

Stocks	
DGEN	0.62%
	4,437.73
CSCX	0.84%
	8,314.03
(Week-on-week)	

Asian Markets	
MUMBAI	0.41%
	17,119.03
TOKYO	2.48%
	10,107.87
SINGAPORE	0.68%
	2,800.75
SHANGHAI	0.21%
	3,247.32
(Friday closings)	

Commodities	
Gold	\$1,124.00 (per ounce)
Oil	\$69.79 (per barrel)
(As of Friday)	
SOURCE: AFP	

Contact Us

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

SEC clarifies PE calculation

STAR BUSINESS REPORT

PE (price-earnings) ratio of a stock will be calculated in line with the latest financial statements made by a company, be it audited or unaudited.

The new directive issued by the Securities and Exchange Commission on Thursday comes into effect from today aiming at elimination of confusion over margin loans based on a company's PE computation.

A PE ratio is a company's current share price compared to its earnings per share. These latest statements might be either first quarterly and half-yearly ones or third-quarterly and yearly. As per the regulators' directive, the Dhaka Stock Exchange management will put key information on net profits and earnings per share of the companies that submitted such statements. Then the bourse trading system will automatically calculate PE of the company concerned.

Earlier, in Bangladesh capital market, usually PE was calculated by dividing the current price of a stock into annual or half-yearly earnings per share.

In general, a high PE ratio reflects that investors expect higher earnings in future or a strong chance that they will be able to make a capital gain.

The margin loan criterion was also modified by the SEC, which restricted any credit against equity securities having PE (price-earnings) ratio over 75.

But investors, stock brokers, merchant banks and exchange management fell in confusion how should they calculate the PE would it be based on yearly or half-yearly financial reports or in line with the latest quarterly report.



Workers arrange moulded clay slabs at a hybrid Hoffman kiln in Narayanganj. Local brick producers look to new technology that cuts environment pollution by almost half and opens scope to earn huge foreign currencies.

Brick kilns going green

Operators eye benefit from carbon trading

REJAUL KARIM BYRON

Bangladesh has started making bricks using new technology, which cuts carbon emission almost by half and creates scope for earning huge foreign currencies.

Entrepreneurs and financiers said Bangladesh will be able to sell per tonne of saved carbon at \$15 after June 2010.

Diamond Auto Bricks at Aduria Saughat in Narayanganj has set up such a brick kiln.

On a visit, it was found that black fumes were coming out from the pipes of nearby brickfields, while Diamond Auto was making bricks without any black fumes seen around.

The new technology being used by Diamond Auto and the likes is Hybrid Hoffman Kiln (HHK) technology imported from China.

A single kiln that runs on HHK technology will produce 15 million bricks and cut carbon emission by 5,000 tonnes a year. A double unit kiln will produce 30 million bricks and cut carbon dioxide (CO2) emission by 10,000 tonnes every year.

Industrial and Infrastructure Development Finance Company Ltd (IIDFC) has so far funded four brick manufacturing units including Diamond Auto Bricks under the technology.

Bangladesh has about 6,000 authorised brickfields and numerous illegal ones.

IIFDC Project Officer Shaymal Barman told The Daily Star that the brickfields in Bangladesh emit around 875 lakh tonnes of CO2 every year.

Barman said HHK kilns will reduce carbon

emission almost by half.

Most of the works at Diamond Auto are done without human intervention. Coal and clay are mixed automatically and then poured into a machine. In every piece of brick about 2-3 percent coal is mixed. Bricks are prepared automatically and taken to a silo, and smoke of the kiln, which others use for burning bricks, is used for drying the raw bricks.

Owner of the brickfield M Zaydul Abedin said: "The smoke produced in my kiln is being trapped and used for drying raw bricks. So less CO2 is emitted."

The strength of the bricks produced in this field is more than double than that of the traditional bricks, and the price is also competitive, said Abedin.

He said he gets Tk 6 per brick, whereas the traditional bricks sell at Tk 5.50-Tk 5.80.

However, the new technology is expensive. A single unit brickfield of modern technology needs around Tk 10 crore as against Tk one crore required for a traditional brickfield.

Managing Director of IIDFC Asaduzzaman Khan said the traditional brickfields cause a huge environmental pollution. Those units should be converted into new technology-based ones to decrease pollution.

Khan said if the Bangladesh Bank offers refinancing facility, the brick makers will get loan at lower interest and come forward to convert their traditional units.

He said: "The licence renewal process for the existing fixed chimney kilns will come to an end on December 31, 2010, and the owners will have to go

for clean technology-based brick manufacturing. This will require a huge investment and so the central bank should consider the need for a refinancing scheme."

Developed countries pollute the air by emitting the highest amount of CO2. In Kyoto Protocol in 1997 these countries were given a target for bringing down carbon emission by 5.2 percent on an average by 2012 over the level of 1990. But most of the developed countries have failed to reach the target.

The amount of carbon emission in least developed countries including Bangladesh is much lower. Last year about \$80 billion changed hands globally through selling the points obtained through emitting less carbon.

Bangladesh also can earn foreign currency through cutting carbon emission by the brickfields.

Khan said the World Bank has also agreed to sign an ERPA (Emission Reduction Purchase Agreement) with IIDFC on reporting the quantity of emission reduction, certification of emission reduction and receipt of bulk payment from the Carbon Fund for distributing to the various sub-project entities.

The management council on the UN Conference on Climate Change and a representative of Denmark have already visited the HHK brickfields and ensured 50 percent less emission of carbon by the units, he said.

The World Bank has also negotiated with IIFDC to purchase 1,89,000 tonnes of carbon saved through less emission.



Visitors browse through palm oil products at the Malaysia-Bangladesh Palm Oil Trade Fair and Seminar 2009, co-organised by Malaysia Palm Oil Council and Malaysia Palm Oil Board, at Sonargaon Hotel in Dhaka yesterday. Bangladesh imported 217,264 tonnes of palm oil from Malaysia in 2008, but the figure slipped to 56,726 tonnes in the January-October period.

Bangladesh to export car parts

STAR BUSINESS REPORT

Bangladesh is set to export automobile parts and accessories to the US market, which is expected to boost the light engineering industry.

Sample products including bumper bracket, rubber brush and suspension kits will be produced as part of the first order worth \$15,000 for New Milbert International Inc, a US company.

Few other products -- piston, moulding, fender and mirror -- will be exported to the US in phases.

Bangladesh Engineering

Industry Owners Association, Bangladesh Industrial Technical Assistance Centre (BITAC) and New Milbert International Inc yesterday signed a tripartite deal.

Industries Minister Dilip Barua was present at the signing ceremony.

"We are impressed by the potential of the local light engineering sector. We have ordered few samples of automobile accessories. If they can deliver the order successfully, a wide door will open for Bangladesh," said Nishan Rahim, managing partner of New Milbert International.

Abdur Razzaque, president of BEIOA, Dr Ihsanul Karim, assistant director of BITAC, were the other signatories to the deal.

New Milbert International sources parts mainly from India and Taiwan and supplies them to the US market.

BITAC will provide equipment makers with support in designing and automation.

The light engineering sector has flourished from almost nothing to a multi-crore taka business since independence in 1971.

The sector makes products ranging from automated teller machine frames, pharmaceutical packaging machines, machinery for garment sector and rice mills, automobile spare parts, power looms and machinery for paint industry.

It also produces machinery for making ballpoint pens, furniture, bakery equipments, flourmills, CD and DVD covers, plastic baskets and carriers.

The sector manufactures around 10,000 types of items worth \$120 million a year for the local industry.

DBH mutual fund IPO subscription begins today

STAR BUSINESS REPORT

IPO subscription of a Tk 120 crore closed-end mutual fund, DBH First Mutual Fund, begins today.

The subscription will remain open until December 20 for resident Bangladeshis and until December 29 for the non-resident Bangladeshis.

The IPO (initial public offering) applications can be submitted at any of 331 branches of 11 selected banks -- Brac Bank, Trust Bank, Southeast Bank, City Bank, Shahjalal Bank, NCC Bank, Dutch-Bangla Bank, Eastern Bank, National Bank, Bank Asia and Standard Chartered Bank.

In the Tk 120 crore fund, Tk 40 crore has been kept for IPO, while Tk 60 crore was raised through pre-IPO placement and Tk 20 crore funded by the sponsor, Delta Brac Housing (DBH), also a listed company.

LR Global Bangladesh, an asset management company, is the asset manager of the fund, while Standard Chartered Bank and Bangladesh General Insurance Company are the custodian and trustee.

Firms in race to offer rice seeds for early harvest

SOHEL PARVEZ

Seed firms have sped up efforts to bring in new rice varieties for early harvest to give farmers scope to grow more crops.

Market players believe such seeds would also help farmers minimise the risks of crop damage from floods and harvest 30 days earlier than in the case of other varieties.

Supreme Seed Company, BRAC, ACI and Lal Teer Seed have introduced the new rice seeds, mainly hybrid, on trial.

BRAC, a nongovernmental organisation, is working on a Vietnamese high-yielding variety, an open pollinated rice seed. Others focus on hybrids.

BRAC's early high-yielding variety, known as OM 1490, has potential of yielding up to five tonnes per hectare and can be harvested in 100 days after farming in Aus season, said Sudhir Chandra Nath, programme manager of BRAC's Agro-Marketing Division.

"We have planted the seed in farmers' fields on trial," Sudhir told The Daily Star.

BRAC plans to hand the seed to the Seed Certification Agency to get approval for marketing.

"If the government approves the seed, farmers will be able to preserve it without depending too much on the market," he said.



"We expect to start marketing of the seed by 2012 after receiving permission from the government," he added.

The initiative comes amid expectations of farmers to grow more crops -- not only to cash in more gains but to minimise the risks of crop losses in natural disasters.

Two government agencies have released two HYVs for Aman season: BRRI Dhan-33 and BINA Dhan-7 that can be harvested at least a month earlier than the other HYV BR11.

"We plan to market the seeds in flood-prone areas in Boro season," said Mohammed Masum, chairman of Supreme Seed Company, market leader in hybrid rice seeds.

The company will send the hybrid seeds to the government next year for approval.

A problem remains. The yield of these seeds might be lower than the existing peers.

Masum said: "Even if the yield is low, farmers may accept our seeds to avoid crop losses in Boro season."

Mahbub Anam, managing director of Lal Teer Seed, said early-rice seeds would back up the government initiative to ensure food security.

Mahbub said the government should examine the performance of the short-duration hybrid seeds against a short duration HYV, not against the BR28 that matures in over 140 days.

Anwar Faruque, director general of Seed Wing of the agriculture ministry, said the government would approve well-performing short-duration hybrid rice seeds.

"We want maximum yield in short-duration. If we can grow three crops a year in the same land, it will help increase crop intensity and attain food security," he said.

"We will ease the approval procedure for the companies that introduce short-term seeds," sohel@thedailystar.net

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