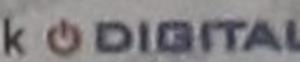


DHAKA FRIDAY NOVEMBER 20, 2009

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Asian Markets
MUMBAI  1.25% 16,785.65
TOKYO  1.32% 9,549.47
SINGAPORE  0.50% 2,758.79
SHANGHAI  0.53% 3,320.61

Currencies
Buy Tk Sell Tk
USD 68.50 69.50
EUR 100.39 105.68
GBP 112.52 118.01
JPY 0.75 0.81

SOURCE: STANDARD CHARTERED BANK

Commodities
Gold  \$1,136.13 (per ounce)
Oil  \$79.12 (per barrel) (Midday Trade)

Contact Us

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

France moves to raise 35b euro 'grand loan'

AFP, Paris

France on Thursday unveiled plans for a 35-billion-euro national loan to fund investments that will propel growth even as it faces European demands to rein in its ballooning deficit.

At an Elysee ceremony, President Nicolas Sarkozy received a report on the "grand loan" from a special commission set up to outline priorities for the massive borrowing and determine its size.

France hopes to leave its year-long recession far behind with the loan that the report said should total 35 billion euros (52 billion dollars) despite calls from some lawmakers for up to 100 billion euros to be raised.

Led by former prime ministers Michel Rocard and Alain Juppe, the commission zeroed in on seven investment priorities, with the lion's share -- 16 billion euros -- to be spent on universities and research.

BB proposes Commerce Bank reforms

REJAUL KARIM BYRON

The central bank has recently sent a proposal to the government to reorganise the ailing Bangladesh Commerce Bank (BCB).

Bangladesh Bank (BB) initiated the move because the bank failed to improve its performance in the past 12 years.

However, bankers and private shareholders of the bank asked the government to hand it over to the private sector to improve its condition.

The BB sent a four-point proposal that included raising the capital to Tk 400 crore and increasing the paid up capital from the present Tk 92 crore.

Secondly, the central bank recommended selling a substantial number of the bank's shares to strategic partners as per banking laws.

Thirdly, the bank may be merged with any other bank and finally, the BB suggested the government sell its shares to the private sector.

"The bank could not improve its performance despite BB's strict

Doubt over benefit from Nepal rail link

Analysts emphasise two-way transit, use of Chittagong and Mongla ports by the Himalayan country

SAJJADUR RAHMAN

A rail transit between Bangladesh and Nepal, as desired by India at the foreign secretary level talks in Dhaka, could only be fruitful if Nepal is given a go-ahead for external trade through the use of Bangladesh's Mongla and Chittagong ports, say analysts.

"This is not very clear whether Nepal will be allowed to use Bangladesh ports for its exports and imports," said Dr M Rahmatullah, a noted transport expert and former director (transport) of the UN Economic and Social Commission for Asia and the Pacific (Ecap).

No side will benefit from the proposed transit facility unless the Himalayan landlocked country does its foreign trade via Bangladesh, viewed Mustafizur Rahman, executive director of the Centre for Policy Dialogue (CPD).

"What I have understood from the talks it must be a two-way traffic and Nepal should be allowed to go to a third country via Bangladesh," said Rahman of the private think tank.

Although Bangladesh and Nepal had signed a transit agreement in 1976 for boosting bilateral trade, it could not be implemented, as India did not allow its territory to be used for passage at that time.

Both Bangladesh and Nepal have to use Indian territories for road or railway connectivity between them.

Early this week Delhi's foreign secretary Nirupama Rao talked Bangladesh-Nepal railway link issue with her Dhaka counterpart. Both sides hinted at a likely deal in this regard during the upcoming visit of Prime Minister Sheikh Hasina to India next month.

Both Rahmatullah and Rahman -- the two trade and transport experts -- pointed to the existing treaties where Bangladesh is allowed for bilateral trade with Nepal and Bhutan on road. But Dhaka and Kathmandu have been seeking railway link for years to make the trade useful, they said.

Rahmatullah, who also led a regional study on multimodal transport system, sees no benefit from the pro-

posed railway transit if not Nepal allowed external trade through Bangladesh's sea ports.

"The recent Dhaka-Delhi talks did not match what we expected," he said in his reaction.

However, Mustafizur Rahman thinks Nepal will be allowed to do external trade via Bangladesh.

Ananya Raihan, another trade expert, also said one-way transit will not benefit any country.

But he laid more emphasis on regional connectivity than any bilateral one.

"Why the transit issue with Nepal is seen separately bypassing the regional transit," Raihan questioned.

Two-way trade between Bangladesh and Nepal was nearly \$80 million in 2008-09 fiscal. Of which Nepal's exports were about \$70 million.

Meanwhile the Bangladesh Railway (BR) is working on to find out the most convenient route for rail transit to Nepal after India's positive response, officials said.

"If Dhaka could sign deals with Delhi and Katmandu on Chilahati-Haldibari as the transit point on Bangladesh-India border, it would be most convenient for rail passage," said a senior BR official.

India's Joghani station on the Nepal border is just 35 kilometres away from Chilahati in Bangladesh. The station is also close to Bhutan.

On the other hand, the Rohanpur-Shinghabad border point, which India appears to have settled as a possible transit point on its border, is more than 150 kilometres away from Joghani station.

"We have identified Chilahati-Haldibari transit point as the best rail route to Nepal, but it depends on government decision," the official said.

He said Bangladesh will have to build eight kilometres of new broad gauge track, while India needs to build three kilometres on its territory for the proposed route.

The Bangladesh Railway had broad gauge track up to the border with India there, but the link was removed some years ago, he added.

sajjad@thedailystar.net



Moscow Mayor Yuri Luzhkov welcomes Nobel laureate Muhammad Yunus at the mayor's office in the Russian capital on November 16. Yunus visited the city at the invitation of the Russian Microfinance Centre.

Moscow to follow Yunus in social business

STAR BUSINESS DESK

Mobile phone networks in Bangladesh added only a million customers in October, showing a slowdown in trends compared to the month earlier.

Industry insiders said customer acquisition dropped because attractive packages from telecom operators were not available.

The total mobile subscriber base reached 51.4 million in October from 50.4 million in September, according to Bangladesh Telecommunication Regulatory Commission (BTRC) statistics.

Of the six mobile operators, the top three operators added 0.89 million customers in October. The market's third largest operator AKTEL added 0.43 million, followed by the market leader Grameenphone that added 0.32 million, while Bangalink added 0.14 million.

Ashraf H Chowdhury, secretary general of Association of Mobile Telecom Operators in Bangladesh (AMTOB), said the operators' costs of investment remain high. "The number of attractive packages were down which lead to low customer acquisition in October."

He said most customers are now coming from rural areas. "If we consider the purchasing capacity of the rural population, the mobile connection price is still too high for them."

The number of customers for the fourth largest operator Wardi telecom stood at 2.79 million in October, which was 2.69 in September 2009. State-run mobile operator TeleTalk did not add any new customers to their 1.07 million customer base in September.

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Price Sensitive Information

ACI 20% Convertible Zero Coupon Bonds

Securities and Exchange Commission (SEC) through its letter reference No. SEC/CI/RPO-05/2009/329 dated 16 November 2009 has expressed its agreement in principle to accord issuance of 5,34,340 units of ACI 20% Convertible Zero Coupon Bonds of Tk. 1,000 each totaling Tk. 53,43,40,000 through Public Offer (IPO). Earlier, SEC also gave its consent to issue 8,01,510 units of ACI 20% Convertible Zero Coupon Bonds of Tk. 1,000 each totaling Tk. 80,15,10,000 through Private Placement.

By Order of the Board
Sd/-
Sheema Abed Rahman
Company Secretary

Dated : 19 November 2009