

Stocks

DGEN ▼ 0.34%
2,759.03

CSCX ▼ 0.60%
5,496.91

Asian Markets

MUMBAI ▲ 0.40%
9,044.51

TOKYO ▲ 7.74%
8,211.90

SINGAPORE ▲ 0.28%
1,671.20

SHANGHAI ▼ 2.94%
1,719.81

Currencies

Buy Tk Sell Tk

USD 68.45 69.45

EUR 85.34 89.94

GBP 107.87 112.97

JPY 0.70 0.74

SOURCE: STANDARD CHARTERED BANK

Commodities

Gold ▲
\$747.97
(per ounce)

Oil ▲
\$65.16
(per barrel)

SOURCE: AFP

(Midday London Trade)

More News

GP ready to enter bond market

Grameenphone has finalised its plan to raise Tk425 crore (\$60 million) through private placement in the local bond market by next month, aiming to secure a healthy balance sheet before its debut in the capital market. "We are going ahead with the launching of the bonds, sometime in November," said Md Arif Al Islam, chief financial officer of the company, yesterday.

B-3

Nervy trade pulls down stocks

Dhaka stocks fell slightly yesterday with retail investors remaining cautious about fresh investment after pressure from some merchant banks on their clients to go into forced sell-offs.

B-2

International

Thai crocodiles feel bite



At the Elite Thai Leather factory in Bangkok, craftsman contort tough Thai crocodile hides into any style of luxury handbag a fashion designer wants.

B-4

Contact Us

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

GP defers listing to March

MD HASAN

The planned listing of mobile phone operator Grameenphone (GP) on the country's capital market this year has been deferred by another five months to March 2009 due to the global financial crisis.

However the company will initiate process for pre-IPO placement and further procedure for offloading shares through IPO (initial public offering) by December 2008.

"With all the requirements by the SEC taken into consideration, we are still comfortable to be able to initiate the IPO process during 4th quarter of 2008. But the entire process will not be able to complete until first quarter of 2009," said Anders Jensen, chief executive officer of the company at a press briefing yesterday.

Jensen also said: "That is the management decision right now." The upcoming IPO procedure is subject to shareholders' decision, he added.

Market insiders said Jensen's disclosure on IPO issue will primarily minimise speculations bubbled almost everyday in the capital market over the \$3.2-billion com-

pany's planned listing.

Jensen indicated that Grameenphone's private IPO placement will go to the local investors, which was previously considered to go to foreign firms also.

He said: "We have been delayed due to consequences of global credit crisis, as international investors have been in lot more hesitance than they were earlier. But the local demand has actually increased, because international markets are more volatile."

In July this year Grameenphone, the country's largest cellphone operator, finalised its plan to raise \$300 million (Tk2,058 crore) -- \$150 million from the stock market and the rest through private placement or pre-IPO.

The company, later in October, said it may cut its planned IPO to \$125 million -- half from stock market and rest through private placement.

However a high official of the company yesterday said the size is yet to be finalised. "It will depend on market condition after a new government takes over," the official said.

In January 2008, Grameenphone submitted its share offloading roadmap to



A customer care centre of mobile phone operator Grameenphone. The planned listing of the company on the country's capital market has been postponed for another five months to March 2009.

Securities and Exchange Commission (SEC) aiming to offload shares in the 3rd quarter of 2008.

Then the IPO issue fell into uncertainty several times due to the company's internal clash on who should be the majority shareholder of the operator.

Grameenphone, which launched operations in 1997, is 62 percent owned by Norway's

Telenor, with the balance 38 percent being held by Grameen Telecom, a concern of local Grameen Group. The operator had been under pressure from Bangladesh Telecommunication Regulatory Commission and SEC to list on the capital market.

After a battle over the shareholder issue, both the partners of the company in a joint state-

ment in September reiterated to execute their IPO plan by 2008.

Yesterday's press meet also disclosed Grameenphone's performance until the third quarter (July to September).

According to the performance report to September, the company's operating profit regain significantly after a major drop in the second quarter. On year-on-year basis to

September 2008, Grameenphone's operating profit increased by 35 percent to NOK 257 million, which was NOK 189 million by the end of September 2007.

During the April-June period of 2008, a 36 percent downfall in monthly average revenue per user (ARPU) helped the company's operating profit reach 329 million Norwegian Krone (NOK) from NOK758 million a year earlier.

The company's revenue earnings growth also got a little momentum in the 3rd quarter compared to that of the first half of 2008.

Grameenphone revenue stood at NOK 1,175 million by the end of September 2008, which was NOK 1,170 million during the same time a year ago. [1.00 NOK=TK10.26]

"The revenue increase was partially offset by falling monthly average per users by 25 percent," said Jensen.

In the three months to June 30, Grameenphone's EBITDA (earnings before interest, taxes, depreciation and amortisation) margins reached to NOK572 million from NOK418 million a year earlier.

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GP ready to enter bond market on B3

Deadline for legalising income reset to Sunday

STAR BUSINESS REPORT

The deadline for legalising undisclosed income expires on Sunday as the original date, October 31, falls on Friday, the National Board of Revenue (NBR) chiefs said yesterday.

NBR Chairman Muhammad Abdul Mazid said the tax offices across the country would remain open on Saturday to accept income tax returns from taxpayers.

"The provision for disclosing undisclosed income will expire on Oct 31. Since the last date is a Friday, it will remain valid until next workday, which means Sunday," Mazid told The Daily Star.

The tax authorities also extended the deadline to submit income tax returns by another six days to November 6 from October 31.

As of Monday, only 150,000 TIN-holders submitted income tax returns.

The government last year extended the deadline for income tax returns twice to Nov 30 and 640,000 TIN-holders paid Tk 739 crore in tax in fiscal 2007-08.

The government earned Tk 252 crore in tax from 530,000 taxpayers in 2006-07.

Prices of steel, materials down

KAWSAR KHAN

Prices of steel and its raw materials have fallen sharply in the local market on the international market price drop resulted from the construction work slumps globally in the wake of the ongoing recession.

The sector people think the construction market slumps coupled with the fall in demand for their products now cost them dearly.

They also blamed the slow pace of the government's annual development programme (ADP) for the slide in local demand.

Official data shows only 9 per cent of the Tk 256 billion ADP has been implemented during July-September period

of the current fiscal (2008-09).

In the local market, breakable ship was selling around US\$250 a tonne and scrap around \$380 a tonne yesterday, which were \$600 and \$700 two months back.

They are to sell the items at a rate 30-50 percent below the production and import costs, which is leading them to a vulnerable situation, according to manufacturers and importers.

They said the price of 40-grade MS (mild steel) rod stands at Tk 40,000 a tonne in the local market, while the cost of 60-grade steel rod is around Tk 58,000.

"The products that we are selling at lower rates were imported at higher prices earlier. But the price-drop in the

international market has forced us to sell the products at a loss," said Alihussain Akberali, chairman and managing director of BSRM, the largest steel bar manufacturer in the country.

Asked about the reason why they were selling their products at a rate below the cost of production, Alihussain said it was a natural market trend that they had to hike prices in advance when international prices went high and vice versa.

"We have no control over the international market, but the government can save us by accelerating its ADP implementation pace, which will result in the rise in local demand for steel bars," said Masudul Haque Masud, gen-

eral secretary of Bangladesh Re-Rolling Mills Association.

Meanwhile, the ship breakers' association recently sent a letter to the Ministry of Industries where it pointed out that the ship breakers, who have a stock of around 10 lakh tones, are losing around Tk 10,000 by selling scrap at the present market price.

In a separate letter sent to the Chief Adviser, Bangladesh Steel Mill Owners Association said the sector would lose around Tk 1,000 crore by selling their 5 lakh tonnes reserved MS rod.

The steel mill owners and ship breakers urged the government to provide strong support to face the tough situation.

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Rods are being carried to a construction site. The price of 40-grade MS (mild steel) rod now stands at Tk 40,000 a tonne in the local market, while the cost of 60-grade steel rod is around Tk 58,000.

Buyers step up hunt for liquid milk

STAR BUSINESS REPORT

Sales of liquid milk and milk powder of local brands are on the rise with consumers looking for alternatives to foreign milk powder in the wake of a melamine scare, retailers said.

Many now flock to suppliers for 'fresh cow milk' and some others to retailers selling pasteurised and UHT (ultra high temperature) milk to avoid risks.

"I stopped buying milk powder after the melamine scare. Now I feed my son milk I purchase from cow-milk suppliers," said Nadera Sultana, who used to feed her five-year-old son Dano milk-powder.

Sultana, who lives in Mohammadpur, said she saw her neighbours buy cow milk from a milk supplier, and followed suit.

"I made a deal with a supplier for one litre of cow milk a day," she said.

Those who failed to make a deal with any supplier now prefer pasteurised and UHT milk of different brands such as Milk Vita, Aarong and Pran. Some are buying milk powder of local brands such as Kwaliti and Marks.

Sellers attributed the consumers' concentration on pasteurised and UHT to lack of availability and awareness about milk substitutes such as soymilk and others.

"Demand for pasteurised and UHT milk increased much over the last one week," said Shams Haider, who leads the operations of Agora brand of chain retail outlet Rahimafrooz Superstores.

Haider said he did not see much pressure for other kinds of milk.

Officials at Agora said its daily sales of pasteurised, mainly of Milk Vita and Aarong, surged 45 percent to 4,500 litres this week from 3,100 litres a week ago.

But the sales of milk powder face a slump, retailers and wholesalers said.

Sales of the milk powder of the brands not facing any allegation of melamine also dropped.

Kwaliti, Marks and some other foreign brands are now ruling the milk powder segment, the Agora officials said.

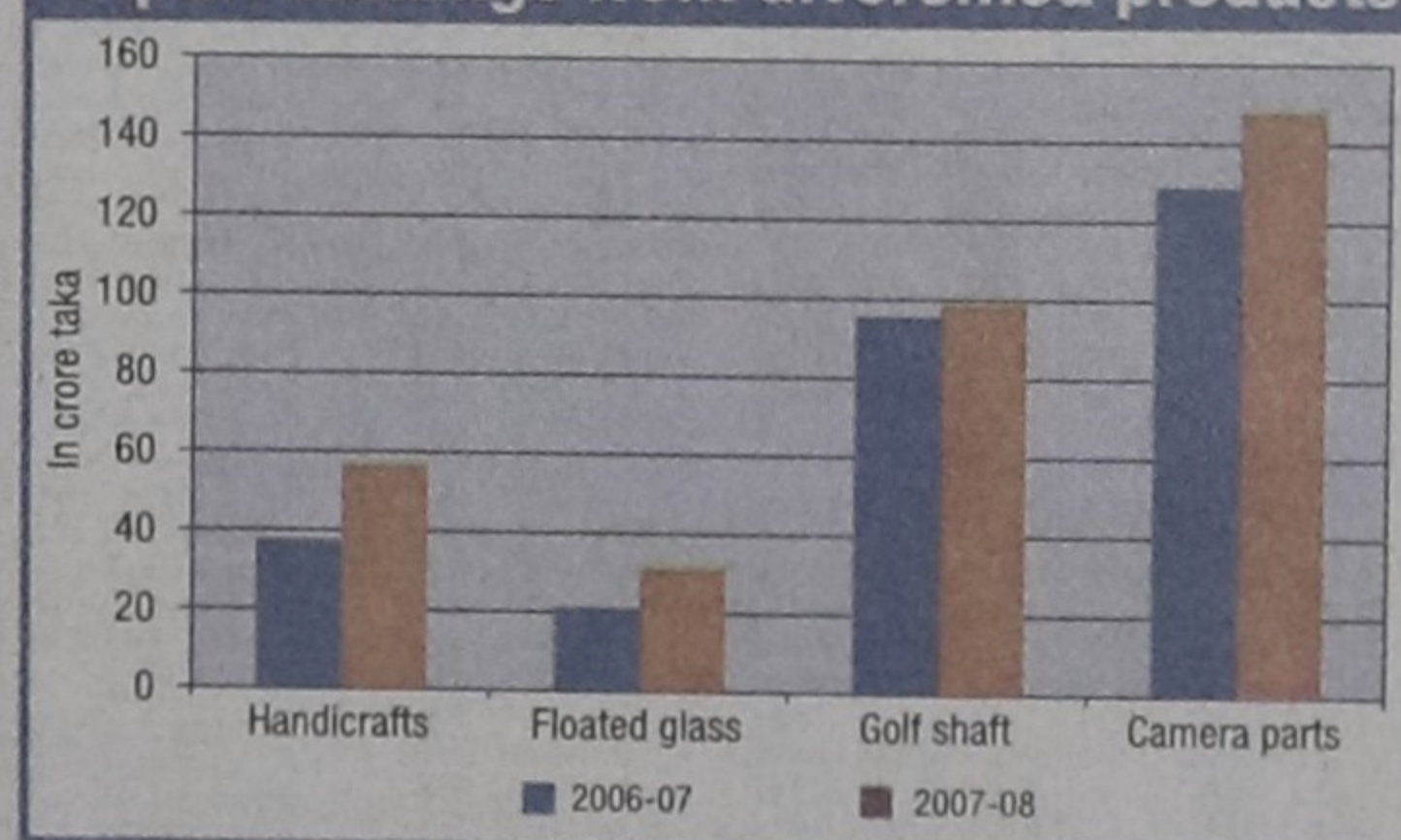
"We have increased milk supply due to rising demand," said Mohammad Ali, general manager of BRAC Dairy and Food Project.

Ali said BRAC Dairy supplied about 100,000 litres of milk a day against demand for 120,000 litres. It supplied about 80,000 litres a day earlier this month, he added.

Milk Vita General Manager Altaf Hossain said demand for its pasteurised milk increased.

World turmoil puts strain on diversified products

Export earnings from diversified products



JASIM UDDIN KHAN

A severe threat looms large over the export diversification efforts with some diversified products, such as handicrafts and diamond goods already feeling the pinch of the ongoing global financial crisis.

"We participated in a fair in Hong Kong a few days ago. Many reputed buyers visited the fair and enquired about our products but did not make any spot order," said Rashedul Karim Munna, managing director of Creation Private Limited, an export oriented handicrafts house.

Munna said they received a lot of spot orders from such fairs before.

Buyers are observing devel-

opment of the global economic changes, he added.

Most of the diversified products of Bangladesh witnessed growth in the last fiscal year but exporters apprehended that some of the products would be in trouble due to the economic turmoil.

The country's software- and information technology-related services are likely to get no big orders from the US and Europe, the key markets for Bangladeshi products.

"Bangladeshi firms export products on small scale, which will not be hampered by the current crisis," hoped Habibullah N Karim, president of Bangladesh Association of Software Information Services.

Karim feared orders might

be cut on a large scale if the ongoing global financial crisis deepens further.

Polished diamond, a new item for Bangladesh export basket, is facing crisis due to the economic turbulence.

"Buyers will buy less luxury goods during the period. We have seen thin interest of buyers in the high quality diamond we produce," said Onu Jaigirdar, managing director of Brilliant Heera Ltd.

Golf shafts, being produced at Chittagong EPZ, had been supplied to a Japanese company for the last few years with double-digit growth. It is now feared that there will be a deep cut in orders in future.

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Correction

An October 29 Star Business report headlined "Highspeed teams up with Japan firm" mentioned that Highspeed's sister concern Bird Bangladesh Agencies Limited will own a 70 percent stake in the venture and MOL the rest. Actually, MOL will hold 70 percent of the joint venture, with Highspeed Group owning the rest. We regret the mistake.

DCCI poised for gala event

STAR BUSINESS REPORT

Dhaka Chamber of Commerce and Industry (DCCI) wants to place certain directives for the next elected government to run the country by holding an international conference on the occasion of the golden jubilee.

"We hope some important directives will result from the international business conference of the DCCI, which will help the next elected government attain economic development," DCCI President Hossain Khaled told a press conference at the DCCI building yesterday.

The DCCI chief unveiled the programme schedules and participants' names in the international business conference that is to start on October 31 at Bangladesh-China Friendship Conference Centre.

Chief Adviser Fakhruddin

Ahmed will inaugurate the conference.

Among some dignitaries, Secretary General of Geneva-based UNCTAD, Dr Supachai Panitchpakdi who is scheduled to present the keynote paper on "Next Fifteen Years-A vision for Growth".

On November 1, State Minister of Commerce of India Jai Ram Ramesh will deliver his speech in a seminar on "Global Economic Shift to Asia-Regional Synergies. Managing Partner of AT Capital Partners of Dhaka Ify Islam will present keynote paper on "Does Bangladesh have a Niche in Asia" on the same day.

Nobel peace prize recipient and chairman of Intergovernmental Panel on Climate Change (IPCC) Dr Rajendra Kumar Pachauri will present the keynote paper on "Next Fifteen Years: The Way Forward" on November 1, Khaled said.

For registration
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1 day to go
international business conference

conference venue - bcfcc
gala night at Lalbagh Fort

Oct 31 - Nov 1

DCCI
Since 1954