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DGEN 0.90%  
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## Currencies

Buy Tk Sell Tk  
USD 68.42 69.42

EUR 95.48 101.18

GBP 112.29 118.24

JPY 0.71 0.79

SOURCE: STANDARD CHARTERED BANK

## Commodities

Gold ▲  
\$939.00  
(per ounce)

Oil ▲  
\$66.72  
(per barrel)

(As of Friday)

## News in Brief

DSE fines 6 firms



## STAR BUSINESS REPORT

The Dhaka Stock Exchange (DSE) management has slapped a daily fine of Tk 500 on six listed companies for failing to submit their half-yearly financial statements to the bourse by July 31.

The premier bourse formally informed the companies of the fines, effective from August 1, and also issued show cause notices to the companies, said a DSE statement.

The companies that faced fines are Bangladesh Electric Metre Co, German Bangla Foods, Maq Paper, Meghna Cement, Saleh Carpet and Wata Chemical.

However four other companies -- Asia Insurance, Bangladesh Hotels, Karmaphuli Insurance and Rupali Life Insurance -- have sought time extension for submitting their half-yearly financial statements.

Delta Life Insurance could not submit its statement due to legal barrier.

In line with the DSE listing rules, 158 companies were required to submit their half-yearly financial statements to the bourse within July 31 this year. Of those, 147 have submitted their statements.

**Greenspan: End of US economic crisis close**  
AFP, Washington

Alan Greenspan, the former chairman of the Federal Reserve, said Sunday that the US economic crisis was not yet over but it was "getting very close" and that the broader economy has already hit bottom.

Asked in an interview with ABC television whether the worst US economic crisis since the Great Depression was over, Greenspan said "not quite, but we're getting very close."

"Collapse, I think, is now off the table," Greenspan said, adding that he was "pretty sure" the US economy had hit bottom and had begun a turnaround in mid-July.

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# Investment yet to peak

SAJJADUR RAHMAN

Investment is yet to lift, even two months after the announcement of the new fiscal budget.

Bankers point to low demand resulting from the global economic downturn and an internal energy crisis for the sluggish local investment scenario.

The classified loan ratio of some banks has also increased in their half yearly financial statements until June 30 because sanctioned loans still remain idle at banks.

"We have sanctioned Tk 1,200 crore loans, but investors are not withdrawing the money saying that they want to watch the situation more," said Shahjahan Bhuiyan, managing director of United Commercial Bank, a first generation private bank.

Pubali, the largest and oldest private bank in the country, has also nearly Tk 1,000 crore unutilised approved loans.

Dhaka Bank's unutilised approved loan is Tk 1,000 crore.

Investors are still shaky and yet to get back their confidence they lost in the past two years, the bankers observed.

Low demand has pushed the interbank call money rate to a historic low. The rate now hovers between 15 paisa and 25 paisa, according to market players.

The banking industry is now faced with excess liquidity, as there is no big industrial investment demand.

## KEY FACTS

Banks recorded Tk 30,000 crore in excess liquidity at the end of June 2009.

Investors are reluctant to take approved loans

Inter-bank call money rate has gone down as low as Tk 0.15

BB bought nearly half a billion US dollars from banks to keep the market stable

Textile millers say the gas crisis costs them Tk 10 crore in lost business a day

The amount of such liquidity reached nearly Tk 30,000 crore at the end of June 2009, while the figure was Tk 21,752 crore in February, according to the central bank.

Bangladesh Bank data also shows a 10 percent slump in the industrial term lending during the first nine months of the last fiscal year, compared to the same period a year earlier.

"Poor rate in the money market reflects the demand for money," said Helal Ahmed Chowdhury, managing director of Pubali Bank.

The BB bought nearly half a billion US dollars (\$467 million) from the money market between July 2 and 27 to keep the market stable following a sharp decline in demand. It bought \$1.51 billion from different commercial banks in FY 2008-09, which was only \$202 million in FY 2007-08.

Khondker Fazle Rashid, managing director of Dhaka Bank, said although trade investment is picking up, so is not industrial investment. He attributed this sluggishness to global crisis and internal energy crisis.

"If buyers in foreign countries are in trouble, businesses here will not go for new investment," said Fazle Rashid.

Pointing to the severe gas crisis, the Dhaka Bank MD said, "I am surprised why policy makers are so indifferent to the gas issue. If we fail to explore gas everything will collapse."

Textile millers already claimed they are incurring a Tk 10 crore loss a day due to low gas pressure.

Nasiruddin Biswas, managing director of Nasir Group, one of the largest business conglomerates, also feels that energy crisis is pushing the country far behind its potential.

"Industrialisation pace may treble on availability of gas and power," said Biswas.

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# Reckitt share prices soar 31pc on dividend

## STAR BUSINESS REPORT

Reckitt Benckiser share prices shot up yesterday by more than 31 percent following a surprising interim dividend declaration that attracted investors to bet on the multinational FMCG (fast moving consumer goods) company.

Having no price limit on the company share trading, each share opened at Tk 990 on the Dhaka Stock Exchange and rose as high as Tk 1250 before closing at Tk 1013.

The company on Thursday announced through the DSE website that the board of directors had recommended 500 percent, or Tk 50 per share interim dividend for the year ending December 31, 2009.

Market insiders said the declaration came as a surprise to the market since the interim dividend hardly matches with its previous track record.

Prior to Reckitt Benckiser, another multinational company -- BOC Bangladesh -- also recommended 100 percent, or Tk 10 per share interim dividend in the third week of last month.

The two declarations heightened investors' expectations for such dividend from other multinationals, too.

Meanwhile, Dhaka stocks gained for a fifth day.

The benchmark DSE General Index rose 26.48 points, or 0.9 percent to 2,941.01. The DSE All Share Price Index increased 22.54 points, or 0.92 percent to 2,463.86.

The advancers beat the losers 167 to 66.

## HALF YEARLY DISCLOSURES

Interim dividend at 500 percent, or Tk 50 per share

Profit after tax as on June 30, 2009 is Tk 8.14 crore

Balance of un-appropriated profit as on June 30, 2009 is Tk 25.32 crore

Un-appropriated profit per share as on June 30, 2009 is Tk 53.59

Net asset value per share is Tk 86.70

Two securities remained unchanged. A total of 5,49,55,014 shares worth Tk 688.61 crore were traded on the premier bourse.

Titas Gas topped the turnover leaders, with 5,94,600 shares worth Tk 41.02 crore being traded.

Chittagong stocks also continued to gain. The CSE Selective Categories Index increased 57.12 points, or 0.89 percent to 6,443.36. The CSE All Share Price Index rose 99.71 points, or 0.97 percent, to 10,280.79.

# Hollow blocks find niche in real estate

KAWSAR KHAN

Substitutes for conventional solid clay bricks are carving out a niche in the construction sector, thanks to growing concern about the quality of buildings among realtors and individual constructors.

Concrete blocks, concrete hollow blocks, clay blocks and clay hollow blocks have found their way into real estate -- however slowly.

Benefits of using blocks in construction are immense, sector people say.

Hollow concrete blocks are substitutes for conventional bricks and stones in construction. They are lighter than bricks, easier to place and also cut costs of construction and consumption of cement.

They help construct lightweight buildings, give protection from salinity, insulation from heat and sound, and ensure durability. At the same time, the use of such blocks reduces construction costs by 10-15 percent.

Demand for such construction materials is on the rise as some real-estate companies use them in buildings to ensure "high quality".

Pioneered by Concord Group, concrete blocks are produced by around 20 big and small companies now. At least two companies now produce clay blocks introduced by Mirpur Ceramic Works Ltd (MCWL) over 50 years ago.

Some real estate companies get a regu-

lar supply of the products from the local manufacturers. On the other hand, some developers have set up their own plants.

Shaikh Aftab Ahmed, chief operating officer of Shanta Properties Ltd (SPL), which has set up a block manufacturing unit to meet its demand, said: "We switched to using blocks from clay bricks. It is very difficult to ensure quality in construction with bricks."

The sector people said the salinity of bricks depends on the condition of soil it is made of. "If salinity creeps into bricks, it gradually damages the whole building," one real-estate businessman explained.

Mohammad Emran, manager (sales and marketing) of MCWL, said their products had been used in some construction icons, including Central Shahid Minar, Jatiya Sangsad Bhaban and Mirpur's Martyred Intellectual's Memorial.

On the benefit from hollow blocks, he said the vacuum inside a hollow block insulates a building from heat and sound and makes a high-rise comparatively lightweight.

The new building technology also cuts costs of construction, Emran said.

"We have been using clay hollow blocks for more than 10 years as it protects buildings from moisture and gives buildings a good texture," said Tanveer Haq Probal, managing director of Building for Future, a real-estate firm.

Some real estate companies solely use construction blocks to give higher qual-



Workers use hollow blocks at a construction site in Dhaka.

ity to their sites and reduce costs, said Probal, also president of Real Estate and Housing Association of Bangladesh.

Gopal Krishna Bagchi, a research and development official of Shun Sing Group, which manufacture concrete blocks, has a different view.

"Although the benefit from using blocks and hollow blocks is huge, its use is very insignificant compared to the size of the construction sector in Bangladesh," he said.

"People often show a disinclination to use it due to a lack of proper knowledge," Bagchi said.

Part of the reason for low enthusiasm among customers about the new construction materials is masons' poor acquaintance with blocks.

"To solve this problem, we have arranged several training sessions for masons but the expected result is yet to come," said Golam Mawla, marketing manager of Concord Real Estate and

Building Products Ltd.

Some sector people claimed that the walls made of concrete blocks often cracked and caused losses to many users.

They said clay blocks do not face such problems.

On the issue, Golam Mawla said there is a specific procedure of plastering walls of concrete blocks. "The walls that developed cracks were not built in line with proper instructions," he said.

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# Delayed Aman plantation to hit output

KONGKON KARMAKAR, Dinajpur

Paddy growers in four northern districts, including Dinajpur, are getting worried about missing the proper time for Aman plantation because of dearth of labourers to sow the food grains.

They fear it might be delayed by at least one month.

Usually, such sowing starts from the first or second week of July and ends by August 10.

Meanwhile, recurrent outage of power, which is needed for irrigation of lands to get those ready for cultivation, has added to the farmers' woes.

Around 6 percent of more than half a million hectares of the lands brought under Aman plantation in Dinajpur, Thakurgaon, Panchagarh and Joypurhat has so far been ready for sowing, according to officials of the Department of Agriculture Extension (DAE).

Of the 5,33,120 hectares of land, 2,46,000 hectares are in Dinajpur, 1,24,000 hectares in Thakurgaon, 92,000 hectares in Panchagarh and 71,120 hectares in Joypurhat. Production of around 13,42,800 tonnes of rice has been targeted from this amount of lands this year.

Farmers say higher cost of labour this time has also become a matter of concern for them. Some say the labourers now charge high taking the dearth to their advantage.

Shisnabi Mondal, a paddy



Paddy growers in the north are likely to lag in Aman plantation due to a dearth of labourers. Frequent outages of power, which is needed for irrigation of lands, have added to the farmers' woes.

grower of Shuroil village under Chirirbandar upazila, said he has readied 50 percent of his 10 acres of land for sowing Aman.

"But labour charges are too high to afford," Mondal said.

The sowing charges rose to Tk 5,100 an acre this year from Tk 3000 in 2007 and 2008.