

Stocks

DGEN ▼ 1.18%
2,581.11

CSCX ▼ 1.25%
5,079.10

Asian Markets

MUMBAI ▲ 0.91%
8,902.56

TOKYO ▲ 2.65%
7,461.22

SINGAPORE ▲ 0.15%
1,616.79

SHANGHAI ▲ 4.56%
2,206.57

Currencies

	Buy Tk	Sell Tk
USD	68.90	68.90
EUR	88.44	88.48
GBP	99.73	99.76
JPY	0.71	0.71

SOURCE: BANGLADESH BANK

Commodities

Gold ▼
\$955.30
(per ounce)

Oil ▲
\$43.05
(per barrel)

SOURCE: AFP

(Midday Trade)

More News

NBR chief suspects undercover money smuggling

National Board of Revenue (NBR) Chairman Abdul Mazid yesterday called for steps to examine the balance sheets on foreign direct investment as the government's revenue chief suspects undercover money smuggling in the name of FDI. "It is time we look closely at the balance sheet to study FDI," he said.

B-3

International

An Indian icon stumbles



When Tata, India's oldest and largest conglomerate, bought the fabled Jaguar auto brand last year, the country celebrated the gleaming trophy as affirmation of its new role as a global superpower. What a difference a year makes.

Russian carmaker idles 15,000 workers

Russia's largest automaker AvtoVAZ, producer of the Lada car, has told up to 15,000 employees to stay at home in March on two thirds pay amid slackening demand due to the economic crisis, a report said Wednesday. Business daily Vedomosti quoted AvtoVAZ sources as saying between 10,000 and 15,000 workers would not need to come to work in March for the carmaker, which is part owned by French auto giant Renault.

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Contact Us

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

BDR mutiny rattles stocks



A student, accompanied by his guardian, rushes to safety as army personnel take position in Dhaka yesterday after disgruntled border guards mutinied at the BDR Headquarters. The country's two stock exchanges suffered huge losses amid the news of the bloody mutiny that dampened investor sentiment.

SARWAR A CHOWDHURY

Stocks on twin bourses skidded yesterday after the morning news of a mutiny by a band of disgruntled border guards in Dhaka came as a shock to the already nervous investors.

All the price indices of Dhaka and Chittagong stock exchanges, often shaken by topsy-turvy trade, tumbled more than 1 percent.

Some jawans of Bangladesh Rifles (BDR), the official border security force, mutinied at their headquarters in Pikhana, Dhaka, to protest "low pay, repression and corruption" among senior officers.

"The capital market is influenced by both economic and non-economic factors. The BDR mutiny is a non-economic but major incident. It is very natural that it will leave an impact, largely psychological, on

the stock market," Salahuddin Ahmed Khan, a professor of finance at Dhaka University, told The Daily Star.

The market rout was paced by psychological fallout from hours of gunfights at the BDR headquarters, Khan said. "The situation panicked investors."

"But the impact of such an incident is short-lived," said Khan, also former chief executive officer of Dhaka Stock Exchange. Although the market opened on a positive note and gained more than 15 points in the first 10 minutes of trade, it lost close to 50 points over the next 30 minutes.

The news of BDR gun battles spread fast by the media and word of mouth, leaving the investors on edge, said Arif Khan, general manager of IDLC Finance. But the merchant banker believes the BDR incident will not leave a long-term effect on the market.

Trading curves on both bourses revealed broad signs of uncertainty among investors.

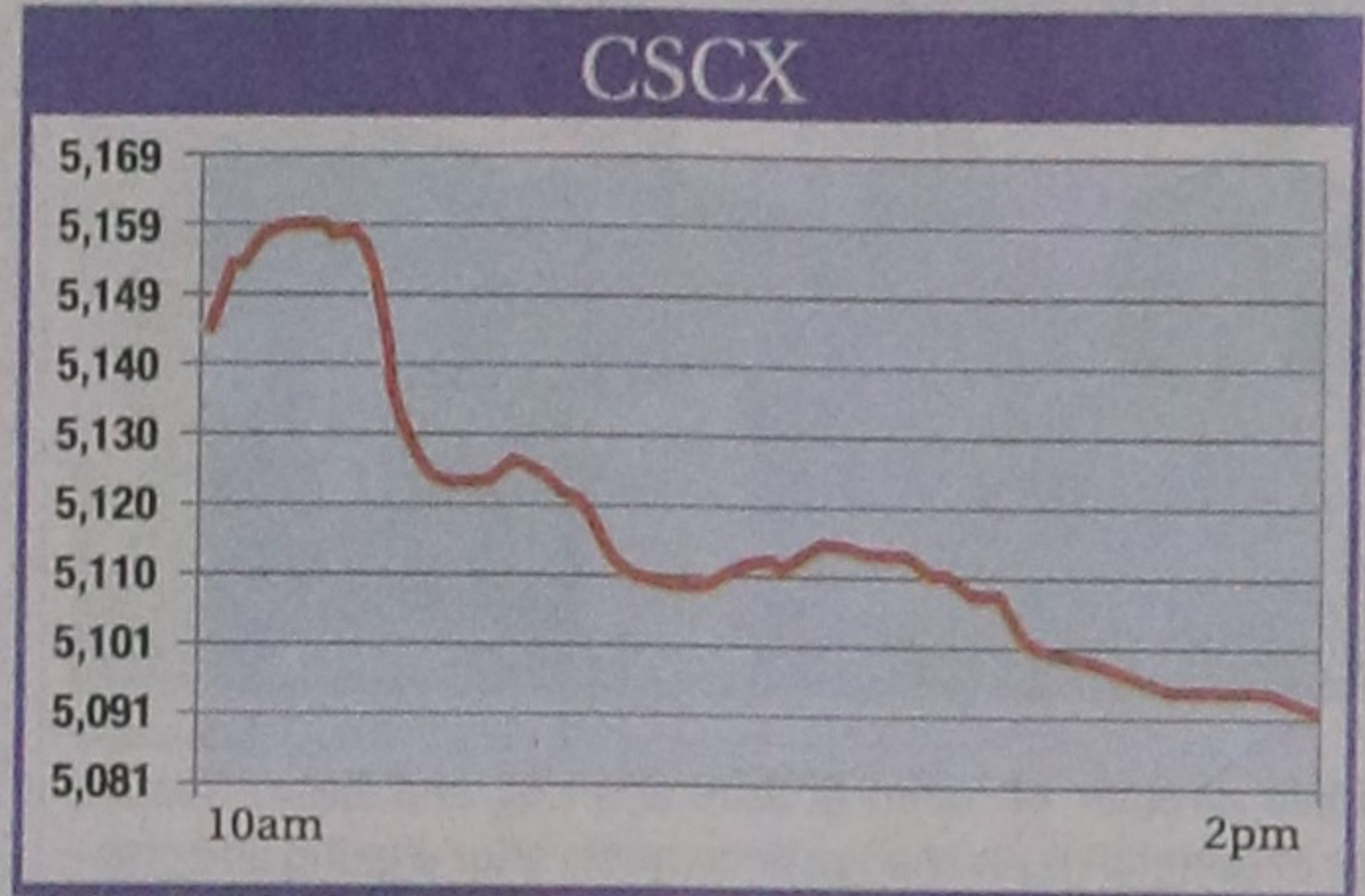
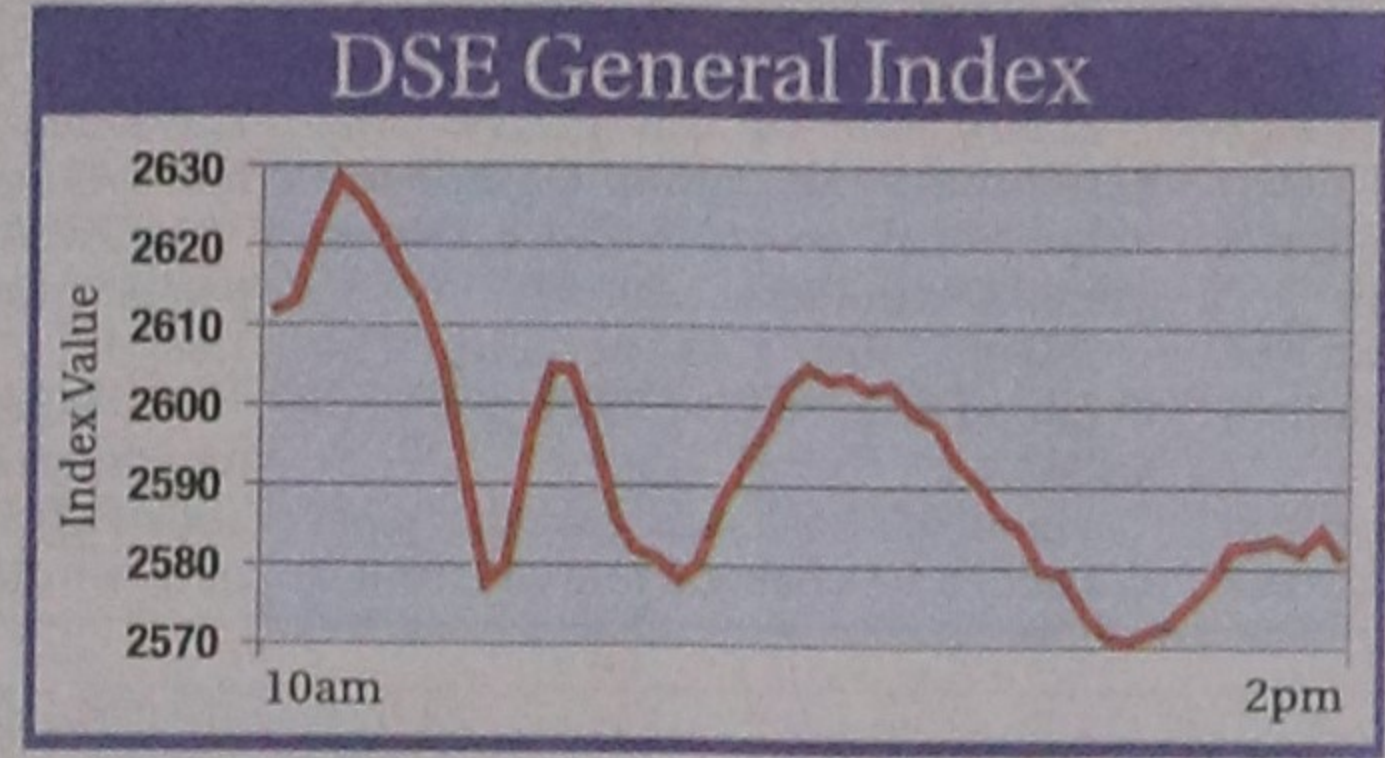
Trading at the branches of brokerage houses in Dhanmondi and its adjacent areas were disrupted. The physical presence of the investors was thin on the trading floor of the prime bourse.

"The turnout of investors in my brokerage house was low," said Sharif Ataur Rahman, managing director of SAR Securities.

Rahman said the fall was not as huge as it was thought to be. "If it had taken place in other countries, those markets would have suffered huge losses," he added.

The DSE member urged the investors not to get carried away by panic. "The investors should follow a wait-and-see policy in such a situation," Rahman said.

On the premier bourse, the benchmark



DSE General Index fell 30.82 points, or 1.18 percent, to 2,581.11. The DSE All Share Price Index also declined 23.71 points, or 1.09 percent, to 2,150.05.

Of the 259 traded securities on the DSE, decliners beat advancers 169 to 83, with seven remaining unchanged. A total of 3,45,44,495 shares worth Tk 372.15 crore changed hands.

On the Chittagong Stock Exchange, the CSE Selective Categories Index dropped 64.38 points, or 1.25 percent, to 5,079.1. The CSE All Share Price Index slid 88.49 points, or 1.1 percent, to 7,888.55.

Of the 171 traded issues on the port city bourse, 54 advanced, 112 declined and five remained unchanged. A total of 74,77,488 shares worth Tk 50.30 crore changed hands on the CSE.

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Export slump puts Japan on the rocks

AFP, Hong Kong

Slumping exports pushed Japan and Germany further into the mire Wednesday as President Barack Obama said more money might be needed to bolster the failing US bank sector.

Japan's January trade deficit ballooned to 952.6 billion yen (9.9 billion dollars) -- the worst reading since records began 30 years ago -- as exports plunged 45.7 percent, highlighting the economy's vulnerability.

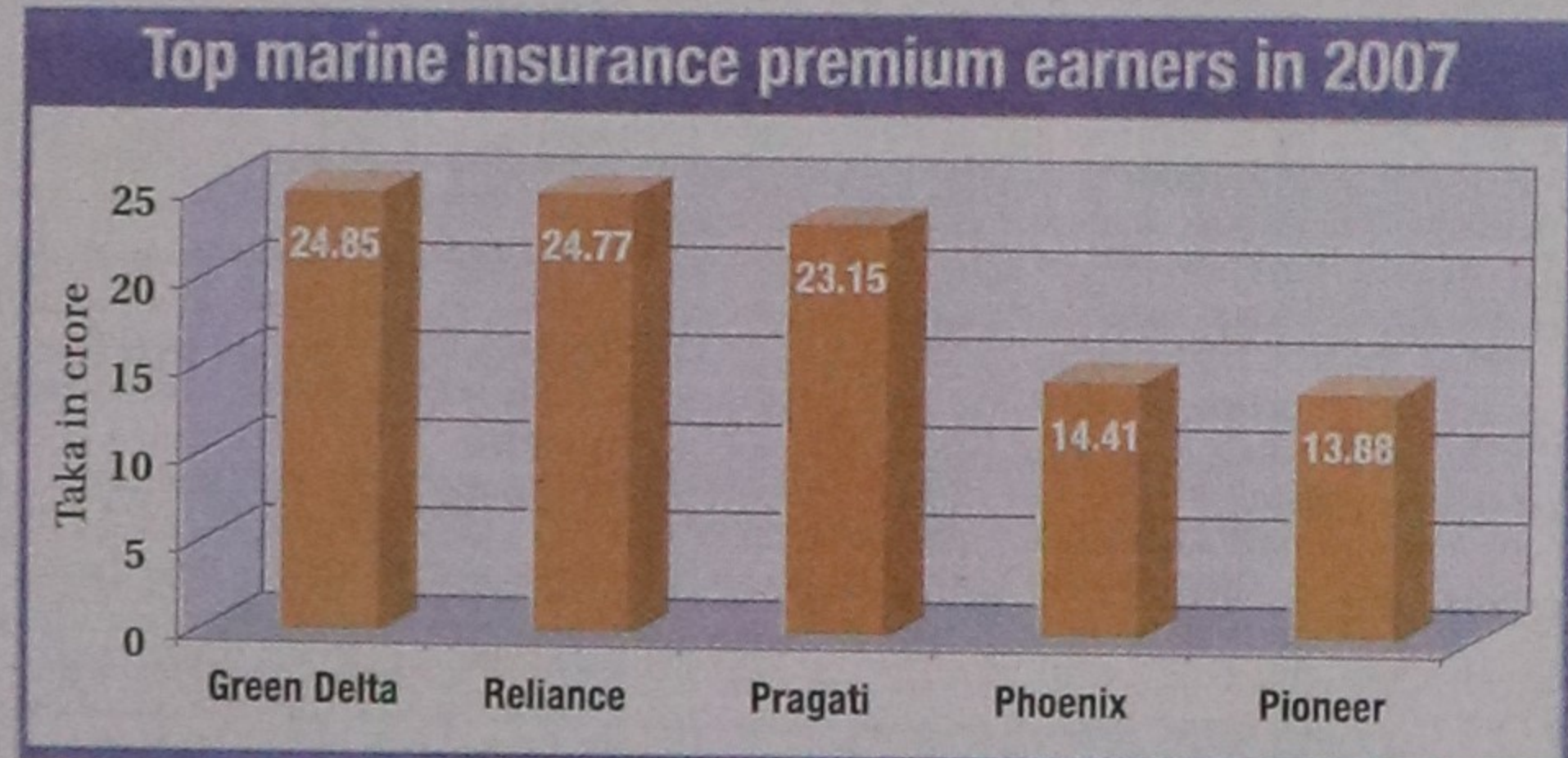
"Because of the shrinking global economy, Japan's business model of being dependent on exports is not working at all," said Barclays Capital chief Japan economist Kyohei Morita.

With the US, Europe and Japanese economies all in recession at the same time, none of them can get any traction from exports as they have done in the past, threatening a vicious downward circle of falling demand that could lead to a repeat of the 1930s Great Depression.

"In my view the global economy is heading into a depression so the prospect of a recovery in demand for Japan's goods in the near- to mid-term are very low," said Kirby Daley, senior strategist at Newedge Group in Hong Kong.

Tumbling exports also undermined Germany as official data confirmed that the economy, Europe's largest, contracted 2.1 percent in the fourth quarter of 2008 as the world's largest exporter saw its overseas shipments slump 7.3 percent.

Recession weighs on marine insurance premiums



SAJJADUR RAHMAN

Turmoil in global financial markets and hefty commodity price falls are poised to substantially reduce marine insurance premiums this year.

Coupled with the uncertainty lingering over the implementation of the new law, industry insiders said the situation would hurt the industry.

"We feel the pinch of the crisis since the beginning of the year, regarding the marine insurance premiums," said Nasir A Choudhury, managing director of Green Delta Insurance.

Rafiqul Islam, managing director of Pragati Insurance, said: "It is evident that the premium from marine insurance will go down this year because of a steep decline in commodity prices on the international market."

Marine insurance covers the loss or damage of ships, cargo, terminals, and any transport or property by which cargo is transferred, acquired, or held between the points of origin and final destination. Marine premiums are directly dependent on the velocity of corporate growth. The collections are linked both to volumes of exports and imports and the pricing.

Premiums from marine insurance account for nearly 25 percent of a company's total premium income. The amount is far more for some companies, according to industry data. Only fire insurance premiums are higher than marine insurance.

The insurance sector has been growing at a double-digit rate for the past several years, despite political uncertainty, natural calamities such as floods and cyclones and the economic slowdown.

Bangladesh's insurance industry is composed of 18 life insurers (including state-owned Jiban Bima Corporation) and 44 general insurance companies (including state-owned Sadharan Bima Corporation).

Premiums from both life and non-life insurance stood at a combined Tk 3,854 crore in 2007, a rise from Tk 3,257 crore a year ago. Life premium increased 18.67 percent to Tk 2,916 crore and non-life by about 18 percent to Tk 938 crore. The rate of

growth was 33.59 percent and 12.41 percent respectively in 2006.

Of the non-life insurance premiums, marine alone accounts for about Tk 375 crore, according to the Insurance Year Book of 2007.

"The ongoing global financial crisis that slashed demand and prices, starts biting into marine insurance premium," said a senior official of Reliance Insurance. But he declined to quantify the extent of the impact, at the moment.

Prices of steel, rice, wheat, edible and fuel oil have all significantly come down since the middle of last year. Steel, which was sold at \$800 a tonne last year, now sells at \$200.

However, industry people are in woes over the implementation of the new law that was approved by the immediate past caretaker government, than the reduction in premiums. The industry was upbeat on the replacement of the 70-year-old insurance laws (1938 Act), with two ordinances aiming to modernise the sector.

The cabinet approved two ordinances in July. The Insurance Regulatory Authority (IRA) Ordinance 2008 and Insurance Ordinance (IO) 2008 were gazetted in October 2008, with the president's assent.

With the enforcement of the IRA Ordinance 2008, the Department of Insurance will no longer exist and the sector will rid the Insurance Act, 1938, once the IO 2008 comes into effect.

"Laws must be present to run the industry. Currently, there is neither the old law nor the newly approved law," said Rafiqul Islam, also the president of Bangladesh Insurance Association.

Nasir A Choudhury said the new law has been formulated to improve the poor capital base of the industry.

He claimed the private sector insurance companies contributed immense sums of money and efforts to formulate the new law.

The new ordinances have been drafted in line with the international best practices, particularly following India's Insurance Regulatory and Development Authority model.

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ICE TODAY AQUA PAINTS

Interior Design Awards 2009
in association with IAB

ICE Today-Aqua Paints Interior Design Awards was first introduced in 2007. The award is given in a 2 year cycle for innovation, creativity and outstanding achievements in Interior Design in Bangladesh. The premier English monthly ICE Today and leading paint company Aqua Paints in association with Institute of Architects Bangladesh (IAB) are proud to announce the ICE Today-Aqua Paints Interior Design Awards 2009. The award has been set up to reward merits and encourage public interest in quality Interior Design.

AWARD CATEGORY

There will be a total six awards in the following categories and sub-categories in the ICE Today-Aqua Paints Interior Design Awards 2009:

A Category: Residential
Sub-category a-1: Single Family House
Sub-category a-2: Apartment

B Category: Non-Residential
Sub-category b-1: Office/Bank
Sub-category b-2: Restaurant/Hotel/Resort
Sub-category b-3: Shop/Show room
Sub-category b-4: Other

ICE Today-Aqua Paints Interior Design Awards 2009 introduces a new award as "Grand Award" which may only be given to one outstanding project from among the best selected entries of all the sub-categories.

ELIGIBILITY

The award is open to any interior design project located within the geographic territory of Bangladesh and designed by any person having a bachelor degree in architecture or interior design or design firms having at least one member in the design team with the above mentioned qualification for the submitted project. Projects submitted in the earlier ICE Today-Aqua Paints Interior Design Awards 2007, but not selected, may also be resubmitted as long as they meet all other requirements of this cycle of the Awards. A person may submit projects in all categories (maximum 3 projects in each sub-category). Employees of ICE Today, Aqua Paints or the members of the firms of the Jurors or their families are not eligible to compete for the awards.

SUBMISSION PROCEDURE

Detail terms and conditions, the Declaration Form etc. are available at the Institute of Architects Bangladesh (IAB) office until 9 March, 2009. These documents may also be downloaded from the websites www.aquapaints.com or www.ice-today.com. Any updates or corrigenda related to ICE Today-Aqua Paints Interior Design Awards 2009 shall be posted on these websites.

THE JURY

The followings eminent persons have kindly consented to be members of the jury for the Awards:
1. Ar. Mustafa Ameen, Chairman 2. Ar. Nela de Zoysa, Member (International Jury from Sri Lanka)
3. Ar. Kazi Golam Nasir, Member 4. Ar. Marina Tabassum, Member 5. Nasreen Zamir, Member

ANNOUNCEMENT AND PRESENTATION OF THE AWARD

The name(s) of the winner(s) of ICE Today-Aqua Paints Interior Design Awards 2009 will be formally announced only at the Award giving ceremony. The authors of the short listed entries will be invited at the Award giving ceremony to be held at Hotel Westin and the date of the ceremony will be announced later. All short listed entries will be displayed through multimedia at the Award presentation ceremony.

DEADLINE AND PLACE OF SUBMISSION

The entries must reach at the address below before 6:00 pm Thursday, 12 March 2009:
Ar. Jalal Ahmed
Award Coordinator
Institute of Architects Bangladesh (IAB)
House-11, Road 4, Dhanmondi R/A, Dhaka-1209