

Stocks

DGEN ▲ 1.43%
2,995.38

CSCX ▼ 0.38%
6,649.41

Asian Markets

MUMBAI ▲ 0.31%
16,214.19

TOKYO ▼ 2.32%
10,202.06

SINGAPORE ▼ 1.54%
2,639.74

SHANGHAI ▲ 1.24%
3,026.74

Currencies

	Buy Tk	Sell Tk
USD	68.42	69.42
EUR	97.61	102.85
GBP	111.78	117.23
JPY	0.74	0.83

SOURCE: STANDARD CHARTERED BANK

Commodities

Gold ▼
\$995.17
(per ounce)

Oil ▼
\$68.45
(per barrel)

SOURCE: AFP
(Midday Trade)

News in Brief

Marico debuts tomorrow

STAR BUSINESS DESK

Marico Bangladesh Limited, a leader in fast-moving consumer goods, will make a trading debut on twin stock exchanges tomorrow.

The company, a subsidiary of Mumbai-based group Marico, received the listing approval from Dhaka Stock Exchange yesterday, the company said in a statement.

A listing agreement signing ceremony will be held on Wednesday at the DSE, where Milind Sarwate, chief of Finance, Human Resources and Strategy of Marico Group, will be present.

Earlier, Marico raised Tk 28.35 crore from public by offering 31.50 lakh ordinary shares at Tk 10 each. In addition to face value, the company raised Tk 80 in premium per share.

Magna to cut 10,500 jobs at Opel

AFP, Frankfurt

The co-head of Canadian auto parts maker Magna said Monday that it planned to cut 10,500 posts at loss-making German car maker Opel once it completes its takeover of the General Motors unit.

Co-chief executive Siegfried Wolf said his group, which agreed last week to buy a majority stake in Opel from General Motors, was sticking with plans to cut jobs at Opel and its sister brand Vauxhall in Britain.

Contact Us

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



A man, shopping bags in hand, walks with a child down the steps of Bashundhara City mall in Dhaka. With a week shy of Eid, people swarm to malls in a rush to complete their shopping needs. High-end boutiques have recorded a significant rise in sales.

Boutiques log sales mark-up

SAYEDA AKTER

High-end boutiques have recorded a 30 percent rise in sales in the final shopping days to Eid and Durga Puja.

With two major festivals awaiting back-to-back celebrations, traders are eyeing brisk sales of saris, salwar-kameez, fatuas and other clothes worth Tk 3,000 crore this season.

The upscale boutiques will account for 45 percent of the sales.

The government's move to extend shopping hours to 10pm for the month of Ramadan has also added extra enthusiasm to the sales rush.

Increased sales amid mounting demand have forced sellers to launch new stocks within a short span of time.

Amir Hossain Khan, chairman of

Bangladesh Dokan Malik Samity, said shop-owners are quite happy with customer response and expecting sales to further rise, prior to the two festivals.

"We are going to observe two major festivals in the span of a week. Along with the extended shopping hours, the shop-owners are experiencing inflated sales by around 30 percent," he said.

Khan said sales picked up the pace mainly after the first half of Ramadan, when most people received their festival bonuses.

Tamara Abed, director of Aarong, said their sales increased by 18 percent over last year.

Aarong is expecting sales worth Tk 70 crore this shopping season, said Tamara.

Shoppers' World, a plush mall in Gulshan, is also satisfied with sales, as it had to import a whole new lot to meet

demand.

"Our stock was sold out by the 13th Ramadan and then we had to import a new collection to meet growing demand," said Zaman Ahmed, manager of the mall.

"Shoppers want unique and trendy designs each season. The main reason behind our high sales is that we stock exclusive designs at lower prices," he said.

He said the mall's sales increased by 20 percent over the previous year and they are expecting sales worth around Tk 200 crore this season.

The mall is enormously popular among shoppers, as they sell imported items, like saris, salwar kameez and items for men and children. The mall has also offered a 20 percent rate of discount on several items to lure more shoppers.

Demand is high for items that have been popularised by famous Bollywood actors and soap operas. One such dress in high demand this season is the Massakkali, adorned by Bollywood actor Sonam Kapoor in the film Delhi 6.

Star World, a shopping mall in Gulshan, celebrated their first anniversary last week and logged satisfactory sales.

Other renowned boutique houses, including Kay Kraft, Anjans, OG, Fit Elegance, Nipun, Rang and Jatra, have also received warm responses from customers.

Traders expect that sales will rise to around Tk 250 crore during this festive season.

Even new boutique houses like Mansha are basking in high sales.

Farhana Taher, director of Mansha, started out her boutique only a few

weeks ago and is expecting brisk sales this season.

Mansha is expected to bag sales worth Tk 50 lakh this season.

Newly opened Zaara in Gulshan, focusing mainly on women's wear, is also expecting to kick off on a high note.

Men's wear sales are not far behind the hype over women's wear, prior to the festivals.

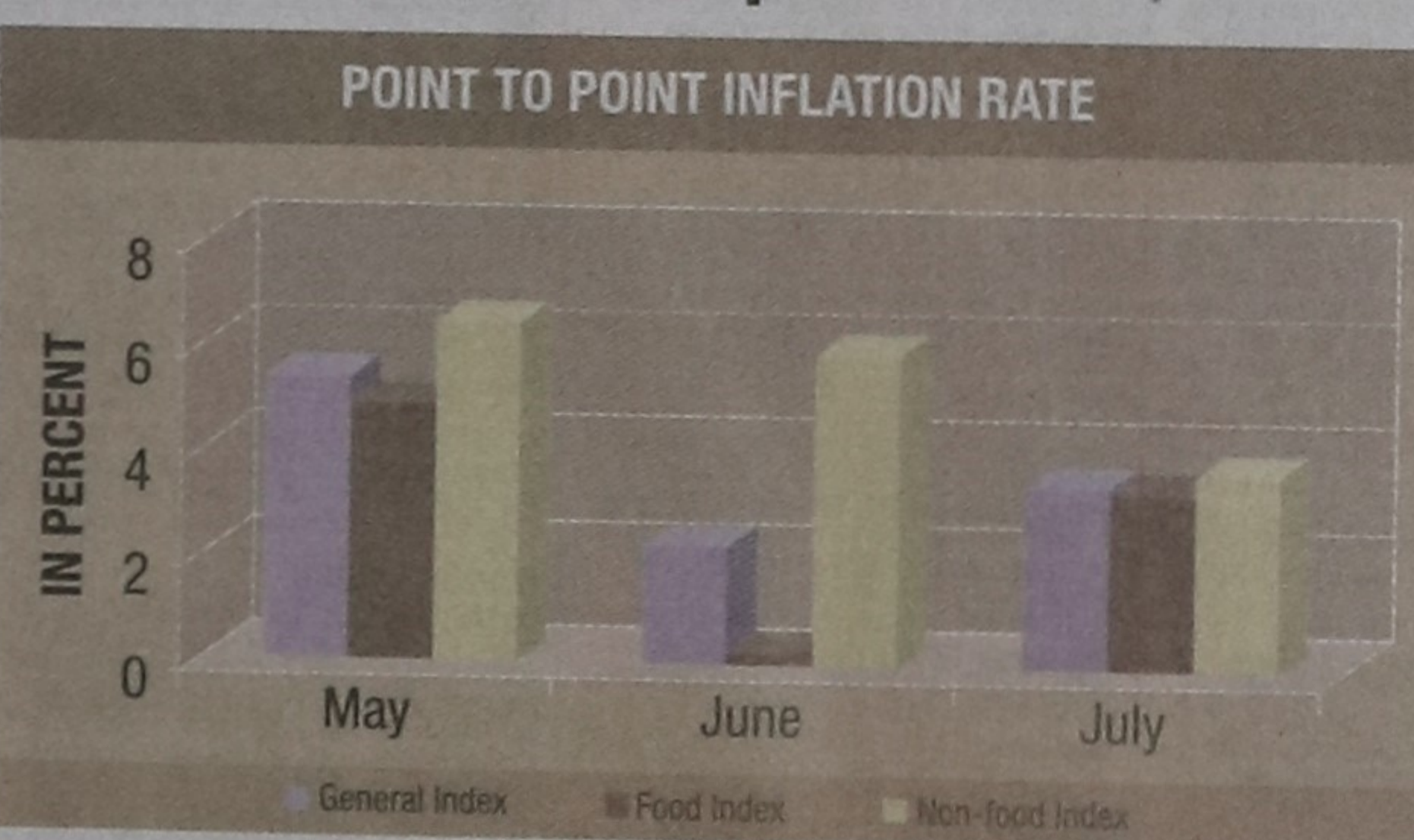
Sales of punjabis, fatuas, T-shirts, shirts and trousers have increased manifold.

Westecs, Artisti, Trendz and Cat's Eye, mainly catering to the youth, are vastly popular and a hit among fashion-conscious men of all ages.

Shahid Rashed, manager of Trendz (Banani outlet), said they are expecting sales worth Tk 100 crore before the festivals.

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Inflation on upward climb



REJAUL KARIM BYRON

Inflation jumped in July on a point-to-point basis mainly because of soaring food prices.

The rise breaks with low inflationary pressure that continued through June this year.

Experts blame volatility in the international commodity markets for the rise in the inflation rate.

According to Bangladesh Bureau of Statistics (BBS), inflation jumped to 3.46 percent in July from 2.25 percent in June.

Food inflation increased to 3.34 percent in July from 0.25 percent in June. However in case of non-food items, the rate was down to 3.74 percent in July from 5.94 percent in June.

People in urban areas faced extra inflationary pressure for food compared to rural people. Inflation rate in urban areas reached 4.14 percent in July, which was 0.71 percent in June. In rural areas, the inflation rate was 2.99 percent in July, up from 0.05 percent in June.

Zaid Bakht, research director of Bangladesh Institute of Development Studies, said although the domestic supply side was not in a bad shape, volatile commodity prices in the international markets have added to the inflationary pressure.

"The government should monitor the global market on regular basis so it (the government) can make a buffer stock by importing essentials when the prices are low in the international market," he said.

Citing the recent price hike of sugar and edible oil, he said such a situation could have been contained, had the government stored the items earlier when their prices were low in the global market.

He said the global commodity prices went down significantly in July 2008 due to recession, but the prices then went up in July 2009 as economic crisis began to ease.

So the increased prices of essentials in the global market in July 2009 had an impact on Bangladesh's commodity market, Bakht said.

"The government should increase production capacity to rein in inflation," suggested Uttam Kumar Deb, head of research at Centre for Policy Dialogue (CPD).

He said the government should take measures to minimise production cost. "Fertiliser price cut could be a way to reduce production cost," said Deb.

Inflation crossed a record 12 percent in fiscal 2007-08 during the regime of the last caretaker government. Food inflation also soared to 14 percent during the period.

The caretaker government faced a high inflation because of an abnormal price hike of oil (petroleum) and food items in the international market. The inflationary pressure also mounted then by lower domestic production of crops caused by cyclones and floods.

According to Trading Corporation of Bangladesh, prices of most of the essentials increased in the last one month.

Changes in stimulus likely

Economy will be back on track by year-end: Muhith

STAR BUSINESS REPORT

Finance Minister AMA Muhith has hinted at bringing about some changes in the government's stimulus package announced for some recession-hit sectors, if necessary.

While responding to queries in parliament yesterday, the minister said the taskforce, formed with an aim to weather out fallout from the financial crisis worldwide, will review the package execution in its next meeting Thursday.

On investment sluggishness, Muhith pointed his finger at the global economic meltdown.

"We must admit that investment is not taking place properly in many cases because of recession and we will not be able to come out of the current situation easily," he told the House.

The present excess liquidity in banks shows that the country's economy is not on track, he said.

The minister figured out a Tk 347.62 billion surplus liquidity in June 2009, while it was Tk 129.89 billion in the same month a year earlier.

An uncertainty that loomed over the investment scenario also led to a little slump in private credit flow, he further informed lawmakers.

"It's not because of our monetary policy," Muhith told a questioner.

The minister, however, shared his

hope with fellow Awami League lawmaker Abdul Mannan that a better situation is at the year-end.

"The investment situation may take a positive turn once the government goes for PPP (private-public partnership) implementation," he said.

In this context Muhith identified power and energy constraint as the main impediment to investment.

The finance minister also placed a comparative study of state-run and private banks with regard to deposits and disbursement of loans, showing a poor performance by the state banks.

Up to June 2009, state bank deposits reached Tk 83,992.01 crore, while the amount of loans was Tk 49,501.58 crore. The loan against deposit in the state-run banks was 58.94 percent, Muhith told the parliament.

During the time, deposits in private banks stood at Tk 160,015.84 crore and loans Tk 138,776.39 crore, he said, figuring out loans against deposits at 86.73 percent.

He also pointed to more transactions in private banks than in state banks despite a higher interest the private banks charge.

Quality and quick modern services, diversified banking products and prompt disposal of loan applications are some factors that contributed to the rise in consumers in private banks, the minister said.

On new pay scale, Muhith said the

recommendations the National Pay Commission put forward in line with basic needs of life, inflation, social status and ethical values of public servants will be implemented soon.

He also made it clear that salary of every public servant will be raised.

He further informed the House that currency notes inscribed with the portrait of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman will hit the market soon.

In reply to a query of AL lawmaker Zobeda Khatun, the minister said a national tax tribunal is on the card, which is likely to pick up district judges to run it.

"There is no plan to run mobile courts for raising the number of income tax payers," he said, adding that the present number of such tax payers is around 23 lakh and of them around seven lakh submit their returns regularly.

However, the minister pointed to the fact that the government has already started survey work to net more income tax payers.

He turned down any speculations on appointment of district judges for the tax appellate tribunal replacing the members of National Board of Revenue.

The minister also expressed his firmness to draw a curtain on the culture of people's harassment, building up a positive image of tax officials.

3-day bank holiday

STAR BUSINESS REPORT

Scheduled banks in the country and the central bank will remain closed for three days, September 20-22, on account of Eid-ul-Fitr, Bangladesh Bank said in a statement yesterday.

Trading on the Dhaka Stock Exchange and Chittagong Stock Exchange will remain closed for nine days, September 18-26, on the occasion, according to official information.

Transactions on the two bourses will resume on September 27.

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