

Stocks

DGEN ▼ 0.81%
2,649.49

CSCX ▼ 1.64%
5,282.19
(week-on-week)

Asian Markets

MUMBAI ▲ 2.04%
9,424.24

TOKYO ▼ 3.12%
7,994.05

SINGAPORE ▼ 1.15%
1,746.47

SHANGHAI Closed
(Friday closings)

Commodities

Gold ▲ \$919.50
(per ounce)

Oil ▼ \$41.74
(per barrel)

More News

Dilip calls for tapping local market to fight crisis fallout
Industries Minister Dilip Barua yesterday stressed the need for tapping domestic market properly and fully to cushion the country from any fallout of the ongoing global financial meltdown. "We can stand up well by tapping a big market of about 15 crore people," he said.

Stocks fall for 4th week
Indices of the Dhaka Stock Exchange fell for a fourth straight week, despite the last week's rise in the prices of majority securities, especially the junk shares. Many individual investors were interested in the worst performing Z-category companies to make some profits, analysts said.

International

Davos turns to trade deals



World leaders looking for hope amid recessionary gloom turned their attention Saturday to a long-stalled global trade deal, increasingly seen as a necessary bulwark against the rising threat of protectionism. British Prime Minister Gordon Brown warned at the World Economic Forum that unease about the global financial crisis was no reason to recoil from free trade, calling cooperation the only path forward.

Geithner, Bernanke work on \$700b bailout overhaul

Treasury Secretary Timothy Geithner, Federal Reserve Chairman Ben Bernanke and other top banking officials met Friday to hammer out details of a major overhaul of the government's financial rescue program. One official said the Obama administration was close to unveiling the new plan.

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Four port logistics firms to hit market

SAJJADUR RAHMAN

At least four new companies are in the pipeline to get into the burgeoning port logistics trade soon.

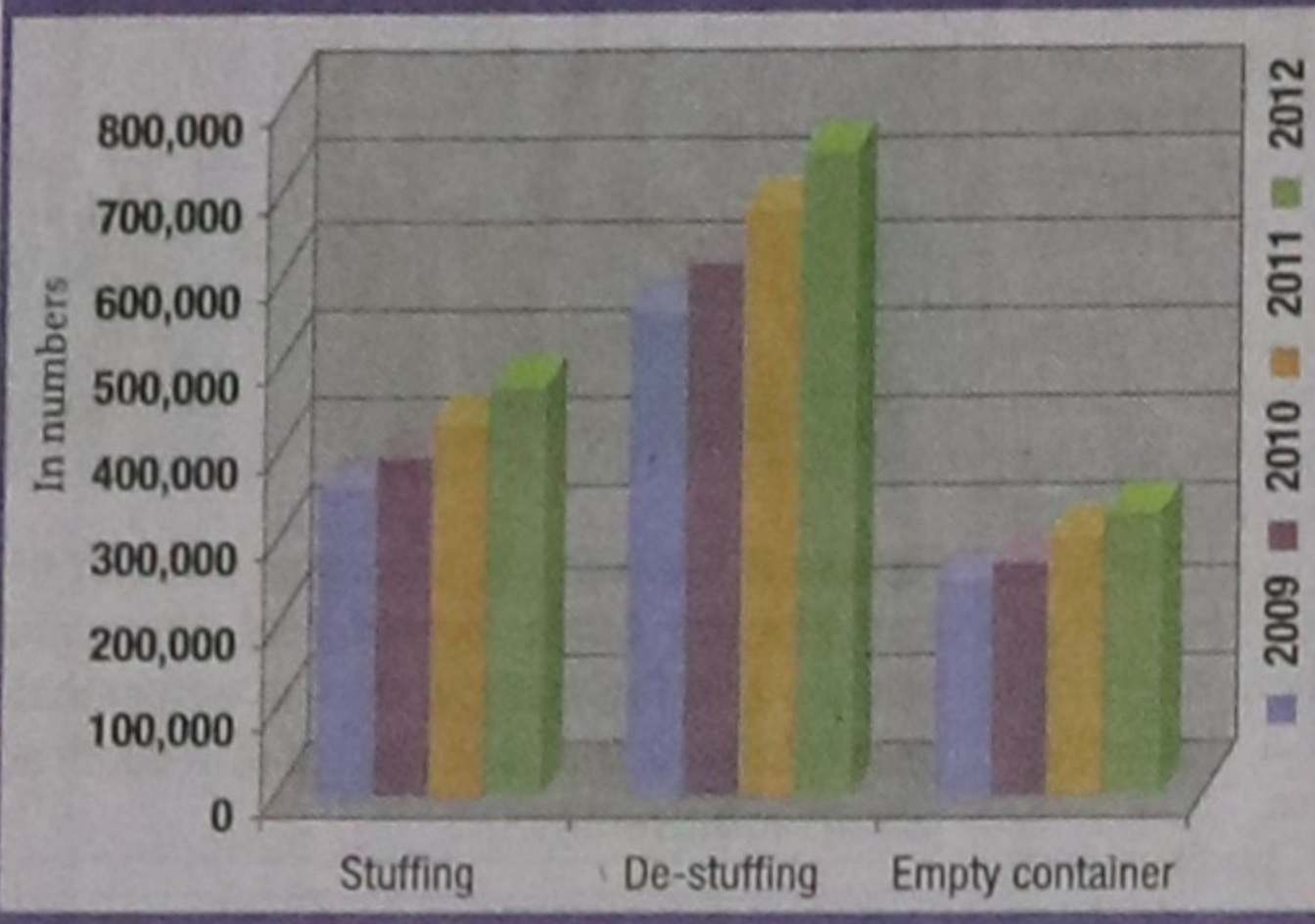
All these inland container depots (ICD) in the private sector will add to the present 13 such depots, in just two years, centring the Chittagong Port, the handler of more than 80 percent of Bangladesh's nearly \$35 billion export-import trade.

However, two new players -- KDS ICD and Golden Container -- made their debut in the second half of 2008.

"Container handling trade grew at 10 percent on an average in 2008, showing a probability of this pace in the next several years," said Touhidul Alam Khan, executive vice president and head of Syndications and Structured Finance Unit of Prime Bank Limited, quoting a survey report conducted by an internationally reputed organisation.

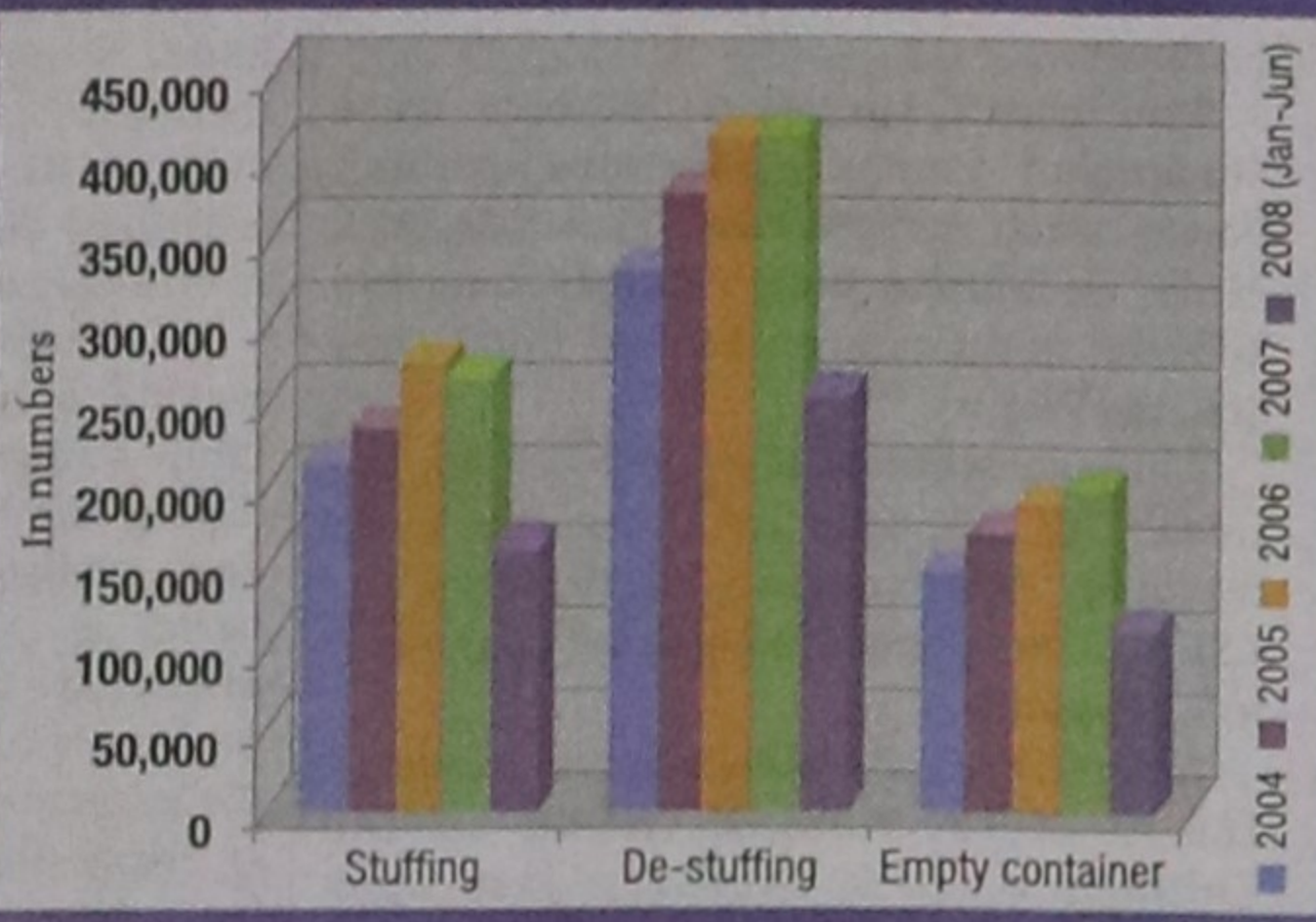
Khan said obviously the volume of internal trade influences the ICD market growth, especially in Bangladesh. "If Bangladesh gets connected to the Asian Highway, it is expected that lead time will be reduced to a great extent, resulting in a huge growth of internal trade and so the demand for private ICDs."

Future demand for container handling in TEUs



Data collected from banks.

Trends of container handling in TEUs



Star Business

Market players see at least a double-digit growth in the sector for the next several years. They said the market can absorb another 10/15 ICDs.

The four new players that hit the market next year are: BM Container Depot, Eagle Star, Namson and Mostofa Group.

Of them, BM Container Depot Limited has partnered with Pronk Participatie BV, a Dutch company, to build the ICD on 72 bighas of land, at a cost of about Tk 150 crore (nearly \$21

million). "We expect the company's operation in one and a half years," said Mostafizur Rahman, the managing director.

According to Touhidul Alam Khan, to fund this new company, Prime Bank Limited has already obtained a letter of mandate from its sponsors for raising Tk 64 crore in the form of syndicated term loan as the lead arranger.

Other financial institutions take interest in financing the project, Khan pointed out.

The company will have the capacity of handling 11,000 TEUs (twenty-foot equivalent unit) per month. Of which, 5,000 TEUs and 6,000 TEUs will be of export and import cargo respectively. This ICD will also be able to handle another 5,500 empty containers.

BM Container Depot will also have the facility to keep export cargo such as readymade garments, finished leather, ceramics and other valuable goods.

"Facilities will also be developed for direct stuffing of frozen foods, jute and

jute goods, hide and skin, scrap, CR coil etc and de-stuffing of import cargo either from hook point or from the import yard at Chittagong Port, supported by latest container handling equipment," a company official said.

Eagle Star has already conducted the feasibility study and Namson and Mostofa Group are in an initial stage, officials at these organisations said.

As per industry insiders' version, the ICD industry has been growing consistently at 10 percent -- in the past five years because of the rapid rise in foreign trade, in terms of value and quantity of goods.

Annual container handling in the private sector rose to over 10 percent in 2008 from 9.74 percent in 2007, due to the erosion in business confidence on a changed political climate.

Such growth was over 13 percent in 2005 and 2006.

Official data averaged a 10 percent growth in the container handling at inland container depots in the capital and the port in Chittagong since 2004. However, the growth figure in the Dhaka Inland Container Depot was only 4.1 percent in 2007.

sajjad@thedailystar.net

Aftab Auto soars on Navana listing rumour

SARWAR A CHOWDHURY

Share prices of Aftab Automobiles Ltd, a sister concern of Navana Group, rocketed by more than 50 percent in just two weeks, riding on a speculation that another concern of the group, Navana CNG Ltd, will be listed directly on the stock exchanges.

But Navana Group said they have not taken any such decision. They are just studying the possibility of Navana CNG's direct listing.

"We are yet to decide it," said Shafiqul Islam (Kamal), chairman of Navana Group, adding: "Everybody will know when we will take decision about the listing of Navana CNG."

Each Aftab Automobiles share closed at Tk 520.25 on last Thursday, up from Tk 346.25 two weeks ago against the face value of Tk 100, according to Dhaka Stock Exchange (DSE) website.

The prices of Aftab Automobiles' shares started rising based on a sentiment that the company will be financially benefited due to the direct listing of Navana CNG as it has stakes in the latter.

Kamal admitted that Aftab has shares in Navana CNG but did not disclose the shareholding positions.

According to Navana Group website, Shafiqul Islam (Kamal) holds the chairman and managing director posts both in Aftab Automobiles and Navana CNG, while Monwarul Islam and Saiful Islam Shumon hold the director post in both the companies.

Regardless of the shareholding position, investors are betting on Aftab Automobiles on a speculation that the automobile company would offload its stakes in Navana CNG at the time of its direct listing.

But the possibility of direct listing is still uncertain and analysts said the benefits for Aftab's shareholders or the company will come if the company decides to offload its shares in Navana CNG. Aftab is yet to post any such news for the investors.

Although the prices of Aftab Automobiles shares have been soaring for the last two weeks, the DSE is yet to initiate any move in this regard.

The DSE however said it is following the

price movement of Aftab. "Our monitoring department is observing the price movement," said AFM Shariful Islam, chief operating officer of DSE.

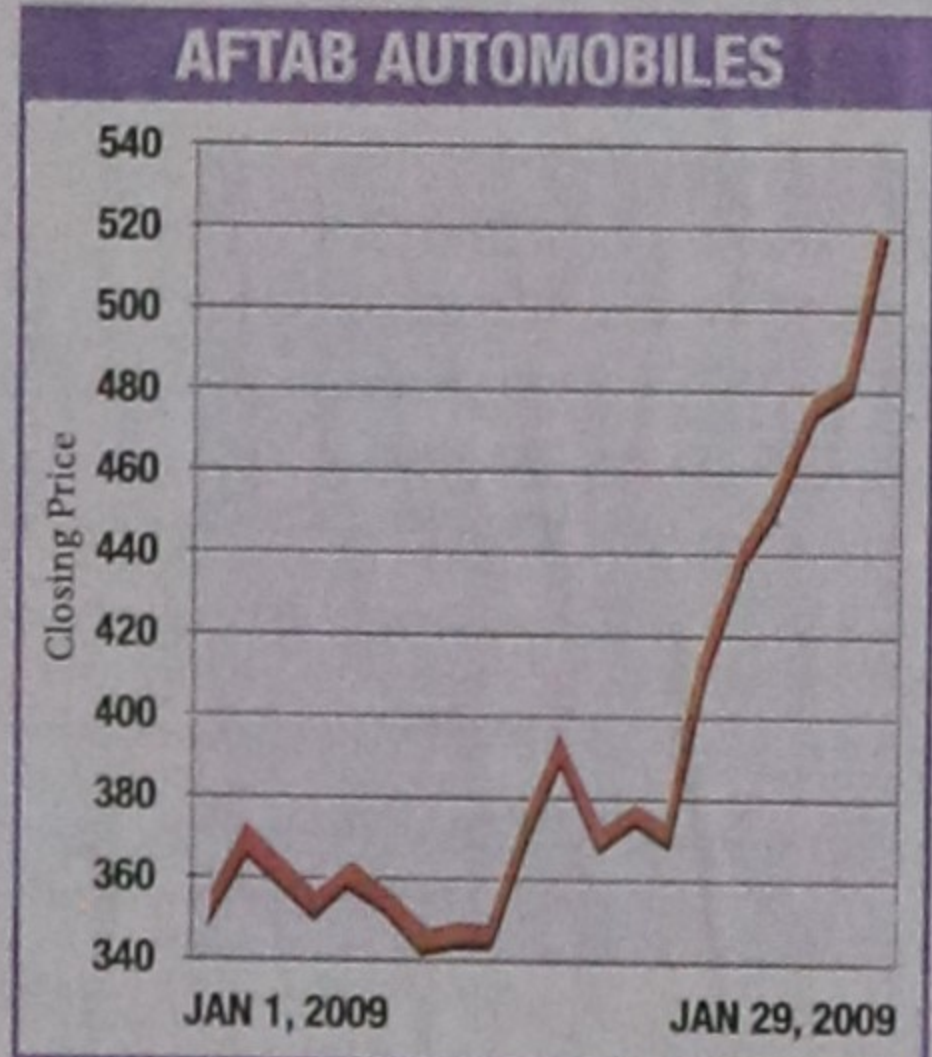
Usually, in case of any unusual price movement the DSE sends letters to the companies concerned to know if there is any price sensitive information behind the price rise.

Aftab Automobiles, which was listed on the DSE in 1987, is mainly a vehicle assembling and small parts making company. The company, whose existing paid up capital is Tk 23.20 crore and authorised capital is Tk 40 crore, has been successfully assembling Toyota and Hino brand vehicles for Bangladesh market since 1982.

The company made a net profit of Tk 5.74 crore in 2008 with earning per share of Tk 30.95, according to DSE.

Navana CNG is the leading compressed natural gas (CNG) service provider in Bangladesh. It is the sole distributor of the world famous CNG and LPG conversion kit manufacturer, Landi Renzos PA, Italy. It also solely represents CNG refuelling station technology giant Safes.r.l., Italy. For three wheeler conversions, Navana CNG is the sole distributor of Vanaz Engineers, India. It has also collaboration with Omitek of the USA, Altenergy of India and Argenchip of Argentina for converting diesel-run vehicles into CNG-run ones.

sarwar@thedailystar.net



Curtain comes down on flagship ICT expo



SHAFIQUIL ALAM

Visitors flock to BASIS Softexpo-2009 in Dhaka yesterday. The concluding ceremony of the flagship ICT expo called for a vision to gain an edge on the global market.

STAR BUSINESS REPORT

The BASIS Softexpo-2009, the ICT sector's flagship event, came to a close yesterday amid calls for the industry people to become visionary to gain an edge on the global market.

But there were words of caution over what is billed as "digital dream" that government representatives said must come true.

The tone of closing-ceremony discussions was a bit different from early talks over the government's pledge to make a Digital Bangladesh by 2021.

Private-sector stakeholders yesterday reiterated their commitment to help the government achieve the goal. The government renewed its promise.

"Having a dream is important to reach the target," said Syed Modasser Ali, adviser to the prime minister.

"When science mixes with dream, a discovery comes out."

But Ali was cautious. The Digital Bangladesh pledge cannot be implemented by the prime minister or her party alone, he said.

"People must work together to make it happen."

Ali pointed to probable setbacks, which could get in the way of meeting the target. Red tape is one of them.

"Keeping this in mind, people should work from their own positions," Ali said. He reminded stakeholders of setting targets that fit the reality.

He also stressed women's empowerment in the ICT sector, referring to the women who take up 51.5 percent of the population.

Bangladesh has 500 IT-enabled services companies in a sector that employs 12,000 people.

The sector's yearly turnover in the

domestic market is Tk 400 crore. On the other hand, it has less than 1 percent share of the global market, due to \$25 million exports last year.

The yearly exposition 'Softexpo' organised by Bangladesh Association of Software and Information Services (BASIS) is meant to promote software innovations.

Describing the current contribution of the software industry to the country's economy as a 'tip of the iceberg', BASIS President Habibullah N Karim said they had set a target to boost the domestic market to Tk 2,000 crore by 2014.

"This is a target to achieve as the present government is pledge-bound to develop the ICT sector," he said.

Commerce Secretary Feroz Ahmed and Science and ICT Secretary Md Nazmul Huda Khan were also present at the closing ceremony.

Japan pledges \$17b Asia aid

AFP, Davos, Switzerland

Japanese Prime Minister Taro Aso pledged 1.5 trillion yen (17 billion dollars) in development aid to other Asian countries on Saturday for infrastructure projects that will help boost growth.

The prime minister highlighted Japan's involvement in projects in the Mekong region and the Delhi-Mumbai industrial corridor and said overseas development assistance (ODA) would increase by 20 percent this year.

"Japan is ready to provide ODA not less than 1.5 trillion yen or about 17 billion dollars in total," he told the World Economic Forum here.

Japan's official development aid, an important diplomatic tool for the pacifist country since the end of World War II, has historically focused on Southeast Asian countries.

Turning to the causes of the global financial crisis, Aso pointed to the responsibility of leading exporting countries such

as Japan and China in what his spokesman said was a call to end the blame-game.

Russian Prime Minister Vladimir Putin and Chinese premier Wen Jiabao made forceful speeches here pointing the finger at the United States for its over-consumption and poorly regulated banking sector.

"In order to put the world economy back onto a stable growth trajectory, one imperative is correcting the global imbalance that has arisen from over-consumption in the United States and insufficient internal demand in other countries," he said.

"Countries must shed their dependence on external demand," he said.

Elsewhere, Aso announced a new emissions plan for the country and reiterated a pledge last November to lend 100 billion dollars to the International Monetary Fund.

"We are currently examining our mid-term target (for emissions reductions) based on scientific analyses... and I intend to announce the target in June," he said.

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