

DHAKA MONDAY JULY 14, 2008

Stocks CSCX A 1.57% 5,919.80

Currencies

S USD 68.10 EUR 107.00

JPY 0.64

SOURCE: STANDARD CHARTERED

Commodities



\$962.75

(per ounce)

SOURCE: AFP

\$147.27 (per barrel)

(As of Friday)

More News

ADB urges govt to formulate food policy

The government needs to formulate a national food policy to ensure food security, said outgoing country

director of the Asian Development Bank (ADB). "The government needs to formulate a national food policy with aims to increase agricultural productivity, to ensure food security," said Hua Du. country director of ADB.

AB Bank Foundation's Foreign investment in shares in IFIC Bank confiscated

BB asks AB Bank to stop activities of its foundation in three months

STAR BUSINESS REPORT

The Bangladesh Bank (BB) violated the Banking yesterday confiscated 6.12 Companies Act 1991 in purpercent shares of IFIC Bank held by AB Bank Foundation, an arm of AB Bank Ltd.

The BB finds that AB Bank bought these shares through AB Bank Foundation in violation of the banking company

the cancellation and forfeiture of the shares with immediate effect and asked the AB Bank to

following an investigation, which found that AB Bank chasing the IFIC Bank's shares

in the name of its foundation. Later, BB issued a show rules. cause notice to the AB Bank asking it to explain why its shares in IFIC Bank should not be confiscated.

The central bank yesterday The central bank ordered sent two letters to the managing directors of AB Bank and IFIC Bank in this regard.

"AB Bank's reply is not satisstop activities of the AB Bank factory. So, the BB according to Foundation within three the Banking Companies Act 1991 has confiscated the shares BB confiscated the shares and ordered to transfer those to

the letter said.

The letter also termed the entity flouting the laws. AB Bank Foundation as an illegal organisation as it was not formed as per the existing

According to BB sources, AB Bank and AB Bank Foundation together holds a total of merchant banking wing was 7,44,237 or 18.31 percent shares in IFIC Bank with AB Bank Foundation holding 6.12 percent shares. The remaining around Tk 528 crore loans shares are held by AB Bank.

owns 99.60 percent shares in 2007 when stock market experi-AB Bank Foundation. On top of enced an abnormal bullish that, eight directors of the foun- trend due to liquidity glut stemdation were also appointed by ming from excess margin loans.

the BB with immediate effect," the AB Bank, making the bank and the foundation a single

> President and Managing Director of AB Bank Kaiser A Chowdhury could not be contacted for comments despites repeated attempts.

Earlier in March, AB Bank's fined Tk 10 crore by the Securities and Exchange Commission for disbursing against its paid up capital of Moreover, AB Bank also only Tk 57 crore during mid

Govt slaps ban on meat import

JASIM UDDIN KHAN

The government has imposed a ban on import of any kind of meat in a move to keep local export-oriented meat industry free from mad cow diseases.

Fisheries and livestock min- day. istry took the decision as a disease, officials said.

"Despite the fact that the amount of import in the country is not very significant the government has slapped the malbone and horn. ban to ensure bio security for the local industry," a high official of the ministry said yester-

He said if the germ sneaks precautionary measure amid into the country the local meat global concerns of mad cow processors will risk losing meat. export opportunities.

meat to UAE and Kuwait. Moreover, others export ani-

Abidul Islam Rony, an exporter of animal bone and horn, said the government took the decision promptly following their call to slap a ban on import of processed

Animal bone exporters are jasim@thedailystar.net

The local processors export required to take mad cow disease-free clearance certificates from the World Organisation for Animal Health.

> Currently, Bangladeshi importers do not require any permission for meat imports. Local five-star hotels and

fast food chains import a small

quantity of processed meat.

stock market dips 99pc in six months

SARWAR A CHOWDHURY

Net foreign or portfolio investment in stock market dropped by more than 99 percent in the first six months of this year because of profit taking by global funds.

From January to June of 2008, the country's premier bourse received only Tk 3.16 crore in net foreign or portfolio investment against Tk 565.50 crore in the first six months of 2007, according to Dhaka Stock Exchange (DSE) statistics.

The portfolio investment declined heavily as the securities market has been witnessing a volatile situation for the last six months, market sources

In this volatile situation the global fund managers have stopped buying shares and increased selling of shares.

During January to June of 2008, the foreign investors bought shares worth Tk 400.54 crore and sold shares worth Tk 397.37 crore, while the amount of shares bought by foreign investors during January to June of 2007 was Tk 715.73 crore and the amount of shares sold by them was Tk 150.23

Salahuddin Ahmed Khan said international investors' interforeign investment is neces- est to Bangladesh stock marsary for an emerging stock ket.

January-June of 2008 (In crore taka)

Month	Buy	Sell	Net position
January	115.71	26.53	89.18
February	95.43	3.89	91.54
March	50.01	89.09	-39.08
April	46.51	23.49	23.02
May	64.77	92.51	-27.73
June	28.08	161.85	-133.76

Monthly foreign trade during

market like Dhaka stock mar-

According to DSE sources, the banking sector followed by power, pharmaceutical and cement sectors received the most foreign investment.

tors are fund managers from 1996's share scam, a huge the US. A number of fund managers from Europe are also investing here, market sources said.

the foreign investors included the Bangladesh stock market in their 'Frontier Five' group of countries (alongside Kazakhstan, Kenya, Nigeria and Vietnam). Apart from, inclusion of Bangladesh in Goldman Sachs 'Next 11' coun-DSE Chief Executive Officer tries is another evidence for

Some experts, however, said the portfolio investment should not be welcomed at the current stage of stock market development and given from the local investment.

"We should not welcome Most of the foreign inves- such portfolio investment. In profit repatriation from the portfolio investment was taken place," said Yawer Sayeed, managing director & CEO of The sources said many of Asset and Investment management Services (AIMS) of Bangladesh, a local fund management company.

Others said there should be some sorts of lock-in system so that the foreign investors cannot sell all the shares at one go as such selling pressure would create negative impacts on the

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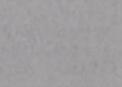


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