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TOKYO	Closed
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SHANGHAI	▲ 0.52% 3,212.75

Currencies		
	Buy Tk	Sell Tk
USD	68.65	69.65
EUR	98.25	102.50
GBP	109.03	113.43
JPY	0.72	0.77

SOURCE: STANDARD CHARTERED BANK

Commodities	
Gold	▲ \$1,155.98 (per ounce)
Oil	▲ \$83.88 (per barrel) (Midday Trade)

SOURCE: AFP

News in Brief

IMF mission heads to debt-stricken Greece

AFP, Washington

The International Monetary Fund said Monday it is sending an IMF mission to Athens this week for talks on helping debt-stricken Greece overcome its financial crisis.

The IMF said in a statement that the mission at the request of the Greek authorities would begin Tuesday and last for about a week "to explore possibilities for technical assistance from the IMF in the coming months on pension reform, tax policy, tax administration, and budget management."

"The mission is within the context of the regular surveillance that the IMF provides to its membership," it said.

The Greek government on Friday announced a 20 percent increase in tobacco and alcohol taxes and a higher inheritance tax as it fended off European Union pressure for drastic action to tackle its debt mountain.

Russia unveils own 'cash for clunkers' scheme

AFP, Moscow

Russia on Monday unveiled a scheme similar to those employed in the West to encourage consumers to buy new cars by handing out cash in return for their own ageing vehicles.

The details of the Russian version of the scheme -- dubbed "cash for clunkers" in the United States -- was announced at a meeting between Prime Minister Vladimir Putin and Industry Minister Viktor Khristenko.

Khristenko said 10 billion rubles (340 million dollars) would be allocated to buy up a maximum of 200,000 old cars handed in by consumers.

That means a trade-in would be worth 50,000 rubles (1,700 dollars), he said, which can be set against Russian car brands or foreign models made in the country.



John Rutherford Junior, middle, former chairman of US-based Moody's Corporation, speaks at a discussion co-organised by Credit Rating Agency of Bangladesh (CRAB) and Association of Bankers Bangladesh (ABB) in Dhaka yesterday. M Anis Ud Dowla, far left, president of Metropolitan Chamber of Commerce and Industry, Matuil Islam, second from left, vice chairman of CRAB, AB Mirza Azizul Islam, second from right, former caretaker government adviser, and K Mahmood Sattar, right, chairman of ABB, are also seen. (Story on B3)

Inflation emerges as big challenge: CPD

STAR BUSINESS REPORT

Inflation could emerge as the most crucial challenge for Bangladesh in maintaining macroeconomic stability in 2010, said the Centre for Policy Dialogue (CPD).

The research body voiced concerns as prices of essentials, including rice, are on the rise, influenced by an outlook for recovery from global recession and predictions of shortfalls in rice output worldwide.

To curb inflation, CPD suggested ensuring a higher domestic production of food grains, mainly rice, so that Bangladesh can narrow its reliance on food imports.

"It will be tough to rein in inflation, as the outlook for recovery in the next half of fiscal 2009-10 signals a likely hike in commodity prices in international market," said Mustafizur Rahman, executive director of CPD.

CPD raised these issues at a press conference at its office, to release its assessment on macroeconomic performance in the early months of this fiscal.

In its assessment, the think-tank identified nine challenging areas, where revitalising investment, which suffered mainly because of power and gas scarcity, topped the list.

Other challenges include stimulation of the export sector through faster implementation of the stimulus package, diversification of market and product as well as maintenance of a com-

AREAS OF CONCERN

1. Less revenue mobilisation than target
2. Continued demand-supply gap with marginal improvement in electricity
3. No uptick in investment
4. Slow import of capital machinery and industrial raw materials
5. Slow growth of manufacturing, particularly of large-scale export-oriented enterprises, high excess liquidity and low demand for bank credit

Source: Centre for Policy Dialogue

petitive exchange rate.

It also focused on ensuring a benefiting price to farmers by creating a balance between the conflicting interests of consumers and producers.

Revenue collection enhancement and creation of employment opportunities under the bleak investment scenario also emerges as challenges for Bangladesh in attaining a 5.5-6.0 percent growth this fiscal.

"The investment scenario needs to be significantly re-energised if near and medium term GDP growth targets are to be achieved," said Rahman, adding that the government's ability to successfully address the challenges might help the country achieve 5.5-6.0 percent growth.

"Low inflation will be crucial in terms of trans-

lating macroeconomic stability into higher GDP growth via accelerated investment," he said.

CPD focused on curbing inflation at a time when hikes in the prices of essentials, like rice, edible oil, sugar and pulses, are contributing to an increase in inflation.

In October 2009, inflation on a point-to-point basis rose to 6.71 percent. In September, it was 4.60 percent.

CPD observed that a global outlook for recovery from the financial crisis, predictions on possible falls in global rice output, a rise in credit to different sectors and robust remittance fuel inflation.

'Rational' and 'irrational' transfer of price pressures from the global market to domestic markets by traders further adds to inflation.

"Recent price trends suggest that the increasing inflation rate that was observed in October is likely to sustain up to November and December, 2009," said the executive director of CPD.

"It will be necessary to keep vigilance on the market," said Rahman, suggesting that the government should ensure a higher production of boro as well as other agricultural commodities to cushion the country from inflationary pressures.

"Ensure an adequate supply of agricultural inputs during the boro season," he said.

He said the monetary policy, which is expected to be announced by Bangladesh Bank this month, will be important in stabilising inflation and sustaining a high pace of economic growth.



Shampoo sachets of different brands are up for sale at a roadside small retail shop in Mongla in Bagerhat district.

Sachets drive shampoo market

SOHEL PARVEZ

Global brands are gaining foothold on local shampoo market, driven by faster growth in demand because of the low-priced sachets that are popular among low-income groups, students and travellers.

Rural and semi-urban consumers, many of whom are new and irregular users, are the main contributor to the rise in sales of the item.

However, demand for bottled shampoo has slowed, as customers for such brands are limited in urban areas, insiders say.

The high demand for mini packs, mostly sell between Tk 1 and Tk 3, depending on the volume and category, has encouraged marketers for strengthening distribution at retail level in urban and rural areas.

Mohammad Suman, who runs Shariatpur Store, a small grocery in Old Dhaka.

"I sold 4 dozen mini packs a week a couple of years ago," he said. "It's the Tk 1 pack that sells fast. However, the Tk 2 sachets also recorded good sales performance."

Ruled by global brands like Sunsluk, Clear by Unilever, Pantene and Head & Shoulder by Procter & Gamble (P&G), the shampoo market is registering a steady growth every year, amid massive marketing campaigns on hair care.

Other brands include Chik, Vatika, Garnier, Jui Sense of Balance.

Expanded distribution by the companies from groceries to general stores also hiked demand for shampoo.

"People now aspire for better lifestyles and they have become more aware of hair care," said Ahmed Abu Insaf, executive director of International Brands Ltd, country distributor for P&G in Bangladesh. International Brands is a concern

of MGH Group.

Insiders said at present about 10 manufacturers, including two local ones, are catering to the shampoo market, which was estimated at about Tk 300 crore last year. Unilever enjoys the highest market share.

Operators said companies market two categories of shampoo -- beauty and anti-dandruff -- with beauty shampoos leading the way.

But because of increased penetration, mini packs are recording higher growth.

"It is interesting that the market for mini packs is growing faster than that of bottled shampoo," said Insaf, adding that distributors upped sachet imports to cope with the increasing demand.

Malik Mohammed Sayeed, head of marketing of Square Toiletries Ltd, the introducer of Jui Sense of Balance, said the company launched mini packs to lure irregular shampoo users. sohel@thedailystar.net

Benapole revenue income goes ahead of target

A CORRESPONDENT, Benapole

Customs House of Benapole land port earned Tk 961.75 crore in revenue during the first six months of the current fiscal year, which is Tk 93.62 crore more than the target set for the period.

A target of earning Tk 868.44 crore in revenue has been fixed for the country's largest land port in the July-December period of fiscal 2009-2010, according to the sources in the customs house.

They said around 6,78,876 tonnes of goods were imported from India through the port during the first half of the fiscal year.

Earlier, the authorities fixed a target of collecting Tk 1,783 crore for the financial year.

The revenue income shows the upward trend in the import-export trade through the port in recent times.

Overall exports drop in July-Nov

REFAYET ULLAH MIRDHA

The overall exports of merchandises from Bangladesh declined 6.96 percent in the July-November period of the current fiscal year compared with the same period of the previous year, according to the provisional data of Export Promotion Bureau (EPB).

Only in the month of November such export declined 7.7 percent to \$1,200 million from \$1,300 million in the same time a year earlier, said a commerce ministry official.

In the first five months of this fiscal year, exports reached \$6,090 million, the ministry official said, adding that the EPB may release the latest export data formally in a day or two.

"The provisional data showed a significant decline in exports of readymade garment, Bangladesh's main exportable product, for consecutive few months," he said, requesting anonymity.

The overall exported target was fixed at \$17.60 billion for fiscal year 2009-10 against the actual export performance at \$15.57 billion in FY2008-09.

The government targeted to export woven garment products worth \$6.69 billion and knitwear worth \$7.30 billion for the current fiscal year. The export of woven and knitwear items contributes more than 80 percent in the total export volume of Bangladesh. reefat@thedailystar.net

AB Bank shores up foothold in money transfer business

SARWAR A CHOWDHURY

AB Bank has moved to strengthen its position in electronic fund transfer outsourcing business, as the bank is on course to buy a further 30 percent stake in Cashlink Bangladesh Limited, a payment system solutions provider.

With the acquisition, AB Bank, the first private sector commercial bank, will hold a majority stake in Cashlink: 60 percent, up from existing 30 percent.

"We had applied to Bangladesh Bank for its approval to buy a further 30 percent share in Cashlink and the central bank has recently given the green light," Fazlur Rahman, deputy managing director of AB Bank, told The Daily Star.

Initiated by AB Bank, Cashlink is a joint venture owned by AB Bank Limited, Euronet Worldwide Inc, Network Bangladesh Limited, Southeast Bank Limited and United Commercial Bank.

The takeover of further 30 percent shares in Cashlink will also increase the profitability of AB Bank, which made around Tk 600 crore in operating profit last year.

Two shareholders -- Southeast Bank and United Commercial Bank -- will sell off their holdings in Cashlink. The two banks hold 40 percent of Cashlink.

Of the 40 percent, AB Bank will buy 30 percent. However, any decision is yet to be made on the remaining 10 percent.

Euronet holds a 10 percent stake and Network holds a 20 percent stake in Cashlink that has Tk 22.68 crore in paid-up capital and Tk 100 crore in authorised capital.

Cashlink coordinates and deploys automated teller machines (ATM) and ensures electronic fund transfer through points of sales. It also offers pre-paid card, debit card and credit card processing services.

The company is in the process of strategically rolling out 505 ATMs and 10,000 POS terminals across the country by the end of 2010. Cashlink will also facilitate e-commerce to its member banks.

Industry people said the use of ATMs and POS is getting popular in Bangladesh.

Apart from Cashlink, some other organisations such as E-cash and Q Cash are also providing ATM and POS services. sarwar@thedailystar.net

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