

Stocks

DGEN	▼	2.26%
		2,803.27
CSCX	▼	2.10%
		5,618.46

Currencies

	Buy Tk	Sell Tk
USD	68.56	68.58
EUR	86.42	86.47
GBP	109.22	109.28
JPY	0.72	0.73

SOURCE: BANGLADESH BANK

Commodities

Gold	▼	\$712.50
		(per ounce)

Oil	▼	\$62.65
		(per barrel)

SOURCE: AFP (As of Friday)

More News

BTRC boss backs rural links



The telecom watchdog chief brushes aside the allegations of 'rural unwillingness' to adopt new technologies, saying ultimate benefits will not be achieved unless rural connectivity is ensured.

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Stocks in thin trade

Dhaka stocks started the week with a big slump amid thin participation of investors, apparently worried by fallout from the lingering world market rout. The market declined a day after some discussants told a seminar that Bangladesh would not be immune to the global financial meltdown and its negative spillover.

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International

Kuwait to guarantee bank deposits

Kuwait's government will move urgently to guarantee deposits in local banks, the central bank said Sunday as the oil-rich emirate's second largest lender was hit by the global financial crisis. "The government will urgently submit a draft law (to parliament) to guarantee deposits in local banks," said a statement by Central Bank of Kuwait (CBK) posted on the Kuwait Stock Exchange website.

China can weather global finance crisis: Central bank

China must not underestimate the impact of the global financial crisis but its economy is strong enough to weather the storm, the nation's central bank chief said Sunday.

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Portfolio funds slump

Global fund managers may divert to Dhaka in future, analysts hope

SARWAR A CHOWDHURY

In the wake of global financial meltdown, selling pressure instead of fresh investment by fund managers slowed down the net portfolio or foreign investment in Bangladesh's capital market.

During September 1-October 16, 2008, the foreign investors sold shares worth Tk 111.30 crore, while they bought shares worth only Tk 24.81 crore, according to Dhaka Stock Exchange (DSE) statistics.

DSE Chief Executive Officer Salahuddin Ahmed Khan said the global fund managers' profit-taking move has resulted in such a slowdown in portfolio investment.

"If the fund managers find no impact of the global credit crunch fallout on our stock market, they will go for fresh investment," he hoped.

Since the onset of the crisis, economists, experts and stakeholders of the capital market repeatedly said Bangladesh

market is less allied with the global stock markets.

According to the DSE, the present portfolio investment accounts for less than three percent of the total market capitalisation of the bourse.

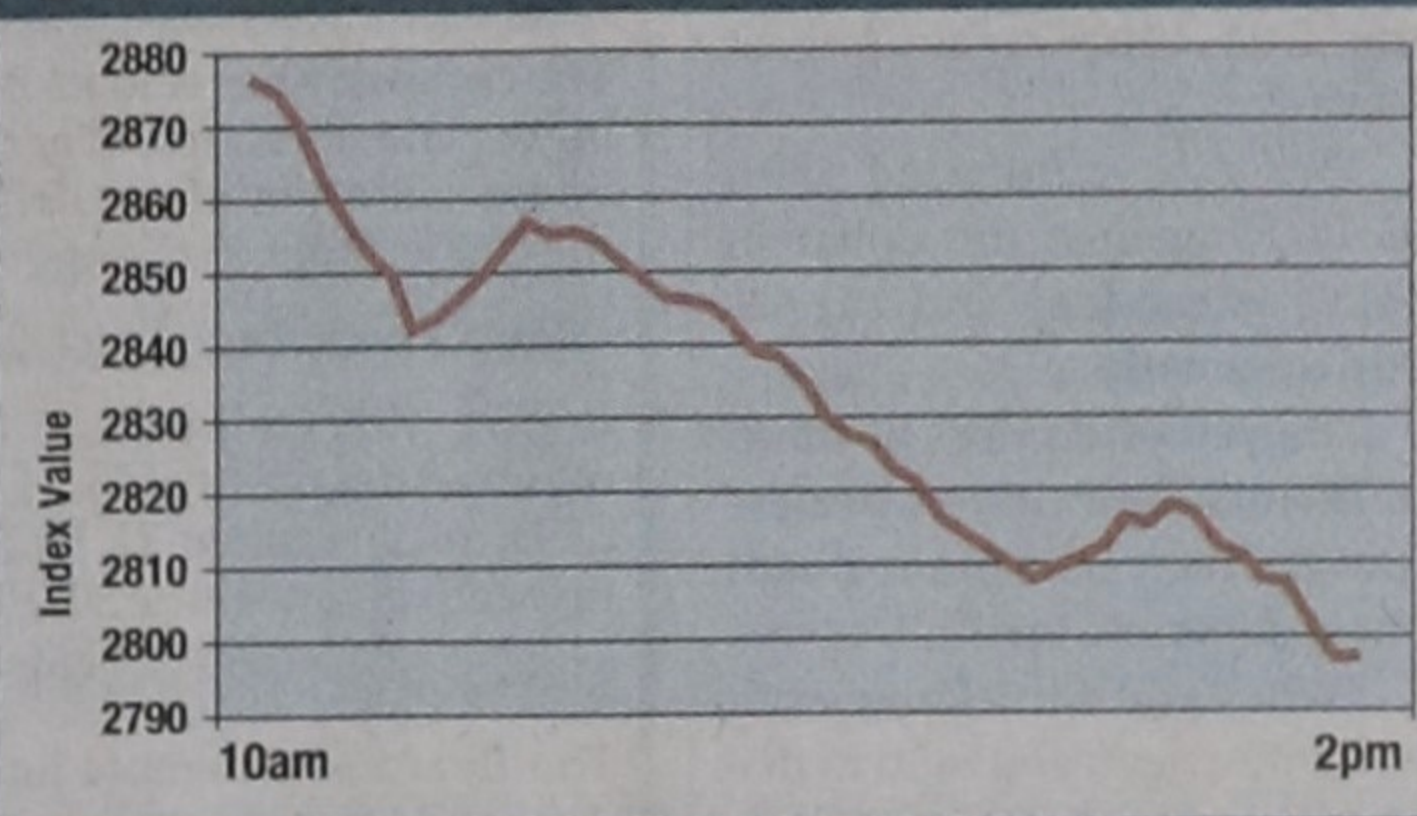
However, some analysts see the present situation as an opportunity for the emerging markets, including Dhaka, to lure the global fund managers who are likely to divert to these markets because of the fact that returns from investment are ensured.

They said inclusion of Bangladesh in the Goldman Sachs' 'Next 11' countries is another evidence that international investors now take interest in Bangladesh stock market.

Banking sector shares followed by fuel and power, pharmaceuticals and cement sectors are on the choice list of the foreign investors, mainly from the US and Europe.

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DSE General Index on downward curve



MONTHLY FOREIGN TRADE

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
July	49.47	89.07	-39.60
August	82.95	56.17	26.78
September	6.33	27.54	-21.20
October (As of 16)	18.47	83.75	-65.28

City commuters to pay same fare as before

STAR BUSINESS REPORT

The fare of CNG-run buses is unlikely to come down despite cuts in fuel prices, meaning that most commuters in cities Dhaka and Chittagong will have to pay the same as before, operators said yesterday.

But the fare of diesel-driven buses will decline according to a government decision yesterday.

"The majority of town-service buses in Dhaka are driven by CNG. If the price of CNG is not reduced, it is unlikely that the CNG fare will decline," said Harun-ur Rashid Bhuiyan, director of Trans Millennium, a bus-service provider that operates on the Motijheel-Nabinagar route.

According to officials of Bangladesh Road Transport Authority (BRTA), about 5,000 buses now operate in the capital, with over 80 percent running on CNG.

Bhuiyan's remark came as the government slashed the fare of diesel-run inter-district and long-haul buses by Tk 0.07 each kilometre in line with its

cut in fuel prices.

The reduction in fuel prices - by 10 percent to 13 percent each litre - came after a gradual slide in petroleum prices on the global market amid global recession fears.

Declining demand for fuels in some countries such as India and China helped cut oil prices. Oil surged to a record high of \$147 a barrel in July.

From today, the price of each litre of diesel will be Tk 48, down from Tk 55. For petrol, it has come down to Tk 78 from Tk 87. Octane prices were reduced to Tk 80 from Tk 90, according to an announcement by the government yesterday.

The caretaker administration cut the fuel prices after raising the prices on June 30 to narrow down its burden of subsidy in the wake of surging oil prices on the world market.

The hike also pushed the transport fares up from Tk 0.87 each kilometre to Tk 1.05 on average for long-haul buses.

"We will cut the fare proportionately in line with the government move to reduce fuel

Declining demand for fuels in some countries such as India and China helped cut oil prices. Oil surged to a record high of \$147 a barrel in July.

prices," said GM Siraj, chairman of Bus Truck Owners' Association.

"We will make rate cuts effective soon."

Commuters in Chittagong city are also expected to face the same charge as most buses are also driven by CNG.

City bus operators in Chittagong said about 350 buses, out of 450 on the road, are CNG-run.

Mega-programme to mark DCCI's 50 years

STAR BUSINESS REPORT

Dhaka Chamber of Commerce and Industry (DCCI), one of the oldest chambers in the country, has chalked out a mega-programme to celebrate its 50th founding anniversary beginning on Thursday.

An exclusive trade fair will be organised at the Bangladesh-China Friendship Conference Centre on October 30-November 1 to mark the chamber's golden jubilee.

The DCCI has also planned to hold an international conference, which will be divided into a number of sessions, where scholars, business personalities, government officials, policymakers from home and abroad are scheduled to attend and share their experiences.

A book titled Commercial History of Dhaka will be launched on November 1 on the concluding day of the international business conference at the Radisson Water Garden Hotel in the city, according to DCCI officials.

The publication of the book coincides with the historic celebration of 400 years of

existence of Dhaka as the capital city.

The book, being published by the DCCI in association with the Asiatic Society of Bangladesh, will focus on various phases of the commercial and industrial history of the city.

The theme of the international conference is: "Next fifteen years: a vision for growth."

Untad Secretary General Dr Supachai Panitchpakdi will be the keynote speaker, while Chief Adviser Dr Fakhruddin Ahmed will inaugurate the conference at 9.30 am on October 31, 2008.

The three-day event, designed for leaders and captains of industries both in developing and developed world, includes four parallel roundtables, a trade fair, a grand light and sound show at Lalbagh Fort depicting changes of couture and cuisine of Dhaka over the last 400 years, unwrapping of the book on 400 years of commercial history of Dhaka and distribution of the DCCI business awards.

The subjects of the roundtables are 'Business Strategies in a World of

Change,' 'Impact of WTO on SMEs', 'Global Economic Shift to Asia' and 'Does Bangladesh Have a Niche in Asia.'

The celebration programme will also include a gala fashion show at the historic Lalbagh Fort. The show will actually project the factual development of Dhaka over 400 years.

In the spirit of honouring outstanding successes in entrepreneurship, the DCCI Business Awards 2008, categorised as Innovative Entrepreneurship, Women Entrepreneurship and the Best Non-resident Bangladeshi Entrepreneur, will be announced on November 1, the concluding day of the DCCI International Business Conference.

"A vast array of products will be exhibited during the conference for our foreign delegates to get a look and feel of our expertise and meet up-close with the entrepreneurs. This opportunity of close interaction or one-to-one business meeting will definitely make the venue a global market with positive business drive," said a senior DCCI official.

Asia eyes key stake in financial system

AFP, Washington

Asian leaders will find the first global summit on the current financial turmoil a perfect venue to demand a key stake for the region in any new international financial system, experts say.

As Europe and the United States clash over their leadership role in framing a new international financial architecture at the November 15 meeting in Washington, Asians feel they have much of a stake in the stability of the global system as the industrialized countries, the experts said.

"The big question is how you can restructure the international economic regime in a way that makes countries such as India and China feel that they not only have a stake but also have real influence," said Eswar Prasad, former head of the China division at the International Monetary Fund.

The Washington-based IMF has often been criticized as increasingly unrepresentative of the global economy, with emerging economies, especially Asian ones, chronically underrepresented in their voting shares.

"The problem with the Bretton Woods institutions in the way they are currently structured is that these major economies feel that those insti-



Kuwaiti traders protest outside the Stock Exchange in Kuwait City yesterday. Kuwaiti traders staged the protest outside the stock market as shares in the oil-rich Gulf region plunged in panic over a global recession. The Kuwait Stock Exchange Index shed 3.4 percent and was trading at 10,124 points.

tutions are still the fiefdoms of the US in particular and advanced economies in general," Prasad said.

The IMF and the World Bank are institutions established under the Bretton Woods agreement, which has guided international finance since World War II but which mainly European leaders want re-

written after a massive US home mortgage meltdown sparked the world's worst financial crisis since the Great Depression.

US President George W. Bush has called for a series of summits, beginning with the November 15 talks, to discuss the causes of the problems in the global financial system and begin developing reform for financial regulatory

bodies and institutions.

Leaders from China, Japan, India, Australia, South Korea and Indonesia are the Asian regional invitees to the summit, that also include the United States, the European Union, Britain, France, Germany, Argentina, Brazil, Canada, Italy, Mexico, Russia, Saudi Arabia, South Africa and Turkey.

Bricks pile up, sales low

KAWSAR KHAN

Demand for bricks has plummeted around 20 percent, due mainly to a reduction in the implementation of the government's annual development programme, coupled with slumps in real-estate business, industry people say.

Around 6,000 manual brickfields across the country are bearing financial losses, because of increases in labour payments and prices of inputs such as soil, coal and sand.

"The government is the main buyer of bricks. But over the last year, the government's demand for bricks has decreased manifold," says Mizanur Rahman Babul, president of Bangladesh Brick Manufacturing Owners' Association.

The government generally buys between 20-30 percent of the total brick produce, which has halved over the last year.

According to government statistics, the government implemented 69.58 percent of the original ADP for fiscal 2007-08.

"Generally, I produce and sell 60-70 lakh bricks in a season, spanning through November to March. Last year, however, I produced around 40 lakh pieces, as demand was low," says a manufacturer.

According to the Real Estate and Housing Association of Bangladesh (REHAB) statistics, developers hand over about 6,000 to 7,000 flats a year to clients. But the numbers have been low for the last two years due to a price hike of construction materials and the prevailing political instability.

In 2007, REHAB members sold around 2,000 units of flats. "Though the situation has improved in 2008, the annual sales rate is below average. We will get the final statistics in December when the members

count their total sales," says Mohsin Mia, a joint treasurer of REHAB.

The price hike of bricks has been accompanied by a rise in the prices of other construction materials, over the last one year, doubling the negative impact on property sales.

"Last year, we sold 1,000 bricks at Tk 5,500-Tk 6,000 which was priced at Tk 4,500 the year before," says Maizuddin Ahmed, owner of Rose Bricks Manufacturing Company.

"Presently, brick prices stand at Tk 5,000 for every thousand bricks. The prices came down because manufacturers want to sell of the previous year's stock, before starting new production," says Ahmed, also general secretary of Bangladesh Brick Manufacturing Owners' Association.

The sector people say coal prices have emerged as a major

concern for manufacturers due to a price hike in India, from where a major portion of the fossil fuel is imported.

Two years ago, coal was priced at Tk 3,500 per tonne, which increased to Tk 4,200 last year and is currently selling at Tk 6,200 to Tk 6,400.

But coal prices are likely to decline with decreases in fuel prices in international markets.

The availability of workers has also become an issue among brick manufacturers. Workers, ranging in numbers from 50 to 200, work in a single brickfield.

According to Banglapedia, the country's brickfields produce about 18 billion pieces of brick a year. The market size of manual bricks is around Tk 900 crore. Investment in a single brickfield ranges from Tk 20 lakh to Tk 50 lakh, depending on their location and size.

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Labourers work at a brickfield. Bricks being stockpiled are a common sight this year. The country's brickfields produce about 18 billion pieces of brick a year.