

## Stocks

DGEN ▼ 1.10% 2,660.10

CSCX ▼ 0.43% 5,358.14

## Asian Markets

MUMBAI ▼ 0.54% 14,577.87

TOKYO ▼ 1.23% 12,933.18

SINGAPORE ▼ 1.03 2,876.08

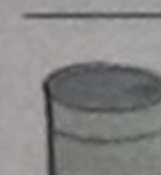
SHANGHAI ▼ 2.14% 2,741.29

## Currencies

	Buy TK.	Sell TK.
USD	68.00	69.00
EUR	104.48	109.08
GBP	132.68	137.98
JPY	0.63	0.66

SOURCE: STANDARD CHARTERED

## Commodities

	<b>Gold</b>	▼	\$912.38 (per ounce)
	<b>Oil</b>	▼	\$124.94 (per barrel)

SOURCE: AFP

(Midday London Trade)

## More News

Old Dhaka business hubs in misery



Old Dhaka, an important business hub of the country, has survived hundreds of impediments that hamper the business activities of thousands of small and medium enterprises.

As the city rejoices its 400 years, the stark problems of Old Dhaka now stare back into their faces.

B-4

TCB to procure essentials from domestic market

State-owned Trading Corporation of Bangladesh (TCB) plans to purchase essential commodities from the domestic market, as its international tenders failed to initiate any response. TCB will procure these commodities from the domestic market to save time, as the Ramadan begins from the first week of next month.

B-3

## International

ArcelorMittal's takeover of Chinese steelmaker on hold

China Oriental said Monday a takeover of the firm by ArcelorMittal had stalled after Chinese regulators failed to give the green light to the proposed deal in the strategically key steel sector.

China's anti-trust regulator failed to approve the deal for ArcelorMittal to take a stake of more than 70pc.

B-4

## 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)

# Be compliant, or face shrimp import suspension

## EU ultimatum to Bangladesh

JASIM UDDIN KHAN

European Commission has given an ultimatum to Bangladesh to suspend shrimp imports from here if it fails to effectively implement its residue-monitoring plan before the next inspection takes place in November this year.

Residue Monitoring Plan (RMP) is a way by which a country gets eligibility to export shrimps with facility to analyse residues of substance including chloramphenicol, metabolites of nitrofurans, tetracycline, malachite green and crystal violet.

A letter signed by the commission's Head of Cabinet Philippe Brunet was sent last month to Special Assistant to Chief Adviser Manik Lal Samaddar, who is in charge of the Ministry of Fisheries and Livestock.

"If the next commission inspection in Bangladesh will reveal that your authorities are not effectively implementing the guarantees provided, we will have no alternative, but to suspend the imports of crustaceans from Bangladesh until the problems are completely rectified," Brunet said in his letter.

He said the EC member states will continue finding residues of substances not authorised under Community legislation or residues of veterinary medicinal products that exceed the maximum residue limits laid down by the EU.

Earlier, the commission proposed Bangladesh to test all consignments of shrimps by the EU member states on their arrival at the EU border but Bangladesh government in a meeting with a EU representative on April 24 this year assured that it will effectively implement the residue monitoring plan and test all the consign-



ments of crustaceans prior to their exports to the EU member states.

Industry sources said Bangladesh gave promise to the EU that it will implement 'Method validation' and of HACCP (hazard analysis and critical control points) standard at field level so that all possible sources of harmful substance can be checked.

Method validation is the process used to confirm that the analytical procedure employed for a specific test that is suitable for its intended use. Results from method validation can be used to judge the quality, reliability and consistency of analytical results; it is an integral part of any good analytical practice.

"Despite the promise has been made before EU, the government is yet to bring any significant development in method validation other than procuring a LCMSMS machine," an exporter said preferring anonymity.

He said the shrimp sector is still behind the required EC's HACCP regulations at field level.

When asked, a high official of the fisher-

ies and livestock ministry said they are hopeful that the method validation will be fully implemented before November.

"We already started testing all the five substance and an internationally reputed expert from Food and Agriculture Organization will arrive in September to validate the testing."

No rejection of any consignment by EU member states during the last nine months proved that our products are fully free from any harmful substance and the European team will be happy to see these facilities, he added.

Earlier in July 1997, the European Commission imposed a ban on imports of shrimp products from Bangladesh into the EU on the ground that exports of this commodity did not meet the stringent provisions of EC's HACCP regulations.

Bangladesh fetched US\$ 449 million from exports of frozen foods, mostly shrimp, in the ten months of the 2007-08 fiscal against the target of \$ 691 million exports for the fiscal.

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## High Court stays SEC ban on issuance of bonus, rights shares

STAR BUSINESS REPORT

The High Court (HC) yesterday stayed for three months the stock market regulator's imposition of a ban on issuance of bonus shares or rights issues for close-end mutual funds by changing the mutual fund rules.

The HC also stayed the dividend declaration by all the mutual fund managers until disposal of the rule, said the lawyers who moved in favour of the petitioners.

The mutual funds, which already declared dividends, will also fall under this rule, meaning the mutual funds cannot disburse the declared dividends to the unit holders until disposal of the rule, the lawyers said.

The HC Division, comprising Justice Khademul Islam Chowdhury and Justice Mashuque Hosain Ahmed, also issued a rule asking the Securities and Exchange Commission (SEC) why the commission's decision of bringing changes in mutual fund rules would not be declared illegal, the lawyers said.

Dr M Zahir and Barrister Shafiqur Rahman appeared for the petitioners -- Ibrahim Akand, Delwar Hossain and Raihana Haque, three investors who filed writ petition on the changes in mutual fund rules made by the SEC in July.

Earlier on July 22 this year, the SEC formally approved the changes in mutual fund rules that barred the close-end mutual funds from offering bonus share as dividend or offer right issues in a bid to increase their capital base.

Following the decision, prices of the mutual funds, which were skyrocketing on rumours that some of the funds were going to declare rights or bonus shares to increase their capital base, witnessed a continuous big fall. The fall also cast negative impacts on other share prices, forcing them to go down.

## Over \$5b knitwear exports in FY '08

REFAYET ULLAH MIRDHA

Knitwear exports reached \$5.532 billion in the immediate past fiscal year (2007-08), registering a 21.24 percent growth and exceeding the target of \$5.465 billion, according to the Export Promotion Bureau (EPB) data.

The sector people said sharp rebound in knitwear exports followed by peaceful political environment, currency appreciation against US dollar by major competing countries and aggressive marketing drive helped exceed export targets at the end of the fiscal.

In June exports of knitwear reached \$603 million, which is 24 percent up.

Knitwear is the country's largest single export item and together with woven products accounts for more than 75 percent of the country's export earnings.

The surge comes following a relatively weak FY 2006-07 when readymade garment (RMG) exports failed to reach targets partly as a result of prolonged periods of political and industrial unrest.

Political calm and reduction in labour unrest helped pick up

exports of the item in September, an exporter said.

Another manufacturer pointed to the success in marketing Bangladeshi products to US buyers, also giving credit to the exploration of new markets such as Poland, Russia and Uzbekistan.

Woven product exports reached \$5.168 billion in FY 2007-08.

President of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) Fazlul Hoque said country's RMG exports would face more competition next year as China raised tax rebate on textile and garments.

President of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) Anwar-Ul-Alam Chowdhury Parvez said buyers were coming back to Bangladesh to import low priced basic garment items.

"Another thing is that there was no lean period of sweater production for Bangladesh last year. Generally December-March is a lean period, but this year there was no such lean period due to the lengthy winter season," Parvez said.

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## Bahrain faces severe shortage of nurses

PTI, Dubai

Bahrain is facing severe shortage of thousands of nurses as the available number was not enough to fulfill the World Health Organisation's parameters of having a medical attendant to every 5,000 people.

"At night there is sometimes one nurse for 22 patients and there should be one nurse to every four patients. We have severe shortage," Bahrain Nursing Society president Rula Al Saffar was quoted as saying

in a media report. There are 6,000 nurses available in the Gulf state.

Noting that the nurses in the country have to work overtime, Al Saffar said: "there is one nurse for every 20,000 people, but the WHO says there should be one nurse to every 5,000 people".

"Bahrain is taking several new initiatives to make the profession attractive for the national cadres but new nursing pay scale proposal was unfair and not according to nurses' demands," she said.

## Islamic, conventional insurers to get 6 months to choose any one

Income by Islamic insurance companies 2007  
(Figure in taka crore)

General Cos. (Non-life)	Life Cos.
Islami Insurance Bangladesh Ltd : 21.27	Fareast Islami Life Ins Co Ltd : 239
Islami Commercial Ins Co Ltd : 11.5	Prime Islami Life Insurance Ltd : 80
Takaful Islami Insurance Ltd : 16.27	Padma Islami Life Insurance Ltd : 67

SAJJADUR RAHMAN

The Insurance Ordinance 2008, approved last week, will allow Islamic insurance, but no company will be permitted to do both Islamic and conventional businesses simultaneously, sources said.

Many insurance companies, which run both forms of practices, have to choose one either Islamic or conventional insurance after the promulgation of the new law.

"Companies engaged in both the businesses will be given six months to choose one," a senior official in the Ministry of Commerce said quoting the new law.

"After the expiry of the timeframe, actions, including cancellation of licences, will be taken against the violators," the official said. The interim government approved two insurance ordinances last week aiming to bring massive changes in the 70-year-old insurance laws. Introduction of Islami insurance business and its separation from the conventional insurance is one of the major changes in the new laws. The other ordinance is: Insurance Regulatory Authority Ordinance 2008.

60 insurance companies are currently in operation under the private sector. Of which, 43 are general and 17 life insurance companies. Out of the 60, six are full-fledged Islamic insurance companies. Of these six, three deal with life insurance while the remaining are general insurance companies.

Conventional insurance business in private sector was first allowed in 1985. According to sources in the Department of Insurance, Fareast Islami Life Ins Co Ltd is the country's first full-fledged Islami insurance company, introduced in 2000. The other two Islami life companies are: Prime Islami Life Insurance Ltd and Padma Islami Life Insurance Ltd.

Of the general companies, Islami Insurance Bangladesh Ltd, Islami Commercial Ins Co Ltd and Takaful Islami Insurance Ltd are dedicated to Islamic insurance.

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