

DHAKA WEDNESDAY NOVEMBER 12, 2008

## Stocks

DGEN 0.21%  
2,621.94

CSCX 0.18%  
5,235.77

## Asian Markets

MUMBAI 6.61%  
9,839.69

TOKYO 3.00%  
8,809.30

SINGAPORE 4.14%  
1,806.96

SHANGHAI 1.66%  
1,843.61

## Currencies

Buy Tk Sell Tk

USD 68.20 69.20

EUR 85.16 89.76

GBP 105.10 110.14

JPY 0.69 0.73

SOURCE: STANDARD CHARTERED BANK

## Commodities



Gold \$744.53  
(per ounce)



Oil \$59.97  
(per barrel)

SOURCE: AFP

(Midday London Trade)

## More News

Idea brings him triumph



The decision to return home from the US was like a 'make-or-buy' for Ali Ishtiaq, a Bangladesh-born career software engineer graduated from Massachusetts Institute of Technology (MIT) and now managing director of Pyxisnet, a local software exporting company.

B-4

NRBs urged to widen focus

Commerce Adviser Hossain Zillur Rahman yesterday asked non-resident Bangladeshis not to confine their focus to any particular zone for investment, but to think of Bangladesh as a whole to make investment.

B-3

## International

Global crisis hits over 1,300 south China firms

More than 1,300 companies shut down, suspended operations or moved out of south China's Pearl River Delta in the first nine months of the year due to the global downturn, state press said Tuesday.

B-4

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# Toxic food scare lingers

Govt slow to react, worried people say

SAJJADUR RAHMAN

The discovery of toxic levels of melamine in several Chinese food products is a matter of concern for consumers all across the globe. The ordeal has widespread impacts as millions consume the products.

The melamine-tainted milk powder scandal is far more serious than it looks. At first, it appeared to be confined to baby milk powder made by the Sanlu Group in China. But now the torments spread as the contamination has also been found in more food products such as chocolates, candy, yoghurt (liquid food consisting of milk) and biscuits.

With the discovery of melamine in eggs, apparently due to contaminated feed given to chickens, the chemical is far more entrenched in the human food chain than first thought.

Following the scandal, questions regarding food safety issues have been raised in many countries. This has caused a lot of problems for many countries.

Experts say the contaminated milk has poisoned thousands of infants and plagued society with fear.

In Bangladesh, the issue has been taken to court and mothers are questioning what they have been feeding their chil-

dren for years.

The government has finally banned three infant formulas made by China after a test conducted abroad revealed toxic levels of melamine in milk formula.

Meanwhile, Commerce Adviser Hossain Zillur Rahman has suggested that import policies need to be reviewed to incorporate health and hygiene issues.

On such issues, Qazi Faruque Ahmed, general secretary of Consumers' Association of Bangladesh (CAB), said, "Incorporating the issues in import policies alone may not be enough if we cannot strengthen our testing and laboratory facilities."

He also pointed to the fact that poor supervision by authorities has made the situation more vulnerable for Bangladeshi consumers.

Bangladesh is more susceptible to the Chinese scandal as the country's import basket from China is large. Imports from China marked a 22.66 percent rise last fiscal. The import volume was \$3.1 billion during the financial year.

Chinese products started gaining popularity here because of the low price. The manufacturers of that country supply products in accordance with the price range their buyers demand. For example,



The photo shows low-cost Chinese toothbrushes. There have been allegations that many of the imported Chinese products, including food items, pose a serious threat to human health.

China makes a television set worth Tk 3,000, but at the same time it makes the same item for Tk 300,000.

The major items imported from China include cotton, cotton yarn and fabrics, boilers, machinery and mechanical appliances, chemical products, electrical machinery, equipment and parts, sound recorders, television image, man-made staple fibres and filaments, fertiliser and toys. The main concerns are over the imports of milk, cream and biscuits.

"Quality, it seems, does not matter; Chinese products are popular in Bangladesh because of low prices," said Habibullah Bahar, economic adviser to Bangladesh Bank.

Countries like the US, Hong

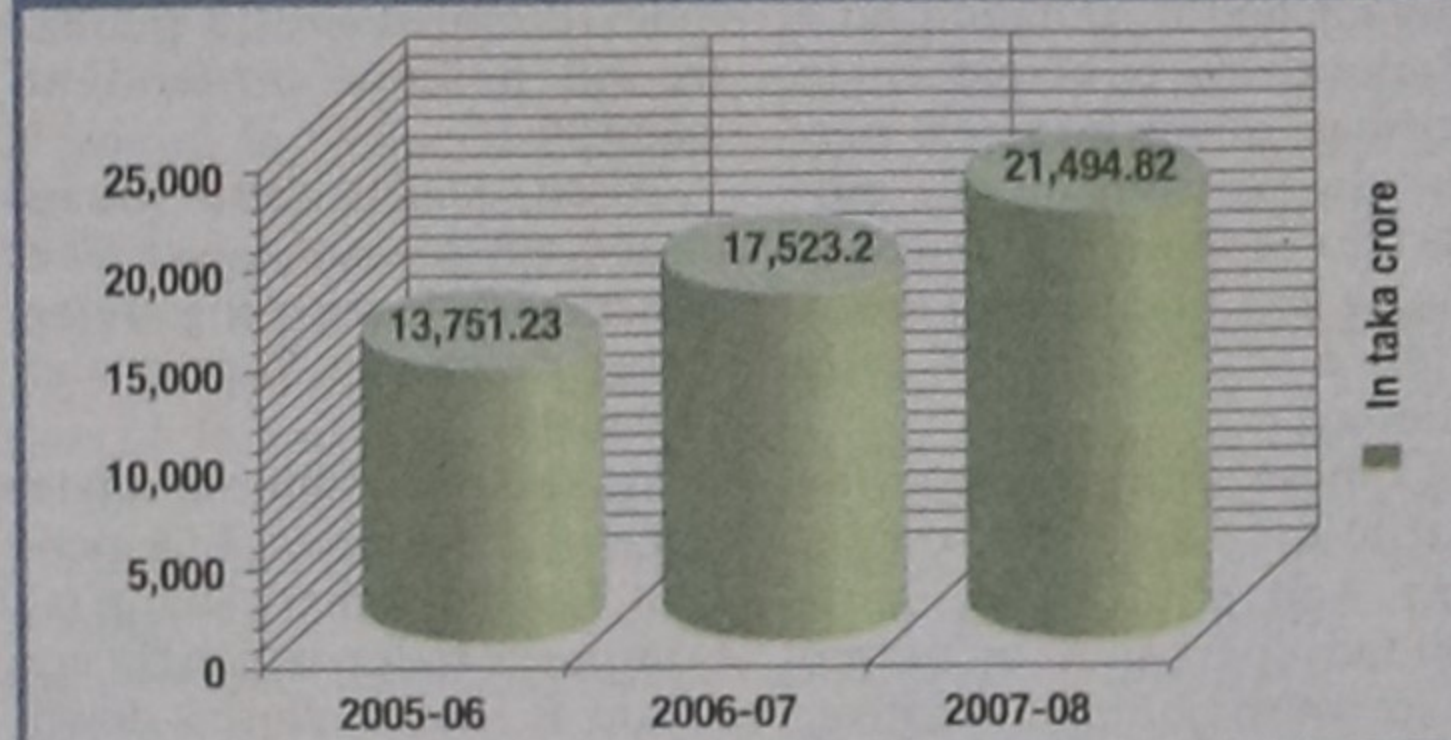
Kong and Singapore are all facing problems in ensuring consumer safety.

"Customs officials have to be trained to understand the quality of imported products, especially in a globalised world," said Dr Mostafa Abid Khan, a research fellow at the Bangladesh Foreign Trade Institute.

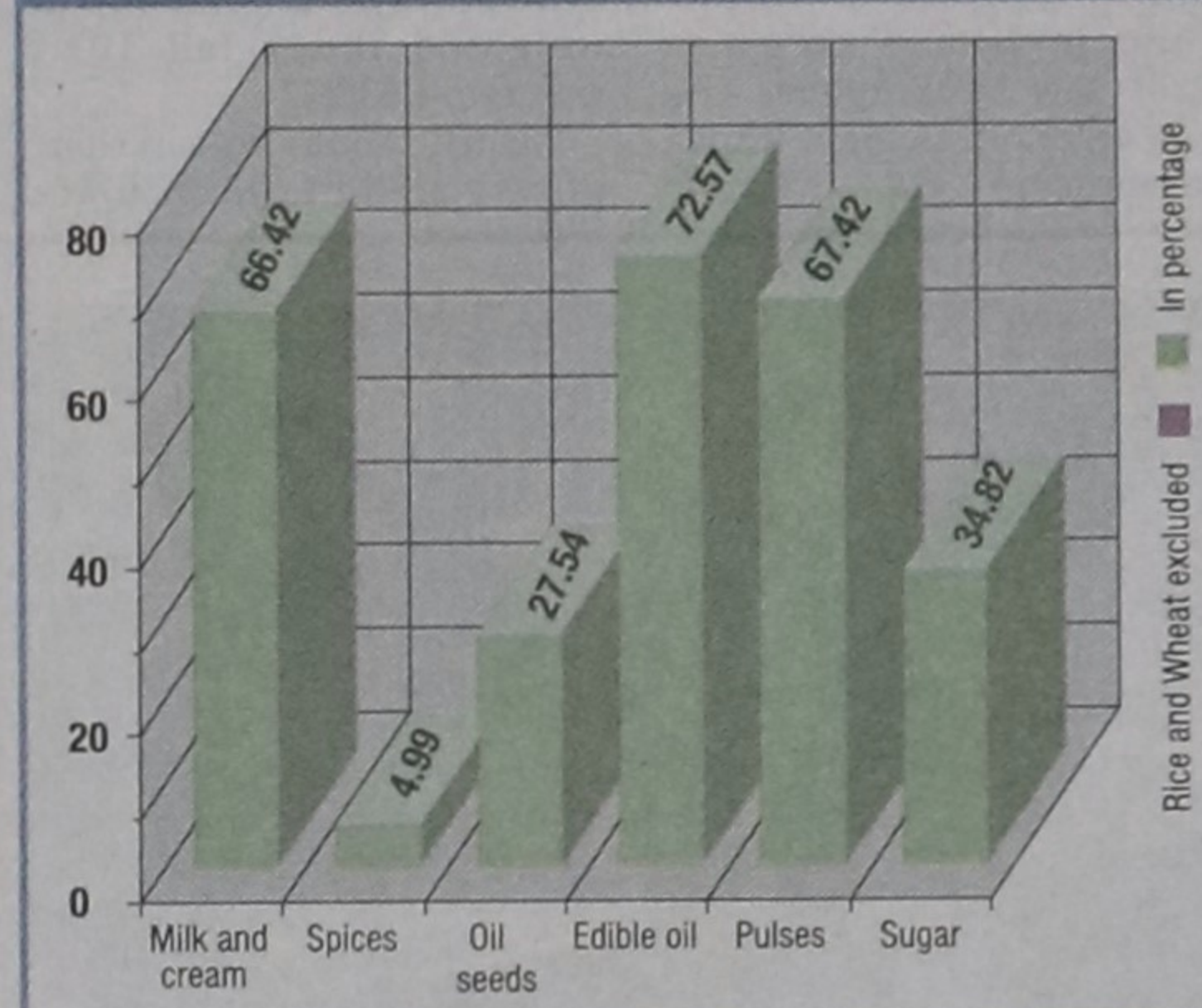
He said although the existing Customs Act does not allow counterfeit products, the officials have to have adequate knowledge and technology to detect fake and counterfeit items.

However, people experienced contamination in foods in the past. The effects of radiation resulted from Chernobyl nuclear disaster in the 1980s,

## Trend in imports from China



## Growth of food imports in 2007-08



the mad cow disease in the 1990s and the concerns over GM food are still in their memories. Last year, Chinese-made toys were pulled off the mar-

kets of different countries, including the US, Australia and the EU on detection of toxic presence in those items. [sajjad@thedailystar.net](mailto:sajjad@thedailystar.net)

## Govt to tighten measures against counterfeits

STAR BUSINESS REPORT

The government plans to take new measures to tackle the import of counterfeit products, an adviser said yesterday.

"We are reviewing how we can incorporate the issue in the import policy (to be announced next year)," Commerce Adviser Hossain Zillur Rahman said at the launch of a workshop, organised by Bangladesh Foreign Trade Institute (BFTI) on intellectual property rights (IPR) at Sonargaon Hotel.

The issue on imported counterfeit products hit the spotlight in the wake of a melamine scare in milk powder. Melamine, a toxic chemical, has been discovered recently in the milk powder produced in China.

Prof MA Taslim, chief executive officer of BFTI, chaired the inauguration of a three-day workshop titled "TRIPS Agreement and Certain Topical Issues about Intellectual Property".

The commerce adviser also focused on the proposed competition policy, involvement of the private sector in the Trade Related Intellectual Property or TRIPS and on the benefits of the WTO regime and export as well.

Hossain Zillur said the government had decided to include measures in the import policy to tackle the problem, such as the latest milk scare, to safeguard consumers.

# Margin loan ratio may go up

STAR BUSINESS REPORT

The stock market regulator has decided in principle to increase the margin loan ratio in a bid to enhance the loan giving capacity of merchant banks.

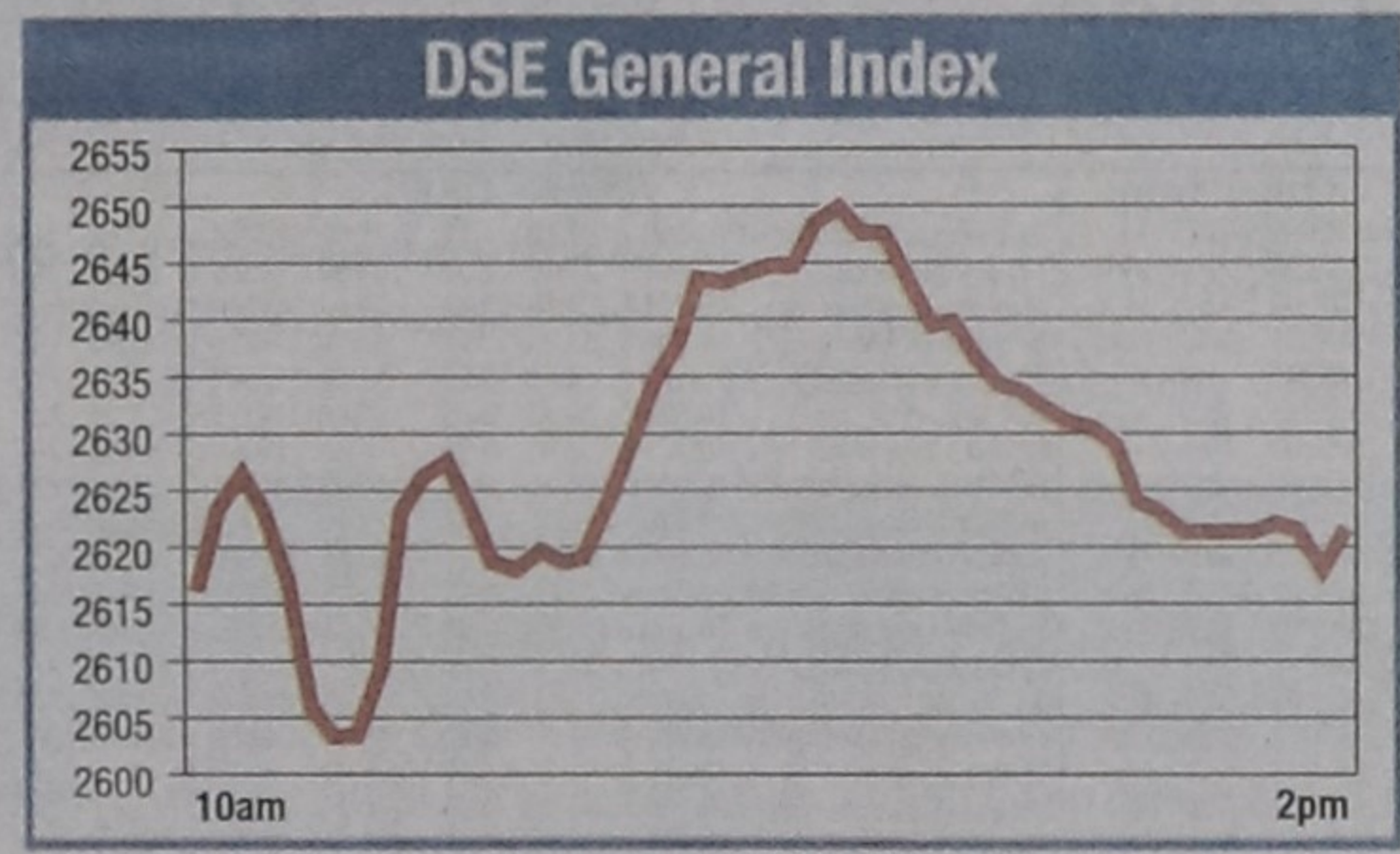
The move is expected to bring back stability and confidence into the market from a consecutive five-week slump.

The Securities and Exchange Commission (SEC) will re-fix the margin loan ratio in its next meeting, as the decision needs to be approved by the meeting, SEC Executive Director Farhad Ahmed said.

"The commission actively considers increasing the loan ratio," he said while addressing a press briefing following a meeting with merchant bankers in the commission's boardroom yesterday.

The margin loan is the credit provided by merchant banks against securities held by investors. Presently, merchant banks are allowed to provide loans at 1:1 ratio, meaning an investor will get Tk 1 against his/her holding securities worth Tk 1.

The SEC is also considering



relaxing the conditions for merchant banking wings of non-banking financial institutions (NBFI) for giving loans to the investors, Ahmed said.

At present, the NBFIs are not allowed to provide loans more than five times of their paid-up capital.

The SEC sat with the merchant bankers yesterday for the second time in two weeks to find out why the market was going down continuously during the last five weeks, when there is no logical ground behind the persistent bearish trend in the market.

On the allegation against the merchant banks, which had

reportedly compelled their clients to sell off shares to adjust loans, the SEC executive director said the commission has found the allegation partially true.

"And the commission will not support any attempt to destabilise the market with forced sell-off," he said.

The SEC will also look into the forced sell-offs by the reported merchant banks, he said. The capital market regulator has also decided to issue merchant banking licences to new firms to increase the number of active merchant banks in the stock market.

Although as many as 28

merchant banks are now licensed, only some 10 that are active in such banking allegedly dominate the market off and on.

However the Dhaka stocks closed marginally higher yesterday with the benchmark index, DSE General Index, rising 5.36 points, or 0.2 percent, to 2,621.94 points. The DSE All Share Price Index also slightly gained 3.71 points, or 0.17 percent, to 2,175.97 points.

Majority of the securities were traded up on the Dhaka Stock Exchange. Of the 224-traded issues, 131 advanced, 86 declined and seven remained unchanged. A total of 1,29,76,755 shares worth Tk 160.03 crore changed hands on the premier bourse.

Chittagong stocks also rose slightly. The CSE Selective Categories Index increased 9.53 points, or 0.18 percent, to 5,235.77 points, while the CSE All Share Price Index gained 12.22 points, or 0.15 percent, to 8,074.24 points.

A total of 35,29,497 shares worth Tk 30.67 crore changed hands on the port city bourse. Of the 128 traded issues, 62 advanced, 60 declined and six remained unchanged.

# Adviser for low-cost housing outside big cities

REHAB fair opens



A woman visits a stall at a housing fair, organised by the Real Estate and Housing Association of Bangladesh at Bangladesh China Friendship Conference Centre yesterday.

STAR BUSINESS REPORT

The public works adviser has urged realtors to take up low-cost housing projects outside big cities contributing to resolve the housing problem of the people belonging to the low-income group.

"You (developers) will have to go for housing projects outside the big cities, especially for the low income people to solve their accommodation problems," Major General (ret) Ghulam Quader told the inaugural of a housing fair in Dhaka yesterday.

Organised by the Real Estate

and Housing Association of Bangladesh, the 'REHAB Fair, Dhaka 2008' will continue up to November 15 at the Bangladesh China Friendship Conference Centre.

As many as 187 REHAB members and five financial organisations are participating in the five-day fair. Admitting the government's role as a facilitator, the adviser reminded the privately owned real estate companies of their responsibility to ensure better services to customers.

He also urged the developers to make sure that plots and flats are handed over to the purchas-

ers. On the environment issue with regard to housing, Quader said, "As preservation of ecology is also an important issue today I also urge to make low-cost dwellings evolving environment-friendly and sustainable technologies."

The REHAB fair has this time chosen the slogan: "Select the environmental friendly dream home for you."

Terming the social perception an important issue for a sector, the adviser also urged the housing association to create more positive image for the real estate sector.

In his speech, Public Works Secretary ASM Rashidul Hai also urged the builders to be aware of increasing social responsibility regarding the city urbanisation issue besides considering profit maximisation.

Lauding the contribution of the housing sector to the GDP growth, he pointed to the fact that as many as 12,000 skilled and 1.5 million skilled and unskilled workers are employed in the sector.

A lot of backward linkage industries such as cement, rod, tiles, aluminium, furniture, concrete and hollow bricks have flourished centring the real estate sector, Hai pointed out.

REHAB President Tanvirul Haque Probal said the association has already developed a code of conduct for its members to follow which, according to him, will serve the customers' interests.

At the fair the participating companies are showcasing their products and services that include flats, plots, commercial space and shop corner. Some companies are also offering different discounts.

The fair is open for everyone from 10 am to 8 pm everyday with a Tk 50 entry ticket. A Tk 100 entry pass will allow a person to visit the fair in its entire duration.

# GP seeks stronger footing in data services

New IPO application filed

STAR BUSINESS REPORT

Grameenphone aims to become the leader in data and internet-based services and keep up the market's top position, said Oddvar Hesjedal, a day after he was appointed chief executive officer to the company.

"What we are looking for now is not only the voice area but also data services in Bangladesh. That will be our next effort," Hesjedal said at a press conference at Dhaka Sheraton Hotel yesterday.

Hesjedal also reiterated the company's stand to come to capital market by the first quarter of next year. Grameenphone had resubmitted a primary application for



Grameenphone's new CEO Oddvar Hesjedal, second from right, speaks at a press conference in Dhaka yesterday.

IPO (initial public offering) of \$75 million to the Securities and Exchange Commission.

Also, it plans to raise \$50 million prior to the IPO in private placement with institu-

tional investors.

While the new CEO focused on the future plan, outgoing CEO Anders Jensen termed Bangladesh a "place of opportunity".

"We have gone through

stormy waters over the last years. But the positive things by far outweigh the negative ones," Jensen said.

"Under those circumstances, I felt nice to work with GP as I had a strong team."

Hesjedal officially took the reins of the country's mobile operator yesterday. "We are committed to do what we always have been doing: that is to provide the best mobile services to the people of Bangladesh," he said.

In July, Grameenphone made its plan to raise \$300 million (Tk 2,058 crore) -- \$150 million from the stock market and the rest in private placement or pre-IPO.

Grameenphone's fresh IPO plan is much smaller than it was initially planned.