

Stocks	
DGEN	1.64%
4,144.74	
CSCX	1.16%
7,574.67	

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)

SOURCE: AFP (Midday Trade)

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

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 (Escap).

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 multi-modal 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 Jobani 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 Jobani 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

Mayor of Moscow Yuri Luzhkov has announced his decisions to implement social businesses to address numerous urban, social and economic problems.

He has already introduced microfinance in the city to tackle a range of social problems after Prof Muhammad Yunus' last visit in April 2008.

The announcement came after a meeting on Tuesday between the Bangladeshi Nobel laureate and the mayor.

A committee formed with the deputy mayor as its head includes a representative of Prof Yunus, senior officials of the Moscow city government and the Russian Microfinance Centre.

The committee will design and implement social businesses, while a portion of the city's budget will also be devoted to it.

The concept of social business interested the public and private senior officials of the Russian Federation during Yunus' visit.

Prof Yunus made a presentation to some members of the Upper House, presided over by Mikhail Nikolaev, deputy chairman of the Federation Council of the State Assembly (the upper house of the Russian Parliament).

Mobile acquisition slows

STAR BUSINESS REPORT

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 Banglalink 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 Warid 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.

QUBEE
Join In
Ride The WiMAX Wave

Qubee 1 Mb @ TK 5250
Celebrate with a Gigaset 20 GB Allowance
Modem Price @ TK 4000

www.qubee.com.bd

Stocks bounce back on Bangabandhu verdict



STAR BUSINESS REPORT

Stocks bounced back yesterday as the market reacted positively to the verdict on the Bangabandhu killing case that was announced during the early trading hours.

The Appellate Division upheld the High Court verdict that confirmed the death sentences of 12 retired and dismissed army men in the case.

"The announcement of the verdict came as a relief," said Yawer

Sayed, managing director of AIMS of Bangladesh, an asset management company.

Although emotional elements theoretically are not correlated with capital market or any investment decisions, the conclusion of the case was a factor behind the rallying market yesterday, Sayeed said.

The benchmark index of Dhaka Stock Exchange, DSE General Index, shot up 66.96 points, or 1.64 percent, to 4,144.74.

Two major sectors -- banks and telecommunication -- led the rally. The banking stocks continued to gain with the whole sector advancing 2.04 percent. Among the highest gainers, The City Bank rose 6.51 percent, One Bank 5.08 percent, Social Islami Bank 6.85 percent and Southeast Bank 5.98 percent.

Grameenphone shares as the lone telecommunication sector security gained 5.5 percent.

The verdict was a major event in Bangladesh's history, DSE President Rakibur Rahman said.

"The market performed well with the investors behaving rationally," he said.

The broader DSE All Share Price Index went up 52.97 points, or 1.56 percent, to 3,436.36.

Advancers beat losers 164 to 61 with two securities remaining unchanged.

Chittagong stocks also marked a rise yesterday. The CSE Selective Categories Index jumped 86.79 points, or 1.15 percent, to 7,574.67. The CSE All Share Price Index also gained 134.7 points, or 1.13 percent, to 12,049.36.

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

supervision for several years in the past," a senior BB official said, backing its latest recommendations.

The central bank report portrayed a dismal picture of the bank. In the past, a lack of professionalism in overall management of the bank, weak monitoring and inefficient manpower, loan against inadequate and faulty security and collateral-free loans increased the bank's bad loans significantly.

In 2004, the central bank identified BCB as a problematic bank because of its failure to keep adequate provisioning for bad loans.

Following BB recommendations, the finance ministry made its observation saying that the bank could never give the government any profits. After assessing the bank's performance over the last five years, the finance ministry also observed that the bank's position was never good.

During the mid-90s, a private financial institution named Bangladesh Commerce and Investment Ltd (BCI) was shut. The

government then took up the institution and reorganised it as Bangladesh Commerce Bank in 1997.

At the time, BCI's approved capital was Tk 200 crore and paid up capital Tk 92 crore. Of the Tk 92 crore, the government's stake is Tk 30 crore or 32.60 percent. State-owned banks paid Tk 10 crore or 10.88 percent, while depositors paid Tk 52 crore or 56.52 percent.

The government used to appoint most of the directors, including the chairman of the board of directors and the managing director. Normally, political personalities were appointed as chairmen and directors of the bank.

"Private shareholders could never take any dynamic decisions due to the undue influence of the government-appointed directors and a lack of knowledge and professionalism," said a director of from private shareholders of the bank.

Under these circumstances, BB sent the proposal to reorganise the bank.

The finance ministry is yet to take a decision on matter.

However, a senior finance ministry official said if the government moves to reorganise, the bank's business has to be suspended for a while. He said the ministry is taking time and consulting government high-ups before taking any final decision.

The ministry is also showing "no interest" to the bank's latest move to raise capital to Tk 400 crore.

Private shareholders are also reluctant to invest in the bank under the present condition. They urged to appoint directors based on their shares.

Krishi Bank Chairman Khondker Ibrahim Khaled told The Daily Star, "The bank must perform professionally and without government influence."

In that case, Khaled, also a former deputy governor of the central bank, said, the best model will be to follow the reorganisation process that the government followed for Eastern Bank.

banglalink stock info

get live stock market updates on your banglalink connection!

Write Message SUB 6464

Go to message option Type SUB send SMS to 6464

* service charge 0.22 per message * banglalink internet service and prepaid services are not available to use the service * banglalink Ltd, CSE and DSE are not responsible for any kind of loss or damage of the service * information is provided for reference only for service only

ACI Advanced Chemical Industries Limited
ACI Centre, 245 Tejgaon Industrial Area, Dhaka-1208

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