

OTC to trade junk shares on DSE

STAR BUSINESS REPORT

Dhaka Stock Exchange in a bid to facilitate junk share trade will set up an over the counter (OTC) market in the next two months.

The DSE Board took the decision at a meeting yesterday, with its President Rakibur Rahman in the chair.

Under the OTC system, a separate trading floor will be opened where interested buyers and sellers of shares of non-performing and under-performing companies will announce prices and numbers of shares to be traded.

Transaction will take place on the OTC market if the announced prices of buyers and sellers match.

Earlier in February, the bourse

reached a decision on opening up a separate window in a bid to discourage investors from betting on non-performing and low quality companies.

The DSE said trading of such companies will take place on the OTC market, meaning price movement of those shares will not be seen on the electronic board.

The initiative to open such a market came following a surge in the prices of shares of Z category companies. These laggard companies had even allegedly declared dividends to boost their share prices.

Meanwhile, the DSE Board sent back the direct listing proposal of Navana CNG Limited, a sister concern of Navana Group, to the bourse's listing committee for further review.

Earlier on Wednesday, this listing committee forwarded the Navana CNG's direct listing proposal to the DSE Board for approval.

In March, the CNG (compressed natural gas) service provider submitted the proposal to the DSE.

As per the proposal, 1.80 crore shares of Tk 10 each will be offloaded under direct listing rules, under which the price of a security is offered by prospective investors directly on the secondary market. This means the best value of the floated shares will go to entrepreneurs.

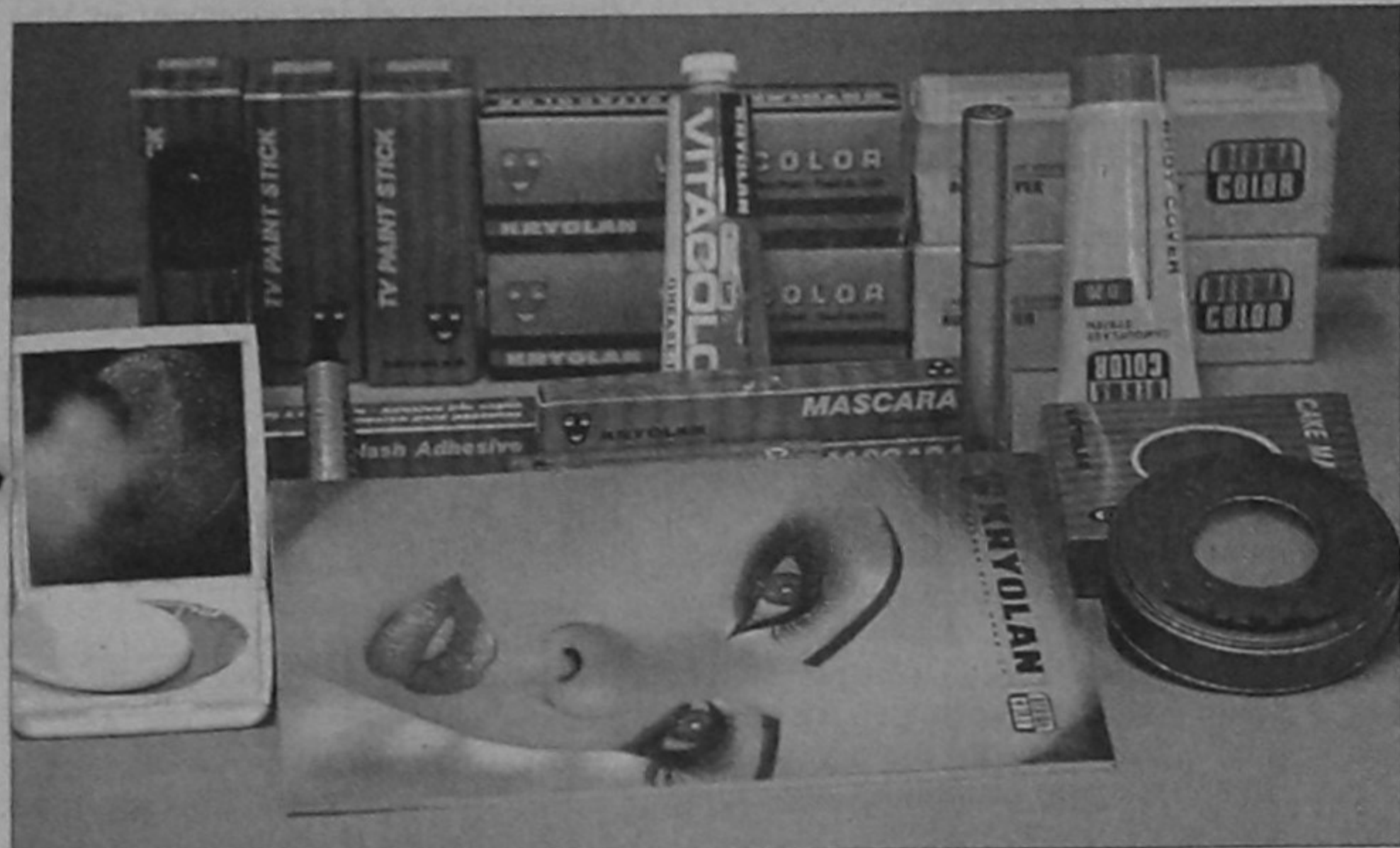
The DSE Board yesterday also accepted the resignation of its chief executive officer with effect from today.

It also fixed Tuesday as debut-trading day of Rupali Life Insurance Company.



Director of International Sales for Boeing Commercial Airplanes Miguel Santos (C) calls on Prime Minister Sheikh Hasina at her official residence in Dhaka yesterday.

Kryolan make-up brand launched



STAR BUSINESS REPORT

German-based professional make-up company Kryolan yesterday launched a wide variety of products to serve local professionals in different media channels, including film, television, theatre and photo shoots for magazines.

"The number of media professionals have increased manifold in recent years, as the scope for work in different media, including television, film and fashion magazines have sprouted. These professionals need high quality make-up that has created a local demand for branded items," said Yesmin Ipohat, CEO of Kryolan Bangladesh Ltd.

"Kryolan products are produced solely for professionals, as the make-up items sustain for long periods of time, even 7-10 hours at a stretch," she added.

Ipohat was speaking at the launching ceremony

organised by Kryolan Bangladesh Ltd in Dhaka.

The company is planning to open its showroom in Dhaka by October. Prior to that, Kryolan is set to serve its clients, including different satellite channels, beauty salons and film studios by taking orders at its head office.

The company is initially expecting annual sales of \$20,000 by the end of this year, said the local Kryolan boss.

Yesmin Ipohat said Kryolan products are popular among and widely used by celebrities and make-up artists in Hollywood, Bollywood and international ramp shows. "Our company supplied make-up and costume for the box office hit Titanic."

Kryolan Bangladesh set up a plant in Dhaka EPZ in 2001, which produces make-up eyeshadows, rubber appliances and bald caps. In 2008, the company earned \$1,00,000 million by export-

ing jewellery eyelash made from human hair, and rubber appliances and bald caps, mainly to serve clients in Hollywood.

Ipohat said the Bangladesh plant is a world leader when it comes to providing make-up for cut-throats, split open stomachs and other scars used for special effects in movies.

Along with these 3-D special effects, Kryolan provides a range of 18 different looks for ears, chin and bald caps, which are crafted in rubber by a team of 35 skilled workers.

In a keynote presentation, Jos Brands, an internationally renowned make-up artist, demonstrated basic knowledge on Kryolan products and its use and corrections for minor skin imperfections.

Kaniz Almas Khan, CEO of Persona Hair and Beauty, and Farzana Shakil, CEO of Farzana Shakil's Makeover Salon, were also present.



Executive Director of Transcom Foods Akku Chowdhury and model Monalisa launch Pizza Hut's new arrival--Stuffed Crust Pizza--at a ceremony in Dhaka yesterday.

Pizza Hut's new item hits market

STAR BUSINESS REPORT

Pizza Hut, an international restaurant chain by Transcom Foods Ltd, launched the much-awaited 'Stuffed Crust Pizza' at a ceremony in Dhaka yesterday.

Akku Chowdhury, executive director of Transcom Foods, inaugurated the new arrival at Pizza Hut's Gulshan outlet in presence of a huge crowd of food lovers.

The Stuffed Crust Pizza, a

world famous delight from the restaurant chain, comes with a stuffed cheese core inside its crust.

"I hope our customers will welcome and enjoy this new item with excellent value," said Chowdhury while slicing the product at the function.

The new item will only be available in Dhanmondi and Gulshan outlets.

Pizza Hut started its journey in Bangladesh in December 2003.

Nepal agrees to enhance trade with Pakistan

ANN/THE NATION

Pakistan and Nepal Saturday agreed to take all possible measures to increase the volume of bilateral trade between the two countries.

The consensus was developed at a meeting held at Lahore Chamber of Commerce and Industry (LCCI).

LCCI President Mian Muzaffar Ali and Nepalese Ambassador Bala Bahadur Kunwar also agreed to expedite the process of dissemination of trade-related information through chambers of commerce in their respective countries in the larger interests of the two economies.

The Nepalese Ambassador urged Mian Muzaffar to bring a delegation of LCCI to Nepal to explore economic opportunities in Nepal as frequent visits are a way to expand business ties. He said that there is a huge potential in Nepal for the foreign investors, while citing the example of pharma industry.

Nepal is ready to make special bilateral trade arrangements with Pakistan, he observed.

HSBC to facilitate regional trade

STAR BUSINESS REPORT

The Hong Kong and Shanghai Banking Corporation (HSBC) Bangladesh has moved to facilitate integration between regional private sector businesses to boost trade and commerce.

"We are in a good position to create a link between Bangladesh and its major trade partners, particularly India and China, because of our presence in 86 countries," said Mahub-ur-Rahman, head of corporate banking of HSBC Bangladesh.

As part of its plan, the bank is sponsoring an interactive meeting between apex trade bodies from Bangladesh -- Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and Foreign Investors' Chamber of Commerce and Industry (Ficci) -- and India to be held in Dhaka later this month.

"The meeting will create opportunities for private sector businesses from these two countries," Rahman said.

The HSBC official also said Bangladesh's possibilities in exporting apparels to India and China are brightening as renowned global retailers are opening outlets there.

Wal-Mart and Tesco, two of Bangladesh's major apparel buyers, could be asked to import directly from



Mahub-ur-Rahman

its stores in these two neighbouring countries, he suggested.

Wal-Mart, the biggest US retail chain, plans to open as many as 147 stores in China, India and Hong Kong in a year. Other retailers, like Tesco, Tommy Hilfiger and Marks & Spencer, are also expanding their presence in those countries.

Bangladesh has been running massive trade deficits -- over \$3 billion each with India and China -- while Dhaka's exports to China and India remain at around \$300 million.

India with \$251 billion in annual imports took in just \$330 million from

Bangladesh last year. The situation is more of the same with China.

Rahman said if global retailers imported Bangladeshi apparel items for their Chinese and Indian stores, the shift in supply chain model would help narrow the trade gap.

"The move will lead to lower freight charges and lead time."

The HSBC banker, who has 15 years of banking experience, said the bank is ready to help Bangladesh build a strong linkage with two of its major trading partners by using its global network.

He said the bank could even facilitate trade negotiations between Bangladesh, India and China.

Rahman said Bangladesh must make good use of regional trade agreements, such as the South Asia Free Trade Area (Safat), by promoting greater preferential access for products in other member countries.

Around 37 percent of the commercial bank's portfolio is composed of readymade garments and textiles.

During July-April of fiscal 2008-09, the country's total exports were \$12.82 billion, of which HSBC handled 9 percent. The country shipped ready-made garments worth \$10.13 billion in the July-April period of the same year and the bank dealt around 9 percent of RMG exports.



Masud Rahman, president of Canada Bangladesh Chamber of Commerce and Industry (CBCCI), hands over an honorary membership certificate to Deepak Obhrai, parliamentary secretary to the Canadian Ministry of Foreign Affairs, at a luncheon meeting organised by CBCCI and Canadian High Commission in Dhaka on Saturday.

Canada hails Bangladesh for utilising duty-free access

STAR BUSINESS DESK

Parliamentary Secretary to the Canadian Ministry of Foreign Affairs Deepak Obhrai has praised acumen and expertise of Bangladeshi business community in taking full advantage of duty-free access of Bangladesh goods granted by Canada.

He especially pointed to the success story of Bangladesh's garment industry in this regard.

Obhrai was speaking at a luncheon meeting hosted by the Canadian High Commission with Canada Bangladesh Chamber of Commerce and Industry (CBCCI) members and

Canadian business community of Bangladesh at Canadian Club in Dhaka on Saturday, said a statement.

Canadian High Commissioner Robert McDougall was also present at the meeting.

Obhrai had worked for giving duty-free access of goods of least developed countries including Bangladesh in Canada.

The parliamentary secretary said he stressed the need for bilateral talks on FIPA (Foreign Investment Protection Agreement) during his talks with Commerce Minister Faruk Khan. This agreement will provide confidence to investors in Canada and Bangladesh, as it will ensure a strong transparent and

regulatory regime for investors, he said.

The commerce minister also termed FIPA as a good step and hoped together they would open up an avenue, Obhrai added.

Speaking on the occasion, chamber President Masud Rahman offered the CBCCI's services if Canada finally decides to help Bangladesh diversify its products.

If needed, CBCCI can open a separate cell to facilitate such a transfer of Canadian know-how in this regard, Rahman said.

CBCCI also sought Canadian assistance in easing power and water crises in Bangladesh.

Thailand looks poised for good recovery despite global gloom

ANN/THE NATION

Latest data show that the final demand in the US market, which is related to Asia's exports, including those from Thailand, remains uncertain as of the end of May.

While financial conditions in the United States have improved gradually, the US market's core retail sales were weak in March and April, while the May figures were only slightly positive, according to a Citibank report.

This reflects the unsettled concerns on the prospects of wealth and future income. Yet US consumption should improve slightly in the second half of this year. A bigger, more meaningful improvement in US consumption is expected in 2010.

Inflation's momentum in most Asian economies appears to have bottomed following a sharp drop due to lower commodity prices and a rising output gap as global growth slows down dramatically. However, Hong Kong, Singapore and Thailand could be the exceptions due to their

remaining large output gaps and relatively weak economic momentum.

Thailand's economy has been hit hard by the global economic recession over the past 12 months, marked by a sharp export decline and weak domestic demand.

However, corporate and sovereign balance sheets remain healthy, so the Thai economy is poised for a rapid recovery when global conditions take a turn for the better, according to another international bank's report.

The report also noted that the massive liquidity flowed through the balance of payment and easing sterilisation had led to a major excess liquidity build-up, with asset markets seeing increased inflows as real-estate recovery still lags.

Domestic politics remains a major point of tension following civil disturbances in April.

While there has been a slight pick-up in external demand as evidenced by key indicators in May, Thailand's domestic demand remains weak, while its private consumption and investment have not yet recovered.



Representatives of leading pharmaceutical companies attend the Annual Client Conference 2009 of IMS South Asia in Dhaka recently. At the conference, Head of IMS South Asia Sameer Savkur presented the keynote paper on Dynamics of Pharmaceutical Market-Change Paradigm.