

Stocks

DGEN ▼ 0.25%
2,918.55

CSCX ▼ 0.72%
5,868.03

Asian Markets

MUMBAI ▼ 2.11%
10,581.49

TOKYO ▼ 11.41%
8,458.45

SINGAPORE ▼ 5.25%
1,951.20

SHANGHAI ▼ 4.25%
1,909.94

Currencies

Buy Tk Sell Tk

USD 68.15 69.15

EUR 90.46 94.85

GBP 116.45 121.52

JPY 0.67 0.71

SOURCE: STANDARD CHARTERED

Commodities

Gold ▼ \$836.34
(per ounce)

Oil ▼ \$67.17
(per barrel)

SOURCE: AFP
(Midday London Trade)

More News

Ailing cooperatives need fresh lease of life

Stakeholders at a discussion in Dhaka yesterday urged the government to approve the draft policy on cooperatives to give a fresh lease of life to the ailing sector.

Profit-taking pulls down stocks

Dhaka stocks slid for a second day with turnover hitting a record high of more than Tk 564 crore. Market insiders said profit-taking and price corrections of some overpriced securities pulled down the market.

They said the fall might have widened if Summit Alliance Port had not made its debut on Dhaka Stock Exchange yesterday.

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International

Recession, how deep?

With recession fears for the US economy growing by the day in the wake of a global financial crisis, analysts are pondering the questions of how deep and how wide the downturn will be. Most economists say the extraordinary efforts by Washington and other governments to stem the credit crisis appear to be helping confidence but will not prevent recession in the world's biggest economy.

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Trade gap narrows

REJAUL KARIM BYRON

Trade imbalance narrowed 32 percent in July, the first month of the current fiscal, compared to the same month a year earlier, mainly because of high export earnings and declining commodity prices in the world market.

The net foreign direct investment (FDI) increased by 31 percent in the month, although the portfolio investment declined by 103 percent.

According to the Bangladesh Bank statistics, the July trade imbalance was \$342 million against \$502 million in the same month of fiscal 2007-08, driven by increasing exports.

Export earnings recorded a 71.83 percent rise in July when the imports marked a 34.46 percent rise, narrowing the trade gap.

BB officials said imports of food grains and other commodities fell significantly during the month.

According to the letter of credit settlement statistics, rice imports fell by 39 percent in the first quarter (July-September) of the current fiscal year (2008-09).

During this quarter, only 2.8 lakh tonnes of rice were imported against 4.57 lakh tonnes in the first quarter of the

Items	July 2007-08	July 2008-09	Yearly % change
Trade balance	-502	-342	-31.87
Exports	891	1,531	71.83
Ready-made garments	692	1,188	71.68
Imports	-1393	-1,873	34.46

previous fiscal year, while wheat import came down by 26 percent and edible oil by 32 percent.

The net foreign direct investment (FDI) increased by 31 percent reaching \$63 million in July. While portfolio investors withdrew about \$1 million investment from the country in the month recording no new portfolio investment. However, the same month in fiscal 2007-08

recorded such investment at \$33 million.

The portfolio investment declined heavily as the securities market has been witnessing a volatile situation for the last few months, Dhaka Stock Exchange officials said.

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

Boosted by a rise in FDI, remittances and favourable

trade balance resulted in a surplus in the current account balance.

In July, the current account balance surplus was \$269 million against a deficit of \$130 million in the same period of the last fiscal year.

A central bank high official has predicted that the balance of payments will remain in favour of the country if the global financial crisis ends soon.

Europe urges global finance reform

AFP, Paris

Calls for a new global financial system mounted on Thursday as stocks took a new hammering and Switzerland leapt to the defence of its prized banks with a 60-billion-dollar package for UBS.

Amid mounting recession fears, the Tokyo stock market suffered its worst loss for two

decades, closing down more than 11 percent and European shares also fell after the Dow Jones index lost 7.8 percent.

An emergency summit of the Group of Eight wealthy powers is expected in November and President Nicolas Sarkozy of France said he would press Europe's calls for major reform of the financial system when he meets US President George W. Bush this weekend.

Summit Alliance Port nears 780pc on debut

SARWAR A CHOWDHURY

Summit Alliance Port shares rocketed by more than 779 percent on its debut on Dhaka Stock Exchange yesterday, as retail investors rushed to purchase stakes in the off-dock service provider.

Analysts said such desperate buying spree has once again underlined the need for a functional price discovery mechanism in the primary market.

A dysfunctional price discovery mechanism in the primary market is a major problem, which causes an unusual jump in share prices on the first day of trading, said Yawer Sayeed, managing director of AIMS of Bangladesh.

He said the huge mismatch in share prices between the primary and secondary markets discourages the entrepreneurs who list their companies through initial public offering.

Introduction of a modern pricing mechanism like 'book building' is needed to avert any distortion in the pricing system, he suggested.

Summit Alliance Port floated yesterday 10 lakh primary shares of Tk 100 each.

Summit Alliance Port opened at Tk 600 on the DSE and rose as high as Tk 1,074 before closing at Tk 879.25. On the CSE, it went as high as Tk 1,030 before closing at Tk 875.

Related story on B2
sarwar@thedailystar.net

Banks plan to switch to DIBOR by year-end

SAJJADUR RAHMAN

Commercial banks have planned to implement the proposed Dhaka inter-bank offered rate (DIBOR) by the year-end to discipline lending and borrowing of funds among them.

The move will help banks control the unusual nature of inter-bank call money rates and know the banks' overall liquidity position, treasurers in different banks said.

Currently, banks have no mechanism to quote rates for inter-bank lending and borrowing, which ultimately forces a bank to borrow at higher rates than that of even the corporatelending.

"We like to implement DIBOR by the year-end. Bangladesh Bank also wants DIBOR to be implemented," said Syed Abu Naser Bukhtear Ahmed, chairman of Bangladesh Foreign Exchange Dealers Association, the initiator of the move.

The forex trade body has recently formed a technical committee to prepare a report on DIBOR, which will probably be submitted by the month-end.

DIBOR, if implemented, will be the barometer for interest rates that the banks in the country charge each other for term loans ranging from twenty-

four hours to five years, according to technical committee members.

This inter-bank market provides a means for financial institutions with excess capital to earn higher rates of return by its lending liquid assets to those in need of funds.

The forex trade body chief, Syed Abu Naser Bukhtear Ahmed, also the chief executive officer of state-owned Agrani Bank Limited, said: "The technical committee is supposed to submit the report this month for a discussion on October 26."

The meeting will also discuss how DIBOR-based lending and the limit of lending volume would work.

DIBOR is also important because it will be used as the base for variable rates for government and corporate loans and derivative-based products such as credit swaps, according to bank treasurers.

An increase or decrease in DIBOR will result in a corresponding rise or fall in a bank's cost of borrowing.

A treasury official of a private commercial bank who strongly supports DIBOR said the treasury bill rates are no longer reflective of the market-based interest rates.

sajjad@thedailystar.net

Foreign shipping firm to offer lower charge

French company CMA CGM set for November launch

JASIM UDDIN KHAN

The world's third largest shipping company has decided to start its business directly in Bangladesh from next month with an offer of more competitive charge.

The French company, CMA CGM Shipping Line, claimed its operation in Bangladesh would reduce the country's shipping costs by around 20 percent from next year.

"Our company will charge US\$900 per TEUs from Chittagong to European destinations instead of existing average rate of \$950 for per TEUs," CMA CGM Country Representative Nelum

Containers handled through Chittagong Port

Year	Number of containers	Growth in percentage
2003	6,24,560	11.13
2004	6,88,771	9.31
2005	7,83,353	12.07
2006	8,76,186	10.59
2007	9,58,020	8.54

Attanayake said.

The company's charge will come down to \$650-\$700 soon as it will introduce more economic and competitive strategies, Attanayake said.

The company came to Bangladesh after assessing a robust business here as shipping lines witnessed a 15 per-

cent growth in carrying containers from Chittagong Port during the first nine months of 2008 over the same period last year, port officials said.

The port handled 7,83,282 TEUs (twenty-foot equivalent units) from January to September this year against 6,81,537 TEUs during the same



period in 2007, they said.

Maersk Line, APL and Hapag-Lloyd are the leading players in the business in Bangladesh having around 12 percent, 10 percent and 8 percent market share respectively.

CMA will introduce new larger capacity vessels in

November having speed of 20 knots per hour to reduce the time to 2.7 days from Chittagong to Port Kelang in Malaysia and 2.5 days to Singapore, said Zakir Ibne Saad, general manager (Marketing) of the company.

The faster transit will also enhance the competitiveness

of Bangladeshi exports, he added.

As feeder vessels' services have become more competitive on Bangladesh's routes, many small companies left or suspended operations with many mainline operators joining the business.

Many local shipping compa-

nies such as QC Container Line, Prominent Shipping Lines, Columbia Shipping Lines and government-owned Bangladesh Shipping Corporation suspended feeder services due to tariff problems with mainline operators.

Now the freight tariff between Chittagong and Singapore ranges from \$260 to \$280 for each 20 feet container.

Ranking first in France and third worldwide, CMA CGM has become an international operator serving maritime shipping routes around the world with door-to-door services that combine maritime shipping with rail, river and highway transports.

jasim@thedailystar.net

Telecom regulators scope out single multiservice network

MD HASAN, from New Delhi

Telecom regulators of South Asian countries recently interacted with each other to discuss how best they could introduce the next generation network, an approach to the delivery of many services over a single network in a bid to provide services at affordable costs.

The idea of the next generation network (NGN) is being developed by using a number of technologies including wireless and mobile, fiber and cable, or by upgrading the existing copper lines.

The regulators met at a workshop on the Regulatory Aspects of NGN in New Delhi on the sideline of the three-day SATRC (South Asian Telecommunication Regulators' Council) conference ended on Wednesday.

Manzurul Alam, chairman of Bangladesh Telecommunication Regulatory Commission (BTRC), formally inaugurated the two-day workshop.

Besides developing the

telecom market, the concept of NGN is now being highly discussed in developing countries, as the idea is believed to reduce more than 40 operating costs.

It is a packet-based network that is able to provide telecommunication services and make use of multiple broadband services.

Besides voice, operator's revenue from data is increasing day by day and here, operators are keen to go for cost effective solutions like NGN, said R.N Prabhakar, member of Telecom Regulatory Authority of India, at the inaugural session of the workshop.

The telecom expert said convergence has already taken place in infrastructure, and even billing. And for future technology adoption by the operators, NGN can be a significant solution.

It is also significant from the customers' perspective, as today's customers demand all telephony services by holding a single device, said Prabhakar.

According to an estimation,

he said, operators assume that they can save 40 percent capital expenditure, 40 percent operating expenditure and more than 30 percent maintenance costs by adopting NGN.

The bottom line for developing countries is to harness the potential of new technologies to meet their ICT development goals and not necessarily to adopt the same NGN as the developed countries experienced, said the BTRC chairman.

He said the need for basic telephony services are still significantly unfulfilled in most of the developing countries and hence a bright prospect remains for operators to earn more revenue by focusing on providing basic telephony services.

The decision to deploy an NGN lies not just in the fact that it reduces the cost and complexity of deployment, but also that it increases the efficiency of introducing a multitude of new and different services to the end users, Manzur said. hasan@thedailystar.net

World stocks mixed amid recession fears

AFP, London

Global stock markets traded mixed on Thursday amid recession fears as Wall Street rose, Europe fell for a second day running and Tokyo suffered its worst loss in two decades.

The Dow Jones Industrial Average was up by 0.57 percent shortly after the start of trading in New York. Nearing the close in European deals, London was down 2.21 percent, Frankfurt lost 1.23 percent and Paris shed 3.01 percent.

Renewed panic had erupted in trading rooms earlier Thursday, with Tokyo closing down more than eleven percent and European indices briefly shedding almost 6.0 percent.

Nathan Topper at Economy.com said there were signs of improvements in the credit markets that could eventually ease the financial turmoil, reflected in so-called credit spreads and the Libor interbank lending rate.

"Debt markets are showing signs of better health: Treasury yields are up and Libor is down," he said.

বাংলাদেশে নিউজিল্যান্ড ডেইরী প্রোডাক্টস এর সকল দুগ্ধজাত পণ্য সম্পূর্ণ নিরাপদ

সম্প্রতি নিউজিল্যান্ড ডেইরী প্রোডাক্টস বাংলাদেশ লিঃ এর দুগ্ধজাত পণ্যে মেলামাইন থাকার নিয়ে প্রতিকার প্রকাশিত প্রতিবেদন নিয়ে কিছু কিছু ভোক্তাদের মধ্যে সংশয়ের উদ্বেক হয়েছে।

সম্পূর্ণ নিশ্চিত হওয়ার জন্য এবং ক্রেতা সাধারণের অবগতির জন্য জানানো যাচ্ছে যে, নিউজিল্যান্ড ডেইরী প্রোডাক্টস বাংলাদেশ লিঃ এর সকল দুগ্ধজাত পণ্য The New Zealand Food Safety Authority (NZFSA) থেকে পরীক্ষিত হয়ে আসে। যার মাধ্যমে স্পষ্ট প্রমাণিত হয়েছে যে, নিউজিল্যান্ড ডেইরী প্রোডাক্টস বাংলাদেশ লিঃ এর কোন দুগ্ধজাত পণ্য বা এর উপাদানে ভেজাল হিসেবে মেলামাইন মেশানো হয়নি।

এই মর্মে নিউজিল্যান্ড ডেইরী প্রোডাক্টস বাংলাদেশ লিঃ সকল ভোক্তাদের সুনিশ্চিত করতে চায় যে সকল খাদ্যপণ্যের স্বনগত মান ও নিরাপত্তা নিউজিল্যান্ড ডেইরী প্রোডাক্টস বাংলাদেশ লিঃ এর জন্য সর্বাধিক গুরুত্ব বহন করে। এই কারণে সকল নিউজিল্যান্ড ডেইরী প্রোডাক্টস বাংলাদেশ লিঃ এর পণ্য খাওয়ার জন্য সম্পূর্ণ নিরাপদ।

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