

## Stocks

DGEN ▲ 1.97%  
3,069.70

CSCX ▲ 1.77%  
6,892.50

## Asian Markets

MUMBAI ▲ 0.09%  
14,658.49

TOKYO ▼ 0.19%  
9,939.93

SINGAPORE ▼ 1.35%  
2,320.82

SHANGHAI ▲ 1.73%  
3,060.25

## Currencies

	Buy Tk	Sell Tk
USD	68.45	69.45
EUR	94.69	100.26
GBP	110.81	116.64
JPY	0.69	0.78

SOURCE: STANDARD CHARTERED BANK

## Commodities

**Gold** ▲  
\$936.52  
(per ounce)

**Oil** ▼  
\$68.38  
(per barrel)

SOURCE: AFP

(Midday Trade)

## More News

**Ha-Meem staging a comeback**



It is rising from the ashes: Ha-Meem Group. The local apparel giant is pledge-bound and is trying all out to ensure its shipments to foreign buyers in time. The group that lost around Tk150 crore in an arson attack on June 29 has already started partial production of sweater at a nearby building of the burnt down factories in Ashulia on the outskirts of Dhaka.

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## International

**Eurozone unemployment hits 10-year high of 9.5pc**

The unemployment rate in the 16 euro countries climbed to a 10-year high of 9.5 percent in May as companies cut jobs to survive Europe's worst post-war recession, according to EU data on Thursday.

**Merkel: G8 alone can't solve world's problems**

The Group of Eight industrialised powers (G8) is no longer the appropriate forum to thrash out the world's problems, German Chancellor Angela Merkel said on Thursday. Speaking in the German parliament ahead of next week's G8 meeting in the Italian city of L'Aquila, Merkel said: "The summit in L'Aquila will make clear that this G8 format is no longer sufficient."

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# Safety concern downs 4 airlines

## Best Air, Mid Asia, THT, Voyager fall short of compliance standards

SOHEL PARVEZ

Civil Aviation Authority of Bangladesh (CAAB) has suspended operations of four local airlines after International Civil Aviation Organisation (ICAO) raised significant safety concerns over issuance of air operator certificates by the local regulator, insiders said.

The four carriers are Best Air, Mid Asia, THT and Voyager.

The CAAB has also asked seven other airlines to improve their safety compliance standards as part of its corrective measures to eliminate the drawback as the name of Bangladesh is expected to be posted on ICAO website along with 10 other countries.

"We've done well in many areas. But at one point, the safety concern has come. We hope to get shot of the drawback within two-three months as we are taking corrective actions," said Wing Commander M Kamrul Islam, director for Flight Safety and Regulations of CAAB.

The ICAO, following its oversight safety audit of Bangladesh in May, identified safety vulnerability observing that the local civil aviation regulator, CAAB, has issued licences to air operators without ensuring full compliance with national regulations and international standards.

Officials however hoped CAAB would come out of the safety concern list within a couple of months as it has taken corrective measures such as suspension of operation of carriers including passenger service provider Best Air and cargo service operators Mid Asia, THT and Voyager, insiders said.



WWW.BESTAIRBD.COM

Best Air is among the four local carriers whose operations were suspended by Civil Aviation Authority of Bangladesh after International Civil Aviation Organisation raised safety concerns over the airlines.

Seven other operators -- passenger service providers Biman, GMG, United and Aviana, and cargo operators Bismillah, Zoom Air and Easy Fly -- have

been asked for improving their compliance.

Of the seven carriers, compliance standard of Biman is much better fol-

lowed by United Airways, officials said.

In its audit, the ICAO found flaws in certification process established by the CAAB saying that the latter does not

address issues such as review and approval of an air operator's flight safety document system, coordination between operations, airworthiness, and review and approval of an air operator's operations manual.

The ICAO also observed weaknesses in review and approval of training programmes for flight crew, cabin crew and operations personnel and air operators' ground handling arrangements.

The global aviation organisation suggested that CAAB should conduct an evaluation of all air operators immediately.

It also recommended developing and implementing a comprehensive certification process ensuring all compliance issues, and a system for maintaining records of all certifications related to applicants and holders of AOCs.

Offering an action plan template, the global aviation agency early last month also asked the CAAB to inform it about the corrective actions with warning that it (ICAO) would post safety concerns on its website if any issue remains unresolved.

Officials said the CAAB, following the ICAO recommendations, conducted assessment on compliance performance of local carriers and found various deficiencies in the local airlines.

"Based on this we have initiated major actions such as suspension of licences of some airlines and at the same time asked some to improve their compliance performances," said Kamrul, also national coordinator for ICAO matters.

"We hope to resolve all concerns as soon as possible."

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# DSE turnover soars to historic high

## Bank shares drive market

STAR BUSINESS REPORT

Single-day turnover on the premier bourse crossed Tk 1,000 crore mark yesterday, carving out a new milestone in the history of Bangladesh's capital market.

Bank shares contributed the highest or quarter of the total turnover. The banks also recovered all of its losses year-to-date for the first time this year, Equity Partners Limited (EPL), an investment firm, said in its daily market analysis.

Banks had a "fantastic day" with most of them gaining more than 5 percent. Biggest movers were Mercantile Bank with a 12.6 percent rise, Jamuna Bank with 10.3 percent and ICB Islamic Bank with 10.3 percent gains.

Turnover reached the highest-ever Tk 1,149.71 crore on Dhaka Stock Exchange (DSE), surpassing the previous highest of Tk 942.19 crore on June 30.

The benchmark DSE General Index (DGEN) jumped 59.44 points, or 1.97 percent, to 3,069.7. The DSE All Share Price Index also shot up 48.63 points, or 1.92 percent, to 2,568.78.

The market regulator and experts said the market started receiving investment of undisclosed money following the government's permission through the budget.

The experts however said the continuous gain in share prices would lead the market to an overvalued situation.

For orderly growth of the market, supply of shares should be ensured first, said Abu Ahmed, professor of economics at Dhaka University.

Ahmed also urged the government to offload its stakes in different entities to match with rising demand for new shares.

Anwarul Kabir Bhuiyan, executive director of Securities and Exchange Commission, said the landmark turnover indicates that undisclosed money is being invested in the market.

He however said the commission is

watching price movement of some bank shares, as their existing market value does not match with their fundamentals.

Bhuiyan also urged investors to be cautious before making investment in securities.

Advancers beat losers 132 to 99. Three securities remained unchanged. A total of 6,04,78,198 shares traded on the prime bourse.

The EPL analysis said mutual funds were another big performer yesterday. All mutual funds gained on news that the SEC was going to approve the Grameenphone IPO, in which 10 percent shares are reserved for all mutual funds. Grameen Mutual Fund One: Scheme Two gained highest 15.8 percent.

Beximco topped the turnover leaders, with 26,12,500 shares being traded worth Tk 83.91 crore, followed by Beximco Pharma, Titas Gas, Summit Power, AB Bank, Bextex, Grameen Mutual Fund One: Scheme Two, Shinepukur Ceramics, LanakBangla Finance and Southeast Bank.

Chittagong stocks also posted a sharp gain yesterday. The CSE Selective Categories Index shot up 120.27 points, or 1.77 percent, to 6,892.5. The CSE All Share Price Index also went up 165.2 points, or 1.57 percent, to 10,642.87.

A total of 1,11,45,931 shares worth Tk 163.03 crore changed hands on the Chittagong Stock Exchange. Of the traded securities, 85 advanced, 80 declined and five remained unchanged.

AB Bank topped the turnover leaders on the port city bourse with 1,09,425 traded shares worth Tk 11.68 crore. The day's other turnover leaders were Beximco Pharma, Beximco, Bextex, Grameen Mutual Fund One: Scheme Two, Shinepukur Ceramics, Social Islami Bank, LanakBangla Finance, National Bank and Southeast Bank.

# Govt targets 5,000MW power

## PM's adviser inaugurates 33MW Summit plant

PORIMOL PALMA, back from Gazipur

The government has designed a plan for 5,000MW power generation during its tenure through public and private involvement, said an adviser to the prime minister yesterday.

The public sector will generate 2,000MW, while the private sector will produce the rest, said Dr Towfiq-e-Elahi Chowdhury, adviser to the prime minister on power, energy and mineral resources.

Chowdhury yesterday inaugurated the 33MW power plant of Summit Uttaranchol Power Company Limited at Maona in Gazipur.

The plant, which went into operation in May, sells power to the Rural Electrification Board (REB) at Tk 2.32 per unit. Mymensingh-2 Pally Bidyut Samiti and Gazipur Pally Bidyut Samiti supplies power to around 1.12 lakh clients, including 3,149 industrial units.

Addressing the inaugural at the plant premises, Chowdhury said the government would start implementing the plan to create a fund of Tk 10,000 crore with finances from the capital market, private sector and international financiers for power generation this fiscal year, instead of depending solely on budget. The government itself will provide Tk 2,000 crore.

Over the last seven years, efforts to generate power were virtually on hold and gas supply came down, the



adviser said. "We cannot generate power immediately even if we want. But the prime minister is very sincere about it."

As there are problems in gas supply, furnace oil could be a source of energy for now, said Chowdhury, also former energy secretary.

The government will provide three crore energy-saving bulbs to people for free by February, which he said would save 300MW to 400MW power and millions of taka.

Besides, the government will promote solar power, biogas and even wind power to generate more power, Chowdhury told the gathering.

Lauding Summit Power's role in generating power when load shedding and power cuts seriously hamper industrial output and normal life,

local lawmaker advocate Rahmat Ali said the plant can immensely help people.

Summit Group and Summit Power Limited Chairman Muhammad Aziz Khan said they had installed "world-class" engines for the power plant that saves a lot of gas.

"Generally, 25 to 27 units of power are generated from 100 units of gas, but this plant generates 44 units of power from 100 units of gas," Khan said. "The system loss in transmission is also less."

Summit Power plans to install more power plants.

Industrial and Infrastructure Development Finance Company Limited (IIDFC) Managing Director Asaduzzaman Khan said it was the government's policy support that helped the power company set up plants in the private sector.

IIDFC is the lead arranger of finance for the Maona plant. Its installation required Tk 145 crore.

"Money is not a big problem. If the government makes its rules a bit flexible, power generation will be easier," he said.

REB Chairman Bhuiyan Shafiqul Islam, Gazipur Deputy Commissioner Kamaluddin Talukder and Summit Power Limited Managing Director Touhidul Islam also spoke.

Summit Power presently operates 10 power plants with generation capacity of 215MW.

# KEPZ investors under review

SAYEDA AKTER

The government is set to decide on taking back the land at Karnaphuli EPZ (KEPZ) Extension in Chittagong and providing compensation to fourteen foreign investors after reviewing the construction situation in the area.

The Bangladesh Export Processing Zones Authority (Bepza) has formed a committee in this regard and sent a letter to the engineering section of KEPZ for compensation assessment, said a senior official of Bepza asking anonymity.

He said the letter was issued on June 28 with an order to complete assessment within a month.

With this move, the future of \$181.2 million foreign investment and potential job opportunity for at least 24,000 people by 2010 in the area is faced with uncertainty that would further affect new foreign investment in the country, said industry people.

Investors including nine from Taiwan, two from South Korea, and

one each from India, Sri Lanka and China are considering withdrawal of their investment, as Bepza has failed to offer them any quick decision.

Besides, the foreign investors at the Karnaphuli EPZ Extension have demanded compensation worth \$100 million from the authorities. They said if the government fails to offer them proper compensation, they will go for legal action in the international court.

"We, all the investors at KEPZ Extension, are suffering great losses due to the government decision of suspending construction works. Simultaneously, it has damaged our reputation to the top global brands, who outsource products from us," said an investor.

"We have long-term agreements with those companies. Now if the deals are cancelled, we will have to face difficult situation, as we will fail to supply on time the orders we have received," he said.

He also said the government should consider these 'harassments'

while providing compensation to them.

Earlier, Bepza sent a letter to the KEPZ on March 25 asking it to suspend construction works of Bepza and other industries in the allocated industrial zone at Halishahar CSD at KEPZ Extension in the port city until further notice.

Investors claimed that around 70 percent of their construction works were complete and they have already deposited around \$500,000 to Bepza as security deposit, stamp duties and rents.

The construction works have been remained suspended since March 28.

Bepza allocated 59.28 acres of land for the KEPZ Extension in December 2006, which was an abandoned CSD (Central Storage Depot) of the government's food department, for transforming the area into an EPZ (export processing zone).

Fourteen foreign investors were given allotments and they signed 30 years' lease agreements with Bepza. [sayedat@thedailystar.net](mailto:sayedat@thedailystar.net)

