

Stocks

DGEN	▼ 0.24%	2,584.62
CSCX	▼ 0.63%	5,257.09

Asian Markets

MUMBAI	▼ 1.70%	9,928.35
TOKYO	▲ 1.57%	8,723.78
SINGAPORE	▼ 2.78%	1,745.63
SHANGHAI	▼ 1.52%	1,987.76

Currencies

	Buy Tk	Sell Tk
USD	68.45	69.45
EUR	94.02	98.75
GBP	100.18	105.17
JPY	0.75	0.80

SOURCE: STANDARD CHARTERED BANK

Commodities

Gold	▲	\$847.83	(per ounce)
Oil	▲	\$43.11	(per barrel)

SOURCE: AFP

(Midday Trade)

More News

From poultry farmer to power maker



KM Hossain revolutionises his poultry farm at Harukandi in Faridpur town; no whiff or odour, and on top of that, he generates about 86,400 KW of electricity per year from the biogas produced in the farm.

B-4

International

Japan's gloom deepens as exports suffer record drop

Japan's woes from the global crisis deepened Monday as data showed a record drop in exports and the government said for the first time in nearly seven years that the economy was getting worse. The worse than expected trade data came on the same day that iconic Japanese company Toyota Motor Corp. said it would post its first-ever operating loss this year due to the economic slowdown.

China to buy Taiwan flat panels to help economy

Chinese firms will buy two billion dollars' worth of flat-screen monitors from Taiwanese companies to aid the island's economy in the face of the global downturn, state media reported. Wang Yi, director of the Communist Party's Taiwan Affairs Office, made the announcement at a forum between officials and businessmen from the two sides that ended Sunday, the Xinhua news agency said.

B-4

Contact Us

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

Urea price-drop to save Tk 5,000cr in subsidy

JASIM UDDIN KHAN

A drastic fall in the prices of urea fertiliser in the international market has left an opening for Bangladesh government to save around Tk 5,000 crore subsidy this fiscal year.

Officials said the budgetary allocation for this farm input subsidy might be utilised for other development purposes.

In fiscal 2007-08, the government spent Tk 35,000 in subsidy for per tonne of urea, which means a total of Tk 6,000 crore.

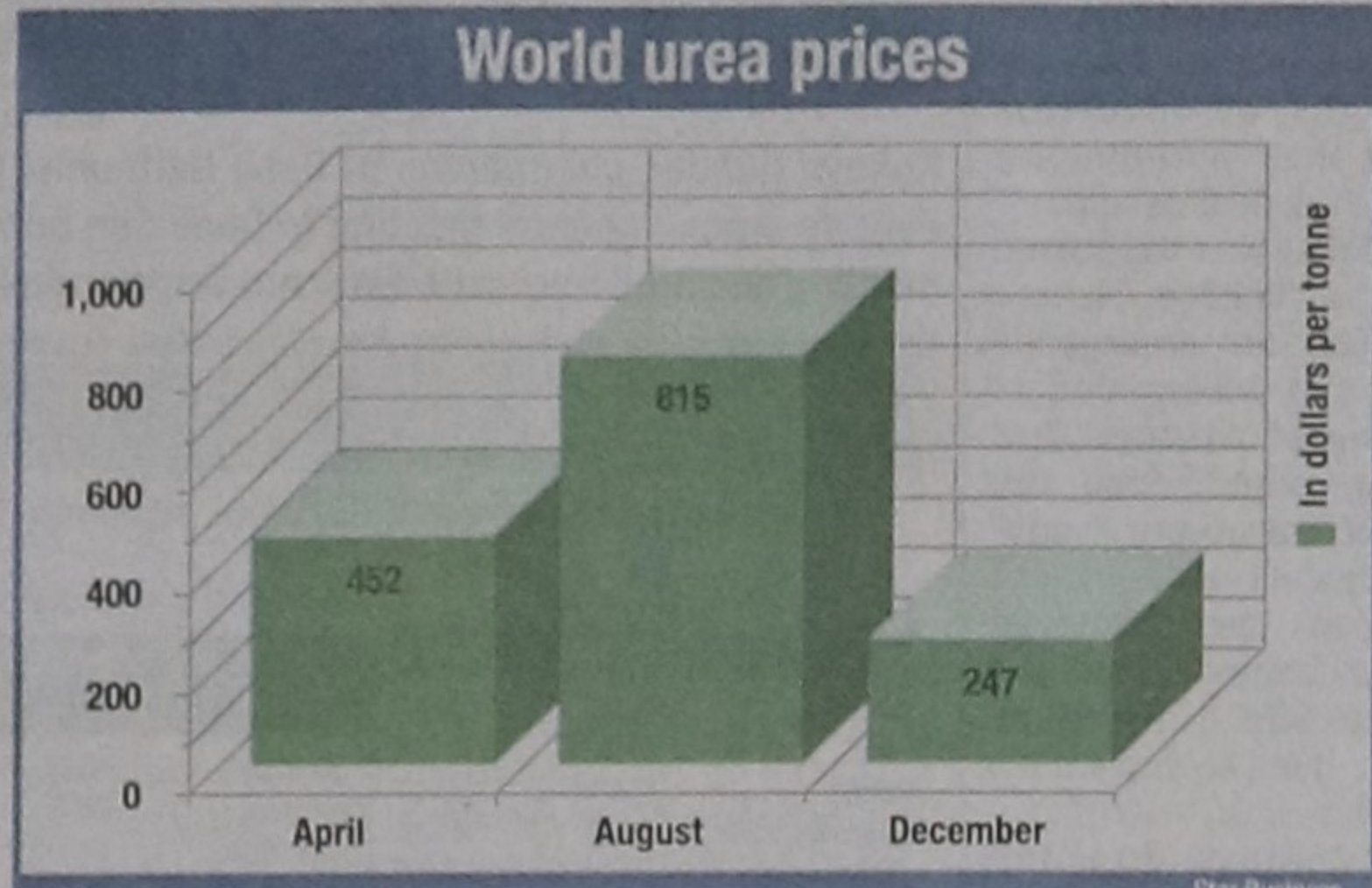
The urea plunged to \$247 a tonne last week from \$815 in August, according to FMB Group, a UK-based fertiliser price monitoring agency. The group says the international petrochemical market witnessed such a price-drop on the global financial recession.

The government has set a target to supply 30 lakh tonnes of urea in the current 2008-09 financial year as per demand. The annual demand was 28.18 lakh tonnes last fiscal year.

Of the total demand for urea, the state-owned factories will be able to produce around 17 lakh tonnes, while 8 lakh tonnes will be imported from abroad and the remaining 5 lakh tonnes are supposed to be procured from Kafco (Karnaphuli Fertiliser Company) at international rate.

"If the urea price remained static around \$800 a tonne, the government had to spend Tk 7,176 crore for the required 13 lakh tonnes of urea. But now it will need only Tk 2,242 crore to procure the amount at the current rate," a high official of the industries ministry said.

He said the decision of setting the fertiliser price at Tk 10,000 a tonne



at retail level this year against the previous price of Tk 4,850 will also help save a huge amount of subsidy this year.

"The government will benefit from the reduced price of fertiliser as a result of the global petrochemical price-drop. It is now considering diversion of the money earmarked for fertiliser subsidy to other development works," said Ilias Ahmed, additional secretary, industries ministry.

He said the retail price has been raised to make the local fertiliser factories commercially viable. The over 100 per cent rise in the urea price was made in June to help make up for the government's ever-increasing expenditure, as agricultural inputs were marketed at subsidised rates.

"Now the government-owned factories, who previously faced manifold problems including a big gap between their production costs and selling prices. These factories sold their produces at Tk 4,850 a tonne against the production cost

of Tk 7500," Ahmed said.

In this context, he pointed out that the government has already imported over 3 lakh tonnes of urea at a higher rate in line with its routine procurement drive just before the international price came down to \$247 per tonne.

The official expects the rest of the required urea to be procured at the present reduced rate.

Under the revised rate, the mill-gate price of urea stands at Tk 10,000 per tonne or Tk 10 per kg, while it is Tk 10,700 per tonne or Tk 10.70 per kg at buffer stocks level.

Earlier, the official prices of urea were Tk 4,800 per tonne or Tk 4.80 per kg and Tk 5,300 per tonne or Tk 5.30 per kg at mill-gate and buffer stock levels.

Saudi Arabia, United Arab Emirates (UAE), Jordan, Kuwait, Qatar, Russia and Belarus are the large fertiliser suppliers to Bangladesh.

jasim@thedailystar.net

HIGHLIGHTS



- Targeted consumption: 30 lakh tonnes
- Local production: 17 lakh tonnes
- Import: 13 lakh tonnes
- Bangladesh has already imported 3.19 lakh tonnes
- Retail sales price: Tk 10,000 per tonne
- Local production cost: Tk 7,500 per tonne
- Previous import subsidy: Tk 35,000 per tonne

Banks on branch expansion spree

SAJJADUR RAHMAN

Private banks have quickened their branch expansion programme to net the unbanked population across the country, officials said.

Some thirty private commercial banks (PCBs) have opened around 50 branches only during the time from November to December 20, 2008.

According to Bangladesh Bank (BB) data, the central bank has granted licences to 30 PCBs to open around 150 branches by this year.

BB officials meanwhile said the demand for new branches is increasing this year like never before.

"No one disputes the importance of online banking or its increasing coverage, but every bank believes that the way to get there is to first have a more visible presence on the street," said Muhammad A Rumeel Ali, chairman of BRAC Bank and a former deputy governor of BB.

Rumeel Ali said: "I don't think it's possible to provide full banking services without physical presence."

BRAC Bank has got BB approval to open the highest number (20) of new branches in 2008 followed by Dutch-Bangla Bank with 15 branches. No other banks got permission to open more than 10 branches, according to BB data.

As of October 31, 2008, 48 Bangladeshi banks that include four state-owned, 30 PCBs, nine foreign and five specialised banks have a total of 6,789 branches. The number was 6,562 at the end of 2006 and 6,402 in 2005.

"The number of total branches will be around 6,850 at the end of 2008," a senior BB official said.

Different banks have different explanations for their branch expansion strategy. For some it is about plugging geographical gaps in their network, for some others it is a response to customer demand and the call for more business.

"Business is the prime objective of any branch expansion. A branch needs to generate income, otherwise it will be shut down," Rumeel Ali said.

Helal Ahmed Chowdhury, managing director of Pubali Bank, which would have 371 branches at the end of 2008, said a bank needs to assess business potentials before opening a new branch.

Pubali Bank got permission to open 10 new branches this year, of which seven rural and the remaining three are urban branches.

"Now we consider economic activities and remittances before opening a new branch," Chowdhury said.

There will be more branches as new areas are becoming urbanised, he added.

Responding to a query, he said a branch requires only one year to make profit.

"An urban branch generates quicker profit than a rural one," Rumeel Ali said.

sajjad@thedailystar.net

Grameen teams up with GE Healthcare

STAR BUSINESS REPORT

Grameen Healthcare Trust and GE Healthcare yesterday joined hands to establish a social business healthcare delivery model for Bangladesh.

The new venture will jointly evaluate ways to improve Grameen Healthcare's service delivery systems and primary care clinics in rural Bangladesh.

Under the initiative, the partnership will find ways and means to introduce easy, affordable and technically suitable machines for rural Bangladesh to diagnose different diseases at an early stage.

"We will jointly develop a suitable model so that the globally reputed GE healthcare technology can be used with the help of already existing communication technology in diagnosing many diseases in rural Bangladesh," Nobel laureate Professor Muhammad Yunus said at a press conference in the city yesterday.

"A lot of people died here from diseases due to a lack of availability of diagnostic tools," he said.

GE Healthcare is a unit of GE Technology Infrastructure, which is a unit of General Electric.

GE Healthcare has a broad range of products and services that include medical imaging and information technologies, medical diagnostics, patient monitoring systems, performance improvement solutions, drug discovery and biopharmaceutical manufacturing technologies.

The partnership will start its journey by providing services to pregnant women in rural areas.

"Although the country decreased maternity death, the existing rate is still higher than other developing nations. We want to decrease the rate and bring it down to the same level as other developed nations," Yunus said.

Grameen will set up a modern medical college, a technical institution for technicians and a nursing institute of international standards.



Nobel laureate Professor Muhammad Yunus speaks at a press conference in Dhaka yesterday. Grameen Healthcare Trust and GE Healthcare are set to establish a social business healthcare delivery model for Bangladesh.

Grameen Healthcare has already started negotiations with Mayo Medical School, USA and Pfizer.

Omar Ishrak, president and chief executive officer of GE Healthcare, and V Raja, president and chief executive officer of GE Healthcare South Asia, also spoke.

Millions face job losses in Asia

ANN

Unemployment is expected to rise in Asia next year as the rest of the world reels from the impact of the global financial crisis.

Already, migrant jobseekers in China are facing uncertainties about their prospects while Indonesia estimates that about one million could lose their jobs in 2009 as many industries cut jobs due to weak revenues. In South Korea, public firms are also reducing jobs with at least 19,000 facing the ax.

A sense of uncertainty is growing among jobseekers in China faces a worsening employment situation, experts said last week.

"There is a strong sense of insecurity among migrant workers, college

graduates and even white-collar workers amid the global financial crisis," Guo Weiqing, a professor of public administration at Guangzhou's Sun Yat-sen University, told China Daily.

Tens of thousands of migrant workers have lost their jobs in Guangdong province with the closure of factories hit by the crisis.

Eddy Widjanarko, chairman of the Indonesian Footwear Association (Aprisindo), said the industry would see nearly 10,000 layoffs by the end of 2008 and another 30,000 next year.

The government estimates about \$65 billion will be needed in new infrastructure investment in the next three years.

In South Korea, the government said on Sunday it will cut 19,000 jobs

at 69 public firms in the fourth stage of its public sector reform programme.

The Ministry of Strategy and Finance said the job cuts will be carried out gradually through a natural phasing-out process and voluntary retirement over three to four years, given the current grim economic situation and bleak job market.

"As we strive to improve public sector efficiency, 19,000, or more than 10 percent of jobs, will be reduced out of the 150,000 jobs (at 69 firms)," Vice Finance Minister Bae Kook-hwan told reporters in Gwacheon.

The ministry's restructuring programme came two days after President Lee Myung-bak on Friday called for a strong restructuring drive for both public and private sectors to ward off a worse economic situation.

Some investors take fund off market ahead of polls

SARWAR A CHOWDHURY

Dhaka Stock Exchange (DSE) has witnessed an outflow of a handful of funds in the run-up to the national election slated for December 29, a senior official of the country's prime bourse said yesterday.

According to findings by the DSE, Tk 10 crore in different transactions has gone out of the market in an apparent sign of election spending, said the official, asking not to be named.

Up to six individual investors, who are now in the election race, took the money off the market through selling their shares in different companies, the official said.

"However the amount is very insignificant compared to the market volume," the official said, adding that the market capitalisation and turnover trend shows the fund withdrawal would not put any impact on the market.

As of yesterday, market capitalisation was Tk 98,590.57 crore. Last week, daily average turnover on the DSE was Tk 133.65 crore, which was Tk 183.84 crore a week ago.

Meanwhile, sales of shares driven by profit-taking pulled Dhaka stocks down slightly yesterday after a two-day rally.

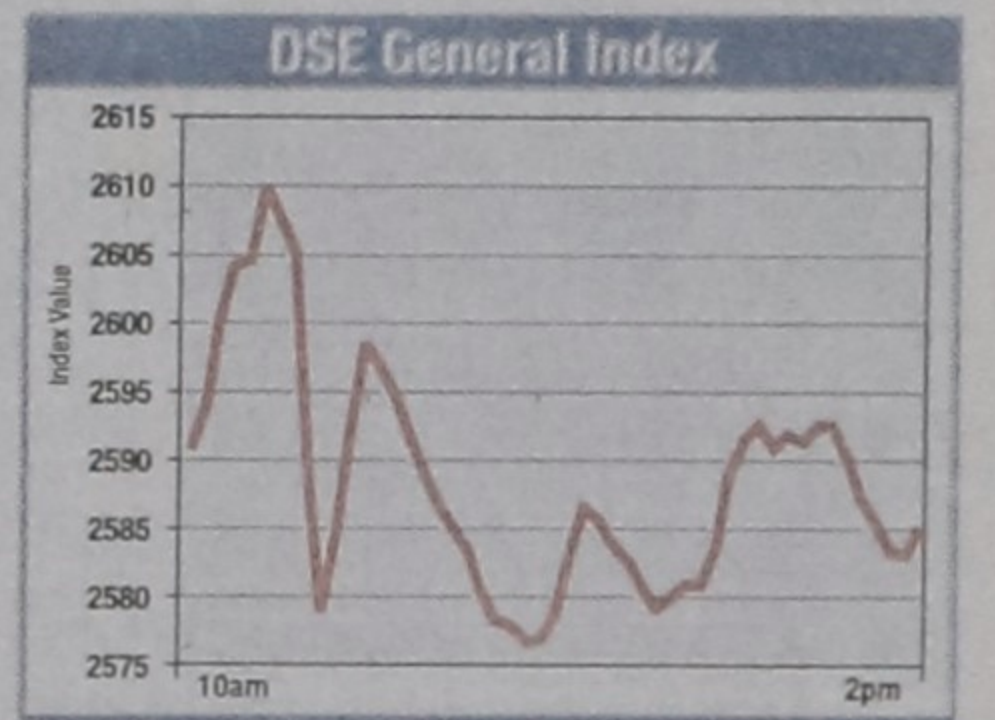
Investors tried to make some profit from the market, which gained on Sunday and Thursday.

DSE General Index, the benchmark index of DSE, fell 6.33 points, or 2.44 percent to 2,584.61 points. The DSE All Share Price Index also declined 3.49 points, or 1.49 percent to 2,142.21 points.

The market started quite positively and gained about 15 points in the opening 30 minutes. The DGEN made a sharp decline and went about 12 points down.

In the next 60 minutes, the DGEN gained some points after recovering the losses. For the next 60 minutes, the market kept falling and came down to the day's low of 2575 mark at one point.

For the next 45 minutes, the market moved up slightly and showed an upward movement for the following 60 minutes. By the end of trading, the DGEN lost just over 6



points on Sunday.

A total of 1,30,83,646 shares worth Tk 204.31 crore changed hands on the premier bourse.

The majority of securities traded down. Of the 234 traded issues, 101 advanced, 122 declined and 11 remained unchanged.

Shinepukur Ceramics topped the turnover leaders on the DSE with 19,29,800 traded shares worth Tk 14.87 crore. The other turnover leaders were Summit Power, Titas Gas, Beximco, ACI Formulations, Beximco Pharma, Uttara Bank, National Bank, LankaBangla Finance and Brac Bank.

Chittagong stock also posted a fall. The CSE Selective Categories Index declined 33.28 points, or 0.62 percent to 5,257.09 points, while the CSE All Share Price Index slid 46.28 points, or 0.56 percent to 8,082.88 points.

A total of 32,13,595 shares worth Tk 43.16 crore changed hands on the Chittagong Stock Exchange. Of the 129 traded securities on the port city bourse, 31 advanced, 95 declined and three remain unchanged.

Beximco topped the turnover leaders on the CSE with 2,59,300 traded shares worth Tk 4.28 crore. Other turnover leaders were Beximco Pharma, City Bank, Summit Power, Titas Gas, Meghna Petroleum, AB Bank, ACI Formulations, Grameen Mutual Fund One: Scheme Two and Shinepukur Ceramics.

sarwar@thedailystar.net



CONDOLLENCE

Mr. S M Mofidul Haque, Honorable Treasurer, Shikha Shastha Unnayan Karzakram (SHISUK) breathed his last on December 12, 2008 at Apollo Hospital, Dhaka at 4:30 AM at the age of 54. His death is the great loss to his family and to SHISUK. We are deeply shocked at his sudden death and express our heartfelt condolence and sympathy to the members of the bereaved family.

We pray to Almighty Allah to grant the departed soul eternal peace in the best of Heavens. Ameen.

SHISUK's Members & Employees