

DHAKA MONDAY JUNE 22, 2009

Stocks

DGEN ▲ 1.69%
 2,855.14

CSCX ▲ 2.05%
 6,389.42

Currencies

Buy Tk	Sell Tk
USD 68.45	69.45
EUR 93.81	98.79
GBP 110.92	116.50
JPY 0.70	0.78

SOURCE: BANGLADESH BANK

Commodities

Gold	▲ \$935.25 (per ounce)
Oil	▼ \$71.27 (per barrel)

SOURCE: AFP

(As of Friday)

More News

Time for telecom players to go rural



The telecom industry in Bangladesh is on the forefront of discussion and debate. On one arm of the scales is the potential of the industry and the burden of SIM tax and handset duty is on the other. After the mobile technology has conquered the urban population, it is a logical next step now to stride into rural regions. The Daily Star roundtable discusses the issues of this industry and the path to a 'Digital Bangladesh' by 2021.

B-4

Build housing projects outside Dhaka: Minister

Commerce Minister Faruk Khan called upon yesterday the realtors to construct housing projects outside Dhaka to reduce increasing accommodation pressure on the capital. He also urged them to introduce modern technologies in construction works to make the buildings durable and environment-friendly. "Instead of hustling in Dhaka, think about building townships outside the capital, and if you can do something worthwhile in the next one year, the government will create more facilities for the sector," said the minister.

LPG dealers go on strike to realise 4-point demand

Dealers, distributors and agents of liquefied petroleum gas (LPG) in greater Chittagong region yesterday refrained from lifting gas from three government depots and selling of the item as part of a day-long strike countrywide to realise a four-point demand. These depots are Padma, Meghna and Jamuna of Petro Bangla. At a rally at Gupthakhal area under Patenga, leaders of the Bangladesh LPG Distributors Association threatened a tougher movement if their demands are not met within 35 days by the government.

B-3

Contact Us

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

E-registry for gazette notices

SAJJADUR RAHMAN

The government is developing an e-registry of all gazette notifications issued since 1947, to improve the business climate, help attract foreign investment and reduce hassles.

Nearly 10,000 gazette notifications have been issued since 1947, of which around 3,500 are directly tied to business sectors.

The government has taken the move on the basis of Regulatory Reforms Commission (RRC) recommendations. Board of Investment will preserve and manage the e-registry.

"This is an ambitious plan. We will collect and compile all gazette notifications issued since 1947," RRC Chairman Dr Akbar Ali Khan told The Daily Star yesterday.

"The move will bring in transparency and reduce hassles faced by businesses and ordinary people in different government offices," said Syed Akhter Mahmood, senior programme manager of International Finance Corporation (IFC).

Mahmood said small and medium enterprises would benefit the most from the e-registry, as they cannot afford hiring a lawyer for consultation and making papers for their businesses.

IFC is providing technical and financial support to the RRC for carrying out the "gigantic task". The system exists in many developed countries.

In a major policy development in 2007, the immediate-past caretaker government formed the 17-member RRC for updating the centuries-old rules

and regulations of the country to infuse dynamism into governance, administration and the economy.

Dr Akbar Ali Khan, former finance adviser of the caretaker government, was made chairman of the commission.

Three scanners have been set up in Bangladesh Government Press (BG Press) and already two-thirds of the scanning works are done, an official said.

The e-registry will maintain gazette notifications date-wise and subject-wise belonging to different ministries and divisions. Redundant and irrelevant regulations will be removed.

Dr Khan said the RRC has applied to the government seeking permission to amend or cancel redundant and irrelevant regulations. "But we are yet to get

any reply," he said.

The IFC senior programme manager said e-registry intends to reduce the time lag as well as to facilitate easy accessibility for the bona fide users all over the country without having to undergo tedious movements to one office to another.

It will also help foreign investors with much-needed rules and regulations they require for starting a business, he said.

The IFC has also recently suggested the government assess the cost and benefits of regulations frequently issued by different ministries, said Mahmood.

"It can be done at least on a pilot basis."

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KEY FACTS

- 10,000 gazette notifications have been issued since 1947
- Many of those regulations are found irrelevant and redundant
- Over 3,000 notices are directly connected with business
- An index will be created and anybody can search for it
- The index will benefit both domestic and foreign investors
- Board of Investment will manage and preserve the index

Stocks rally on banks' tax cut speculation

DSE turnover hits record high at Tk 834.69cr

STAR BUSINESS REPORT

Dhaka stocks rallied yesterday with turnover on the bourse hitting a new high at Tk 834.69 crore, thanks to investors' enthusiasm for banking shares on speculation of tax cuts by the government.

A rise in fund flows to the market caused by the government move to allow investment of undisclosed money in the share market also backed the turnover to breach the previous record of Tk 781.68 crore on June 7 this year, market operators said.

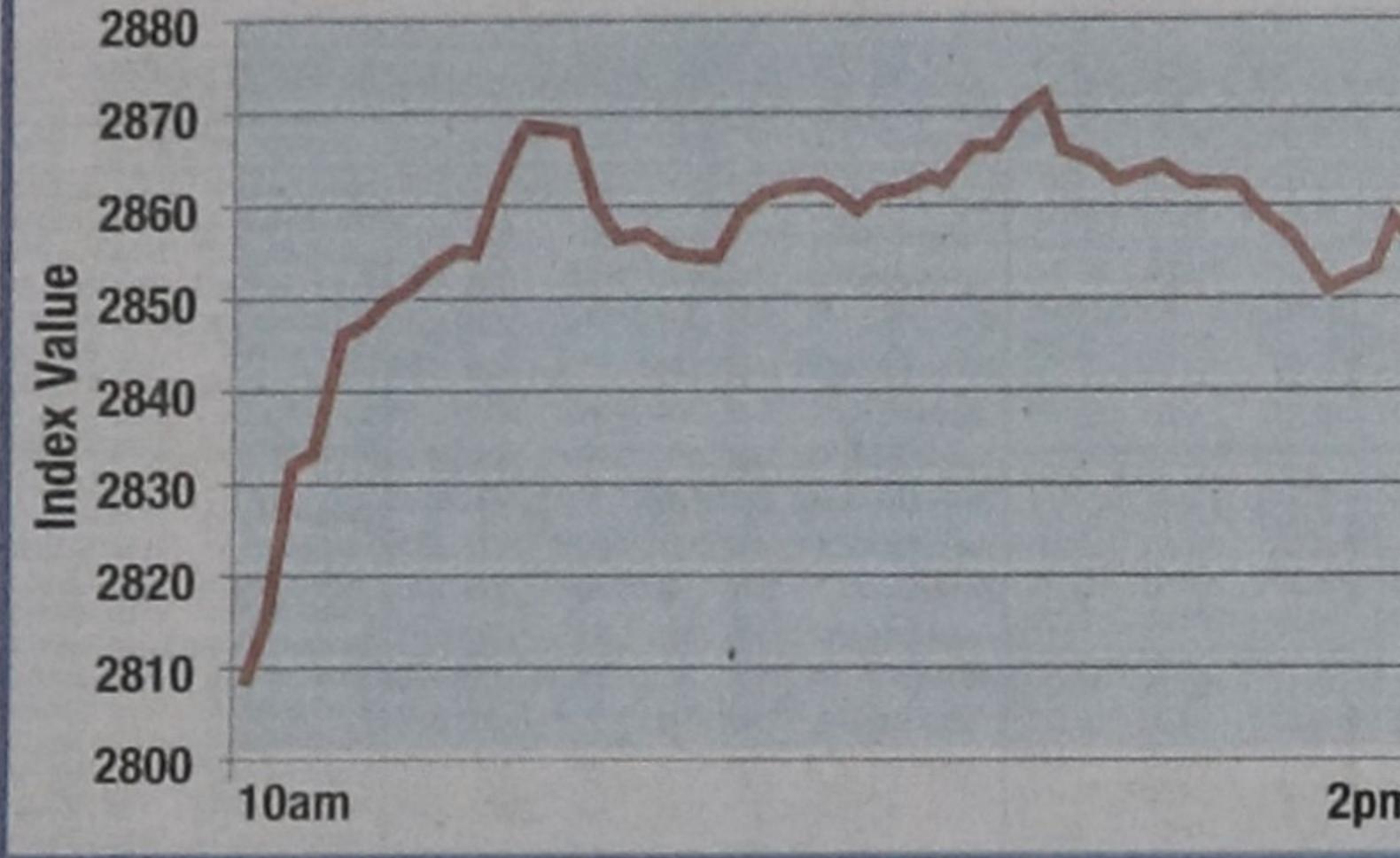
Indices closed upbeat, also spurred by a rise in the stocks of non-bank financial sector, cement, and energy and power with advances beating losers 145 to 99.

"Banks outclassed all other sectors by miles," said a market analysis by Equity Partners Ltd (EPL), an investment firm.

The wave of speculation flooded the market after Prime Minister Sheikh Hasina assured bankers of considering their demand for a cut in corporate tax from existing 45 percent.

"The banks gained throughout the day on the speculation that the government may allow tax cuts for the banks," the EPL said in a bulletin.

DSE General Index



Analysts also attributed the gain in stocks to inflow of funds as the government is set to allow investment of undisclosed money in capital market, beginning from the next fiscal year.

Benchmark DSE General Index jumped 47.57 points or 1.69 percent to 2,855.14, while DSE All Share Price Index rose 40.33 points or 1.71 percent to 2,387.4.

State-run Titas Gas however dominated the turnover board followed by AB Bank, Beximco Ltd, Summit Power and Beximco Pharma.

Titas Gas and AB Bank closed higher, while Summit Power, Beximco Ltd and Beximco Pharma closed lower.

Most of the mutual fund stocks fell along with pharmaceutical sector. But a rise in Lafarge Surma, one of the heavyweights by market capitalisation, lifted cement sector up.

The similar is also for energy and power sector as leading issues, except for Titas Gas, closed lower.

All the indices on Chittagong Stock Exchange also finished higher.

CSE Selective Categories Index added 128.41 points or 2.05 percent to 6,389.42. Turnover stood at Tk 96.36 crore.

Businesses wake up to daylight saving time

STAR BUSINESS REPORT

Businesses felt a little impact on the first working day yesterday after introduction of daylight saving time (DST) by the government.

Except for relatively low presence and transaction in banks in the first hour, banking transactions remained usual. But presence over the counters of shops declined, operators said yesterday.

Investors' responses to the move to use more daylight was positive as their presence was normal despite the fact that they had to get up at least one hour earlier to participate in trading in morning session.

Dhaka Stock Exchange closed upbeat with turnover hitting a new high at Tk 834.69 crore, spurred by surge in trading of banking stocks on promise to cut corporate tax of banks.

"Investors came as usual and took part in trading from the beginning of morning trade. I don't see any deviation in participation," said Kh Asadul Islam, chief executive of IDLC Securities Ltd.

But shopping mall and superstore operators felt a pinch of the DST, as shoppers' turnout was low before the closing time for shops.

Shop operators attributed the impact on sales to shopping habit of customers, majority of whom like to shop in hours after the sunset, which now coincides with the closing hour at 8pm.

The sun set at about 7pm last week instead of today's about 8pm.

Bankers and shop operators however hoped that people will be in tune with the latest changes with the passage of couple of days, and business and other affairs will

come to normalcy.

"We usually register nearly 70 withdrawals during the first banking hour. But it stood almost one-third today. Later, presence became normal like other days," said Md Mosharraf Hussain, in-charge of principal branch of Pubali Bank.

He however expected that people would adjust their habit slowly. "It's a matter of habit. Everything will be normal within a couple of days," he said.

Countrymen, including businesses and trade people, are all set to become accustomed to the new initiative to utilise more daylight and save electricity since June 19 midnight as the clock went one hour ahead for until October 1.

Moving the clock fast now means that the Bangladeshis will begin their work an hour earlier than usual and close office works and shops before sunset to reduce pressure on power demands.

But the shop operators said they have registered a decline in sales and shoppers' presence during evening. People are still habituated to shopping after sunset.

"Now we have to shut stores as soon as the sunset to comply with the closing deadline at 8pm," said Agora Dhanmondi Store In-charge Faizul Haq Ronnie.

"I had to refuse more than 50 customers who came after the sunset on Saturday," he said.

Abu Taleb, a shop operator at Bashundhara City shopping mall, said the latest timing has affected shoppers' presence both in morning and evening hours.

For air and road transports, some have adjusted time to help passengers, while some kept schedules unchanged.

Stimulus money by mid-July

Minister assures jute spinners

STAR BUSINESS REPORT

The interim stimulus money for the jute sector will be released from mid-July, Textiles and Jute Minister Abdul Latif Siddiqui assured jute spinners yesterday.

The amount of bailout package for the sector, an affected one by the ongoing global recession, has been raised to 10 percent from 7.5 percent, as announced by Finance Minister AMA Muhiith on April 19 under a plan to help some sectors make up for losses.

The sector people lament because they are yet to be awarded such packages.

The jute minister made the assurance during a meeting with the leaders of Bangladesh Jute Spinners Association at the trade body's office in Dhaka.

When the issue of raw jute price manipulation was raised, the minister went tough on the licence renewal for jute dealers. He said, "Up to October 1 no renewal of such dealers' licences would be allowed." The minister, however, said he has already asked the Jute Directorate to renew the licences for jute traders from July 1.

During the meeting, Siddiqui also said the government has taken some measures to revive the jute sector, once known as the golden fibre of Bangladesh.

While pointing to the fact that the country's economy is still immune from the recession fallout, the jute minister also assured the jute spinners of resolving soon the seeds problem.

The association leaders were also assured from the minister that all barriers to bank loans for the sector at 7 percent would be removed.

"I would have parleys with the central bank governor and top brasses of public and private commercial banks to make it sure that the jute sector is lent at 7 percent," Abdul Latif Siddiqui told them.

He said he would take all out measures to ensure that jute growers are not denied fair price.

There are allegations that they often do not get fair price of their products because of the existence of a syndicate of unscrupulous middlemen.

Responding to queries, the minister did not spelt out whether he would take steps for the restart of the closed jute mills, but said the government is trying to pay the arrears of the jute sector.

BJSAs Chairman Ahmed Hossain pointed out in the meeting that jute exports came down to 2,47,340 tonnes in the July-May period of 2008-09 fiscal year from 3,09,358 tonnes during the same period a year earlier. The 20 percent decline is very disappointing, Hossain said.

The meeting was also told that jute yarn worth Tk 1,198 crore was exported in the first 11 months of the outgoing fiscal year, compared to the Tk 1,452 crore exports during the period a year ago. The decline was 17.50 percent.

Hossain also informed the meeting of the exports of 14.13 lakh bales of raw jute during July-May in FY 2008-09, a 42.60 percent less from the corresponding period a year ago.

The raw jute export declined by 14.98 percent from the mills under Bangladesh Jute Mills Association (BJMA) and 14.23 percent from the mills under Bangladesh Jute Mills Corporation (BJMC).



This photo shows a jute grower. Textiles and Jute Minister Abdul Latif Siddiqui has made an assurance that he will take all-out measures to ensure that jute growers are not denied fair price.

US exports to Iran rise in Obama's first months

AP, Washington

Iran spent nearly twice as much on US imports during President Barack Obama's first months in office as it did during the same period in 2008, showing that despite trade penalties and tense relations, the two countries are still doing business.

The US exported \$96 million in goods to Iran from January through April, according to an Associated Press analysis of US government trade data compiled by the World Institute for Strategic Economic Research in Holyoke, Mass. US exports to Iran totalled \$51 million during the same period in 2008 and \$27 million over those months in 2007.

Soybeans, wheat and medical supplies -- all considered humanitarian items exempt from US trade sanctions -- are among the top exports this year.

The latest trade figures reflect an increase in Iran's agricultural imports over the past year due to poor harvests there, said Bill Reinsch, president of the National Foreign Trade Council, a business group in Washington.

"I wouldn't read too much into it as far as trends are concerned," Reinsch said.

Reinsch said he is hearing from more businesses interested in Iran. But beyond an effort by the Obama administration to encourage talks with Iran, he hasn't seen any policy changes that would lead to more opportunities for US businesses.