazine, your fork is slimmer and your plate feels different. The seat you are sitting on may be lighter. Blame it on soaring oil prices.

Opec president warns no end to oil price rises

Opec president Chakib Khelil warned Sunday that oil prices will continue to rise because of the falling dollar, in an interview in the Algeria-News. "The price of oil will rise again in the coming weeks. We have to follow the evolution of the dollar, because a one percent fall in the dollar means four dollars more on the price of oil," Khelil, who is Algeria's minister of energy and mines, said.

B-4

Contact Us

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

Tripti, Olympic get court clearance for merger

SARWAR A CHOWDHURY

Two listed companies under the same ownership have received approval from the court for merger.

Tripti Industries, which has been in the red for the last five consecutive years, will amalgamate with Olympic Industries. The name of the new company will be Olympic Industries, according to officials.

The two companies received the approval last week from High Court Division of the Supreme Court following an appeal for merger.

Prior to getting the legal nod, board of directors of the two companies also approved the merger in two separate extraordinary general meetings last month.

The officials said the merged company has a plan to expand its businesses as part of a new business strategy. "We have

already been working on setting up a new biscuit manufacturing unit with bigger capacity than the existing two units," said a senior official of the company.

Each of the existing two biscuit manufacturing units has a production capacity of 1,000 tonnes of biscuits per month.

"We also plan to set backward linkage units such as flour producing plant," the official said, adding that they currently buy flour as a raw material for biscuit production.

The merged company plans to restart edible oil and vanaspati ghee production units, which are not in operation under Tripti Industries, he said.

"We will utilise the resources of Tripti Industries, which is now a poorly performing company, to expand the growth of Olympic Industries," he added. The book closure date for

entitlement of Olympic shares against Tripti shares has been fixed from July 16 to 20. From July 21, the two companies will be considered as one with the name of Olympic Industries.

One Olympic share will be given for every 5.79 Tripti shares. The ratio is fixed by criteria such as net asset value (NAV) on current cost basis, NAV on historical cost basis, weighted average market price, earning based value and discounted cash flow based value.

Tripti Industries, which manufactures edible oil, vanaspati ghee and ballpoint pen, incurred a loss of Tk 1.79 crore in 2006-07, while the loss was Tk 1.71 crore in 2005-06 and Tk 2.03 crore in 2004-05.

On the other hand, Olympic Industries, which produces biscuits, candy and dry-cell battery, made a net profit after tax of Tk 3.25 crore in 2006-07, while the profit was Tk 2.41

crore in 2005-06 and Tk 1.27 crore in 2004-05.

During the last three fiscal years, Olympic gave 11 per cent, 13 per cent and 11 per cent dividends to the shareholders.

Presently, shares of Olympic Industries, which was listed in 1989, are being traded under A category meaning the company is regularly holding annual general meetings and declaring dividends.

On the contrary, shares of Tripti Industries, which was listed in 1986, are being traded under Z category that shows the company performs poorly.

Yesterday on the Dhaka Stock Exchange each Olympic share was traded between Tk 380.25 and Tk 388.25 against the face value of Tk 100, while each Tripti share was traded between Tk 61 and Tk 65 against the face value of Tk 100.

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New BB monetary policy next week

UNB, Dhaka

Bangladesh Bank would not pay heed to any IMF prescription in formulating its next half-yearly monetary policy as Governor Dr Salehuddin Ahmed said yesterday.

"We'll do it on our own. Whatever they say, we won't sacrifice our target of continued macroeconomic stability, poverty alleviation and job creation," he told reporters following a meeting with a visiting IMF delegation at the Bangladesh Bank.

IMF Adviser for Asia and the Pacific Department Thomas Rumbaugh led the 5-member mission to exchange views on the country's monetary situation. The mission arrived here on July 1 on a two-week visit.

The BB governor said the new monetary policy for the July-December period this year, to be announced by the 15th of this month, would provide incentives to sectors having better growth and few emerging sectors like shipbuilding.

The policy would re-examine the incentives for sectors having slow growth and poor employment, he added.

Remittance close to record \$8b

STAR BUSINESS REPORT

Remittance grew 33 per cent last fiscal year taking the total amount to nearly \$8 billion, according to Bangladesh Bank sources.

Bankers think rising overseas employment and the extra money sent by expatriates to their relatives home to cope with soaring prices of essentials helped remittance reach a record mark.

A total of \$7.94 billion was remitted to the country in the fiscal year 2007-08, which was \$5.98 billion the previous fiscal.

The central bank statistics of 10-year period revealed that the remittance growth was steady at 24 per cent in both 2005-06 and 2006-07 fiscal years.

The country, however, saw a less growth in remittance only in 2000-01 fiscal when it reached \$1.88 billion. It was \$1.94 billion the previous fiscal. The records show growth ranges from 15 per cent to 24 per cent over the years but the fiscal year 2007-08 saw a robust growth.

The foreign exchange reserve reached \$6.2 billion yesterday due to the strong remittance growth.

Chairman of Bangladesh

Krishi Bank, Khandaker Ibrahim Khaled said a considerable number of Bangladeshis went to different countries by their own initiatives, which helped increase the volume of remittance.

Echoing his view, Managing Director of Agrani Bank Syed Abu Naser Bakhtiar said every bank launched special drives to increase its market share following the flow of remittance.

"We have sent our staff from Dhaka office to the countries from where remittance is coming so that the expatriates use our bank to send their money home," he told The Daily Star yesterday.

An official at the Sonali Bank said expatriates across the world sent more money in the fiscal year 2007-08 than that of the previous years so that their families in Bangladesh could afford the rising prices of essentials.

According to the Ministry of Expatriates' Welfare and Overseas Employment, a total of 377,894 Bangladeshis left for various countries in the first five months of the current year. The number was 265,827 during the same period of 2007.

US, Japan call for action on oil, food prices ahead of G8 meet

AFP, Toyako

The United States and Japan called Sunday for urgent action on red-hot oil and food prices that could derail the global economy on the eve of a summit of the world's richest nations.

As US President George W. Bush arrived at this mountain resort, authorities sealed off Japan's northern island of Hokkaido, with demonstrations relegated to its largest city, Sapporo.

Group of Eight leaders will hold three days of talks in the resort town of Toyako that will be dominated by the fragile world economy, global warming and problems ranging from Zimbabwe to North Korea and Iran's nuclear ambitions.

In pre-summit talks, Japanese Prime Minister Yasuo Fukuda said he and Bush had agreed that urgent efforts are needed to tackle surging oil

and food prices.

The dual crises "are having a negative impact on the world economy," Fukuda told a joint press conference. "We agreed there's a need for swift efforts on these fronts."

The leaders of the world's two largest economies also touched on climate change, North Korea's nuclear programme and aid to Africa.

Security was formidable across picturesque Hokkaido, with around 21,000 police deployed to protect the leaders as they huddle in a luxury hill-top hotel.

The leaders of the G8 -- Britain, Canada, France, Germany, Japan, Italy, Russia and the United States -- will be joined by those of some 15 other countries including China, India, Brazil, Australia and eight African states for expanded sessions on global warming and poverty alleviation.



A group of small investors form a human chain in front of the Dhaka Stock Exchange building in the capital yesterday to protest the market regulator's move to review the mutual fund rules. (Story on B-2)

Mandelson fires new salvo in free trade row with Sarkozy

AFP, London

EU trade commissioner Peter Mandelson hit out again Sunday in his battle with French President Nicolas Sarkozy over world trade talks by attacking "populist and self-serving" rhetoric on the issue.

Mandelson wrote that the latest Doha round of negotiations "is not about individual personalities" and warned that public disagreements "come with a cost to our ability to defend our interests" in a Sunday Telegraph article.

"There is increasing rhetoric about the need to protect people from change, some of it sincere but much of it populist and self-serving," he wrote.

"I want President Sarkozy and other world leaders to accept that securing trade is an important part of the solution" to current global economic woes.

Local tea prices shoot up on high demand



A file photo shows different brands of locally produced tea. Increased production cost, high demand and low production are pushing up the prices of the tea in the local market.

REFAYET ULLAH MIRDHA

Tea prices have marked a sharp rise in local market on its high demand, increased production cost and export and production shortfall in the first quarter of the season, according to industry insiders.

Traders said at the retail level packed tea of different brands were selling yesterday at Tk 180-Tk190 per kg against the rates of Tk 130-Tk140 just two weeks back.

At the auction level in Chittagong tea was selling at Tk 135-Tk145 per kg last Tuesday, the weekly auction date. A kg of tea was selling at Tk 170-Tk180 at the wholesale level yesterday.

Shantanu Biswas, chairman of the Tea Traders Association of Bangladesh (TTAB), said the local tea market now feels the pinch of the supply shortfall in the May auction due to the decline in production following a drought in tea gardens. At

that time, the supply shortfall was 1.3 million kg.

Moreover, Pakistan, the major buyer of Bangladeshi tea, imported more than the usual, as Kenya, one of the major sources of tea, failed to fulfill the Pak demand for the item this year because of its less production.

Usually, Pakistan imports 10-15 million kg of duty-free tea from Bangladesh every year, according to Biswas.

He does not foresee any decline in the prices of tea this year to the last year's level because the cost of production goes high. However, he thinks that the price will soon come down slightly.

The average price may range between Tk 110-Tk115 per kg at the wholesale level this year, which was Tk 84.88 per kg in the last calendar year, the TTAB chief added.

Biswas, also a senior official of a large tea producing company, said by the year-end tea

production may cross the last year's level as the weather condition is gradually improving.

"Tea output reached 57.60 million kg last year, while 60 million kg are expected to be produced this year," he said.

Saiful Islam, former chairman of the TTAB and a director of the National Brokers Limited, a leading tea auctioneer based in Chittagong, attributed the high prices of tea to inclement weather, soaring prices of agri-inputs like fertiliser, pesticides and transport costs.

He said the demand for tea in the local market increases at 3-4 per cent a year. The local customers consume 48-50 million kg of tea the year round, while the rest of the total production is exported, he said.

He said the dry weather in the February-April period caused a drought in tea gardens for which the production declined in May. "But, the situ-

ation has improved and the production is taking place usually," he said.

Bangladesh Tea Board (BTB) statistics say HRC is the largest exporter of tea. The other major exporting companies are Elite, A Kabir, Consol, Duncan, Ispahani, Haji Ahmed, Shaw Wallace, Unilever, Monir Shah, AMCL-Pran, Azad Enterprise and Mukut.

The BTB sources said all the companies exported 3,126,000 kg of tea up to March, 2008.

The Export Promotion Bureau (EPB) data shows that tea exports grew by 167.95 per cent in July-April period of FY 2007-08, compared with the same period of FY 2006-07.

During the period of the just-concluded fiscal, tea worth US\$13.96 million was exported against the target of \$6.42 million, the EPB data said.

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