

**PHILIPS 52" Full HD LCD TV**

RSP: Tk. 399,000/-  
Discounted Price: Tk. 365,000/-

Assembled in Europe

28.9 Billion Color Processing  
50000:1 Contrast Ratio  
5 ms Response Time

Full HD 1080p

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Your Trusted Electronics Retailer

## Stocks

DGEN ▲ 1.50%  
5,390.48

CSCX ▲ 1.88%  
10,203.33

## Asian Markets

MUMBAI ▲ 0.10%  
16,306.87

TOKYO ▲ 1.58%  
10,414.29

SINGAPORE ▲ 1.90%  
2,757.68

SHANGHAI ▲ 0.25%  
2,994.14

## Currencies

Buy Tk Sell Tk

USD 68.55 69.55

EUR 94.73 98.91

GBP 109.74 114.17

JPY 0.74 0.79

SOURCE: STANDARD CHARTERED BANK

## Commodities

Gold ▲ \$1,091.82 (per ounce)

Oil ▼ \$73.99 (per barrel) (Midday Trade)

SOURCE: AFP

## News in Brief

### Industrial park underway for RMG: Barua

STAR BUSINESS REPORT

The government has laid out a project to set up an industrial park outside Dhaka for garment factories, said Industries Minister Dilip Barua yesterday.

Barua said the project is waiting for approval from the government.

In a scripted answer to a query from Awami League lawmaker Rahmat Ali in parliament, the minister said the installation of effluent treatment plants would be made mandatory for new factories.

"The government will also provide loans to the factories to set up ETPs."

Barua said the government has formed a steering committee to prepare a 3R strategy (reduce, reuse and recycle) for waste management.

Steps are underway to build ocean-going ships in Chittagong, which will create jobs for 1,500 to 2,000 people, he added.

### Nokia posts 65pc gain in Q4 profit

AP, Helsinki, Finland

The world's top mobile phone maker, Nokia Corp, on Thursday said strong sales of smart phones and lower costs helped profits rise 65 percent in the fourth quarter despite a drop in total revenue.

Net profit was 948 million euros (\$1.33 billion), up from euro576 million in the last quarter of 2008.

But net sales in the last three months of 2009 dropped 5.3 percent to 12.0 billion euros from 12.7 billion euros in the same period a year earlier.

The Finnish company said it boosted its share of the mobile phone market to 39 percent, from 38 percent in the previous quarter and 37 percent in the fourth quarter of 2008.

Nokia CEO Olli-Pekka Kallasvuo said that included gains in the market for smart phones, driven by the launch of new models.



Visitors take a look at computer monitors at the City IT 2010 fair that started at BCS Computer City in Dhaka yesterday. (Stories on B3, IT & Telecom pages)

## Rod misses out on Indian market

### Non-tariff barriers stand in the way

SAJJADUR RAHMAN

Non-tariff barriers (NTBs) block Bangladesh's export of MS (mild steel) rod to India's northeastern states, which local manufacturers say is their captive market.

The barriers include mandatory standard certification from the Bureau of Indian Standards (BIS) and levy to be given to BIS on production.

"We have been trying for the last several years to export rod to India, but can't do it because of the NTBs," said Aameir Alihussain, director of Bangladesh Steel Re-Rolling Mills (BSRM), one of the big players.

He said Bangladesh needs some preferential facilities from the neighbour as the country has agreed

to allow its ports and transit for Indian use.

The steel manufacturers said the NTBs are encouraging smuggling to the northeastern states as price of rod is higher in India.

The price of 40-grade rod was between Tk 43,500 and Tk 47,200 per tonne as of yesterday, while it was Tk 47,000-Tk 48,200 for the 60-grade, said Trading Corporation of Bangladesh.

Market players said a tonne of 40-grade rod is being sold in India at equivalent to Bangladesh's Tk 60,000.

There are more than 100 steel and 350 re-rolling mills in the country and their total production capacity is around three million tonnes a year against the consumption of maximum 2.5 million tonnes.

Abul Khair Group has recently entered steel manufacturing venture with a daily production capacity of 3,000 tonnes.

Following Prime Minister Sheikh Hasina's recent visit to India, businessmen from all corners want the country to address the NTBs it imposed in various formats -- from state tax to standard certification.

Alihussain said three Indian rupees should be given to the BIS for production of every tonne of rod in case of export. "It can't be, it should be on the value of the exports," he said.

Fazlur Rahman Bakul, president of Bangladesh Steel Mills Owners' Association, said they could not utilise the export potential in the northeastern states because of the standards and certification issues.

"We can also export to Myanmar and Nepal," said Bakul.

Steel makers also said a huge quantity of rod is being smuggled to India's northeastern states through Bangladesh's Sylhet region.

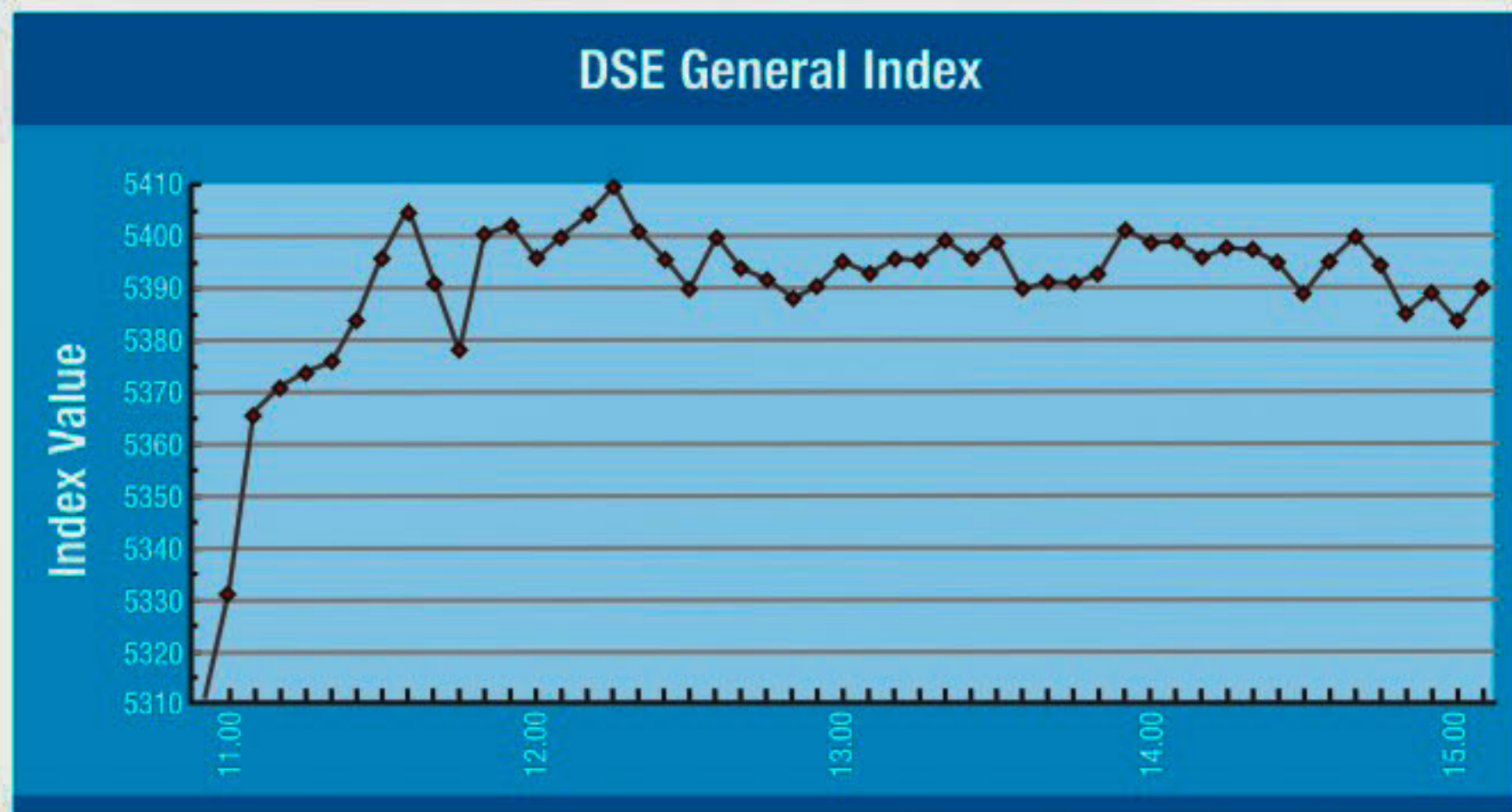
"Some 30 percent of Bangladesh's rod are being smuggled to India, particularly to northeastern states," said Masudul Haque Masud, former general secretary of the association.

Around 30,000 tonnes of rod were shipped to Sylhet two months ago, which he believed were for India's consumption.

Sirajul Islam Mirdha, managing director of Bikrampur Re-Rolling Mills, said he has also heard of rod smuggling to India.

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## Stocks power ahead on high liquidity



STAR BUSINESS REPORT

The stockmarket hit a new high yesterday, buoyed by a glut of liquidity that increased demand for shares, and Grameenphone, a market mover.

The benchmark index of Dhaka Stock Exchange, DSE General Index, reached its peak of 5,390 points, up 1.5 percent or 79 points. The single-day turnover soared to its highest of Tk 1,581 crore.

Insiders said the market is riding high on excess liquidity, while the number of securities is not increasing in line with demand.

Since the debut of Grameenphone on November 16 last year, only one insurance company with low capitalisation and a couple of mutual funds have been added to the market system.

These additions are not enough to deal with the liquidity glut. The result is, investors flock to the existing shares even with higher prices, market analysts said.

The excess liquidity that created additional demand for shares is one of the reasons for the rising trend, said a top official of a brokerage house.

"But demand cannot be met due to an inadequate supply of new securities that resulted in an overpriced situation for many shares," he said.

The sole telecom company and bank shares led the market to continue the record-breaking trend, according to BRAC-EPL, an investment firm, and Race, an asset management company.

Grameenphone yesterday gained 5.06 percent to Tk 272.10, compared to the previous day's Tk 259. The largest mobile phone operator also topped the turnover leaders with 27,61,600 shares worth Tk 74.64 being traded on the DSE.

Chittagong stocks also marked a sharp rise yesterday. The CSE Selective Categories Index went up 188.87 points, or 1.88 percent, to 10,203.33. The CSE All Share Price Index jumped 291.1 points, or 1.89 percent, to 15,677.67.

## BB tightens rules for banks to appoint directors

STAR BUSINESS REPORT

The Bangladesh Bank (BB) has directed all commercial banks to verify if a person is a loan defaulter before appointing him or her as a director to the bank's board. The banks will have to get the verification from Credit Information Bureau (CIB) of the central bank.

The BB in a circular issued yesterday said the bank concerned must send to the central bank the updated declaration of CIB report attested by the chairman of the bank

before selecting any person as director.

BB officials said a good number of banks have recently appointed directors by providing false declarations, but later the persons were found loan defaulters.

When the BB cancelled their directorship, they filed writ petition and made the central bank order ineffective by getting stay order from the court.

The central bank is getting involved in unnecessary cases resulting in wastage of time and money, a high official said. The BB has taken the latest move to avoid this.

## Plastic fair makes brisk business

STAR BUSINESS REPORT

Participants in the sixth Dhaka International Plastic, Packaging and Printing Industrial Fair were satiated on the concluding day yesterday, as they received large volumes of spot sales and orders.

A total of 350 local and foreign firms took part in the fair. Manufacturers and machinery importers received orders worth around Tk 500 crore, while many sold machinery essential to produce packaging materials for pharmaceuticals and garment factories.

At present, the country's growing garment and pharmaceutical sectors are sourcing most packaging materials from local makers, one of the main drivers of the growing plastic market, said industry people.

They said the Tk 4,000 crore local market is growing at 20 percent a year. At present, local manufacturers are exporting plastic hangers, polybags and shopping bags.

Morshed Alam, managing director of Bengal Group of Industries, said the local market is growing fast, as the sector is becoming cost-effective and producing high quality products.

"The market was not big even 10-12 years back. But now local producers are able to meet the demand for packaging materials of the garment and pharmaceutical industries," he said.

Bengal Group of Industries, which holds nearly two thirds of the total market share, won the 'Best Company Award' at the fair.

Along with packaging materials and home appliances, the company recently began producing adhesive items.

Bangladesh Plastic Goods Manufacturers and Exporters Association and Chan Chao International Co Ltd jointly organised the four-day event at Bangabandhu International Conference Centre in Dhaka.

In addition to locally produced items, imported machinery was also popular at the show, as most importers received satisfactory sales and spot orders.

Saiful Islam, manager of Shazin Trade International, said his company sold 5 packaging machines worth Tk 18 lakh and received some more orders.

Abdur Rahim, managing director of Global Plastic which imports machinery to produce pet bottles, said they experienced brisk sales worth Tk 5 crore.

At the concluding ceremony, plastic goods manufacturers urged the government to relax the customs and bank guarantee rules, extend cash incentives and promptly establish a Plastic Industrial Park.

HT Imam, adviser to the prime minister, and Ferdous Wahed, president of the plastic makers' association, also spoke.

### ACI 20% Convertible Zero Coupon Bonds

Information to the General Investors

**A. Application for Public Offer:**

Opening Date: 31 January 2010    Closing Date: 4 February 2010    Application Money Per Lot Tk. 3,743

- Application other than NRB will be received in the nominated branches of Bankers to the Issue
- NRB application will be received in the Dhaka Zila Krira Shangstha, Jheelpar, Motijheel, Dhaka.

**B. Features of ACI 20% Convertible Zero Coupon Bonds:**

- ▶ **Public Offer Size:** Tk. 400 Million, the face value of which is Tk. 534 Million. (106,868 lots).
- ▶ **Face/Redemption Value Per Lot:** Tk. 5,000.
- ▶ **Issue Value Per Lot:** Tk. 3,743 (Application value for each lot Tk. 3,743).
- ▶ **Zero Coupons:** Bonds will be issued at discounted value (Tk. 3,743 per lot) and be redeemed at face value (Tk. 5,000 per lot). The difference between the issue price and redeemed value (Tk. 1,257) is redemption income (interest income) to the bondholders.
- ▶ **Formation of Lot:** Five bonds will be bundled together to make a lot; that is each lot will be consisted of five bonds (five series) with five different maturity dates ranging from 1 year to 5 years.
- ▶ **Maturity and redemption:**
  - Five bonds in a lot will have five different maturity dates i.e. at the end of each year one bond from a lot will mature.
  - At maturity of each respective bond, redemption will be made in cash to the extent of 80% and **rest 20% will be converted into ordinary shares of ACI Limited.** However, the bondholders will have the option to redeem 100% in cash.
  - The strike price to convert bonds into ACI ordinary share will be the net asset value per share as per the last annual audited accounts + 10% premium on net asset value.
  - If any bondholder gets fraction or odd lot number of shares, the fraction or odd lot shares shall be credited to Suspense Account and shall be sold by the Issuer. Then the equivalent converted share value will be paid to Bondholders.
- ▶ **Tradability:** listed in the DSE and CSE and freely tradable like any listed company shares.
- ▶ **Tax Exemption:** The interest income to the bondholders is fully tax exempted (except banks, insurance and financial institutions).

**C. Benefits to the Bondholders:**

Annual Fixed Tax free Interest Income (Redemption Income) @ 10.50%	+ Convertibility Option = Becoming ACI Shareholder!	+ Capital Gain on convertibility = Difference between market price & strike price of converted shares	+ Tax exempted income for both interest & capital gain
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**D. Bond Schedule for Each Lot:**

SERIES	TERMS	MATURITY DATE	ISSUE PRICE	FACE VALUE	Redemption	
					Cash-80%	ACI Share-20%
01	1 year	After 1 year	Tk. 905	Tk. 1,000	Tk. 800	Tk. 200
02	2 year	After 2 year	Tk. 819	Tk. 1,000	Tk. 800	Tk. 200
03	3 year	After 3 year	Tk. 741	Tk. 1,000	Tk. 800	Tk. 200
04	4 year	After 4 year	Tk. 671	Tk. 1,000	Tk. 800	Tk. 200
05	5 year	After 5 year	Tk. 607	Tk. 1,000	Tk. 800	Tk. 200
<b>Total</b>			<b>Tk. 3,743</b>	<b>Tk. 5,000</b>	<b>Tk. 4,000</b>	<b>Tk. 1,000</b>

For details please visit the websites [www.aci-bd.com](http://www.aci-bd.com), [www.secdb.org](http://www.secdb.org), [www.lidfc.com](http://www.lidfc.com), [www.allfin.org](http://www.allfin.org), [www.dsebd.org](http://www.dsebd.org) and [www.csebd.com](http://www.csebd.com).