

Stocks	
DGEN	1.85% 4,312.24
CSCX	1.90% 8,107.61

Currencies	
Buy Tk	Sell Tk
USD	68.65 69.65
EUR	96.39 102.12
GBP	108.83 114.73
JPY	0.74 0.79

SOURCE: STANDARD CHARTERED BANK

Commodities

Gold	
\$1,104.50	(per ounce)
Oil	
\$74.69	(per barrel)
(As of Friday)	

SOURCE: AFP



Sheraton gets new GM

STAR BUSINESS DESK

Ahmad Bukhari Hamzah has taken the reins of Dhaka Sheraton Hotel general manager, it said in a statement yesterday.

Hamzah, a Malaysian national, was the general manager of Sheraton Penang Hotel in Malaysia prior to joining Dhaka Sheraton.

Cash registers to sing carols on Christmas

SAYEDA AKTER

Hoteliers, bakeries and flower shops are set to offer holiday items for Christmas, expecting to transact more than Tk 1 crore surrounding the celebrations.

Although sales of new clothes and accessories are insignificant, the festival presents options to dine out and entertain guests.

The day is most special for children and all five-star and three-star hotels in Dhaka are waiting to entertain young guests along with their parents with spectacular programmes.

MA Awal, sales director of Sonargaon Hotel, said the hotel will organise several events, mainly for children, and expects to earn around Tk 30 lakh from restaurant sales on Christmas Day, four days away.

"The main source of revenue for the hotel on Christmas is from restaurant proceeds, as foreign guests tend to celebrate the day with their families in their home countries," he said. It means there will be a 45 percent cut in the occupancy rate of the hotel.

"We have to plan something different for our guests, who want to celebrate the day here. We try to give them a flavour of Christmas by decorating the hotel with a Christmas tree, lights and flowers, and organising different programmes -- Christmas parties and carols at all restaurants. We have also organised a pool and children's party on the day," he added.

Shahidus Sadique, marketing manager of Dhaka Sheraton Hotel, also said a major share of revenues will come from the restaurants on Christmas Day.

"We will organise different programmes -- a Christmas party, children's party and magic show -- for local Christians and foreign guests residing in

Bangladesh, as part of our promotional activities and not for profit. But we will get our main revenues from restaurant sales," he said.

However he said the hotel has been losing foreign guests to The Westin and Radisson on Christmas in recent years.

Sheraton is likely to record restaurant sales worth around Tk 30-40 lakh on the day.

The Westin Dhaka also plans to add glamour to its Christmas celebrations by organising similar programmes, mainly to cater to foreign guests residing in the diplomatic zone in Dhaka.

In addition, restaurants, including Bella Italia, Coffee World, Voot, Pizza Hut, KFC, Flambe and Nando's, are also ready to serve guests on the day.

Archies Gallery and Hallmark, two of the oldest gift shops, have seen growth in sales over the years on this day.

"People still prefer cards to greet their friends and family on this occasion," said Sumaiya Sammi, manager of Archies Gallery in Banani. "We earn one of the highest amounts of revenue during Christmas as many people, especially foreigners, come to buy gifts and cards at this time."

Flower sales are also high at high-end shops like Ferns n Petals, a flower shop that imports flowers from India and Thailand. The shop received advance orders for 700 bouquets for the day, said an executive of the shop.

Simultaneously, sales orders are mounting at bakeries, and many are expecting to earn handsome amounts.

"We received orders for about 1,200 cakes for Christmas," said Ruman Ahmed, manager of Coopers at Gulshan. sayedat@thedailystar.net



The picture taken last year shows a Christmas tree at Radisson Hotel in Dhaka. Hotels and gift shops are gearing up for brisk sales on Christmas Day this year too.

Launch of mutual funds hits snag

SARWAR A CHOWDHURY

The launch of new mutual funds worth around Tk 3,000 crore now grapples with uncertainty, as the government has directed the market regulator to go slow on allowing such new funds.

Some 30 proposals for mutual fund formation have been awaiting approval from the Securities and Exchange Commission (SEC) for months, while many are in the pipeline, people close to the issue said.

The finance ministry at a meeting on November 5 decided that the SEC will have to allow mutual funds in phases, saying that too many mutual funds would saturate and heat up the market.

But fund managers said the slow approval process will hinder the growth of the mutual fund segment.

The delay may also force many asset managers to shut their businesses, as 'no approval means no business' for them, they said.

It is the government's 'wrong perception' that many a mutual fund would cast a negative impact on the market, rather these will stabilise the market, creating demand and supply, the fund managers said.

However SEC Chairman Ziaul Haque Khondker told The Daily Star: "We will take initiative on how fast we can give the approvals."

"The mutual funds are needed to stabilise the market, as these can create both supply and demand," Moin Al Kashem, managing director of Prime Finance Asset Management Company, said yesterday.

Prime Finance has submitted five mutual fund proposals.

Kashem said: "Some argue that the mutual funds trade far higher than their net asset value (NAV), which shows an overvalued situation. But the situation will change if more mutual funds are allowed."

The market trend shows the funds now trade 200 percent to 300 percent higher than their NAV, he said, adding that more mutual funds will bring down the ratio near to their NAV.

When the market heads towards volatility due to supply crises, new mutual funds are considered as investment securities, experts said.

On the other hand, they said, when the market witnesses a bearish trend, the funds go into buying mood and thus create a demand for shares in the market.

But in a heated situation, the mutual funds offload shares from their portfolios that cool down the market.

Yawer Sayeed, managing director of AIMS of Bangladesh, another asset management company, said more mutual funds will bring diversity and stabilise the market.

"More importantly, the investors will get a comparatively less risky investment vehicle," he said.

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High prices drive potato farming

SOHEL PARVEZ

Farmers, encouraged by high potato prices, are showing greater interest in cultivating this item this year.

Agriculture officials are also upbeat on a large-scale farming that might exceed government targets.

Munshiganj, a major potato hub, has exceeded the potato acreage target. Two other major hubs -- Rangpur and Bogra -- are likely to achieve the target soon, according to the Department of Agricultural Extension (DAE).

"It is a result of high potato prices this year. Many neighbours have brought more lands under potato farming, expecting to make profits next year," said Md Tajminur Rahman Manik, a sharecropper in Joypurhat.

Manik and his brothers also increased potato farming to 30 acres this year from 18 acres a year ago. The recent decline in the prices of non-urea fertiliser has also inspired them to cultivate more potatoes.

Enthusiasm over potato farming set in, as retail prices surged by 114.29 percent to Tk 28-32 this week from Tk 12-16 a kilogram a year ago.

However, there were allegations that some traders and cold storage owners had slowed tuber supply.

A 27 percent slump in potato production to 67.46 lakh tonnes in fiscal 2008-09 from 92.37 lakh tonnes a year ago hiked prices, said cold storage operators.

They also blamed the high prices of non-urea fertilisers last year for the high costs of production.

This season, farming costs are expected to decline as the government, taking advantage of falling global prices, reduced the prices of non-urea fertilisers by 36 percent last month.

"Farmers' preparations show potato plantation will increase this year," said Sohel Khandoker, a farmer in Mahiganj, Rangpur.

Data shows about 2 lakh hectares have come under potato cultivation until November 30. Officials expect total acreage to cross 3 lakh hectares by December 15.

DAE set a target to bring 4.25 lakh hectares under potato cultivation this year.

"The rate of potato plantation is very high. Given current trends, it seems we will be able to achieve the targets this year," said Md Sayeed Ali, DAE director general.

However, Ali fears there will be problems with preserving the tuber in the case of a production surge.

Despite record potato production in fiscal 2007-08, tonnes of potatoes rotted

due to a dearth of storage facilities.

Jasim Uddin, chairman of Bangladesh Cold Storage Association, also think that preservation will be a problem if farmers get optimum output.

About 300 cold storages have a capacity to store more than 20 lakh tonnes of potatoes a year. Farmers preserve their remaining produce at home in the early months of harvest.

Besides, worries over fair price denial next year have gripped growers.

"I am afraid prices will drop by next year due to increased production," said Khandoker, a farmer at Mahiganj, Rangpur.

However Manik, who also engages in the business of stocking potatoes, said farmers will get better prices as traders will be interested in buying and storing potatoes next year to make profits.

"Many traders received an average margin of about Tk 1,000 for 85 kilograms of potatoes (a sack). Such high margins will encourage traders to stock more potatoes next year by giving better prices to farmers," he said.

To cushion farmers from losses, the cold storage association chief suggested the government allow potato exports in the case of a surplus in production.

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Biman's NY flight runs into delay

RASHIDUL HASAN

Biman Bangladesh Airlines will not be able to resume its Dhaka-New York flight by the year-end, as it failed to manage aircraft for the route, a parliamentary body said yesterday.

The parliamentary standing committee on civil aviation and tourism ministry in a meeting also asked the officials of the national flag carrier to ensure transparency in procuring aircraft.

"Biman couldn't manage aircraft to resume its Dhaka-New York flight by this year," Mayeen Uddin Khan Badal, a member of the committee, told reporters after the meeting at the Jatiya Sangsad Bhavan.

The committee earlier had said Biman would resume its New York flight by November. The carrier abandoned its loss-making New York route in 2006. According to statistics, one flight to New York caused around Tk 32 lakh loss to Biman.

"Biman officials told the meeting that they are trying to collect three aircraft on lease. Of the three, one is likely to join the Biman fleet by January," he said.

Badal also said Biman would collect seven aircraft next year.

Committee Chairman Mosharraf Hossain presided over the meeting, which was also attended by Civil Aviation Minister GM Quader, committee members Mujibul Hoq, Syed Mohsin Ali and high officials of Biman.

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