

Stocks

DGEN ▲ 3.80% 2,878.08

CSCX ▲ 3.77% 5,692.33

Asian Markets

MUMBAI ▼ 1.11%
14,777.01

TOKYO ▲ 2.18%
13,603.31

SINGAPORE Flat
2,977.91

SHANGHAI ▼ 2.55%
2,910.29

Currencies

Buy TK. Sell TK.

USD 67.95 68.95

EUR 105.15 109.74

GBP 134.16 139.47

JPY 0.63 0.66

SOURCE: STANDARD CHARTERED

Commodities

Gold ▼
\$926.04
(per ounce)

Oil ▼
\$124.90
(per barrel)

SOURCE: AFP

(Midday London Trade)

More News

TV warranty or exploitation?



Companies often offer warranties to allure customers into making purchases but surely they do not intend to provide them with any due services. Many of these companies do not even have any service centre to make provisions for these after-sale services. Even in cases where warranties are provided, customers have to pay service charges, which negates the concept of providing warranty.

B-4

EU adopts new regulation for GSP

The European Commission yesterday adopted a new regulation on Generalised System of Preferences (GSP), which will come into effect from 1st January 2009 until the end of 2011. The European Union (EU) hopes that the new regulation will allow the EU to maintain preferential access to its market for 176 developing countries.

B-3

International

China's new investment rules seen good for foreign firms

China on Thursday defended its foreign investment rules, with a senior government official saying companies may think Beijing is being too stringent but they would benefit in the long term.

B-4

Contact Us

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

Visa card costly for off-network ATMs

SAJJADUR RAHMAN

A Visa debit cardholder has to pay as high as Tk 143.75 per transaction if he or she uses an ATM that is not owned or shared by the card-issuing bank.

Of the charged amount, the owning bank of the ATM (automated teller machine) gets one US dollar (around Tk 70) and the card-issuing bank takes the rest of the amount, bank sources said.

"I am an Eastern Bank Ltd (EBL) Visa debit cardholder. Often I use the ATMs that are not owned by EBL. I have seen recently in my latest account statement that every Visa ATM usage fee is Tk 143.75," said an executive of a multinational company.

"I was not aware of the high charges of non-EBL ATMs that accept Visa debit card," added the official.

According to banking sources, almost all the private

commercial banks issue Visa cards for their clients. Visa International, a USA-based plastic card issuing company, provides an alternative payment method to cash.

Currently, there are about six lakh Visa debit cards in the country. Standard Chartered Bank tops the list with about two lakh cards followed by BRAC Bank's one lakh.

EBL has 48,000 Visa debit cardholders and at least 3,000 of them use other banks' ATMs

frequently, officials said.

"We do not impose any charge for use of the card unless you use other banks' ATMs. If you use other banks' ATMs, we will charge Tk 125 plus 15 percent VAT for every transaction," a senior official of EBL said.

The official said: The bank will deduct the amount from the account of the cardholder.

"A cardholder will never be charged for ATM transaction if

he or she uses our own ATM," the EBL official said.

Banks charge nothing for use of their respective ATMs. But Tk 25 is charged per transaction if the ATM is a shared one. For example, Prime Bank has an agreement with the Dutch-Bangla Bank Ltd for use of latter's ATMs and in that case the DBBL will charge Tk 25 per transaction for the Prime Bank cardholders.

Abul Kashem Mohammad Shirin, deputy managing direc-

tor of DBBL, which has the highest number of ATM booths of 260, said charges for use of Visa card vary from bank to bank.

"We don't need to use Visa cards for local transaction. It is costly. The card is necessary for international transactions," said Abedur Rahman Sikder, head of BRAC Bank's marketing and corporate affairs.

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DSE key index jumps 105 pts

STAR BUSINESS REPORT

The benchmark index of the Dhaka Stock Exchange (DSE) yesterday jumped by more than 105 points, or 3.8 percent, the largest single day gain since November 26 last year.

Along with the general index, which closed at 2878.08 points, the DSE All Share Price Index also shot up by 75.23 points, or 3.11 percent, to close at 2491.93 points.

Market insiders said the rise makes it evident that the market is recovering from the recent continual slide.

The market insiders also said the regulator's move to review the current market situation with the market stakeholders including stock exchanges, merchant bankers and leading brokerage houses was a positive step.

The Securities and Exchange Commission (SEC) yesterday met with the authorities of Dhaka and Chittagong stock exchanges, merchant bankers and leading brokerage houses.

At the meeting, presided over by SEC Chairman Faruq Ahmad Siddiqi, all the stakeholders reiterated that the recent slide was due to price correction and it is a normal phenomenon in any stock

market, sources said.

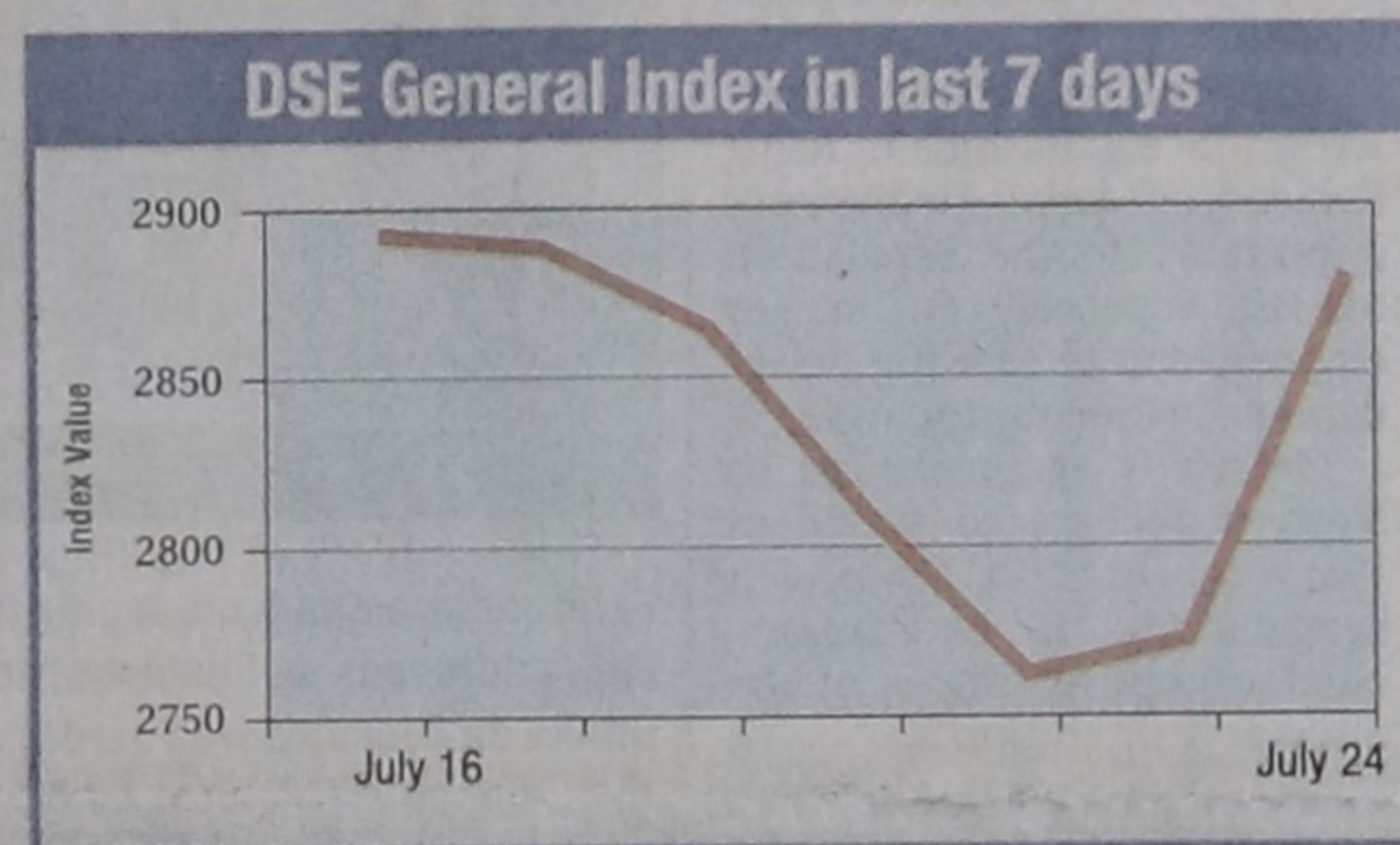
The sources said the SEC at the meeting also asked the merchant bankers and brokerage houses to organise awareness programmes in every month for their clients or investors.

The market insiders said Grameenphone's plan to raise US\$ 300 million (Tk 2,058 crore) through the stock market and private placement was encouraging news for the investors. Grameenphone, the country's largest mobile phone operator, took the decision after revising its valuation at \$3.2 billion last month.

The company on Wednesday said a formal initial public offering (IPO) prospectus to raise \$150 million from the stock market would be submitted to the SEC by the end of this month. The rest \$150 million will be raised through private placement or pre-IPO.

The market insiders also said many of the share prices came down to a reasonable level following the recent price correction. The lower prices attracted many investors to take possession of securities that pushed the share prices up yesterday, they added.

Of the issues traded, 204 advanced and 22 declined with



five unchanged. A total of 2,36,73,138 shares worth Tk 342.60 crore were traded at the premier bourse.

Alike the premier bourse, the indices on the Chittagong Stock Exchange also shot up yesterday with the CSE Selective Categories Index went up by 206.59 points, or 3.76 percent, to 5692.33 points, while the CSE All Share Price Index shot up by 287.76 points, or 3.36 percent, to 8836.74 points.

A total of 57,75,474 shares worth Tk 51.60 crore changed hands at the port city bourse. Of the issues traded, 115 advanced, 15 declined and five remained unchanged.

Meanwhile, only 10 Rupali Bank shares with a price of Tk 2686.50 were traded on the

DSE yesterday, four days after the trade in the bank's share had resumed.

Although the trading of Rupali Bank shares had resumed on July 20, no share was traded since the resumption day due mainly to circuit breaker system that puts a price floor on the sale of a share.

Share trading of the state-run bank remained suspended since November last year to check the unusual price fluctuation. Prior to suspension, the bank's share price was nose-diving or skyrocketing now and then on confusing news on the bank's scheduled sell-off, which was cancelled by the government in March this year.

WTO talks plagued by new strains

APF, Geneva

Strains between big and small countries worsened tension between rich and poor at WTO trade talks here on Thursday as countries struggled to thrash out a new global free-trade pact.

Negotiators continued meetings after a gruelling session overnight, but despite efforts by some to stress progress was being made it was clear stark differences remained over critical sticking-points.

"On some of the key issues, positions still remain too far apart," WTO Director-General Pascal Lamy conceded at a meeting of the organisation's 153 members on Thursday, his spokesman told reporters.

The World Trade Organization has convened a meeting here of 35 leading trade negotiators with the aim of mapping out a deal to conclude the long-delayed Doha round of global trade talks.

The Doha round began seven years ago with the aim of helping poor countries, but it has been delayed by disputes between the rich developed world and poorer developing nations over cutting subsidies and tariffs.

After talks between all 35 invited delegations failed to deliver progress, Lamy has concentrated his efforts on trying to get a group of seven leading trade powers to find common ground.

Only the United States, the European Union, Japan, India, Brazil, Australia and China were involved in talks until the early hours of Thursday morning, which drew complaints from smaller nations.

Limited trade unionism soon

Says adviser

STAR BUSINESS REPORT

Jute and Textiles Adviser Anwarul Iqbal has said government will allow limited trade unionism at factories soon in order to protect workers' rights.

Presently, such trade unionism is prohibited under the state of emergency.

"The Ministry of Home Affairs has already completed its preliminary task for allowing trade unionism to a limited extent," Iqbal told the launching ceremony of a service book for readymade garment (RMG) workers at the BGMEA auditorium yesterday.

Urging a better living standard for the RMG workers the adviser asked the garment owners to monitor the distribution and maintenance of such service books.

BGMEA (Bangladesh Garments Manufacturers and Exporters Association) and BKMEA (Bangladesh Knitwear Manufacturers and Exporters Association) have introduced a 16-page service book for the first time in the country for the RMG workers to bring transparency in paying wages to them and to ensure other rights.

The distribution of these books among the workers will be completed within the next two months, said BGMEA President Anwar-Ul-Alam Chowdhury Parvez at the function.

"BGMEA will take legal actions against those owners

who will not ensure such distribution of service books within the stipulated time," Parvez warned, informing the ceremony that a cell has already been opened at the BGMEA to monitor the service book distribution.

Parvez said an orientation course on introducing welfare committees for the RMG workers at factory level will also be launched by the middle of the next month.

He reiterated his call to the government to beef up measures, like some lucky African LDCs, through the foreign ministry for ensuring duty- and quota-free market access of Bangladesh RMG products to the developed countries.

"In this case Bangladesh government can utilise the Bangladeshi Army working for restoring peace in Africa as a tool for negotiations," he suggested.

The government should appoint issue-based lobbyist firms in different countries to ensure better market access of Bangladesh products to other countries, Parvez added.

The BGMEA chief said a number of studies on the impact of Free Trade Agreements (FTA) should be conducted in the interest of enhancing bilateral trades to bolster economic activities.

"But unfortunately there has been no step to conduct such an impact study on both government and private sector entrepreneurs' part," Parvez lamented.

Nordic Investment Bank awaits govt nod to start operation in Bangladesh

JASIM UDDIN KHAN

Nordic Investment Bank (NIB), an international financial institution, is intended to launch its operation in Bangladesh.

The NIB aims to finance both private and public projects here for infrastructure development, sources in the Economic Relations Division (ERD) said.

On receipt of the government's nod the bank has already applied for, an NIB branch would be set up.

ERD Secretary Md. Aminul Islam Bhuiyan acknowledged the bank's formal approach for a licence to go for commercial operation here.

"We have already asked the ministries concerned for their opinions on the matter by July 28," Dr AHM Mustain Billah, joint secretary, ERD, told The Daily Star.

NIB, headquartered in Helsinki, the capital city of Finland, was founded in the

mid-1970s by five Nordic countries: Denmark, Finland, Iceland, Norway and Sweden. In 2005, Estonia, Latvia and Lithuania became sponsors of the bank.

NIB acquires funds for its lending by borrowing from international capital markets.

It has an office in Copenhagen and a representative office in Singapore. The bank has financed over a thousand projects since it began operating in 1976.

The bank's other focuses are on investments in infrastructure, climate change, corporate sector and

small and medium-sized enterprises.

In financing non-sponsor member countries, the NIB provides long-term project investment loans in Asia, the Middle East, Central and Eastern Europe, Latin America as well as Africa.

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Developer looks to high-rise buildings to reduce costs

KAWSAR KHAN

A leading developer aims to reduce apartment prices by constructing high-rise buildings with at least 100 apartments in each, which the developer believes would decrease production cost.

High-rise apartment blocks, as such, will cut production costs and help the developer to offer a flat at 10 percent less than the average market price, according to Sheltech (Pvt) Ltd.

Sheltech will undertake three large projects under which the company will construct high-rise buildings in Rajarbag, Shantinagar, and Elephant Road areas in Dhaka to offer low cost flats.

"We will import materials such as doors, toilet fittings and electrical equipment in bulk to reduce cost of these projects," said Toufiq M Seraj, managing director of Sheltech.

Seraj said from now on the company would focus mainly on constructing high-rise buildings.

"Instead of going for small projects, which are often expensive, we are now contemplating on going only for such big projects for the sake of our business and to meet customer demand for low

cost flats," Seraj said.

The maximum size of a single apartment in a high rise building will not be over 1,500 square feet and average cost of per square foot will be between Tk 3,500 and Tk 5,500 which, the company officials said, is 10 per cent lower than the market price.

Industry sources said developers in general have started to build more small apartments ranging from 800 to 1,000 square feet and apartments outside Dhaka to deal with the reduced sales of apartments, caused by the global price hike of construction materials.

Cost to acquire land accounts for about 50 per cent of the total cost of building apartments, so some real estate companies are now considering to go outside Dhaka to reduce construction costs," said Tanveerul Haque Probal, president of Real Estate and Housing Association of Bangladesh (REHAB).

"Real Estate companies are also considering to build satellite townships in semi urban and rural areas with all essential facilities such as school, hospital, market," he further said.

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A computer generated picture of a high-rise building to be built by Sheltech (Pvt) Ltd.

Best Air flies to Colombo, Male from Monday

STAR BUSINESS DESK

Best Air, a private airline, flies two new international routes -- Colombo and Male -- from Monday, officials announced yesterday.

"This is for the first time in Bangladesh that a private airline has introduced direct flights to Colombo and Male," M Haider Uzzaman, chairman of Best Air, told a press briefing in Dhaka.

The carrier, which launched its operation on the domestic route in the mid-January this year with a single Boeing 737-200, launched its first international operations on Dhaka-Bangkok route a month earlier.

The carrier attempts to start the second international flights at a time when airlines across the world are cutting down their flights in the face of higher fuel costs.

Best Air, one of the five local carriers, came to share a slice of about 8 percent growth in aviation industry, also suspended its flights on the most-busiest domestic Dhaka-Chittagong route to avoid losses against the backdrop of poor traffic and rising fuel costs.