

Stocks	
DGEN	0.46% 4,403.52
CSCX	0.60% 8,277.43

Asian Markets	
MUMBAI	0.16% 17,169.91
TOKYO	0.38% 9,608.94
SINGAPORE	0.92% 2,796.34
SHANGHAI	1.06% 3,269.75

Currencies	
Buy Tk	Sell Tk
USD	68.50 69.50
EUR	101.46 106.77
GBP	111.82 117.30
JPY	0.77 0.83

SOURCE: BANGLADESH BANK

Commodities	
Gold	\$1,217.23 (per ounce)
Oil	\$77.89 (per barrel)

SOURCE: AFP (Midday Trade)

Bangladesh calls for ending Doha Round by 2010

STAR BUSINESS REPORT

Commerce Minister Faruk Khan has vented frustration over delay in the outcome of Doha Development Agenda, which he said is depriving the least developed countries (LDCs) of duty-free and quota-free (DFQF) market access.

"Therefore, we call upon members to sincerely engage for conclusion of Doha Round by 2010," Khan said at the ministerial meeting of World Trade Organisation (WTO) in Geneva, Switzerland on Tuesday.

He also said Bangladesh fully endorses the declaration made by Tanzania on behalf of LDCs, according to a statement received yesterday.

"We need to ensure that all LDCs get more preferential treatment than non-LDCs."

Khan also called for addressing the issues of concerns of the LDCs on a priority basis and having an 'early harvest' on DFQF market access, services waiver and cotton issue.

"There must be clarity on DFQF both on product coverage of 97 percent and the phasing in of the remaining three percent well before the conclusion of the Round," he said.

"Bangladesh is affected by economic meltdown, climate change and many other problems, which are not our creation."

Bangladesh is one of the most disproportionately affected countries (DAC), the minister said.

"Therefore, we urge WTO members to work towards a balanced outcome in addressing DAC issue while respecting the development dimension."

He also sought sincere support and cooperation of the development partners, saying: "They must deliver on their commitments made at various international fora, including G20 Summit."

Contact Us

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



Workers pluck tea leaves at a garden in Srimangal. Bangladesh exported tea worth \$0.80 million in the July-September period against a target of \$3.17 million.

Stock brokerage fuels bank profit

SARWAR A CHOWDHURY

Brokerage in stock business has propelled listed banks into strong earnings in the July-September period this year.

The 2009 profits posted by these banks, considered a safe area by investors, are more than in the third quarter a year earlier. However, a few banks posted weak earnings.

Of the listed 29 banks, 24 have announced their third-quarter earnings, according to Dhaka bourse statistics.

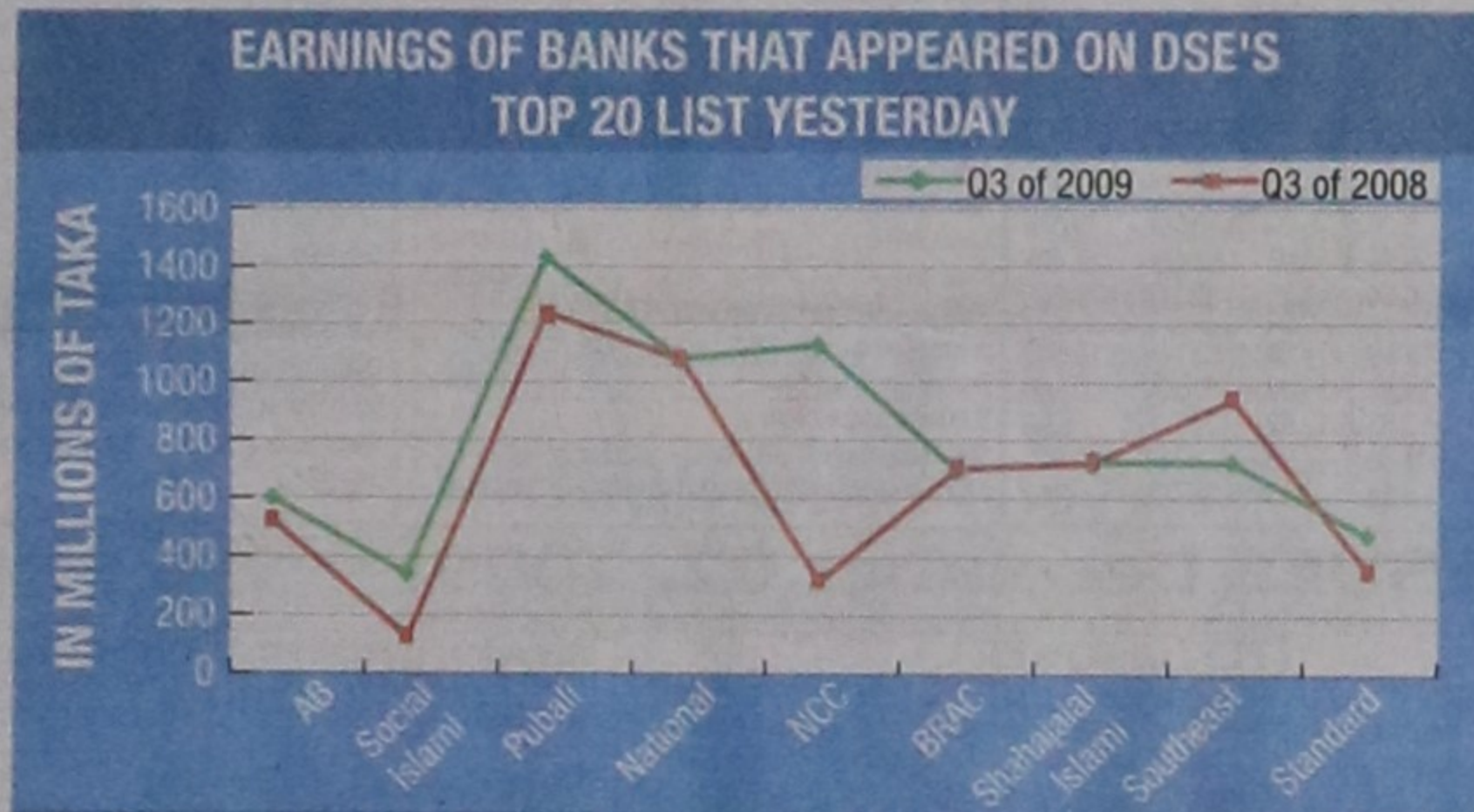
Market experts say investors think that such growth in bank profits will continue.

They also point to the fact that stock market is more vibrant now than it was in 2008. Transactions in terms of value and volume have marked a significant rise in the last six months, with many records.

A brokerage house usually charges Tk 0.40 to Tk 1 for transaction of a share worth Tk 100.

"Almost all banks have brokerage windows. These windows are performing very well in the rapidly growing market, resulting in a strong Q3 earnings," Helal Ahmed Chowdhury, Pubali Bank's managing director, told The Daily Star.

Pubali, the country's largest private commercial bank that has its own capital market window, has made net profit of Tk 1,414.63 million in the Q3, while the figure was Tk 1,219.96 million in the same period a



year earlier, the bank's non-audited accounts show.

Chowdhury also said previously the banks were not much interested in share business.

"Now things are changed because of the global recession, for which credit supply by banks have declined leading to excess liquidity."

The banks put their surplus liquidity in stock market and many of them booked huge capital gains, he pointed out.

Other banks are also targeting brokerage business. City Bank is the latest one that opened brokerage window in August.

"The banks that have brokerage houses or capital market wing have done well in the first half and the third quarters of this year," said Mahmud Sattar, managing director of The City Bank.

"We just started brokerage busi-

ness with one branch and we have a plan to open three more brokerage branches by January," he said.

The City Bank's unaudited quarterly accounts for the third quarter showed the bank has made net profit of Tk 176.01 million against net loss of Tk 244.68 million for the period a year earlier.

Sattar, however, said: "Although we are doing well in brokerage business, the profit was not for brokerage operations, it was possible because of our qualitative improvement in business."

Banking stocks, undervalued for a long period, got back the momentum following the quarterly disclosures.

Arif Khan, a market expert, said the bank shares maintained a positive trend during the last one month. "And the price movement is backed by the banks' earnings," he said.

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Singapore firm to invest \$3b in Mongla port

STAR BUSINESS REPORT

Mongla Port Authority and Singapore-based maritime specialist David Wignall Associates yesterday signed a deal to develop the seaport on a build-operate-transfer basis.

David Wignall Associates will invest \$3 billion for 20 years to develop Bangladesh's second largest seaport after Chittagong port.

Both parties signed a memorandum of understanding at the shipping ministry in the presence of Shipping Minister Shahjahan Khan and other high-ups from both sides.

"Next year, David Wignall will conduct a feasibility study on Mongla port. If both parties are convinced with the findings of the study, the shipping ministry will sign a contract with David Wignall to develop the port," Khan told reporters after signing the deal.

Commodore M Faruk, chairman of Mongla Port Authority, and David Wignall of David Wignall Associates signed the deal.

David Wignall Associates is scheduled to develop power plants, water treatment and jetties in the port, build industrial parks, construct container terminals, purchase a rescue ship and implement other related projects.

Tea exports in steep fall

REFAYET ULLAH MIRDHA

Tea exports declined by 85.61 percent in July-September, compared to the same period a year ago, because of high prices, decreased production and increased domestic consumption, industry insiders said.

In July-September, Bangladesh exported tea, a widely consumed global beverage, worth \$0.80 million against a target of \$3.17 million, registering a 74.76 percent gap between target and export, according to Export Promotion Bureau (EPB) data.

The data also showed the export target of tea at \$12.90 million for fiscal 2009-10, while the actual export in 2008-09 was worth \$5.56 million.

Talking to The Daily Star, a senior official of the Tea Traders Association of Bangladesh (TTAB), said growers are now struggling to maintain the supply of tea in line with growing local demand.

According to the trade body, around 56 million kilograms of tea are produced a year against demand for 55 million kilograms.

"On the domestic market, annual tea consumption increases by 10 percent due to urbanisation and changes in lifestyle," the TTAB official said.

"We need a total production of 65 million kilograms at the moment to meet domestic and export demand. If the declining trend continues, the country will soon need to import tea to meet growing domestic demand."

The TTAB data showed total tea production was 58.75 million kilograms in 2008, 57.95 million kilograms in 2007 and 53.40 million kilograms in 2006.

According to TTAB, the tea production target was set at 56 million kilograms for 2009, which may not be met because of inadequate rainfall, high prices of agricultural inputs and ineffective management of the state-owned National Tea

Company Ltd (NTCL), one of the largest tea estate holding companies.

NTCL Secretary M Naufel Karim Khan said the state-owned company's production dropped because new saplings had not been planted over the years.

Furthermore, NTCL will have to use high-priced fertilisers and pesticides to obtain yield from the old trees in the company's 12 tea estates, which push the cost of production up and ultimately leads them to miss targets.

NTCL's yield gradually dropped to below 800 kilograms a hectare in 2008 from over 1,100 kilograms in 2005, while the country's average yield a hectare stands at about 1,250 kilograms, the NTCL official said.

In 2008, the average price of NTCL tea was Tk 106 a kilogram, against Tk 117 a kilogram on average in the market -- about Tk 10 less than the country average.

Similarly, NTCL's average price a kilogram was Tk 14 lower than the country average in 2007 and Tk 15 less in 2006, the NTCL official said.

However, tea production by the state-owned tea estates declined sharply on a year-on-year basis, due to corruption, mismanagement and fund constraints.

Over the last few years, political party stalwarts have headed NTCL, but mismanagement and corruption became order of the day.

NTCL tea production stood at 44,43,517 kilograms in 2008 and 42,55,063 kilograms in 2007, dropping from 47,65,668 kilograms in 2006 and 56,21,856 kilograms in 2005, according to the NTCL secretary.

Denying corruption and mismanagement, the company secretary identified fund constraints as the main obstacle to growth.

"NTCL could not even replant the required 2.5 percent of tea saplings every year because of such fund constraints. No new plantation has taken place since 1978," Khan said.

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Troubled sectors get more time to reschedule loans

SAJJADUR RAHMAN

Bangladesh Bank (BB) will extend the timeframe and include more sectors for bank loan rescheduling facility up to June next year to help exporters amid the global financial crisis, a senior central bank official said.

The central bank will issue a circular in this regard next week, the official said.

The BB decided to extend the rescheduling facility following suggestions of the working committee of taskforce on recession.

"The central bank is going to extend the time so affected sectors do not face any difficulty in getting bank loan further," said the official.

Earlier in April the BB gave industries affected by the global economic meltdown an opportunity to reschedule their loans without any down payment until September.

Five sectors -- frozen food, jute,

leather, textile (including spinning) and readymade garments (RMG) -- were allowed the benefit as they were at risk of defaulting on loan repayment because of the economic slowdown.

This time some other sectors will be included in the package.

"Some other export sectors that are in problems will also be given the loan rescheduling facility," the central bank official told The Daily Star yesterday.

But the official declined to mention the new sectors to be included in the list for the facility.

Generally loan rescheduling requires 10-50 percent down payment on the overdue loan. But no down payment will be required with the BB amnesty.

Abdus Salam Murshedy, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), hailed the BB

move, saying that it would help them compete in the global market.

But Murshedy demanded the interest ceiling of their loans at 10 percent instead of the existing 13 percent and extension of time for term lending.

"If the repayment period for term lending is not extended, we will be in trouble to repay the loan next year," he said.

The BGMEA president also supports the BB initiative to include more sectors that are in problems.

"Definitely, it will benefit the exporters," said Anwar-Ul-Alam Chowdhury Parvez, former BGMEA president.

The facility will give the exporters a breathing space, but ultimately there will be no cut in accumulated interest, he added.

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PRICE SENSITIVE INFORMATION

This is for kind information of all concerned that Bangladesh Bank has decided to release AB Bank Limited from the List of Early Warning System (EWS) Banks with effect from 30th November, 2009. At the same time, the Observer nominated by the Bangladesh Bank in the Board of Directors of AB Bank Limited has also been withdrawn effective from the mentioned date.

Sd/-

Company Secretary

Dhaka, November 30, 2009.



AB Bank