

DHAKA MONDAY DECEMBER 1, 2008

Stocks

DGEN ▲ 0.38%
2,468.91

CSCX ▼ 0.62%
4,957.62

Currencies

Buy Tk	Sell Tk
USD 68.40	69.40
EUR 85.35	89.79
GBP 103.57	108.28
JPY 0.71	0.74

SOURCE: STANDARD CHARTERED BANK

Commodities

Gold	▼ \$814.50 (per ounce)
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Oil	▼ \$52.58 (per barrel)
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SOURCE: AFP

More News

Weavers shift focus to stay afloat



Weaver Abdus Sobhan Mian pauses to rest his aching feet and hands. After a long deep breath, he renews the shuttle with red yarn. The 60-year-old weaver has been toiling since dawn, crafting a colourful women's scarf. He has completed one and is almost done with the second -- a white and blue striped medley.

B-4

ACC chief backs joint effort to fight money laundering

Different agencies and government institutions, including the Anti Corruption Commission (ACC), Bangladesh Bank (BB) and other financial institutions, should work together to eliminate money laundering, said the ACC chairman yesterday.

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International

Citigroup to sell trust banking unit in Japan

US banking giant Citigroup, beset by the global financial turmoil, has decided to sell its Japanese trust banking unit NikkoCiti Trust and Banking, reports said Sunday. The bidding will likely take place next week, with major domestic trust banks -- including Mitsubishi UFJ Trust and Banking and Sumitomo Trust & Banking.

German minister calls stimulus 'populism'

German Finance Minister Peer Steinbrueck has defended Berlin's refusal to back a proposed multi-billion-euro economic stimulus plan, dismissing it as "ineffective populist measures". Germany does not have to go along with the idea of spending more to ease the economic crisis just because other countries are doing so, Steinbrueck told the weekly newsmagazine *Der Spiegel*.

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Contact Us

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

Merchant banks move to prop up market

Stocks buck downturn

SARWAR A CHOWDHURY

In a move to stop the stock market from a freefall, merchant bankers yesterday decided not to sell any share from their own portfolios ahead of Eid holidays.

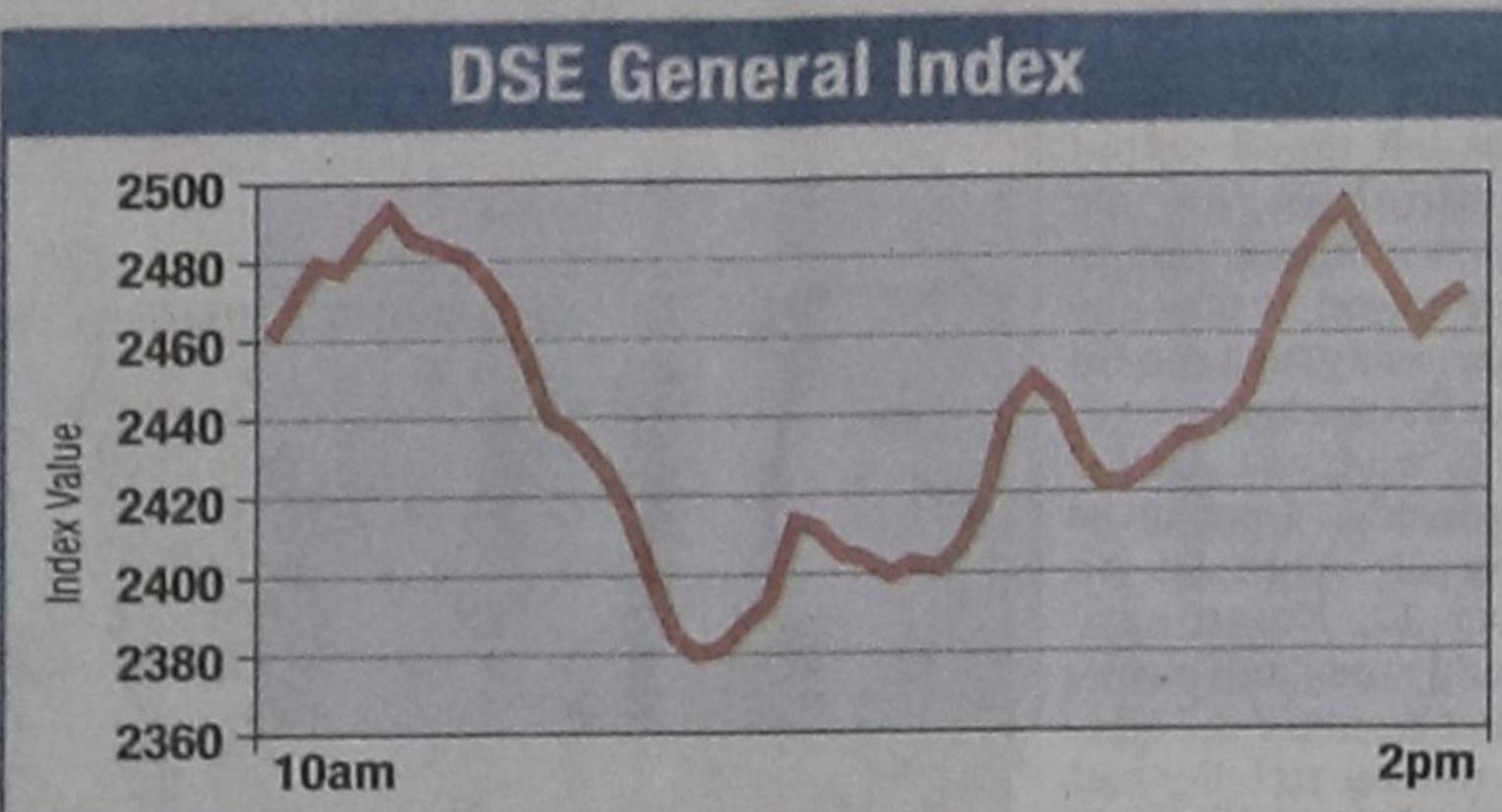
The bankers also decided not to force any client or investor into "trigger sales" to adjust margin loans whatever the shortfall may be.

Instead, the merchant bankers will provide loans for the investors with the maximum ratio to buy shares, now mostly undervalued.

The move is seen by analysts as a measure to pull the market from a long-running slump.

The merchant banks will also discourage the investors from taking the "netting facility" prior to the Eid holidays. Under the financial adjustment or money netting facility, anyone is allowed to purchase shares of any category of one's choice immediately after completing a sale of any share.

Ifikhar-Uz-Zaman, chief executive officer of ICB Capital



Management Limited, announced the decisions in a news briefing after a meeting between the Securities and Exchange Commission (SEC) and the merchant banking wings of banks and non-banking financial institutions at the SEC.

The SEC will sit with brokerage houses today in a second move in as many days to keep the market stable.

The stock market regulator asked the merchant bankers to discuss the market situation when the benchmark index of Dhaka

Stock Exchange went down by more than 80 points in midday trade.

The discussion was aimed at finding ways of protecting the market from a continuous rout.

"We hope our decisions will yield a positive result for the market," he said. "We also want to convey the message that there is nothing to worry about or get panicked by the recent heavy correction in share prices."

Managing directors and chief executive officers and other senior officials of the merchant banking

wings of Investment Corporation of Bangladesh (ICB), IDLC Finance, AB Bank, Prime Bank, Trust Bank, LankaBangla Finance and Prime Finance and Investment joined the discussion.

Talking to The Daily Star, Arif Khan, general manager of IDLC Finance, said the latest move by the merchant banks would not only protect the investors, especially the individuals from panic sales but also help them regain confidence.

Buoyed by the latest move, the key index of the DSE closed higher yesterday on expectations of positive outcomes from the meetings between the SEC, DSE and merchant banks.

The DSE General Index rose 9.43 points, or 0.38 percent, to 2468.91 points, while the DSE All Share Price Index gained 4.78 points, or 0.23 percent, to 2040.2 points.

Chittagong stocks however closed down slightly. The CSE Selective Categories Index fell 30.98 points, or 0.62 percent, to 4957.62 points. The CSE All Share Price Index declined 56.39 points, or 0.73 percent, 7627.43 points.

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DBBL launches ATM booths on wheels



STAR BUSINESS REPORT

Dutch-Bangla Bank Limited (DBBL) yesterday launched two mobile ATM booths, the first of its kind in Bangladesh, to provide "improved services" to clients.

Bangladesh Bank Governor Salehuddin Ahmed inaugurated the ATM booths at a city hotel.

The governor hailed DBBL for introducing the new services and hoped that it would "immensely benefit" the customers.

The central banker also asked other banks to step up their efforts to provide improved services to their clients.

DBBL is the first and only bank in Bangladesh, which invested over Tk 100 crore in banking automation services. The bank also has the largest online banking network with 207 ATM booths, including 43 branches across the country.

Md Yesin Ali, managing director of DBBL, said the bank has invested crores of taka in modernising its technology.

"Our aim is to render modern banking services to clients," Ali said.

DBBL Nexus, Master, Maestro and Cirrus cardholders would be able to avail themselves of services, such as cash withdrawal, balance enquiry, mini statement, payment of utility bills, purchase of activation number of mobile pre-paid card, and internet banking through the DBBL mobile ATM booths, according to bank officials.

No gas price hike for now

BERC says

STAR BUSINESS REPORT

Bangladesh Energy Regulatory Commission (BERC) has announced that gas price will not be hiked for the time being.

"The present price of gas will remain unchanged until further order," BERC Chairman Golam Rahman told a press briefing at his office in Dhaka yesterday.

He said they could consider increasing the price by 10 to 15 percent if Petrobangla met two conditions, firstly, a Gas Development Fund should be formed by the state-run corporation, and secondly, the fund should be used for future gas exploration by Petrobangla or other local companies.

As per BERC Act 2003, Petrobangla gave a proposal to the commission for average price rate of 53.76 per cent per 1,000 cubic feet at consumer level. Later, it gave a revised price proposal of 65.92 percent.

Petrobangla said it raised the gas price latest on July 1, 2005.

It said the present selling price of gas is much lower than its financial value, alternative energy and international prices. It said of the amount, Petrobangla now gets 52 percent of the price of gas produced by the local companies and 48 percent in the case of international oil companies (IOCs).

They buy 1,000 cubic feet gas from the IOCs for about Tk 230. Against the figure, the government-fixed selling rate is Tk 92.84. Due to the difference, the accumulated

fund deficit has stood at Tk 1905.05 crore.

Petrobangla said for investment in the gas sector they need to increase the price.

However, on completion of mass hearing with different organisations and consumers, the BERC has decided to increase the gas price by 10 to 15 percent conditionally.

Besides, to bring transparency in the activities of Petrobangla, a number of orders were also issued, the BERC chairman told journalists.

Petrobangla will prepare a work plan to realise its overdue bills. Target would have to be fixed to bring down the arrear bills equivalent to two months' bill by fiscal year 2011.

Before making any appeal for increasing gas price Petrobangla cannot have any overdue bill more than three months.

The companies would have to introduce uniform accounting system from July 1, 2009.

The commission ordered that Petrobangla has to prepare a report on the basis of average gas price and it would come into effect from July 1, 2009. The procedure of preparing the report has to be informed to the commission by May 1, 2009.

The Petrobangla should also would prepare a service quality programme for its subsidiary companies.

This programme includes discipline in giving connections, necessary monitoring, addressing subscribers' complaints and steps for maintaining proper gas pressure.

BTRC rolls out telecom network guidelines

Fees and charges

Application fee	Tk 50,000
License acquisition fee	Tk 3 crore
Annual licence fee	Tk 25 lakh
Gross revenue sharing	0% for the first year 1% for second and third years 2% for fourth and fifth years 3% from sixth year
Performance bank guarantee	Tk 10 crore

STAR BUSINESS REPORT

The telecom watchdog has announced a set of guidelines for a telecom network in an effort to minimise the waste of national resources from developing individual networks.

Bangladesh Telecommunication Regulatory Commission (BTRC) yesterday posted the guidelines called "National Telecommunication Transmission Network (NTTN)" on its website.

According to the guidelines, private entrepreneurs -- both local and local-foreign joint ventures -- can

develop, build, operate and maintain the NTTN to provide services for licensed operators.

At present, the metropolitan cities and towns are cluttered with hazardous overhead optical fibres and access optical fibre networks built by the multiple operators in the same areas.

"De-cluttering the city areas and towns and minimising the waste of national resources are also the objectives of the NTTN," BTRC says.

NTTN licensees will not be allowed to provide telecommunication services directly to users.

According to the guidelines, private entrepreneurs -- both local and local-foreign joint ventures -- can

limited to a maximum of 60 percent. The foreign partner will have to invest in foreign currency directly, equal to his percentage of ownership.

AN operators mean the PSTN, cellular, cable service providers, broadband service providers, ISPs and others who provide telecom services directly to users.

If the private operators come forward to invest in the network-developing sector, operating costs will be decreased significantly, the industry insiders observed.

The operators, who are struggling to ensure good network coverage, will have the network on the rental basis from the NTTN license holders.

The BTRC fixed the fee for NTTN licence at Tk 3 crore. The license holders have to pay Tk 25 lakh a year in licence renewal fees.

According to the guidelines, NTTN licensees will have to follow a rollout obligation to take the network up to upazila headquarters.

In line with the guidelines, foreign shareholding is

UN meet to avoid failure: Oxfam



AFP, Doha

A UN conference in Doha on aid to developing nations is set to avoid "total failure" because of a new sense of urgency among negotiators, a non-government aid agency said on Sunday.

Negotiations "have begun to recognise the need for urgent action to help finance the battle against global poverty," according to Ariane Arpa, head of the Oxfam International delegation in Doha.

"Thankfully, it seems that total failure has now been avoided," she said. Credit must go to UN officials "for wiping the slate clean and producing a draft document that has won the backing of the EU."

Major powers "at least recognise that it is not just for the G-20 countries to oversee the much needed review of the international financial architecture, but that the UN also has a vital role to play," Arpa said.

There is still a long way to go, however, and there is every danger that the current version will be considerably watered down by non-EU members of the G8," she said.

Starwood to manage Sheraton up to March

SAYEDA AKTER

Starwood, the company assigned for management of Dhaka Sheraton Hotel, signed Saturday a contract with the hotel's owning company Bangladesh Services Limited (BSL) to extend its tenure of service up to March 31.

"Starwood and BSL has a long partnership of 25 years, so we have extended the tenure unconditionally," Trevor MacDonald, general manager of Dhaka Sheraton, told The Daily Star.

Starwood's 25-year agreement with BSL to manage and operate the Dhaka Sheraton is set to expire on December 31.

Earlier, Starwood conditioned any renewal of agreement with the hotel's immediate renovation and its shutdown for a period of one year.

The owning company of the hotel is hesitant to entertain the private management company's conditions on the plea that more than 600 employees of Dhaka Sheraton would lose their jobs on its closure of operation for one year, a BSL senior official said.



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