

Stocks

DGEN ▲ 0.36%
2,985.46

CSCX ▲ 0.47%
6,700.23

Asian Markets

MUMBAI ▼ 0.45%
15,398.33

TOKYO ▼ 0.64%
10,214.64

SINGAPORE ▲ 1.11%
2,598.36

SHANGHAI ▲ 4.79%
2,845.02

Currencies

	Buy Tk	Sell Tk
USD	68.42	69.42
EUR	95.72	100.94
GBP	109.31	114.72
JPY	0.73	0.81

SOURCE: STANDARD CHARTERED BANK

Commodities

Gold ▲
\$983.31
(per ounce)

Oil ▲
\$69.27
(per barrel)

SOURCE: AFP
(Midday Trade)

ADB

Asia's poorest to be worst hit by climate change: ADB

AFP, Kathmandu

Climate change threatens to bring food and water shortages to 1.6 billion people in South Asia, with the region's poorest likely to be worst hit, the Asian Development Bank (ADB) said here Wednesday.

New research commissioned by the ADB shows that if current climate trends persist until 2050, maize yields in South Asia will fall by 17 percent, wheat by 12 percent and rice by 10 percent.

Afghanistan, Bangladesh, India and Nepal are "particularly vulnerable to falling crop yields caused by glacier retreat, floods, droughts, erratic rainfall and other climate change impacts," the bank said in a statement.

Kunio Senga, director general of the ADB's South Asia department, said the projected food shortages would result in "five million additional malnourished children in South Asia."

"South Asia's vulnerability to climate change has extremely serious implications for agriculture," he told journalists in Kathmandu, adding that "the poor stand to suffer most as a result of unchecked climate change."

Correction

The August 23 report headlined "Mobile operators poised for Eid festivity" carried an error. The report said Banglalink's SMS rate had been brought down to Tk 0.50. Actually, Banglalink's on-net SMS tariff is Tk 0.75+VAT and off-net SMS tariff is Tk 1+VAT. We regret the error.

Contact Us

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

Remittance flashes global recovery signs

Forex reserve crosses \$9b mark

REJAUL KARIM BYRON

The remittance inflow increased by 18.22 percent in the first two months of the current fiscal year which Bangladesh Bank officials described as moderately good.

The growth of inward remittance points to early signs of a bounce-back in the world economy from the financial crisis.

According to BB statistics, the remittance inflow soared 30 percent to \$937.91 million in August, up from \$721.92 million in the same period last year.

Inward remittance has jumped as expatriates are sending more money to their relatives on the eve of Eid-ul-Fitr.

The central bank's foreign currency reserves reached \$9,149.57 million for the first time yesterday -- boosted by remittance growth and a partial release of IMF's special recovery fund.

In the July to August period of the current fiscal year, the total remittance inflow was \$1,823.29 million, a rise from \$1,542.63 million in the same period a year earlier.

Bangladesh recorded average remittance growth at 22.42 percent last fiscal year. In fiscal 2007-08, the growth was higher at 32.39 percent.

Central bank officials said the global recession had slowed the remittance inflow last fiscal year. In July, the remittance growth was a paltry 7.80 percent.

The International Monetary Fund has set aside 463.3 SDRs (Special Drawing Rights) equivalent to \$735 million in recovery funds for Bangladesh. Of the amount, the lending agency has already given \$630 million to Bangladesh early this week.

With much of the world still mired in recession, IMF moved to bolster its members' reserves through an allocation of SDRs.

The allocation, equivalent to \$250 billion, was made on August to be followed by an additional, but smaller, amount of \$33 billion on September 9.

There are no notes or coins denominated in SDR, but it plays a role as an interest-bearing international reserve asset as the unit can be tuned into a usable currency. SDRs provide liquidity into the global economic system.

OECD said yesterday adding its voice to forecasts that a fragile global rebound is taking shape.

The United States and the eurozone are set to break out of recession in the third quarter, according to latest reports.

With the pace of US economic decline slowing and with the eurozone economy actually expanding in August, OECD chief economist Jorgen Elmeskov pointed to a recent "run of good news".



Prime Minister Sheikh Hasina is seen on a giant screen at the World Climate Conference in Geneva yesterday. World leaders urged rapid progress in troubled talks to cut emissions and tackle global warming. (Related story on page 1)

Hasina urges expatriates to invest in their roots

UNB, Geneva

Prime Minister Sheikh Hasina has urged Bangladeshi expatriates in Europe to make more investment in their homeland for further expediting socioeconomic progress in line with the Vision-2021 adopted by her government as a new development paradigm.

The Awami League president made the call when leaders and activists of All European Awami League met with her at her hotel suite on Wednesday.

Prime Minister's Press Secretary Abul Kalam Azad briefed newsmen after the meeting.

Hasina enquired about the wellbeing of the Bangladeshi expatriates living in Switzerland and other European countries. She thanked them for their continuous contribution to Bangladesh's socioeconomic development.

Hasina observed that in the last seven

years, Bangladesh's environment for investment had lost its congeniality.

"But after the democratically elected present government assumed office, stability started to come back to every sphere of life. Now in Bangladesh an investment-friendly environment is prevailing. You can make best use of this opportunity by making investment in various sectors," she said.

She also mentioned the role of Bangladeshi expatriates, especially the followers of Bangabandhu Sheikh Mujibur Rahman, in the country's democratic movements.

Hasina said expatriate Awami League workers had always made an effective contribution to restoration of democracy in the homeland through the December 29 parliamentary elections.

She further appreciated the role of the Bangladeshi expatriates when she was in jail during the rule of the immediate-past caretaker government. She thanked the

expatriates for standing by her when she was in sub-jail during the interim period, saying that all democracy-loving people of Bangladesh were united to elect their own government through a free, fair, neutral and acceptable election.

Listing different development programmes, the prime minister said the government is working relentlessly to improve living standards of Bangladeshis through creating job opportunities and increasing food production.

"By electing the Awami League-led grand alliance at the last polls, the people have reposed a great responsibility on the present government to work for their welfare and prosperity," she said.

Awami League joint General Secretary and Foreign Minister Dr Dipu Moni and Environment Secretary and State Minister for Environment and Forest Dr Hasan Mahmud were also present at the meeting.

DSE opens OTC market for junk shares Sunday

STAR BUSINESS REPORT

Dhaka Stock Exchange (DSE) is going to introduce a separate trading floor on Sunday for junk shares.

Shares of companies that will be removed from the main board will be traded on the new floor to be known as "over the counter" (OTC) market.

The DSE is introducing the market in line with the directives of Securities and Exchange Commission on opening of a separate trading floor for non-performing and non-operational companies, officials of the premier bourse said.

SEC Chairman Ziaul Haque Khondker is scheduled to inaugurate the OTC market.

However the companies whose shares will be removed from the main board and will be placed on the OTC market are yet to be decided.

DSE officials said the bourse has no plan to place all the 'Z' category shares in the OTC market. "Non-operational and non-performing companies will be brought to the OTC market," said an official.

Out of more than 90 companies now listed under the 'Z' category, traces of many are not found, while some have gone out of operations. But trading of shares of those companies is taking place, as many retail investors are unaware of the companies' present status.

From early July the SEC has kept halted the trading of shares of more than 30 low-profile companies.

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

HSBC to raise biggest fund for poultry

SAJJADUR RAHMAN

Eighteen banks have agreed to arrange Tk 180 crore syndicated loan for Kazi Grand Parents Limited (KGPL), a concern of Kazi Farms Group, to raise its capital for expansion of product lines.

The group, founded in 1996, is now the largest player of Bangladesh's poultry industry.

The Hong Kong and Shanghai Banking Corporation (HSBC) is the lead arranger of the loan, the biggest-ever poultry sector financing.

"The loan has already been raised. Only documentation remains pending," Mahbub-ur Rahman, head of corporate affairs of HSBC, told The Daily Star yesterday.

Rahman said the deal is expected to be inked after Eid.

Industry insiders say the Tk 7,000-Tk 8,000 crore industry is expanding rapidly on an increased demand for the protein source. Chicken is now replacing fish and other meat.

Big players, such as Kazi Farms, CP Bangladesh, Aftab and Paragon entered the market in the past few years.

HSBC

Kazi Farms Group's market share is 25 percent for the day-old chicks (DOC) and 20 percent for broiler feed.

But no company has the capacity to produce "poultry grandparents" that breed flocks for the production of broiler parents hatching eggs and DOC.

Production of such grandparents is now under KGPL's business expansion plan. The company exported hatching eggs and day-old chicks in 2004.

"Poultry sector has flourished here, in terms of technology and expansion. It has bright prospects," said Mahbub-ur Rahman of HSBC.

Managing Director Helal Ahmed Chowdhury of Pubali Bank, a participant in the KGPL syndication financing, is also upbeat on poultry business.

Kazi Farms Group Managing Director Kazi Zahedul Hasan, however, said he does not want to comment on the project now.

The group has over 50 breeding farms, hatcheries, feed mills and sales offices across the country.

It is also the Bangladesh franchisee of Cobb-Vantress USA for the Cobb 500 broiler. The group is also the distributor for Hy-line brown and white layers in Bangladesh.

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Price control move pays off little



A salesperson mans his shop in Dhaka yesterday. Prices of essentials are yet to come down despite the government's frantic efforts to control market.

REFAYET ULLAH MIRDHA

Basic commodity prices are on the rise despite frantic efforts by the government to control market, and promises from traders, during Ramadan.

To this end, the commerce ministry resorted to fixing prices of some of the daily necessities. The other government measures include strong market monitoring where the apex trade body Federation of Chambers of Commerce and Industry stretched its hands, introduction of price charts at shops in kitchen markets and open market sales of some items by state-run Trading Corporation of Bangladesh in Dhaka.

Market surveys show that these measures are yet to pay off as much as expected.

FBCCI in its latest visit to some kitchen markets in the capital on Saturday found a downward trend in the prices of essentials, except for sugar. An abundant commodity supply had led to this downward, the businessmen's forum also found. The business leaders, however, admitted to the fact that essentials

prices were not below or at par with the government fixed rates.

Anisul Huq, FBCCI's president who led the team to the kitchen market, said sugar prices remain high.

He found that the sweetener was selling at Tk 48-Tk 50 per kg at retail level, whereas Commerce Minister Faruk Khan alerted the traders that its price should not cross Tk 42 a kg.

Potato price remained static at Tk 27-Tk 28 per kg.

The wholesale rate of potato at cold storage gates has been fixed at Tk 22-Tk 23 a kg, sugar Tk 39, onion Tk 16-19 and garlic and ginger Tk 55-60.

During Saturday's visit, tomato was found selling at Tk 55-Tk 60 a kg, down from its previous prices of Tk 80-Tk 90 a week earlier.

Green chili was selling at Tk 80-Tk 100 per kg, lower from the previous rate of Tk 120-Tk 160. Brinjal was priced at Tk 36-Tk 40, down from last week's Tk 60-Tk 80 per kg.

The FBCCI team found chickpea selling at Tk 52-Tk 55 against Tk 60 per kg a week ago.

Sales of edible oil by TCB at fair price from the beginning of Ramadan also helped its price ease, as the FBCCI chief shared his market expe-

rience with reporters.

Meanwhile, lentil maintained its previous high at Tk 105-Tk 110 a kg because of the item's scanty supply.

Pointing his fingers at sugar price, Huq lamented that traders do not go by the government rate.

In presence of a huge number of traders at the August 20 meeting with the commerce minister, the rates of some essentials including sugar were fixed.

Besides asserting adequate stock of potato with the cold storages countrywide, Faruk Khan at that time warned of the businessmen against any artificial crisis saying that the government will immediately import 50,000 tonnes of potato to ensure a stable market.

Khan said there is no reason to panic, as the stock of basic commodities in the local market is enough.

Defending the government move to fix commodity prices, Golam Mowla, general secretary to Moulvi Bazar Baboshayee Samity who was among the meeting attendees, said sugar price here is still low compared to international market price.

He also pointed to the item's scarcity in the neighbouring countries

because of its output shortfall internationally.

"The government should make a good stock of sugar right now to tackle any crisis in near future," Mowla suggested.

On lentil scarcity, he said traders could not import the item this year from India, as the neighbouring country slapped an export ban.

Imports from Syria and Turkey, the two other sources of the lentil importers, have also been badly affected this time because Kuwait has already purchased a huge quantity, Mowla pointed out.

He, however, said: "We are trying to keep the prices at consumers' tolerable level."

Meanwhile, FBCCI plans another market visit in two or three days in a bid to strengthen its monitoring drive.

Huq expects a further fall in commodity prices, but lays emphasis on the government's move to raise the supply.

The government yesterday started purchasing 1,000 tonnes of sugar through the TCB from Bangladesh Sugar Refiners Association to sell it to consumers at fair prices.

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