

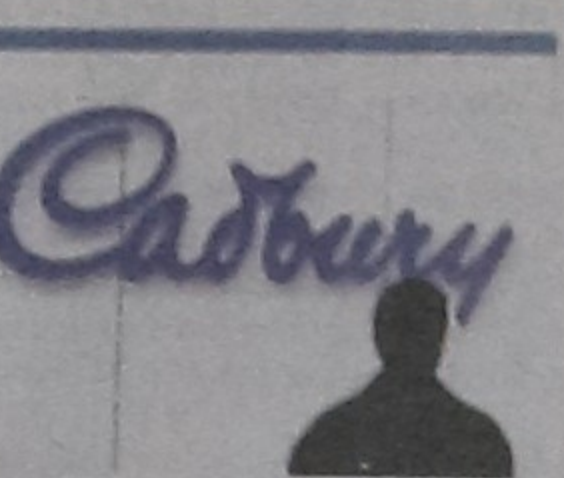
Stocks	
DGEN	0.30% 4,452.19
CSCX	0.09% 8,370.61

Asian Markets	
MUMBAI	0.13% 17,097.55
TOKYO	0.02% 10,105.68
SINGAPORE	0.04% 2,799.54
SHANGHAI	1.71% 3,302.90

Currencies	
Buy Tk	Sell Tk
USD	68.60 69.60
EUR	99.35 103.26
GBP	109.84 114.25
JPY	0.75 0.80

SOURCE: STANDARD CHARTERED BANK

Commodities	
Gold	\$1,123.57 (per ounce)
Oil	\$69.59 (per barrel) (Midday Trade)



Cadbury launches defence against Kraft offer

AP, London

Cadbury Plc revealed yesterday it has received approaches from The Hershey Co and Italy's Ferrero International SA as it launched a robust defence against a hostile 9.8 billion pound (\$16.3 billion) from Kraft Foods Inc.

Cadbury Chairman Roger Carr said the statements of intent from Hershey and Ferrero were too preliminary to start proper talks as he warned shareholders not to let Kraft "steal your company with its derisory offer."

The British chocolate and gum maker also raised its long-term performance targets to play up its position as a strong independent company.

The prospect of the 195-year-old company falling into foreign ownership has caused some consternation in Britain where it is a much-loved brand -- a member of Cadbury's founding family has been publicly critical and the country's leading labour union fears large-scale job losses.

But Carr left open the door for some kind of tie-up, saying that Cadbury was open to discussion with any potential suitor -- Kraft included -- that made a compelling offer that fully valued the company.

"As yet, we've only had one offer, which is far from compelling, it is ... derisory on a good day because it's falling, and we've had a statement of intent from two people that are yet to come forward with an offer," Carr told reporters.

"We have told them very clearly what the rules of the game are, but until they come forward ... that meets those criteria, then there is no point in getting into conversations," Carr said when asked if the board had held talks with Hershey and Ferrero.

Shares in Cadbury have shot up in recent weeks on the prospect of a bidding war following Kraft's unsolicited approach.

Bourses differ on ministry's market moves

STAR BUSINESS REPORT

A joint committee of Dhaka and Chittagong bourses has differed on some of the finance ministry's decisions about capital market, saying these decisions would hinder the market growth.

The committee at a meeting in Dhaka yesterday also came down on the policymakers for not involving the market stakeholders such as stock exchanges, merchant banks and listed companies' association prior to taking any decision on the capital market.

It is difficult for the policymakers to understand the technical and sensitive issues of the market, the committee pointed out.

"Before taking any decision on stock market, there should be discussions with the stakeholders, especially with the Dhaka and Chittagong bourses," Rakibur Rahman, who presided over the joint committee meeting, told journalists.

The finance ministry at a meeting on November 5 took several decisions on capital market and directed the Securities and Exchange Commission to implement those.

Referring to the ministry's decision about allowing IPO floatation by new companies with offering shares equivalent to 40 percent of paid-up capital, Rahman said the decision, if implemented, would discourage many companies with high paid-up capital to join the market.

"Instead of 40 percent, it can be fixed at 25 percent for the companies having paid-up capital up to Tk 500 crore. For the companies with paid-up capital above Tk 500 crore, the IPO size should be 15 percent of paid-up capital," he suggested.

On the ministry's decision of allowing mutual funds gradually, he said the directive will slow down the growth in the mutual fund segment. "The more mutual funds the market will get, the more it will be stable, as such funds create both demand and supply in the market."

"Private placement during mutual fund floatation should not go. However there should be at least one year lock-in for private placement holders to avoid unusual transaction of mutual funds at their debut," said Rahman, also president of Dhaka Stock Exchange.

He said uniform face value and lot size should be determined for existing and new companies jointly by the SEC, DSE and CSE.

About another decision of not allowing listing of private companies directly, the DSE president said, instead, rules can be changed or amended so it can be a win-win situation. However the DSE had earlier opposed direct listing of private companies.

The DSE and CSE also sought authority to open branch office of brokerage houses and give approval to authorised representatives.



Martin Hirsch, French high commissioner for active solidarity against poverty, speaks at a dinner hosted by Yunus Centre at Heritage Restaurant in Dhaka on Sunday. Nobel laureate Muhammad Yunus is also seen.

NBR logs 22pc rise in revenue from telecom

MD HASAN

The National Board of Revenue (NBR) recorded 22 percent growth in revenue earnings from the telecom sector in the first quarter of the current fiscal year, compared to the same period a year ago.

The sector's contribution reached Tk 670 crore in the July-September period, up from Tk 549 crore in the same period of last fiscal year. Tax authorities received Tk 654 crore in revenue from the telecom sector in the first quarter of fiscal 2007-08.

Officials said the revenue earnings from the telecom sector shot up mainly because of AKTEL's huge tax payment to the NBR against the mobile operator's 1.7 million customers addition. Presently, the government takes Tk 800 for each mobile phone subscription.

Telecom operators pay the money on behalf of customers, considering

the payment a marketing strategy to withstand stiff competition in the six-operator market.

The industry insiders termed the contribution a positive trend. However, they believe reduction in SIM (subscriber identity module) tax will encourage more customers to come under telecom networks, which will ultimately boost the government's revenue earnings.

"We can perform better if SIM tax goes," said an AKTEL high official.

Six mobile operators added 37.1 lakh customers in the first three months of this fiscal year, which was 22 lakh in the same period a year ago. On the other hand, landline operators added 11 lakh customers in July-September of 2009, up from only 32,000 in the same period of the previous year.

The subscriber addition was possible, as maximum operators came

back in price war after the announcement of budget, said Zakiul Islam, president of the Association of Mobile Telecom Operators Bangladesh.

The trade body sees huge revenue earnings in future because a big market still remains untapped in Bangladesh.

NBR statistics show the telecom sector is the second largest taxpayer after tobacco that paid Tk 1,305 crore in the first quarter of fiscal 2009-10. In the same period, the gas sector finished third by paying Tk 468 crore.

In the first quarter of the current fiscal year, the government collected Tk 4,456.09 crore against a revenue target of Tk 61,000 crore. In fiscal 2008-09, the telecom sector paid Tk 7,000 crore to the national exchequer. hasan@thedailystar.net

French minister backs social business

STAR BUSINESS REPORT

Martin Hirsch, French high commissioner for active solidarity against poverty, has said the concept of 'social business' should be disseminated worldwide to alleviate poverty.

"We have learned lots of things from Bangladesh, which will help us disseminate the idea to France and the rest of Europe," said Hirsch after visiting the social business activities of Grameen Bank in Bangladesh.

Hirsch made the comments at a dinner hosted by Yunus Centre at Heritage Restaurant in Dhaka on Sunday. Nobel laureate Muhammad Yunus also attended the dinner.

Hirsch -- well-known for his work with the poor -- holds a cabinet member post created by French President Nicolas Sarkozy.

Speaking to a group of reporters, Hirsch said more French companies would be encouraged to operate in social business in Bangladesh.

Grameen Group and Groupe Danone, a French company, entered into a joint venture and set up a nutritious yoghurt project in Bogra in 2008.

Hirsch and his wife were accompanied by a 36-strong delegation from France on a three-day visit to Bangladesh.

The purpose of the visit is to learn more about social business and Grameen Bank activities in Bangladesh.

During his visit, Hirsch and his delegation met with Yunus and visited the Grameen-Danone factory in Bogra.



Macro Cable Chairman Chaudhury Ahmed Shoaib shows the company's 'SMS Genuinity Concept' inscribed on a packet of cables. The company says customers will be able to identify real Macro cables through SMS.

SMS helps find real cables

SAJJADUR RAHMAN

A local cable maker has come up with an innovative idea to help customers check genuineness of its fire resistant (FR) cable in the face of counterfeit products that are flooding the market.

Macro Cable has introduced an SMS-based system for the customers who can identify the original cables by sending a particular number to a dedicated SMS (short message system) station.

"An automatic feedback will confirm the genuineness," said Chaudhury Ahmed Shoaib, chairman of Macro Cable.

Shoaib said: "We have developed the SMS concept to help our customers escape from the clutches of counterfeit cables in the market."

The company will launch its FR cable and the 'genuineness concept' at a formal programme next week, said its chairman.

Bangladesh's cable market has been growing constantly for the past two decades with the present market size of around Tk 1,000 crore, said sector people.

The country had to depend on imported cables until late 1980s. But the situation has started changing rapidly since 1990s when a good number of local companies entered the manufacturing market riding on growing demand amid rapid urbanisation in the country, industry people said.

But the customers are being cheated with low quality counterfeit cables, as they are unable to understand the quality of the products they purchase from retailers.

"We have identified three major issues, which general customers often leave out in confusion," said Shoaib.

The issues are: Counterfeit products, specified quality products and conventional cable versus fire resistant cable.

"Customers feel unprotected and they have no option but to encounter the counterfeit products," said Omar Faruque, additional chief controller (marketing) of Macro Cable.

The 'SMS Genuinity Concept' will help customers buy genuine Macro cables, Faruque said.

Macro Cable is a concern of Macro

Group that has long been engaged in marketing of cable of reputed global manufacturers in the local market. The group has started manufacturing and sales in July this year.

The company also said they are the first to introduce FR cable in Bangladesh by importing quality copper and other raw materials.

Now around 50 companies are involved in wire and cable manufacturing. Of those, BRB, Paradise and Eastern are the major players. According to the market insiders, BRB Cable alone holds around half of the total market share.

Local manufacturers import copper, which is the main raw material for making wire and cables. But some use copper by melting scrap of ships, market players said.

Rural Electrification Board, Power Development Board, Dhaka Electric Supply Authority, Bangladesh Telecommunications Company Ltd, Bangladesh Railway, and pharmaceuticals and steel companies are the major buyers of industrial cables.

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State jute mills make a comeback

PORIMOL PALMA

Against the backdrop of a perennial bad name for corruption and losses, state-owned mills under Bangladesh Jute Mills Corporation (BJMC) are approaching break-even, heralding good times for the golden fibre.

"At least 7 of the 16 jute mills are now making profits worth Tk 2 crore a month on average, while others have significantly brought down losses," a high official of BJMC told The Daily Star recently.

The profit making mills are Latif Bawani Jute Mills and Karim Jute Mills in Dhaka, Rajshahi Jute Mills in Rajshahi, Alim Jute Mills, Eastern Jute Mills and Carpeting Jute Mills in Khulna.

However, with losses from other mills, BJMC had to count an overall loss of Tk 3 crore in October, which was Tk 17 crore in September, Tk 19 crore in August and Tk 23 crore in July, the official said. BJMC recorded an accumulated loss of around Tk 350 crore last year.

If these losses were not recorded, the monthly net profit from the green industry for BJMC could have been Tk 5 crore now, the corporation official said. The industry adds 100 percent value addition and creates employments for a large number of people.

"We are expecting BJMC to break-even by January," Textiles and Jute Minister Abdul Latif Siddiqui said, adding that workers regained their confidence, while production and export volumes and prices went up. Above all, the government has the political will to improve this sector, the minister said.

The average daily production of the mills under BJMC went up to around 585 bales now from only around 300 bales in January last against a total production capacity of 650 bales, while the export price of a bale of

jute products is currently \$94 from \$62.5.

Export earnings from jute goods in July-September were \$85.62 million, which is around 24 percent more than target. Most jute products are going to India, Sudan, Iran, USA, Europe and Australia.

BJMC Officials said the corporation had increased wages by 20 percent from October, which will require an additional fund of at least Tk 5 crore to pay workers. "Even by paying the extra wages, we hope to make profits soon," an official said.

However, he said, high raw jute prices have become a major threat. Jute prices now range from Tk 1,600 to 1,700, which was only Tk 1000 - Tk 1200 during July-September, the harvesting season.

The government provided Tk 300 crore to BJMC in time to buy raw jute, which enabled the corporation to reserve some raw jute, unlike previous years when it had to buy raw jute on a daily basis at higher rates.

"But that is not enough. Unless the high prices are controlled, we shall be in trouble," the official said, hoping that the export ban on raw jute would stabilise the market.

The annual demand for raw jute for the jute mills is 35 lakh bales and production this year was estimated at 55 lakh bales, says Bangladesh Jute Mills Association (BJMA), a body of the private jute mills.

"Raw jute is not supposed to be stored. Hoarders have stockpiled jute to create an artificial crisis," said BJMA Secretary Abdul Barik Khan.

The jute industry as a whole will be affected if such high price cannot be regulated, he said, suggesting government restrictions on stocking of raw jute, only to allow a certain amount,

Exxon Mobil to buy XTO Energy

AP

Exxon Mobil will buy XTO Energy in an all-stock deal worth \$31 billion as the oil giant moved aggressively Monday to capitalise on the growing supply of natural gas at home. The deal could signal a new rush to own natural gas assets by major integrated producers.

MTB's 39th branch opens
at Dhaka Shopping Complex,
Shanir Akhra, Dhaka 1236

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