

DHAKA TUESDAY NOVEMBER 17, 2009

Stocks
DGEN <span style="color: green;">▲ 2.61%</span> 4,148.12
CSCX <span style="color: green;">▲ 1.63%</span> 7,442.76

Asian Markets
MUMBAI <span style="color: green;">▲ 1.09%</span> 17,032.51
TOKYO <span style="color: green;">▲ 0.21%</span> 9,791.18
SINGAPORE <span style="color: green;">▲ 2.08%</span> 2,783.85
SHANGHAI <span style="color: green;">▲ 2.74%</span> 3,275.05

Currencies	
Buy Tk	Sell Tk
USD 68.50	69.50
EUR 100.89	105.80
GBP 112.50	117.99
JPY 0.75	0.81

SOURCE: STANDARD CHARTERED BANK

Commodities
Gold <span style="color: green;">▲</span> \$1,131.70 (per ounce)
Oil <span style="color: green;">▲</span> \$76.86 (per barrel) (Midday Trade)

SOURCE: AFP

## Contact Us

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

## Bangladesh to get \$12m ADB fund for tourism

UNB, Dhaka

Asian Development Bank (ADB) yesterday decided to provide \$57.5 million for development of tourism infrastructure in three South Asian countries: Bangladesh, Nepal and India.

In a statement issued from its Manila Headquarters, ADB's Board of Directors approved \$57.5 million in grants and loans for the South Asia Tourism Infrastructure Development Project.

Of the fund, India will receive a loan of \$20 million equivalent from ADB's ordinary capital resources. Nepal will receive a grant of \$12.75 million, and a loan of \$12.75 million equivalent, both from ADB's concessional Asian Development Fund (ADF). Bangladesh will receive a \$12 million equivalent ADF loan.

The project will develop and improve infrastructure and services for key tourism sites in the three countries.

"Tourism plays an important role in the regional economy and this project will benefit around 2.4 million people through increased income and employment, health and environmental improvements, and reduced travel time," said Gülfen Cezayirli, principal urban development specialist in ADB's South Asia Department.

ADB hopes it will also help increase the capacity of sector agencies to sustainably manage and protect sites, and will target increased involvement by local communities in tourism.

It observed that efforts by Nepal, India and Bangladesh to take advantage of the tourism potential of their rich natural and cultural attractions, including many of the world's major Buddhist sites, are getting support from the ADB.

# GP soars on debut

Shares close up 153pc, compared with offer price; DGEN jumps 22pc

## STAR BUSINESS REPORT

It was Grameenphone that stole the show yesterday. Its share trade debut on bourses set a milestone.

On Dhaka Stock Exchange, each Grameenphone share opened at Tk 160 and rose as high as Tk 195. It closed up 153 percent at Tk 177.30, compared with the IPO price of Tk 70 each.

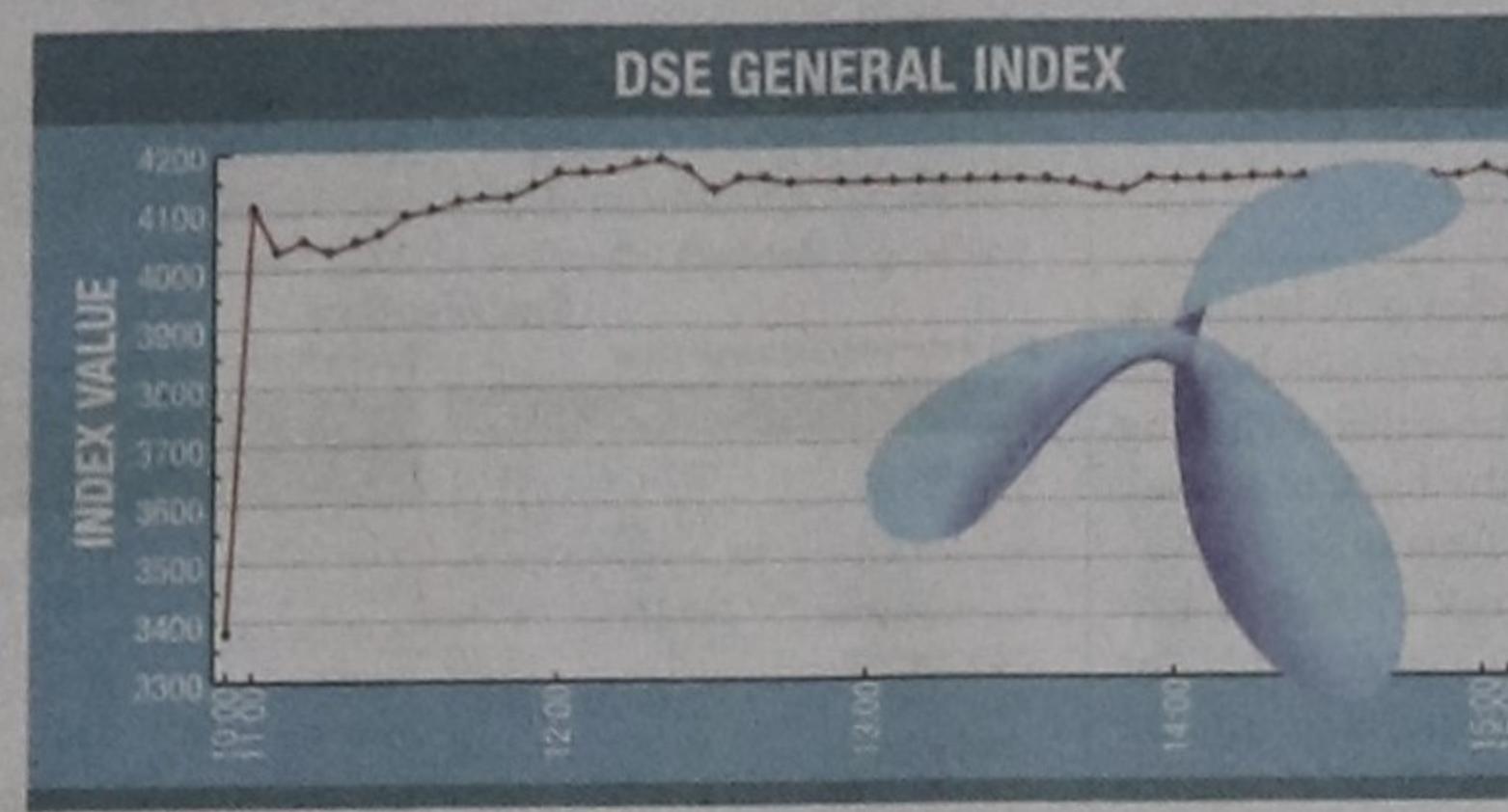
It was a long way to have Grameenphone in the market. Although Grameenphone's listing was expected to complete in July 2008, its share trading started around one and a half years later because of several challenges, including global economic downturn and revision of IPO size.

Riding on the trade of Grameenphone shares, the Dhaka bourse witnessed the highest-ever single day jump in indices and in the total market capitalisation.

However on the Chittagong bourse, Grameenphone shares did not impact indices, as their adjustment method is different from the bourse in the capital.

The most significant feature is that Grameenphone joined the stock market with the largest-ever issue having 13 crore ordinary shares of Tk 10 each. However, the offer price was Tk 70 per share, of which Tk 60 was premium.

The benchmark index of Dhaka Stock Exchange, DSE General Index (DGEN), skyrocketed by more than 764 points, or more than 22 percent, of which Grameenphone alone added 717 points. With the landmark jump in the key indices, the DGEN crossed 4,000-mark for the first time and finally closed at 4,148.11 points.



The broader DSE All Share Price also shot up by 600.08 points, or 21.18 percent to 3,432.33.

Total market capitalisation jumped to Tk 1,76,384 crore from Tk 1,50,336 crore on Sunday, showing more than 17 percent jump over the previous day.

The market capitalisation reached Tk 23,940 crore as per yesterday's closing price.

Market capitalisation represents the aggregate value of a company or stock. It is obtained by multiplying the number of shares outstanding by their current price per share.

A total of 74,30,400 GP shares worth Tk 132.22 crore were traded on the premier bourse, making the cell phone operator the top turnover leader.

"These were expected," Satipati Moitra, acting chief executive officer of DSE, told a press meet after the trading hours.

He said it is the largest public offering in the history of Bangladesh capital market, and now it is the biggest-ever issue that is being traded on the market.

"The jump in the index was normal and there is nothing to be worried with huge fluctuation in

the index," Satipati said.

Market experts also said the market was very much stable, although there was a fear that a mega size issue like GP would put some negative impact on the market.

"Increase in share prices in other sectors showed Grameenphone did not cast any negative impact on the market. It will not only increase the confidence about the market, but also proved that our market is ready to absorb any kind of security," Arif Khan, deputy managing director of IDLC Finance, told The Daily Star.

Trading debut of Grameenphone shares is definitely a milestone for Bangladesh capital market, he said, adding that other big companies will also be encouraged to be listed on the stock exchanges.

"Inclusion of a largest corporate body like Grameenphone will have a positive impact," he said.

The leading mobile phone operator raised Tk 486 crore through initial public offerings (IPO) and another Tk 486 crore through pre-IPO or private placement.

Thousands of investors were found crowding in front of trading

## GRAMEENPHONE BY NUMBERS

Year of incorporation	October 10, 1996
Year of commencement	March 26, 1997
Main business	Telecom
Authorised capital	Tk 40,000m
Offer price (Tk)	Tk 70
Face value (Tk)	Tk 10
Market lot (shares)	200
Sponsors portion (shares)	1,215,174,797
Public offer (shares)	69,439,400
Private placement (shares)	65,685,800
Post-IPO paid-up capital	Tk 13,503m
Profit after tax (as on September 30, 2009)	Tk 6,523.80m
Earnings per share (EPS) as on September 30, 2009 (Reported by the company)	Tk 5.37
Dividend for the last accounting year	13 percent cash
December 31, 2008	

stations to place sale or buy orders on the trading screens for Grameenphone shares.

Some brokerage houses even cancelled taking buy and sale order for shares over telephone, a common phenomenon, for yesterday.

"Investors' presence is so high that our operators are passing a tough time to place sale and buy orders," said a DSE broker during the trading hours.

Norway's telecom giant Telenor owns Grameenphone's 62 percent stakes, while the rest is owned by local Grameen Telecom.

Grameenphone is the most profitable mobile phone operator in the country, with its revenue expecting to hit billion dollars mark by the year-end.

On the DSE yesterday, a total of 2,91,40,544 shares and mutual fund units changed hands. Of the traded securities, 192 advanced, 37 declined and one remained unchanged.

## Hasina's Delhi visit may win greater market access for Dhaka

PALLAB BHATTACHARYA, New Delhi

India is set to unveil a package of unilateral concessions to give greater market access to Bangladesh products during Prime Minister Sheikh Hasina's visit here.

Officials here said Sunday that India is likely to prune the negative list of goods as far as import from Bangladesh is concerned as well as cut duties on certain importables from that country.

India may announce an increase in the quantum of garments to be imported from Bangladesh from 0.8 million pieces a year, as agreed upon earlier.

The concessions on the trade front is going to be the most important development from the point of view of Bangladesh which has over the years been insisting on narrowing the trade imbalance tilted heavily in favour of India.

The goods India proposes to take off its negative list for Bangladesh and the duty cuts to be offered are being negotiated by the two countries and they will be without any condition of reciprocity from Bangladesh, Delhi officials say.

The orders for trade concessions as also India's decision to grant transit to Bangladesh's trade with Nepal and Bhutan are understood to have come from the highest quarters in India as officials believe it is for the first time that while Congress is in power in India and Awami League rules Bangladesh at the same time.

There is realisation in the Indian government that given the close contacts between Congress and Awami League since long, this is the proper time that relations between the two countries now ruled by them should be taken to a new height through mutual accommodation.

The imprint of Indian Prime Minister Manmohan Singh, an economist of international repute, on the tone and tenor of relations with Bangladesh will be clear particularly with regard to India's unilateral concessions as he has been a passionate votary of India's neighbourhood diplomacy through economics.

## Cement makers look to brighter days

KAWSAR KHAN

Local cement makers see bright prospects for the days to come as the government plans to embark on some big civil engineering projects in Bangladesh, including the Padma Bridge.

Some local companies are enhancing their production capacity, as domestic demand has consistently been on the rise for the past few years, except for 2007, along with increasing government initiatives, sector people said.

The government plans to complete construction of the 6.15-kilometre long Padma Bridge, which will be the largest civil engineering project of Bangladesh, and Dhaka-Chittagong express highway in its tenure.

The government's plans to set up several flyovers in Dhaka under the strategic transport plan and build 142 bridges across the country are expected to bring vibrancy to the cement sector.

"As local companies have improved a great deal in the last few years, construction firms are now collecting cement from local sources for big public projects," said Gopal Krishna Bagchi, a researcher and development official of Shun Sing Group, which manufactures the Seven Rings brand cement.

The sector people said local cement was used in a few recent public construction projects, including the Bhairab Bridge, and the Sixth Bangladesh-China Friendship Bridge (Mukterpur Bridge) in Munshiganj.

But local cement makers were not in the same condition 10 years ago.

During the construction of Bangabandhu Bridge on the Jamuna river, the constructing firm -- Hyundai Engineering and Construction Co Ltd -- had to set up a cement factory of its own to ensure cement supply to the mega project.

The local cement sector has since come a long way, meeting domestic demand and exporting to neighbouring countries.

Presently there are 30 operational cement companies that can produce around 20 million tonnes of cement a year against a demand for 8.5 million tonnes.

"Assuming high domestic demand in future, we are expanding our production capacity to meet requirements" said Bagchi.

An official of Holcim (Bangladesh) Ltd said the company was also expanding its production capacity by 0.6 million tonnes due to consistent consumption and export growth.

"Cement consumption in Bangladesh is expected to witness growth of 13 percent in 2009, rising from 8 percent last year," said Shankar Kumar Roy, general manager of Business Development of Holcim.

Mostafa Kamal, president of Bangladesh Cement Manufacturing Association, said though cement consumption is growing, local manufacturers have to keep a large portion of their factories idle, as "local factories will be able to produce in full swing when those public construction works begin".

Kamal urged the government to give local cement manufacturers the same facilities as for the foreign companies for supplying cement to the public projects.

During construction of Bangabandhu Bridge, the government offered duty free facilities to the constructing firm to import machinery and raw materials for cement.

"All cement companies might not be able to supply cement to big public projects for not having large production and supply capacities," Bagchi said.

Bangladesh exports around 12,000-14,000 tonnes of cement a month, mainly to India.

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