

No trade of A category paper shares from Jan

STAR BUSINESS REPORT

Paper share will not be allowed for trading under 'A' category from January next, meaning companies having paper shares will have to transform those into electronic ones within this year.

Any lapses in doing so will consequently relegate the shares to 'B' category, according to the stock market regulator's decision at a meeting yesterday.

Securities and Exchange Commission Chairman Ziaul Haque Khondker chaired the meeting.

"Paper shares create problem in settling those in an electronically trading system," Anwarul Kabir Bhuiyan, SEC's executive director, told reporters after the commission's meeting.

Currently, Of the 177 companies traded under 'A' category, 29 are yet to make paper shares electronic.

The 'A' category companies contribute 84.63 percent of the total market capitalisation. The most popular shares belong to the 'A' category companies, who regularly hold their annual general meetings and declare minimum 10 percent dividends.

Of the 282 listed companies on the Dhaka Stock Exchange, 179 have so far dematerialised their paper shares, while 121 companies are yet to do so and most of them are being traded under 'B' and 'Z' category.

As of yesterday, the electronic shares contribute 97.3 percent of the total market capitalisation.

Electronic trading system in Bangladesh started in January 2004 with the introduction of Central Depository System (CDS), the alternative to trading of paper-based stocks.

Under this system, all paper shares have been transformed into electronic ones and transactions are also carried

out electronically.

Central Depository Bangladesh Ltd (CDBL), the service provider company, operates the CDS and it has been gaining popularity among the investors since its inception, as the electronic trading settlement system eliminates the risk of fake or soiled shares.

At yesterday's meeting, the SEC also decided to forfeit 10 percent money from the illegal IPO (initial public offering) applications, which were submitted when some companies such as Bay Leasing and Investment Company, Rupali Life Insurance and Asia Insurance offered primary shares.

It means if anybody submits an unlawful IPO application with Tk 5,000, the SEC will penalise Tk 500.

Regarding Bay Leasing, the SEC forfeited Tk 21 lakh, while in the case of Rupali Life and Asia Insurance the figures are Tk 14.50 and Tk 7 lakh respectively.

Handover of Karnaphuli EPZ's CSD in final hours

STAFF CORRESPONDENT, Chittagong

The process of returning the Halishahar Central Storage Depot (CSD) to the Food Department from the Karnaphuli Export Processing Zone to increase food grain storage capacity in Chittagong has reached the last stage.

The Karnaphuli EPZ authority on July 19 sent a letter to the Chittagong Chamber of Commerce and Industry (CCCCI) to take steps to vacate all the 35 warehouses, now full of food grains stored by different private importers. The deadline ends today.

The EPZ authority sent the letter following a recent directive from the food ministry to hand over the CSD within the shortest possible time.

Due to the move, private importers faced a tremendous problem in storing their imported goods.

General Manager (GM) Abdur Shukur Mian of Karnaphuli EPZ said: "We have to return the CSD to the Food Department according to the government decision."

Continental Airlines cuts 1,700 jobs

AFP, Washington

Continental Airlines announced on Tuesday it would cut 1700 jobs amid a slump in revenue and passenger numbers.

The Houston-based firm said it would be "eliminating approximately 1,700 positions across the company, including management and clerical positions."

The cuts could save the firm 100 million dollars when "fully implemented in 2010."

They come on top of the previously announced removal of 1,200 reservation agents and leaves of absence for 700 flight attendants.

Announcing earnings for the second quarter, the airline posted a net loss of 213 million dollars at earnings of -1.72 dollars per share, close to analysts' expectations.

The net loss included a previously announced charges totalling some 44 million dollars for the quarter.

"Second quarter results were adversely affected by significant declines in high yield traffic as many business travelers curtailed travel or purchased lower yield economy tickets due to the weakened economy," the airline said.

China's export powerhouse expects growth

AFP, Beijing

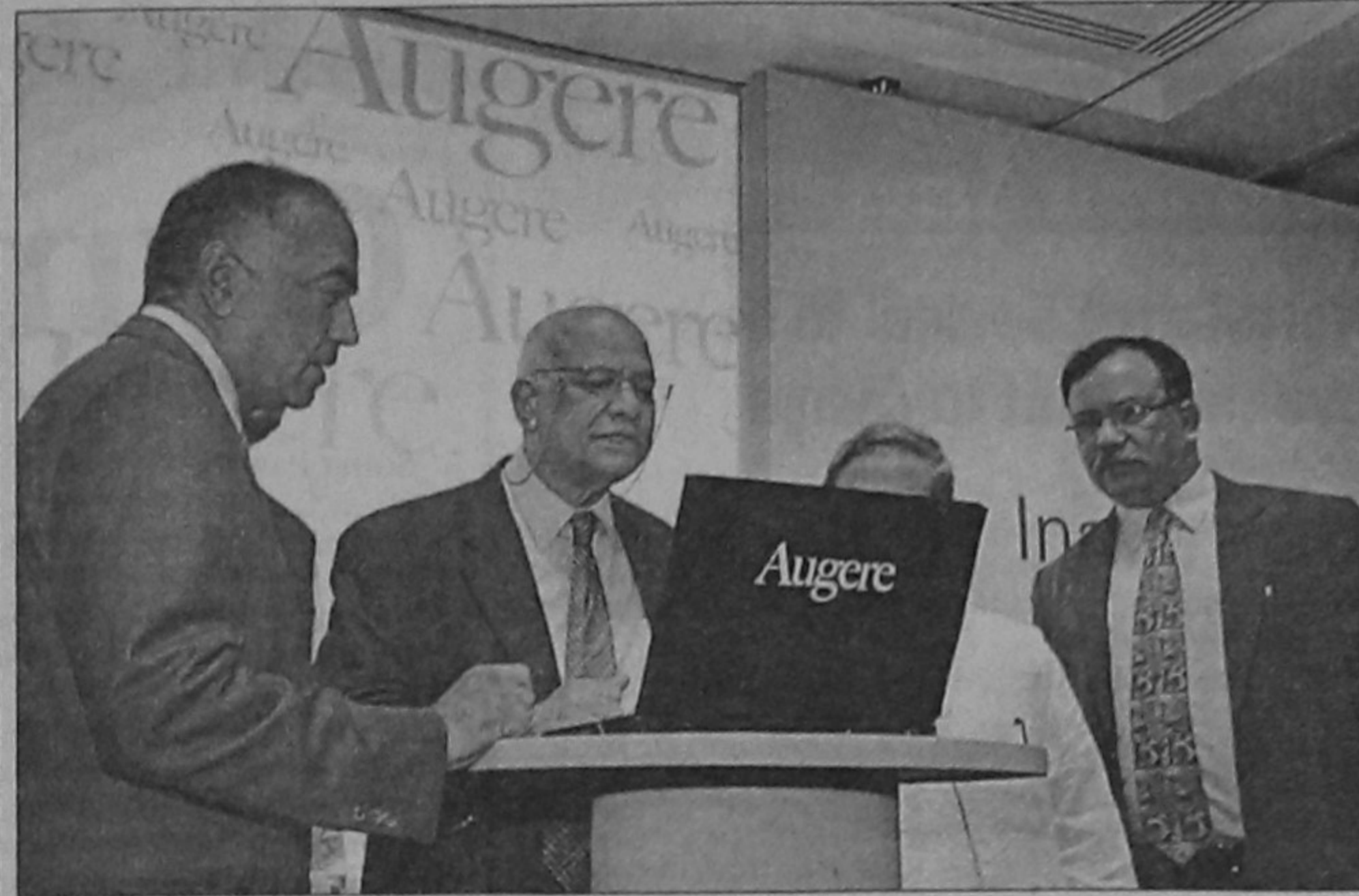
China's key export province of Guangdong is expecting foreign sales to rise year-on-year in the fourth quarter as it recovers from the global downturn, state media said Tuesday.

Guangdong's exports in the second quarter increased by 16.5 percent over the first three months of the year, bolstered by government stimulus measures including higher tax rebates and export credit insurance, Xinhua news agency said.

Guangdong's top trade official Liang Yaowen predicted that exports from the province would see year-on-year growth in the fourth quarter, the report said.

However, he said foreign sales in the third quarter would continue to fall year-on-year due to sluggish global demand, persisting trade protectionism and downside pressure on export prices, the report said.

Despite the quarter-on-quarter improvement in the first half of this year, the period saw Guangdong's exports decline by 18.6 percent on-year to 153.4 billion dollars, while imports fell 23.7 percent to 104.5 billion dollars, it said.



Finance Minister AMA Muhith inaugurates Augere's on-trial WiMax service at a ceremony at the Westin Dhaka yesterday.

Augere launches WiMax on trial

STAR BUSINESS REPORT

Augere Wireless Broadband Bangladesh Ltd, one of the two WiMax licensees, launched high-speed broadband internet services yesterday on a trial basis with a focus for commercial operations.

Finance Minister AMA Muhith inaugurated the wireless internet technology, which will initially be launched in some areas of Gulshan and Banani on trial.

WiMax (Worldwide Interoperability for Microwave Access) is a wireless digital communication system that can provide broadband wireless access across 30 miles for fixed phone and 3-10 miles for mobile stations.

Three bidders -- Banglalion Communication, BRAC BD Mail Network Ltd and Augere Wireless

Broadband Bangladesh Ltd -- won the WiMax licenses through an auction organised by Bangladesh Telecommunication Regulatory Commission (BTRC) in September last year. However, BRAC later refused to take the license.

The Tk 215 crore bid price had become a 'double bind' for both the telecom regulator and licensees. The regulator extended the deadline for launching WiMax services several times.

UK-based Augere Holdings owns 60 percent of Augere Wireless Broadband Bangladesh Ltd along with two other local companies. Teleport Bangladesh owns 30 percent and Aamra Resources Ltd owns 10 percent in the company.

"Technology must be welcomed, but we should avoid a digital divide. WiMax is a technology that can be

available anywhere," he said.

Rajiuddin Ahmed Raju, telecommunication minister, Abul Kalam Azad, information minister, Zia Ahmed, BTRC chairman, and Jerry Mobbs, chief executive officer of Augere Bangladesh, were also present at the launch at the Westin Dhaka.

"The real internet experience is here," said Sanjiv Ahuja, chairman and chief executive officer of Augere Holdings.

Augere Bangladesh is poised to meet demand for the internet using WiMax technology, he said.

Bangladesh, with the lowest internet penetration in the world at 4 percent, will be exposed to high-speed wireless internet by the launch of the WiMax technology. At present, the country has four million internet users.



Governor of Bangladesh Bank Dr Atiur Rahman speaks at a monthly luncheon meeting of American Chamber of Commerce in Bangladesh (AmCham) in Dhaka yesterday. US Ambassador James F Moriarty and AmCham President Syed Ershad Ahmed are also seen. (Story on B1)

Minister urges Delhi to lift non-tariff barriers

STAR BUSINESS DESK

Foreign Minister Dipu Moni yesterday asked New Delhi to lift non-tariff barriers put up against Bangladeshi export items.

The minister made the appeal as an Indian trade delegation led by Harsh C Mariwala, vice-president of the Federation of Indian Chambers of Commerce and Industry (FICCI), met her at her office. Indian High Commissioner Pinak Ranjan Chakravarty was also present.

ent.

Dipu Moni said duty-free access of Bangladeshi products to the Indian market must be widened to reduce the trade imbalance between the two countries, which stands at \$6 billion against Dhaka.

"Both Bangladesh and India now have new governments with massive mandate of the people and it is high time to take the existing bilateral relations to a new height," she said in a press statement.

Bangladesh will certainly encourage trade creating Indian investments in Bangladesh with buy-back arrangement, Dipu Moni said.

"There was ample scope for further cooperation between the two countries through trade and investment," she said.

The minister said only government-to-government contact was not enough to move bilateral relations forward. "People-to-people contact is also very impor-

tant particularly for the business community to expand trade and commercial relations," she said.

During the meeting, the two sides discussed easing the visa regime for businessmen on reciprocal system.

The renewal of the bilateral trade agreement and signing of the bilateral investment promotion and protection agreement between the two countries will open new scope and areas of cooperation, the delegates were told.

Fidelity assets to issue Tk150cr zero coupon bonds

STAR BUSINESS DESK

Fidelity Assets and Securities Company Ltd is going to issue non-convertible Zero Coupon Bonds through private placements with a face value of Tk150 crore, according to a press release.

The company will issue the bonds in two series, where AAA Consultants and Financial Advisers Ltd will act as the issue managers.

To this end, an agreement was signed between Mohammed NS Kabir, managing director of Fidelity Assets and Securities Company Ltd, and Khwaja Arif Ahmed, managing director of AAA Consultants and Financial Advisers Ltd, in Dhaka on Tuesday.

DPDC asked to cut system loss

STAR BUSINESS REPORT

State Minister for Power, Energy and Mineral Resources Advocate Shamsul Haq Tuku yesterday urged the staff of Dhaka Power Distribution Company (DPDC) to work hard to reduce the system loss and overcome the power crunch.

"You have to work hard to cut the system loss in the electricity sector and help overcome the country's power crisis," he said.

"You should take lessons from Desco, which has

reduced the system loss to 12 percent from 30 percent a year ago," the state minister said.

He was speaking at a discussion meeting with the DPDC officials in Dhaka.

The state minister suggested that DPDC introduce prepaid meters for its clients to cut the system loss.

Tuku also asked DPDC to purchase and renovate equipment essential to ensure an uninterrupted power supply.

DPDC started its operation in 2008 as a distribution company for the areas where the then Dhaka Electric Supply Authority (Desa) had been

operating.

Desa, an 18-year-old power distribution outfit for the capital and its adjoining areas, had been dissolved.

After success of the Dhaka Electric Supply Company (Desco), the government created the DPDC replacing the Desa, an ailing organisation in the public sector. DPDC covers Mirpur, Gulshan, Uttara, Banani, Baridhara and Tongi.

Mahbubul Alam Khan, chairman, and Aftab Masud, managing director of DPDC, were also present at the meeting.



Mohammed NS Kabir, managing director of Fidelity Assets and Securities Company Ltd, and Khwaja Arif Ahmed, managing director of AAA Consultants and Financial Advisers Ltd, sign an agreement on a Tk150 crore zero coupon bond in Dhaka on Tuesday.

New mobile set hits market

STAR BUSINESS DESK

Sony Ericsson has recently launched its newest addition to the Snap Shot family -- Sony Ericsson S312 in Bangladesh, says a press release.

The new snap shot phone comes with 2mega pixel camera with up to 2.5x digital zoom together with applications like 'Photo fix' to brighten up dark images instantly.

Other features include picture blogging, video recording, photo light and video light.

The handset also comes with a 1GB external memory card (expandable up to 4GB)



and FM radio with RDS.

The Sony Ericsson S312 is available in major outlets, added the release.



State Minister for Environment and Forests Mostafizur Rahman speaks at a workshop on Clean Development Mechanism, jointly organised by Dhaka Chamber of Commerce and Industry and Federation of Indian Chambers of Commerce and Industry, in Dhaka yesterday.

No new factory without ETP

STAR BUSINESS REPORT

State Minister for Environment and Forests Mostafizur Rahman at a workshop in Dhaka has said that setting up of any new factory will not be allowed without its own wastage recycling or effluent treatment plants (ETP).

He also pointed out that a clean development mechanism (CDM) is necessary for Bangladesh, as many countries have adopted this eco-friendly industrialisation technology.

"It is an unfortunate that Bangladesh is still far away from adopting the CDM," Rahman told the workshop

on such mechanism, organised by the Dhaka Chamber of Commerce and Industry (DCCI) in the capital yesterday.

In this context, the state minister suggested the developed and developing countries reduce carbon emission to maintain an environmental balance for sustainable development.

Rahman said the least developed countries (LDCs) are to bear the brunt of environmental hazards, although those are little responsible for the imbalance.

DCCI President Zafar Osman chaired the inaugural session where

Environment and Forests Secretary Dr Mihir Kanti Mazumder also spoke.

Mazumder said at present Bangladesh has only two CDM projects whereas the figure is 482 in India and 585 in China.

Meanwhile, two experts from the visiting Indian trade delegation conducted a daylong workshop on CDM for Bangladeshi entrepreneurs and the officials from different corporate offices.

DCCI and the Federation of Indian Chambers of Commerce and Industry (FICCI) jointly organised the workshop to impart training on the subject.



Bidyut Kumar Basu, chief commercial officer of AKTEL, inaugurates a new AKTEL Care outlet by cutting a cake in Dhaka recently.