

Stocks

DGEN ▲ 0.01%
2,936.82

CSCX ▲ 1.58%
6,642.85

Asian Markets

MUMBAI ▲ 0.67%
16,123.67

TOKYO ▲ 0.70%
10,393.23

SINGAPORE ▲ 0.64%
2,660.91

SHANGHAI ▲ 1.71%
2,930.48

Currencies

	Buy Tk	Sell Tk
USD	68.42	69.42
EUR	96.35	101.41
GBP	109.92	115.33
JPY	0.72	0.81

SOURCE: STANDARD CHARTERED BANK

Commodities

Gold ▲
\$1,005.00
(per ounce)

Oil ▲
\$68.80
(per barrel)

SOURCE: AFP
(Midday Trade)

News in Brief

India's onion exports rise

PALLAB BHATTACHARYA,
New Delhi

Robust demand from Bangladesh and Sri Lanka helped bolster India's onion export in August to 1.51 lakh tonnes and arrest a slide in July after Pakistan cut down imports from India following a bumper output in that country.

Geographical proximity of Bangladesh with Indian ports has come to the rescue of Indian exporters as traders from Bangladesh are importing heavily from the neighbouring country, said a senior official of Agriculture Ministry.

India has exported 8.96 lakh tonnes of onions so far in the current fiscal year (2009-10) as against 7.81 lakh tonnes a year earlier, he said.

Gold price jumps above \$1,000

AFP, London

The price of gold rose above 1,000 dollars an ounce here on Tuesday, reaching the highest level for 18 months, as a weaker dollar fuelled demand for the metal, dealers said.

Gold hit 1,007.70 dollars an ounce on the London Bullion Market, the highest level since March 2008 when the metal had hit a record high of 1,032.70 dollars.

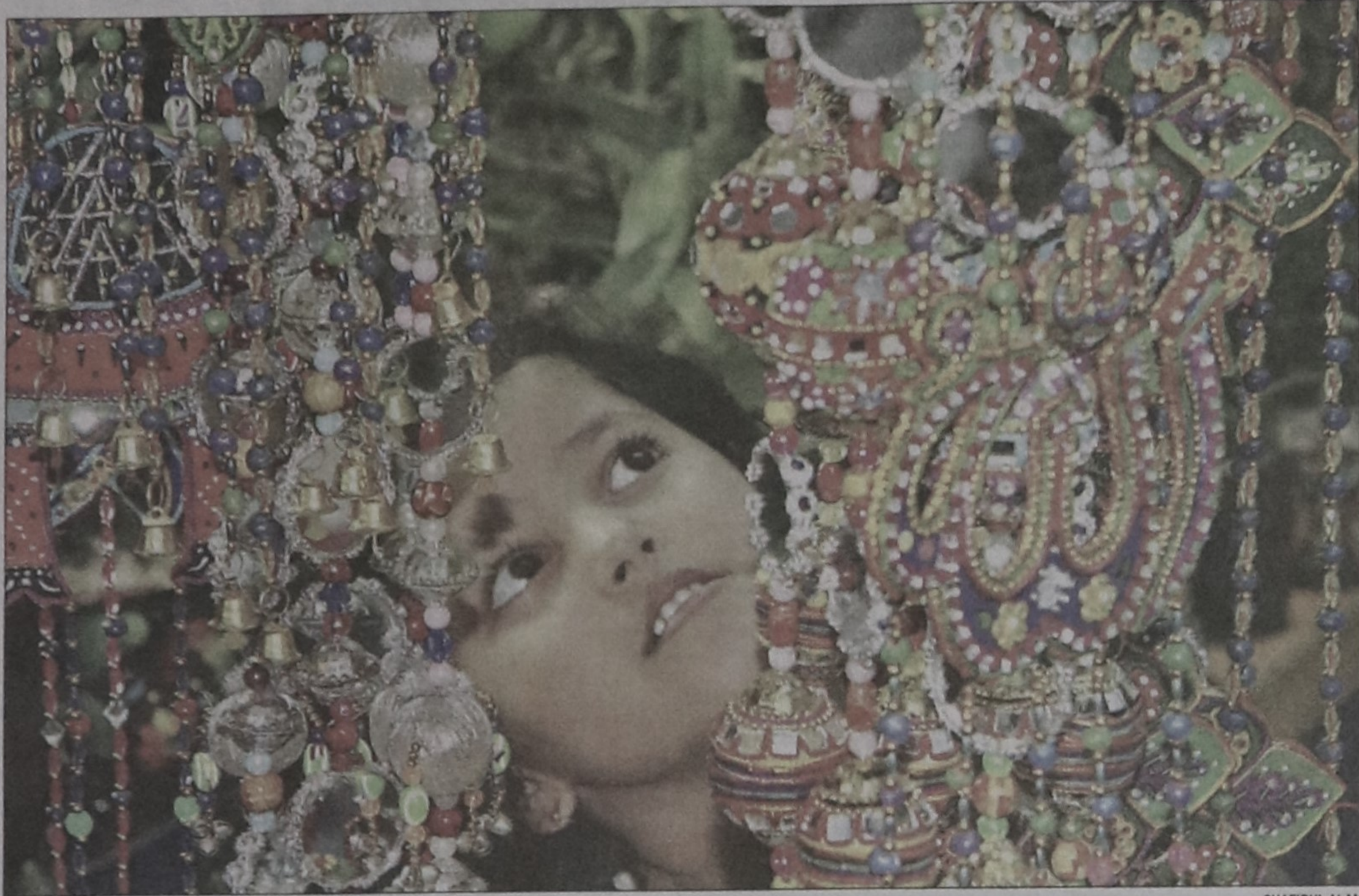
Gold last broke through 1,000 dollars in February before falling back.

The yellow metal rose on Tuesday as a falling dollar made the commodity cheaper for buyers holding rival currencies, pushing up demand.

Contact Us

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

EID OPENS DOORS TO A WORLD OF GIFTS



A girl takes a look at sparkling and stone-studded showpieces on display at Bashundhara City shopping mall in Dhaka yesterday. Along with new attires for Eid, home decorative pieces have also proved to be popular gift items among the urban population.

Infrastructure ranks among worst

Bangladesh's overall index brighter, says Global Competitiveness Report

STAR BUSINESS REPORT

Infrastructure in Bangladesh ranks among the worst in the world, securing only the 126th position in 133 nations, according to the Global Competitiveness Report 2009-10 released yesterday.

Bangladesh ranked 122nd out of the 134 countries surveyed last year. However, the country moved up 5 notches in the overall index, moving from last year's 111th position.

Bangladesh lags behind its South Asian neighbours: India ranked 49, a step better than last year, Pakistan remained unchanged at 101 and Sri Lanka stood at 79, down from last year's 77th position.

"The Global Competitiveness Report" (GCR) is an annual publication of the World Economic Forum (WEF). The Centre for Policy Dialogue (CPD), a partner organisation of the WEF, released the report at a press conference at its office in Dhaka yesterday.

Dr Debapriya Bhattacharya, distinguished fellow of CPD, briefed reporters on the Bangladesh part of the report presented by Khondaker Golam Moazzem, senior research fellow at CPD.

The private think-tank also released the 'Bangladesh Business Environment Study 2009' that it conducted simultaneously. Infrastructure is one of the 12 parameters taken into account for the report.

"The poor supply of electricity was the major concern for almost all respondents (98 percent)," the report says.

More importantly, a significant deterioration in the level of perception occurred in 2008.

"The caretaker government failed to narrow the yawning demand-supply gap in electricity, although a number of electricity generation projects, with a total capacity of 1,200 megawatts, were



Dr Debapriya Bhattacharya, distinguished fellow of Centre for Policy Dialogue, speaks at the launch of the Global Competitiveness Report 2009-10 in Dhaka yesterday.

initiated in 2007 and 2008," the report says.

The GCR shows more than 80 percent businessmen said infrastructure remained largely underdeveloped in 2008. They also said railroads and air transport facilities remain poor in the country.

Some 89 respondents (companies) with assets worth no less than Tk 10 crore were surveyed in the report, based on 2008 information.

"Bangladesh performs well in the worst group," said Bhattacharya.

"Infrastructure is the number one threat, even a more serious problem than corruption," he said.

Bangladesh can attribute advancements in the overall ranking to progress made in macroeconomic stability, government and other public institutions and improvements in the financial

market, despite global meltdown.

Most respondents said foreign direct investment (FDI) related rules were favourable to attract investment. Two-thirds of the respondents also said an access to bank finance with a good business plan is not enough.

On the business operation and sophistication index, over 60 percent of the companies found there was fierce competition in the local market.

Bangladesh did not demonstrate improvements in education, human capital and corruption indicators.

"Two-thirds of the respondents perceived government efforts to combat corruption and bribery as somewhat unsuccessful in 2008," the report shows.

Switzerland tops the overall

ranking in 'The Global Competitiveness Report 2009-2010', replacing the United States that slipped to the 2nd position this year. Only two Asian nations -- Singapore and Japan -- are in the top 10 positions while the remaining are all European nations.

The GCR is one of the world's most comprehensive and respected assessments of country competitiveness, offering insight into policies, institutions and factors driving productivity and then, enabling sustained economic growth and long term prosperity.

The rankings are calculated from both publicly available data and the Executive Opinion Survey, a comprehensive annual survey conducted by the WEF together with its network of partner institutes in the countries covered by the report.

DSE won't allow private firms to list directly

SARWAR A CHOWDHURY

Dhaka Stock Exchange (DSE) will not allow any private company to join bourses under direct listing system.

The DSE took the decision at a meeting yesterday.

No companies except the government-owned ones will be listed directly on the stock exchanges, according to a DSE press statement, which said the bourse took the decision for the interest of the market.

Meanwhile, Navana CNG Limited, a private company, yesterday completed sale of half of its shares, or 1.81 crore ordinary shares of Tk 10 each, under direct listing.

Navana CNG received a bonanza of around Tk 360 crore against only Tk 18 crore shares.

However the DSE decision will have to be accepted and permitted by the Securities and Exchange Commission (SEC).

Market analysts came down heavily on the DSE for taking such a move to bar the private sector companies from direct listing.

They said the decision will hinder the supply of new issues to the market.

"If any company makes a huge business through the existing direct listing method and if it seems that the rules are being abused, the rules should be amended," said Yawer Sayeed, managing director of AIMS of Bangladesh.

"But, no company should be barred from direct listing," he said.

A special committee formed earlier by the SEC had recommended for some amendments to the existing direct listing rules.

"But neither the SEC nor the DSE took initiatives to bring changes in the direct listing method based on the recommendation," said Sayeed, who was a member of the committee.

ICB Securities Trading Company and Sharp Securities, the selling agents for Navana CNG, said the sister concern of Navana Group received Tk 200 per share on an average.

Offloading of the CNG (compressed natural gas) conversion and re-fuelling company's shares started on the two bourses on August 30 under direct listing method, an alternative way of enlisting profitable companies that do not prefer IPO system.

"We have completed the sale of Navana CNG shares today [yesterday]," said Mozammel Haque, director of Sharp Securities, which sold 1.21 crore shares.

"It's the record lowest time for completing sale of shares under direct listing rules. No company was able to finish offloading shares within just seven trading days," he said.

The rest 60 lakh shares were sold by ICB Securities Trading Company.

"From our side, we have completed the sale couple of days ago," said Kazi Sanaul Hoq, chief executive officer of ICB Securities.

On the first day, price of Navana CNG shares rose as high as Tk 270 before closing at Tk 190.48.

However, the average prices of Navana shares were in between Tk 200 and Tk 205 in the last six days.

The bonanza could encourage other profitable companies to get listed with the stock exchanges, market analysts said.

They said the profitable companies that do not prefer existing IPO (initial public offering) method should take the direct listing facilities to go public.

The entrepreneurs will get the best value of their shares, as price of a security is determined by prospective investors directly in the secondary market under the direct listing method, the analysts said.

Before Navana CNG, five government entities -- Desco, Power Grid, Jamuna Oil, Meghna Petroleum and Titas Gas -- and two private organisations -- Shinepukur Ceramics and ACI Formulations -- were listed directly.

sarwar@thedailystar.net

Two new sectors to get cash incentives

STAR BUSINESS REPORT

Two new sectors and 15 commodities will enjoy 5 percent to 20 percent cash subsidy in the current fiscal year.

These sectors are finished leather and PET (polyethylene terephthalate) bottle.

In a circular to all commercial banks, Bangladesh Bank yesterday set the amounts of subsidy for the sectors.

The central bank circular also made it clear that subsidy for some sectors hit by global recession will continue this year.

The export-oriented local textile sector will get 5 percent subsidy, frozen fish 12.5 percent and leather goods 17.5 percent. Hoglea, fruits and goods made manually from leftover sugarcane will get 15 percent to 20 percent.

Agricultural goods and processed agri-products will get 20 percent, potato 10 percent, bicycle 10 percent, bone dust 15 percent, jute goods 10 percent, hatching eggs and chicks in the poultry industry and light engineering goods 10 percent, liquid glucose produced in Ishwardi EPZ 20 percent, fully halal meat 20 percent, finished leather 7.5 percent and PET bottle 10 percent.

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