

## Stocks

DGEN ▲ 1.23%  
2,630.14

CSCX ▲ 1.12%  
5,359.58

## Asian Markets

MUMBAI ▼ 1.22%  
9,568.72

TOKYO ▼ 2.37%  
8,517.10

SINGAPORE ▲ 0.72%  
1,736.99

SHANGHAI ▼ 1.76%  
1,863.80

## Currencies

	Buy Tk	Sell Tk
USD	68.45	69.45
EUR	93.96	98.71
GBP	99.39	104.36
JPY	0.75	0.79

SOURCE: STANDARD CHARTERED BANK

## Commodities

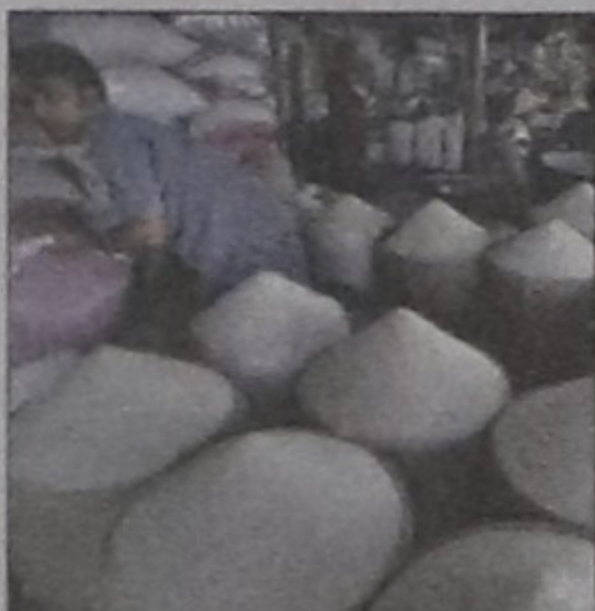
**Gold** ▼  
\$840.95  
(per ounce)

**Oil** ▼  
\$37.62  
(per barrel)

SOURCE: AFP  
(Midday Trade)

## More News

### Managing rice prices



Inflation is of huge concern to an average Bangladeshi citizen. Nearly double-digit inflation of the past 12 months, and especially the surge in rice prices, is a key social concern in Bangladesh. It is not surprising that the election manifestos of all political parties keep inflation control high on their economic agenda.

B-4

## International

### Japan okays 'unprecedented' recession budget

Japan's government Wednesday approved a record high budget, vowing to take "unprecedented" action to weather a painful recession which it expected would only get worse in the new year.

### American Express gets \$3.39b in rescue funds

Credit card giant American Express said Tuesday it would receive 3.39 billion dollars in capital injection from the US Treasury as part of an emergency rescue for the troubled financial sector. American Express said the Treasury had provided preliminary approval for it to participate in the Treasury's 700-billion-dollar Troubled Asset Relief Program Capital Purchase Program.

B-4

## Contact Us

If you have views on Star Business or news about business in Bangladesh, please email us at [business@thedailystar.net](mailto:business@thedailystar.net)

# TCB to be made public limited company

## STAR BUSINESS REPORT

The government is going to turn the state-owned Trading Corporation of Bangladesh (TCB) into a public limited company for an effective market intervention to arrest the price spiral of essentials in the local market.

Commerce Adviser Dr Hossain Zillur Rahman told a press briefing at his Secretariat office yesterday after holding an important meeting with the officials concerned in this connection.

He said although the government tried to contain the price spike of basic commodities in the local market through using its different tools, it worked a little.

"This is why the government is going to make the TCB an independent body so that it can take prompt decisions at any crisis moment," Hossain Zillur said.

He said TCB does not need to sell the rice as the government's Foods Department can do the same job with its own workforce.

Rather, TCB will sell six basic items including edible oil, flour, sugar, onion, lentil and powdered milk to keep the market stable, the adviser said.

He said they selected the six basic items for the TCB as the country has a little chance to be self-sufficient in those basic commodities in the next 10 years.

He said although the government had sanctioned money to import 3000 tonnes of edible oil on an urgent basis a few days ago, it could not do the same due to hard provisions of the Public Procurement Rules (PPR).

The commerce adviser said his government has started the process for making

## TCB PROFILE

- Land: 42 bighas
- Zonal offices: 4
- Warehouses: 6
- Bank deposits: Tk 100cr
- Employees: 235

TCB a company through forming a working group, but the responsibility of its finalisation goes to the next elected government.

He said at present the TCB has 42 bighas of land, four zonal offices, six warehouses across the country and Tk 100 crore deposited with different banks and 235 employees, which he thinks is enough to run an independent company.

The current TCB, established in 1972, is not up to the mark to efficiently handle the price situation, which the world experienced in the 2007-08 fiscal year.

"The new global food market has prompted us to rethink for giving the TCB a new look," Hossain Zillur said.

He said there is a plan to set up a new edible oil refinery plant in Chittagong under the proposed TCB company to refine the same for the local market as sometimes the local importers do a brisk business cashing in on a turbulent time.

Replying to queries, Hossain Zillur said the government deliberated on the issue earlier, but it could not make any progress because of some other pre-occupations.



Trading Corporation of Bangladesh office at Karwan Bazar in Dhaka.

## Aziz defuses fears over falling exports

### STAR BUSINESS REPORT

Finance Adviser AB Mirza Azizul Islam yesterday dispelled fears over a slump in exports in the wake of the global financial crisis and said earnings from shipments out of the country rose in November.

The overall export earnings stood at \$1,300 million in November 2008-09, the adviser said at a press briefing at the National Economic Council Auditorium in Dhaka yesterday.

Data showed that the country's earnings for October decreased by 7.48 percent to \$867.69 million, compared to \$941.48 million in the same month a year ago.

Export Promotion Bureau Vice Chairman Shahab Ullah had earlier told The Daily Star that the export performance was better in November than in October.

The decline in October was 'an unusual event', and had nothing to do with the global crisis, he said.

Despite the fall in October, the country's overall exports posted 30.68 percent growth to \$5,251.49 million in the July-October period, against \$4,018.67 million in the year-ago period.

Brushing aside the fears that the exports would suffer a setback due to the global recession, the finance adviser said: "There is no reason to panic until June next year."

Aziz said the exports grew by 27 percent to around \$1.3 billion in the July-November period of the current fiscal year compared to the same period the last fiscal year, UNB reports.

Providing the latest information, Aziz said the country received remittances of \$768 million in November, up from \$648 million in the previous month.

About foreign aid, the adviser said the disbursement of foreign aid registered a high of \$2.1 billion in the last fiscal year, while it was 12.7 percent higher in the July-November period this fiscal year than in the same period a year ago.

# Bank credit to transport sector grows to new high

## SAJJADUR RAHMAN

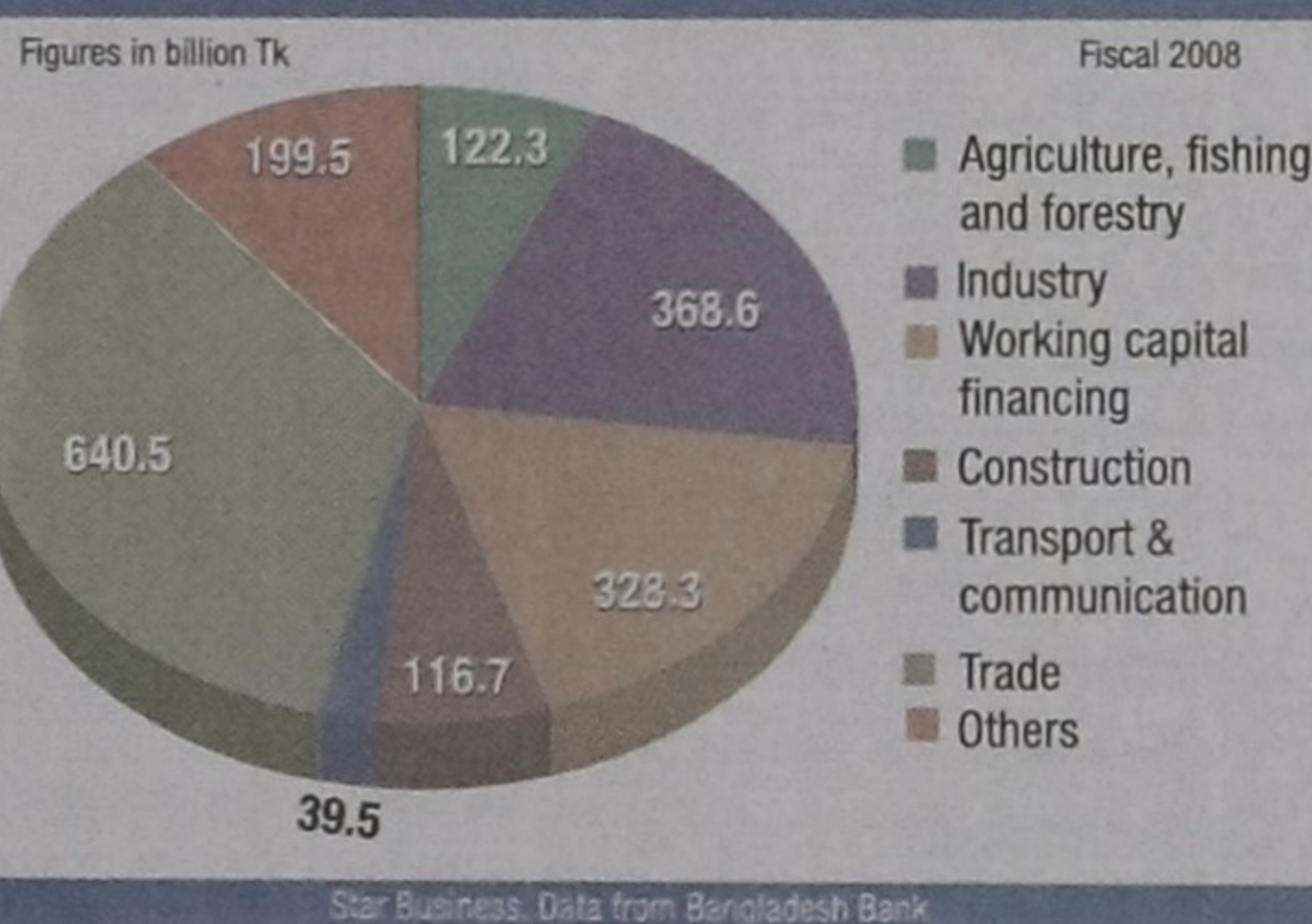
Transport and communication sector recorded the highest growth in receiving banks' advances (loans) in fiscal year (FY) 2007-08, according to a Bangladesh Bank (BB) report.

Total advances of the scheduled banks stood at Tk 181,550 crore at the end of June 2008, which was 23.9 percent higher than the total advances of Tk 146,570 crore in FY 2006-07.

Of the total advances, the transport and communication sector recorded the highest growth at 37.6 percent, followed by trade sector at 31.7 percent, industry 22.4 percent, working capital financing 15.2 percent, agriculture, fishing and forestry 12.2 percent, construction 11 percent and other sectors at 32.6 percent in FY08, compared to the previous fiscal year.

The transport and communication sector received Tk 3,950 crore or 2.2 percent of the total credit given in FY2007-08. Credit provided to this sector was Tk 2,870 crore in 2006-07 and Tk 1,960 crore in 2005-06.

## Advances from scheduled banks



"In recent years, significant changes took place in the trends in total bank advances classified by economic purpose," the BB report mentioned.

"Banks opened a good number of letter of credits (L/Cs) for the import of transport and communication goods in 2008," said Helal Ahmed Chowdhury, managing director of Pubali Bank.

He said tremendous development in road network across the country has created a rapid rise in the demand for transport and communication goods, especially buses, trucks and cars.

Dhaka's public bus routes rose to around 150 earlier this year, showing an increasing trend of motor transport in the capital. There were around 12 bus routes 10 years ago,

## The transport and communication sector received Tk 3,950 crore or 2.2 percent of the total credit given in FY2007-08

and 63 bus routes in 2005, said Bangladesh Road Transport Authority (BRTA) officials.

According to BRTA, some 5,000 private buses currently ply city roads and the number is increasing everyday. Officials said more buses are needed, as most busses in the city are overcrowded, particularly in the morning and evening.

According to bankers, new buses are landing on roads everyday in other big cities, such as Chittagong, Sylhet, Khulna and Rajshahi.

"Banks are giving increasing credit to the transport and communication sector because their recovery rate is very good," Helal Ahmed Chowdhury said. "If the bus is insured, the risk for the creditors comes down significantly," he added.

# 10pc tax waiver on CSR spending

## STAR BUSINESS REPORT

The government has approved the long-awaited proposal for tax exemption facility at the rate of 10 percent on a part of the corporate income to be spent on complying with corporate social responsibility (CSR).

The exemption facility is aimed at encouraging private companies to be involved more in CSR practices.

Finance Adviser Mirza Azizul Islam last week gave go-ahead to the tax exemption proposal, which is expected to be published soon as gazette notification.

"The government will lose a very insignificant amount of money for giving the tax exemption facility, but the move will encourage many local business groups to launch CSR activities," said a high official of National Board of Revenue (NBR).

According to the tax exemption plan, economic, environmental and social development activities will be brought within CSR purview.

Agricultural production and processing, crop diversification, employment generation, education and training will be considered as CSR areas under economic sector, while global warming, ecological balance, pure water management, carbon emission, sea water level, forestry, city beautification and waste management will be environmental activities.

Under social development, companies investing for women rights issues, extending donations to HIV-AIDS campaign agencies, welfare activities for disabled, donations for public universities, relief activities after natural calamities, welfare activities for grassroots children and acid victims will get the tax waiver facility.

In order to enjoy the facility, companies will have to follow labour compliant issues and be environmentally conscious.

The private sector businesses had long been requesting the government to offer tax waiver on CSR expenditure as they have to pay corporate tax at a rate of 45 percent.

Last year the government raised tax exemption limit for donation to charity to Tk 5 lakh from Tk 2.5 lakh in a bid to encourage welfare activities.

# Notebook sales top desktops for first time

## AFP, Washington

Global notebook computer shipments topped those of desktops for the first time ever on a quarterly basis in the third quarter of the year, according to market research firm iSuppli Corp.

The research firm, in what it described as a "watershed event in the history of the industry," said notebook PC shipments rose nearly 40 percent in the third quarter compared with the same period last year to 38.6 million units.

It said desktop PC shipments declined 1.3 percent compared with the same period to 38.5 million units.

"Momentum has been building in the notebook market for some time, so it's not a complete surprise that shipments have surpassed those of desktops," Matthew Wilkins, an iSuppli analyst, said in a statement.

"However, this marks a major event

in the PC market because it marks the start of the age of the notebook," he said. "The notebook PC is no longer a tool only for the business market, or a computer for the well-off consumer; it's now a computer for everyone."

Wilkins said the PC market managed strong growth in the third quarter despite the global economic downturn.

Worldwide PC unit shipments rose 15.4 percent over the third quarter of 2007 with 79 million units shipped, iSuppli said.

It said overall third-quarter PC shipments exceeded iSuppli's forecast of 12 percent year-over-year growth for the third quarter.

iSuppli said Hewlett-Packard of the United States retained its top ranking position in the third quarter of 2008 with shipments of 14.9 million units and a market share of 18.8 percent.

It said fellow US PC maker Dell was next with shipments of around 11

million units, a market share of 13.9 percent, followed by Taiwan's Acer Co., with shipments of 9.7 million units and a market share of 12.2 percent.

Lenovo and Toshiba Corp. were fourth and fifth, with market shares of 7.5 and 4.6 percent respectively. Apple, with a market share of 3.2 percent, was seventh overall in total PC shipments.

"The big news from iSuppli's market share data for the third quarter was undoubtedly the performance of Taiwan's Acer," Wilkins said.

"Acer shipped almost three million more notebooks in the third quarter than it did in the preceding quarter with the majority of those three million being the company's Netbook products," he said.

iSuppli slightly increased its full year 2008 unit growth forecast from 12.5 percent to 13.0 percent and revised its 2009 outlook to call for PC unit growth of 4.3 percent.



An NEC employee shows off the company's latest laptop computer LaVie L at a press preview.