

JS body to suggest easy tax rules for real estate

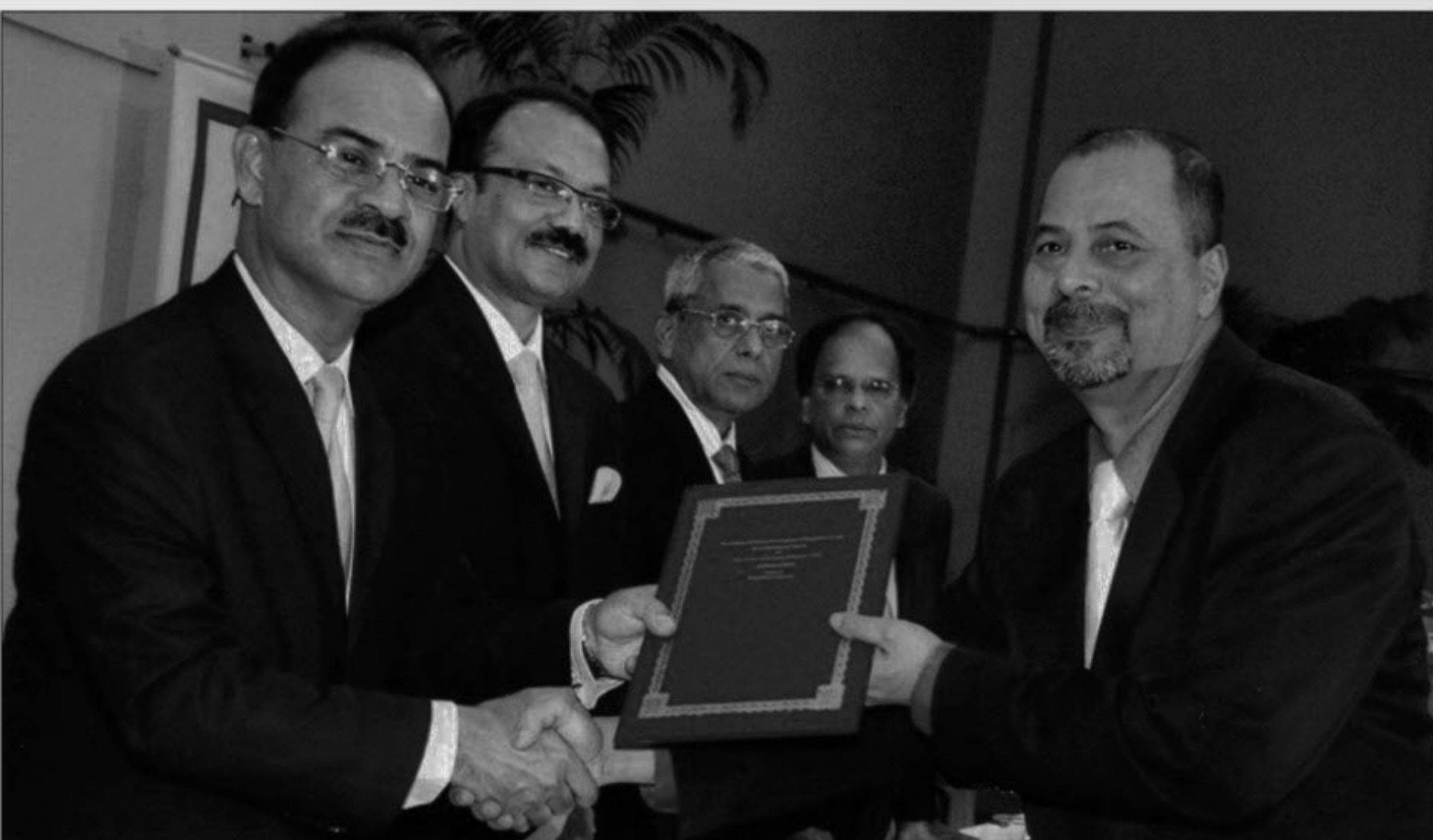
STAR BUSINESS REPORT
The Parliamentary Standing Committee on the Ministry of Finance will recommend that the government simplify VAT and tax rules to facilitate the housing sector growth, its chairman AHM Mustafa Kamal said yesterday.
"We do not earn too much revenue from the housing sector. But we want to facilitate the growth considering its contribution to the overall economy," he told a seminar at Dhaka Sheraton Hotel.
"We hope we will be able to help you ease VAT and tax regime, he added.
Kamal's assurance followed a presentation on contribution of the real estate sector to national economy where it was said that unfavourable tax and VAT rules and lack of fiscal incentives remain impediments to the sector's growth.
Real Estate & Housing Association of

Bangladesh (REHAB) organised the seminar where REHAB Vice President Md Abdur Rahim Khan presented a paper where he said the real estate and construction sector accounts for one-sixth of the gross domestic product.
The sector, which provides jobs to 25 lakh skilled and unskilled workers, also facilitates growth of various backward and forward linkage industries such as steel, cement, bricks, furniture, fittings and fixtures etc.
Organisers said contribution of the sector should be increased, as demands for housing would continue to grow with the rise in population, especially in Dhaka city.
However limited land in Dhaka city for private developers, lengthy approval of plans by regulator Rajuk, poor infrastructure and utility services, high interest rate for housing loan, rising land

prices hurt the faster growth of the sector in Dhaka and outside.
"We are scared of land price. It leads to a rise in apartment price," said Rahim.
The parliamentary body chief however pointed out that realtors are also partly responsible for the rise in land prices in Dhaka.
"Prices will rise if demand exceeds supply," he said, suggesting realtors develop homes and satellite towns outside Dhaka. "You should build satellite towns outside the capital."
Kamal said the growth prospect of real estate sector is high in Bangladesh and it could be tapped if entrepreneurs offer different products to potential homebuyers.
According to REHAB, non-resident Bangladeshi remitters, their families and businessmen, especially exporters, buy nearly 75 percent of apartments.



AHM Mustafa Kamal, chairman of the Parliamentary Standing Committee on the Ministry of Finance, speaks at a seminar on REHAB Week at Dhaka Sheraton Hotel yesterday. Tanveerul Haque Probal (extreme right), president of REHAB, is also seen. The REHAB fair starts today.



Faruk Khan, commerce minister, hands over the Certificate of Merit to Atiqur Rahman, group finance director of Transcom Group of Companies, at a ceremony organised by the Institute of Chartered Accountants of Bangladesh (ICAB) in Dhaka recently. ICAB awarded Bangladesh Lamps Ltd, a concern of Transcom Group, for the best published accounts and reports 2008 under non-financial sector (manufacturing) category.

Stocks finish up for second day

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Stocks ended upbeat yesterday as investors flocked to Grameenphone shares, encouraged by extension of loans by brokers and merchant banks.
The banking sector rebounded, together with the shares of fuel and power, non-bank financial institutions and insurance, which led the benchmark DGEN or DSE General Index to a new high of 4,643.39 on Dhaka Stock Exchange.
The DGEN soared 74.99 points or 1.64 percent. The DSI or DSE All Shares Price Index added 63.89 points or 1.69 percent to 3837.65. The DSE-20 ended 29.11 points or 1.09 percent higher at

2,688.
The market finished buoyant for a second day, riding on factors such as speculation over growth of subscribers of GP, the largest mobile operator.
Expectations of higher returns from banks following reports about a rise in operating profits, and the probable passage of two insurance bills in the current session of parliament jived up investors.
The overall market closed positive, with less intra-day volatility.
"It's positive. The less the intra-day volatility, the less the instability," said Yawer Sayeed, chief executive of an asset management company AIMS of Bangladesh.

Beginning upbeat in the morning session, the market continued its upturn toward the close with some low dips.
Of the 238 traded issues, 161 gained, 71 fell and six finished unchanged on the DSE.
Total turnover however declined 6.39 percent to Tk 1,024 crore from Tk 1,094 crore a day ago.
Beximco topped the turnover board followed by GP, Prime Bank, AB Bank and Square Pharma. Beximco dipped 1.96 percent to Tk 313.60 on profit-taking.
Market bigwig GP climbed 4.54 percent to Tk 197.9, amid buying pressure, after the bar on margin loans from brokerage houses and merchant banks ended.

Until January 3, 2010, investors had been barred from taking margin loans to buy into GP.
"It appears that loans extensions have increased investors' buying capacity," said Md Rezaul Haque, senior vice president and head of merchant banking wing of Prime Finance & Investment Ltd.
Prime Bank rose 1.83 percent to Tk 666.50. AB Bank edged up 0.85 percent to Tk 1149.50. Square Pharma increased 3.12 percent to Tk 3045.25.
All the indices on Chittagong Stock Exchange advanced. Of the 158 traded scrips, 112 gained, 44 lost and two closed unchanged.

Asian markets begin on high note

AFP, Hong Kong
Asian markets began the new decade broadly higher Monday with dealers in Tokyo lifted by news of extended credit to Japan Airlines and a strong yen as well as upbeat jobs data in the United States.
And the new year saw the introduction of a new trading system in Tokyo as the stock exchange tries to keep ahead of its regional rivals following a series of technical problems in recent years.
Tokyo ended the day 1.03 percent higher at 10,654.79, a 15-month high, and Sydney added 0.12 percent to 4,876.3.
"The mood on the first day of trading this year is good," Kenji Shiomura, market analyst at Daiwa Securities, told Dow Jones Newswires.
Japan Airlines (JAL) shares soared 31.3 percent to 88 yen, off a high of 93, after the government Sunday agreed to double a state-funded loan to the cash-strapped carrier to 200 billion yen (2.2 billion dollars).
JAL shares plunged 23.9 percent on the last trading day of 2009 on fears Asia's largest airline might file for bankruptcy.
"There was talk about the

company's operating funds drying up unless it secured a bigger credit line by January. I suppose that worry eased," said Makoto Sengoku, a market analyst at Tokai Tokyo Securities.
Japan's exporters were also helped by the weaker yen.
The dollar eased to 92.79 yen in Tokyo Monday afternoon trade, down from 93.00 in New York late Thursday, and the euro fell to 132.58 yen from 133.26.
The dollar's overall tone remained firm thanks to optimism over the US economy, dealers said.
Sentiment was helped after data from Washington showed seasonally adjusted initial claims for unemployment insurance benefits in the week ending December 26 stood at 432,000, a fall of 22,000 from the previous week. The figure is the lowest since July 2008.
But Hong Kong was 0.23 percent lower at 21,823.28, while Shanghai dropped percent to 3,243.76.
Banks and property developers led the decline in Shanghai on worries about a possible tightening of monetary policy amid inflation concerns.
China's dealers ignored two surveys showing a

strong manufacturing sector.
The HSBC China Manufacturing purchasing managers' index rose to 56.1 in December from 55.7 in November, the survey showed.
A reading above 50 indicates expansion, while a reading below 50 points to an overall decline.
A separate PMI published by the China Federation of Logistics and Purchasing showed manufacturing activity rose to 56.6 percent in December -- the highest in 20 months.
The Tokyo Stock Exchange reported a smooth debut for its new faster trading "arrowhead" trading system, which can process orders in 0.005 seconds, much faster than before and on a par with New York and London.
The new technology was brought in following a number of problems, including the 2005 suspension of trading in all shares because of a software problem, which tarnished the bourse's reputation in the face of growing competition.
Meanwhile, Singapore announced its economy shrank 6.8 percent in the fourth quarter compared with the previous three

months. However, the drop was not as big as expected and gross domestic product actually rose 3.5 percent year-on-year.
The data was largely ignored by the city-state's stock market, which closed 0.11 percent lower at 2,894.55 on profit-taking after hitting a 17-month high last week.
Oil jumped above 80 dollars a barrel after Russia cut its supplies to neighbour Belarus due to a row over tariffs.
New York's main futures contract, light sweet crude for delivery in February, rose 78 cents to 80.14 dollars a barrel.
Gold closed higher in Hong Kong, at 1,107.00-1,108.00 US dollars an ounce, from Thursday's 1,102.00-1,103.00 dollars.
Elsewhere, Seoul rose 0.79 percent to 1,696.14, Taipei ended up 0.24 percent at 8,207.85, while Jakarta was 1.62 percent higher at 2,575.41, Kuala Lumpur added 0.23 percent to 1,275.75 and Mumbai put on 0.54 percent to 17,558.73.
Manila dropped 1.56 percent to 3,005.01 and Bangkok edged 0.31 percent down to 732.28.
Wellington was closed for a holiday.



Mark Renton Citi Global top official in town

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Managing Director and Global Co-Head of Public Sector Group for Citi Global Banking Mark Renton arrived in Dhaka yesterday on a two-day visit, said a statement.
Renton, who has been with Citi for over 23 years and held various capacities across the bank's franchises globally, will be accompanied by Michael J Paulus, managing director of Citi's Public Sector Group and Head of Asia Pacific Region.
During his stay, Renton is scheduled to meet key government officials, regulators and major clients of the bank while reviewing opportunities for Citi to expand and provide services to the public sector of Bangladesh.



Michael Kuehner (L), managing director and chief executive officer of Axiata (Bangladesh) Ltd, and Feroz Mahmud (R), country manager of Microsoft Bangladesh, exchange documents after signing a deal recently.



Michael Kuehner (L), managing director and chief executive officer of Axiata (Bangladesh) Ltd, and Feroz Mahmud (R), country manager of Microsoft Bangladesh, exchange documents after signing a deal recently. Under the agreement, Microsoft will deliver Axiata (Bangladesh), the owning company of AKTEL, with different applications for systems, workstations, office productivity, and network management.

Showcase Bangladesh kicks off in KL Friday

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Bangladesh Malaysia Chamber of Commerce and Industry (BMCCI) is set to organise a trade fair in Kuala Lumpur, Malaysia, on January 8-10.
Showcase Bangladesh 2010, first of its kind to be held in Malaysia, is intended to bridge the trade gap between the two countries.
The show is planned to seek relief in tariff barriers to Bangladeshi exports to Malaysia, organisers said in a statement.
"The exhibition aims to promote the potential for enhancing trade between the two countries and highlight opportunities for Malaysian investment in Bangladesh," said Syed Moazzam Hossain, managing director

of BMCCI and chief coordinator of the show.
There will be 61 stalls where business houses and financial institutions representing ready-made garments, knitwear, ceramics, leather products, food and others will display their products and services, Hossain said at a press briefing at Dhaka Sheraton Hotel yesterday.
BMCCI in collaboration with Bangladesh High Commission in Kuala Lumpur will organise the fair with support from the Federation of Malaysian Manufacturers and Malaysia South-South Association.
Mustapa Bin Mohamed, minister for international trade and industry of Malaysia, will be the chief guest at the inauguration of the fair.



M Shah Alam Sarwar, managing director of Trust Bank Ltd, and Md Abul Kashem, executive director of Bangladesh Bank, exchange documents after signing an agreement on solar energy, biogas and effluent treatment plant fund in Dhaka recently.

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Premier Bank Ltd appointed Niaz Habib as its additional managing director, said the bank in a statement.
Prior to joining Premier Bank, he served in AB Bank Ltd and United Commercial Bank Ltd as deputy managing director.
Habib is a postgraduate in Economics and an MBA from the Institute of Business Administration of Dhaka University.



MA Quader, consultant (business development) of Bata Shoe Company (Bangladesh) Ltd, poses with the company's latest designs of school shoes collection in Dhaka recently.