

## Stocks

DGEN ▲ 1.90% 2,620.73

CSCX ▲ 1.57% 5,351.56

## Asian Markets

MUMBAI ▲ 0.92% 14,678.23

TOKYO ▼ 0.10% 12,851.69

SINGAPORE ▲ 0.86% 2,751.75

SHANGHAI ▲ 7.63% 2,523.28

## Currencies

Buy Tk Sell Tk

USD 68.05 69.05

EUR 98.94 103.45

GBP 125.35 130.55

JPY 0.62 0.65

SOURCE: STANDARD CHARTERED

## Commodities

Gold \$809.29 (per ounce)

Oil \$114.40 (per barrel)

SOURCE: AFP

(Midday London Trade)

## More News

Banglalink CEO upbeat on future internet



Bangladesh's mobile market now deserves high-speed wireless broadband internet support to provide more data services for cell phone users, said Rashid Khan, chief executive officer of Banglalink. Khan feels that steps to roll out the wireless internet will boost the use of mobile phone applications as well.

B-4

## International

Apple, Google score high on customer satisfaction

Apple and Google, two Silicon Valley companies, garnered exceptionally high scores in terms of customers' satisfaction, according to a survey released on Tuesday.

B-4

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# Esquire to set up Tk180cr chemical plant

## STAR BUSINESS REPORT

Esquire Group will establish a Tk 180 crore chemical plant to produce Hydrogen per Oxide, mainly in the textile dyeing industry.

The chemical is used as a bleaching or cleaning agent in textile, dyeing, pulps and paper industries. Industry people said a new plant to manufacture the chemical would reduce the country's dependency on the import of the product.

"There are ample opportunities for marketing the product as it is imported every year to meet demand by local industries," said Mofazzal Hossain, chairman of Esquire Group, known for its flagship company Esquire Electronics, the distributor of such electronics

brands as General and Sharp.

The Group chairman made the remark as one of the subsidiaries, Esquire Chemical Industries Ltd (ECIL), struck a deal with 11 banks and financial institutions for a syndicated term loan of Tk 126 crore to set up the chemical factory in Gojaria, Munshiganj.

People close to the deal said the sponsors would provide the rest of the fund through equity financing.

AB Bank arranged the syndicated term loan as part of an agreement signed in Dhaka on August 19, when Kaiser A Chowdhury, managing director of AB Bank, managing directors and senior executives of other participating lenders were present.

The other participating banks and financial institu-

tions are: Bank Asia, Bangladesh Commerce Bank, LankaBangla Finance, Mutual Trust Bank, One Bank, Phoenix Finance and Investment, Pubali Bank, Saudi Bangladesh Industrial and Agricultural Investment Company, Southeast Bank, and The City Bank.

ECIL officials said the company wants to produce 20,000 tonnes of Hydrogen per Oxide annually with the completion of the project next year.

"But together with all other local factories we will be able to supply only about 20 percent of total demand," said the chairman of Esquire Group which moved to diversify its business into textile in 1993 by establishing a dyeing factory and subsequently expanded to knitting.

Esquire officials said the

HIGHLIGHTS	
<b>Esquire</b>	
Planned investment	Tk 180 crore
Syndicated loan	Tk 126 crore
Number of loan givers	11

new venture would further boost the company's revenue earnings, as demand for the chemical product will continue to increase.

Esquire also intends to tap the potential of exports to India, saying the country has banned chlorine and bleaching powder as the chemicals pollute the environment.

Arifur Rahman, managing director of Esquire Chemical, said the plant would be completely environment friendly as he claimed the product to be

completely environment friendly as well.

"It will ultimately replace the chlorine based bleaching in Bangladesh dyeing industries," he said.

Industry insiders said ECIL would be the fourth local company to produce Hydrogen per Oxide with HP Chemical Industries leading among the locally established chemical factories.

Samuda Chemical Complex, another chemical company, is also producing the product. The company has recently planned to double its production capacity from about 10,000 tonnes a year to about 35,000 tonnes.

However, industry people said the local plants largely fail to meet demand for the chemical.

# Indian strike halts Benapole trade

## STAR BUSINESS REPORT

Local importers yesterday feared a short supply of perishable items such as onion, garlic and ginger before Ramadan as trade at Benapole Land Port came to a standstill because of a general strike on the Indian side of the port.

Millions of Indian airport, rail and bank workers went on strike to protest against soaring inflation and the government's "anti-worker" policies. The strike stranded hundreds of inbound and outgoing trucks, loaded with perishable goods, on both sides of the port.

"A single day halt in trading is not likely to create a huge impact on supply. If the strike continues for a few more days, however, it will create serious problems," said Sharier Suman, an executive of Hafiz Corporation, a leading Shaymabazar-based import house.

"It is the peak season in terms of importing perishable items into the country

through Benapole as only few days are left to Ramadan," Suman said.

Azizur Rahman, another importer based in Moulvibazar, said retailers tend to hoard goods to create an artificial crisis in times of trade suspension.

The nationwide action called by Indian communist-backed trade unions was also to protest against an average 21 percent wage hike for government officials that the strikers say ignores junior staff, the Press Trust of India reported.

It comes a month after communist parties, bitter critics of what they call the Congress-led government's "anti-labour" policies, withdrew their support after propounding up the administration in parliament for four years.

Local clearing and forwarding agents in Bangladesh demanded that the government negotiate with the Indian government to introduce 24-hour nonstop clearance services at the busy land port.

# Economists see rough patch for global economy

## STAR BUSINESS DESK

The IC-IfO global climate index fell in July for the fourth straight quarter as sentiment became downbeat last summer, recording its lowest level since 2001, the International Chamber of Commerce said in a statement released from Paris yesterday.

The ICC-IfO world economic climate index that polled 1,025 economic experts in 92 countries dropped 8.0 points to 73.4 from 81.4.

Sentiment darkened especially in Western Europe and Asia. While economists' view of the US economy scored its lowest marks in a decade, they slightly raised their expectations for the US economy in the coming six months.

The index fell in all major Asian economies. In some major economies of Latin America, including Brazil and Mexico, economists also fore-

see a cooling-off period for the second half of the year, the statements said.

The economists said the greatest impediment to global economic growth is inflation, which they say is further aggravating the cyclical downturn. They estimated worldwide inflation at 5.2 percent.

The economists polled in the survey raised their expectations for inflation in each region of the world: 3.8 percent for the US, a major upgrading in inflationary expectations in Europe to 3.5 percent, and pegged inflation at 5.3 percent in Asia, 9.7 percent in Latin America, and 14.5 percent in the CIS states.

The ICC, a world business organisation, participates in the quarterly survey with the Ifo Institute for Economic Research and the Centre for Economic Studies at Ludwig Maximilian University, both based in Munich, Germany.

# Ad industry booms on more housing investment

## SAYEDA AKTER

The advertising industry experienced a boom in the first six months of the year 2008 due to an increase in real estate sector spending on advertisement.

Ahmed Hasan, managing director of Ryans Archive, a media monitoring company, said a remarkable 132 percent investment growth in real estate sector from January to June of this year brought about a rapid growth of advertisement expenditure.

"If the trend continues, the total ad spending and market size of the industry would be tripled by the year-end," said Ahmed.

He said in June Tk 119.5 crore was spent on TV advertisements with the real estate sector spending Tk 39.55 million, up from Tk 9.59 million in January.

"The unfavourable and stagnant business condition in the real estate sector, caused by the last year's political uncertainty prior to the takeover of the present caretaker government, changed for the better by year-end. This positive situa-

tion inspired the manufacturers of construction materials to spend more on advertising," he added.

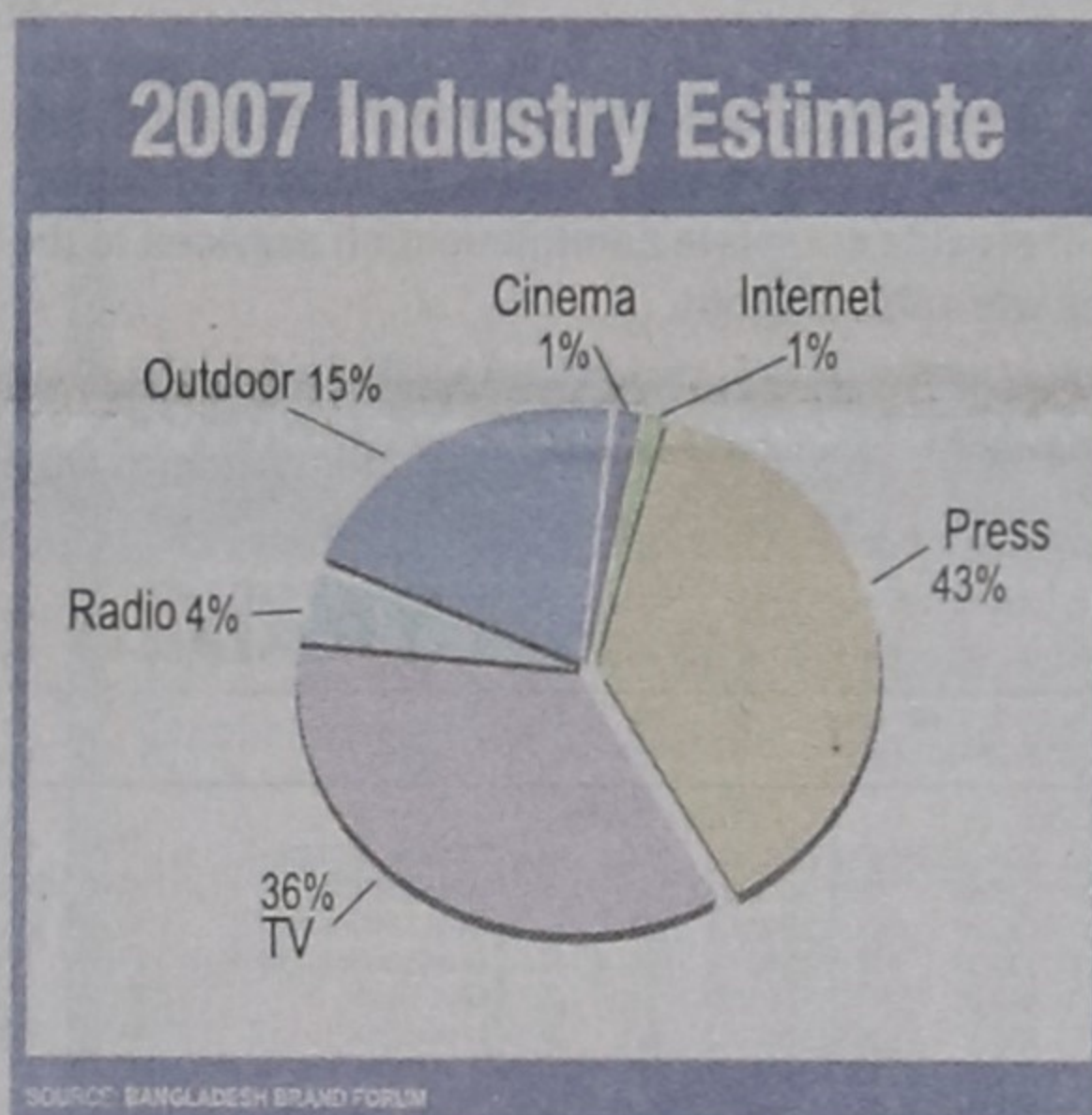
Ahmed said mobile telecom sector of the country led the overall 42 percent growth in spending on advertisement. Grameenphone was the largest advertiser on television with an advertisement expenditure of around Tk 163 million in June.

Seven Circle, a cement manufacturing company, placed itself in the list of top 20 advertisers of this year with an ad spending of around Tk 10 million.

Shahriar Ahmed, sales manager of Seven Circle, said since the beginning of this year sales of construction materials has increased, pushing the ad expenditure up in recent months.

"At the same time the production capacity of cement manufacturers also increased, which helped the companies to allocate more budget for advertising," he added.

However, the ad spending on fast moving consumer goods (FMCG) has been on the slower side in recent months.



Aly Zaker, managing director of Asiatic JWT, said advertisement expenditures on FMCGs are on the decline and by the end of the year such spending on such products would further be reduced.

He opined that the recent income growth of the advertisement industry would be temporary.

"This growth would not last for long because of the global

Summary report from Ryans Archive		
Growth (%) of Ad spending by Industry, Jan to June 08		
Industry		Growth(%)
Real Estate		312
Banking		154
Electrical & Electronics		139
Beverage		98
Telecom		64
Beauty Care & Toiletries		34
Consumer Product		30
Construction Material		13
Health & Hospital		7
Food		-7

economic situation," he said. A research, conducted by Ryans Archive, estimates the total expenditure on advertisement to be Tk 3900 crore in 2008, which is more than three-fold compared to the spending on advertisement last year. According to the industry insiders, the total advertisement expenditure ranged between Tk 1000 and Tk 1200 in 2007.

Print media remains the largest

advertising vehicle accounting for 43 percent of spending on advertisement, followed by TV advertising that accounts for 36 percent. Internet is still the least preferred advertising vehicle that accounts for only one percent of the total advertisement spending, according to a research published in Bangladesh Brand Forum magazine.

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# Stocks rebound on SEC move

## STAR BUSINESS REPORT

The stock market showed signs of a rebound yesterday as the capital market regulator started a series of meetings with the leading merchant banks and brokerage houses.

The Securities and Exchange Commission (SEC) yesterday had separate meetings with the managing directors of three merchant banks and one brokerage house, namely, AB Bank, Prime Bank, NCC Bank and Multi Securities.

At these meetings, the SEC discussed how confidence

could be built up and the liquidity be increased in the market and problems faced by the merchant banks and brokerage houses be resolved, sources said.

The benchmark index of the Dhaka Stock Exchange, DSE General Index, rose 49.11 points, or 1.9 percent, to 2620.73 points, while the DSE All Share Price Index increased 38.85 points, or 1.75 percent, to 2254.33 points.

Experts said the market revived on the regulator's yesterday's move to find ways to overcome the continued bearish trend.

The investors expect

some good news to come out of the series of meetings, said an expert. "However, the turnaround would not be sustainable as the turnover still remains very low," he added.

According to SEC officials, the series of meetings will continue today.

Most of the securities were traded on the premier bourse yesterday. Of the 225 issues traded, 173 advanced, 42 declined and 10 remained unchanged.

Total market capitalisation increased to Tk 92,553.95 crore from the previous day's Tk 91,307 crore.

Yesterday's top ten turnover leaders were Titas Gas, Beximco Pharma, Beximco Limited, Uttara Bank, Islami Bank, ACI, National Bank, AB Bank, Lanka Bangla Finance and BRAC Bank.

Like the DSE, Chittagong stocks also ended higher yesterday. The CSE Selective Categories Index rose 1.57 percent to 5351.56 points, while the CSE All Share Price Index increased 1.42 percent to 8231.43 points.

A total of 28,95,331 shares worth Tk 34.79 crore changed hands on the port city bourse.

# Check on brokers' money laundering suggested

## STAR BUSINESS REPORT

A team of experts from the Asia-Pacific Group on Money Laundering (APG) has suggested the government take measures to check money laundering, if any, by stock brokers.

The 5-member APG team, now in Dhaka on a 14-day visit to evaluate Bangladesh's safeguards against money laundering and terror financing, had a meeting with some high officials of the ministries of finance and law at the Secretariat yesterday and made this suggestion.

"There are scopes for money laundering by stock brokers, but a check on such scopes is urgent," a finance ministry official who attended the meeting quoted the visiting team, led by its Executive Principal David Shannon, as saying.

During the meeting, Bangladesh officials listed what measures have already been taken for the prevention of money laundering.

The team was eager to know if the offences relating to money laundering were clearly defined in the Money Laundering Prevention

Ordinance 2008, one of the two ordinances promulgated by the present interim government to control terror financing. The other ordinance is Anti-Terrorism Ordinance 2008.

They also emphasised the need for enacting these ordinances as laws in the next parliament by the political government to come.

The measures that the government took include formation of a Central Task Force and seven Regional Task Forces to monitor the money laundering activities to prevent any offences.