

DHAKA WEDNESDAY OCTOBER 28, 2009

think electronics... think DIGITAL



Stocks
DGEN ▼ 0.88% 3,311.99
CSCX ▼ 0.51% 7,214.66

Asian Markets
MUMBAI ▼ 2.31% 16,353.40
TOKYO ▼ 1.45% 10,212.46
SINGAPORE ▼ 0.81% 2,694.50
SHANGHAI ▼ 2.83% 3,021.46

Currencies	
Buy Tk	Sell Tk
USD 68.60	69.60
EUR 100.22	105.50
GBP 110.09	115.54
JPY 0.73	0.79

SOURCE: STANDARD CHARTERED BANK

Commodities
Gold ▼ \$1,040.00 (per ounce)
Oil ▼ \$78.77 (per barrel)

SOURCE: AFP (Midday Trade)

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Kazi & Kazi launches new tea brands

STAR BUSINESS REPORT

Kazi & Kazi Tea, a sister concern of Jemcon Group, is set to market two new brands next month to strengthen its foothold on the local market.

Organic Green Tea and Tulsi Tea will hit the market on Sunday, Anis Ahmed, chief executive officer of Kazi & Kazi Tea, said in a news briefing at Dhaka Sheraton Hotel yesterday.

"Both brands are first of its kind in Bangladesh," said Ahmed.

Bangladesh was once a major tea-exporting country, but the exports are being squeezed by a rapid rise in local consumption. Over 90 percent of 50 million kg annual production is consumed domestically.

Big businesses are coming in to grab the market of over 150 million consumers.

"Local demand is rising at a double-digit rate," said Ahmed.

Retail prices of both new brands are fixed at Tk 88 for 40 tea bags in a packet, according to the company's officials.

Kazi & Kazi has a sprawling tea estate on 800 acres in Panchgari. The company has exported 30,000 kg tea in 2008 and is now planning to ship 50,000 kg next year.

Deadline looms over automated clearinghouse

SAJJADUR RAHMAN

Banks are lagging in upgrading their systems to be compatible with Bangladesh Bank's automated clearinghouse that is expected to take off on November 8.

The central bank had earlier marked August 3 for introducing the automated clearinghouse, aiming to facilitate daily payment systems by using modern technology. Later, the deadline was extended to November 8 because of the banks' poor preparation.

Despite BB's persuasion over the past two years, many banks are still not ready to adopt the new system, according to an inspection report by BB.

The report found most banks are yet to issue magnetic ink character recognition (MICR) chequebooks and select vendors to set communication links, and hardware and software that are crucial to the system.

BB Governor Dr Atiur Rahman also expressed displeasure over the banks' poor preparations at a meeting on September 27 with the chief executive officers of all banks.

"This is a complicated matter. Also there are many stakeholders involved, including the government," Chowdhury Mohidul Haq, executive director of the central bank told The Daily Star.

At the existing pace, only 30 out of 49 banks will be able to adopt the system within the BB set second deadline. But the central bank wants all the banks to come under the network at the same time.

"BB is ready from its end," said Haq.

He mentioned that even testing the system would take time because of its complexities.

"I am confident that we will be able to launch the system in Dhaka on a pilot basis from March 2010," the BB executive director said.

The central bank moved to introduce the system as the existing transaction settlement method takes time.

Under the new system, payments will be settled using an automated cheque-clearing system with electronic fund transfer among 1,050 bank branches in Dhaka initially. The services will be extended to division and district level branches in phases by 2010.

Cash and cheques are the two major mediums of transactions in the country. Of these, cheques dominate in terms of value of payment. Cheques are settled through BB clearinghouses and the state-owned Sonali Bank.

According to BB officials, the existing clearinghouses settled over two and a half crore-payment instruments worth nearly Tk 4,50,000 crore in 2008. The system takes up to 10 days per cheque depending on the location of the bank branches.

Halal Ahmed Chowdhury, managing director of Pubali Bank, said his bank is preparing itself in line with the BB schedule.

"We have selected vendors and are issuing MICR chequebook to our clients," Chowdhury said.

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SEC urges Ctg giants to offload shares

STAR BUSINESS REPORT

On the back of a bull-run market, the Securities and Exchange Commission (SEC) chief yesterday urged Chittagong-based entrepreneurs to list their companies, as there is a dearth of quality shares.

"Here in Chittagong, many big entrepreneurs are running their businesses. They can raise funds from the market or offload a portion of their shares in the stock exchange," Ziaul Haque Khondkera said.

Inaugurating the Third CSE Capital Market Fair at the Chittagong Club auditorium, he said his organisation will extend all out support to maintain the capital market growth.

Chittagong Stock Exchange organised the two-day fair.

Although some big companies from the region such as S Alam Group and BSRM are listed, there are many others yet to be listed.

PHP, KDS, Mostafa Group and BSA are some of the big Chittagong giants that are not listed with the stock exchanges, although they often borrow from the banking sector or other financiers.

A supply of high quality shares is necessary to bring stability in the market, the SEC boss said.

Khondker said the market underwent a number of reforms on the regulatory front as well as in operational aspects in the last few years.

"In recent times, young and educated investors are entering the market, showing bright prospects," he said.

He said in a span of just four to six months, the number of active Beneficiary Owner's (BO) accounts increased to 18 lakh from 12 lakh.

The SEC chief said, "We need to concentrate on retaining trust and confidence the investors demonstrated by providing quality services to them."

He also called upon investors to take

decisions based on accurate information, which is now readily available, and not based on rumours.

Dhaka Stock Exchange President Rakibul Rahman expressed his disappointment over the government's reluctance in offloading shares of the state-owned enterprises (SOEs).

More shares of SOEs need to be offloaded immediately to increase shares in the shallow market, he said. "If the government does not offload more shares right now and the market goes to a heated position before a crash, the bourses will not take any responsibility."

By 2010, he said, the daily average turnover will go up to Tk 3,000 crore from the current Tk 1,000 crore.

CSE President Nasir Uddin Ahmed Chowdhury said: "Our market is mainly based on equity and an equity dominated market is risky to some extent. We need to introduce new products to minimise risk."

"The bond market needs to be activated along with the equity-based market," he said.

He said local entrepreneurs often hesitate to come to the market as they fear they will be denied fair prices.

"But with the introduction of a book-building method, a modern price discovery system, private sector entrepreneurs will get fair prices," Chowdhury said.

The CSE president said the capital market can play an important role in industrialisation and employment generation. The strength and depth of the country's capital market is sufficient to provide financial support to large development projects like the Padma Bridge, civil aviation and power sectors, he observed.

A total of 30 institutions, including CSE Brokerage firms, merchant banks, leasing companies, banks and other CSE listed companies are participating in the fair.

GP IPO lottery today

STAR BUSINESS DESK

Grameenphone's lottery for allotment of initial public offerings will be held today at Bangabandhu International Conference Centre in Dhaka.

The lottery results will also be available through sms, the mobile phone operator said in a statement.

Share applicants, using other operators except GP, can also check the result through their handsets.

GP subscribers can log in wap.gpworld.com and should register to this service by sending 'Bull reg' to 4636.



Peter Clasen, left, head of OAV-German Asia-Pacific Business Association mission to Bangladesh, speaks, while Abdul Hafiz Choudhury, second from left, president of Metropolitan Chamber of Commerce and Industry, looks on at a programme in Dhaka yesterday.

MCCI pitches energy sector to German investors

STAR BUSINESS REPORT

business prospects in solar energy and environmentally protective coal-based power plants.

The MCCI president's call came as Bangladesh suffers from an average 900MW of electricity shortage daily against the maximum generation of about 3,800MW with stakeholders saying economy might grow faster if power crisis could have been solved.

Bangladesh economy, spurred by growth in exports, remittance and rising domestic demands, grew more than 6 percent per year before the global financial turmoil.

Economy however grew 5.9 percent in fiscal 2008-09.

The government, according to the MCCI president, offers incentives like 15-year tax holiday to private sector electricity producers to accelerate the growth of the economy by addressing

power shortage.

"Incentives provided to the power sector investors are excellent and any investment in this sector will enjoy a win-win situation," said Choudhury.

He also invited German investors to tap business potentials in other infrastructure projects such as port, transport and communications, especially under public-private partnership.

"We feel that potential of the commercial relationship between our two countries can yield mutually beneficial results if German investments can be attracted to Bangladesh," the chamber president said.

Such investment can ensure production of goods and services, which have demand in Bangladesh and the prospects for export to third countries with the advantage of LDC tariff benefits, he said.

RELATED STORY ON B3

* This communication appears as a matter of record only

 Kazi Farms Group

Kazi Grand Parents Limited

BDT 1,850,000,000

Syndicated Term Finance and Working Capital Facility

Participants

Bank Asia Limited
BRAC Bank Limited
Commercial Bank of Ceylon Plc.
Dhaka Bank Limited
Dutch-Bangla Bank Limited
Eastern Bank Limited
HSBC
ICB Islamic Bank Limited
IFIC Bank Limited
Mercantile Bank Limited

Mutual Trust Bank Limited
National Bank Limited
One Bank Limited
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Pubali Bank Limited
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