

## Stocks

DGEN ▼ 0.27%  
5,607.36

CSCX ▲ 0.28%  
10,706.56

## Asian Markets

MUMBAI ▲ 0.30%  
16,286.32

TOKYO ▼ 0.47%  
10,352.10

SINGAPORE ▲ 0.91%  
2,782.55

SHANGHAI ▼ 0.69%  
2,982.58

## Currencies

	Buy Tk	Sell Tk
USD	68.68	69.68
EUR	92.13	96.29
GBP	105.18	109.52
JPY	0.74	0.79

SOURCE: STANDARD CHARTERED BANK

## Commodities

**Gold** ▼  
\$1,114.80  
(per ounce)

**Oil** ▼  
\$80.09  
(per barrel)

SOURCE: AFP (Midday Trade)

## Mitsubishi plans to assemble two more cars in Bangladesh

STAR BUSINESS REPORT

Japanese automaker Mitsubishi Motors plans to assemble two more cars in Bangladesh by 2012 under a joint venture with state-run Progoti Industries Ltd.

Mitsubishi will assemble Sedan Car Lancer EX and Pajero Sports Jeep at Progoti's Chittagong plant.

The Japanese carmaker is now assembling Pajero Jeep V6 SUV (sport utility vehicle) for Bangladesh market under a deal with Progoti. Mitsubishi Motors is set to assemble new cars as the company has decided not to produce Mitsubishi Pajero V6 SUVs after 2011.

"We have already had a deal with Mitsubishi. The existing deal may extend as the government is keen to assemble cars locally so customers can buy at affordable prices," Dewan Zakir Hussain, secretary of ministry of industries, told The Daily Star.

He said the newly assembled cars may hit Bangladesh market early 2012.

Besides the government initiative, Rangs Motors Ltd is the sole distributor of Mitsubishi cars in Bangladesh. Rangs Motors will provide after-sales services after Mitsubishi starts supplying the cars to the local market.

Zonal Manager for Mitsubishi Asia Kazuhide Ogata met Industries Minister Dilip Barua at his office yesterday.

Now Mitsubishi and Progoti's jointly assembled Pajero V6 SUV is selling at Tk 38 lakh in Bangladesh.

"The government plans to provide 'family cars' at affordable prices," said the industries secretary.

"We will sit with the National Board of Revenue to reduce taxes on importing parts so the assembling costs come down."



A Tata Nano -- dubbed as the world's cheapest car from India's Tata Motors -- arrives yesterday at the head office of Nitol Motors, the sole distributor of Tata vehicles in Bangladesh. The car will be on display at the Indian Trade Fair, a three-day event that kicks off in Dhaka on Thursday.

# State banks lag in tech

## BB wants automation of all banking services by year-end

SAJJADUR RAHMAN

State-owned banks lag far behind their private peers in installation of core banking solutions (CBS) and internet connectivity to avail themselves of the facility of automated cheque processing and electronic fund transfer systems, a top central bank official has pointed out.

"Most private and foreign banks have already installed CBS, but none of the nine banks run by the state did," said Chowdhury Mohidul Haque, executive director of Bangladesh Bank.

"Even those did not seek any help from us," Haque added.

A BB circular issued in the first week of February insisted on automation of all bank services through CBS installation by the year-end.

CBS records transactions, maintain customer information, calculate interests on loans and deposits. The data, instead of huge ledgers, are stored in databases in digital form. The same software can be installed in various branches of a bank and can be interconnected through the internet or telephone lines to form a core banking network of the bank.

The advantage is, a customer can operate his or her account from any branch of a bank and if the bank has internet banking or ATM (automated teller machine) facilities, then operation of any account is possible from virtually any-

where.

Bangladesh's central bank has been working for the past two years on transforming the banking industry into a digital one replacing the age-old manual and time-consuming systems. As part of Bangladesh Bank's move to facilitate quick services to banks, now 48 in number, automation of its clearinghouse and the Credit Information Bureau is underway.

Of the scheduled banks, private banks, including nine foreign ones, are 30, while state banks four commercial and five specialised banks are nine.

BB latest data shows CBS adoption in 20 local private banks and all nine foreign banks.

However, a few state banks have connected some of their branches with internet facility.

The central bank has already set up the data centre of Bangladesh Automated Clearing House (BACH) at Motijheel and a disaster recovery centre at Mirpur in the capital.

"The clearing house, the key to the banks' automated services, will go into full-fledged operation in Dhaka city soon," said Chowdhury Mohidul Haque of Bangladesh Bank.

The BB in another circular has alerted all commercial banks that no non-MICR (magnetic ink character recognition) cheque will be accepted by the clearinghouse after the month of April. Once this new system is enforced, an account-payee bank cheque will be settled in a

few minutes instead of few days.

The central bank official said a bank has to have internet facility in its branches to avail itself of the BACH facility.

Asked about online banking, Janata Bank Managing Director SM Aminur Rahman said his bank now puts its all efforts in bringing all of its branches under online network by this year, with the 74 Dhaka branches on top priority.

In this context, Rahman pointed to the fact that maintenance of online network is expensive and the purchase of equipment for this purpose needs to comply with the government guidelines, including public procurement rules.

Janata's top official also pointed his finger at the larger number of branches of the state-run banks than the banks owned privately.

Janata has 851 branches across the country with 74 in Dhaka city alone, while many private banks do not have such a number of branches in the entire country.

Helal Ahmed Chowdhury, managing director of the largest private bank Pubali Bank, said they are fully ready to get connected with the central bank's BACH system.

The bank has 386 branches, by far the highest among the private banks in the country.

"Some 52 branches have already gone online and another 100 will come under the network at the end of 2010," said Chowdhury.

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# Stocks in choppy trade

## GP returns from losses

STAR BUSINESS REPORT

Dhaka stocks continued to lose ground yesterday as major market movers such as banks, non-bank financial institutions, pharmaceuticals and fuel and power sectors remained in the red.

But the prime market mover -- telecommunication sector -- advanced but was not enough to lift investor sentiments.

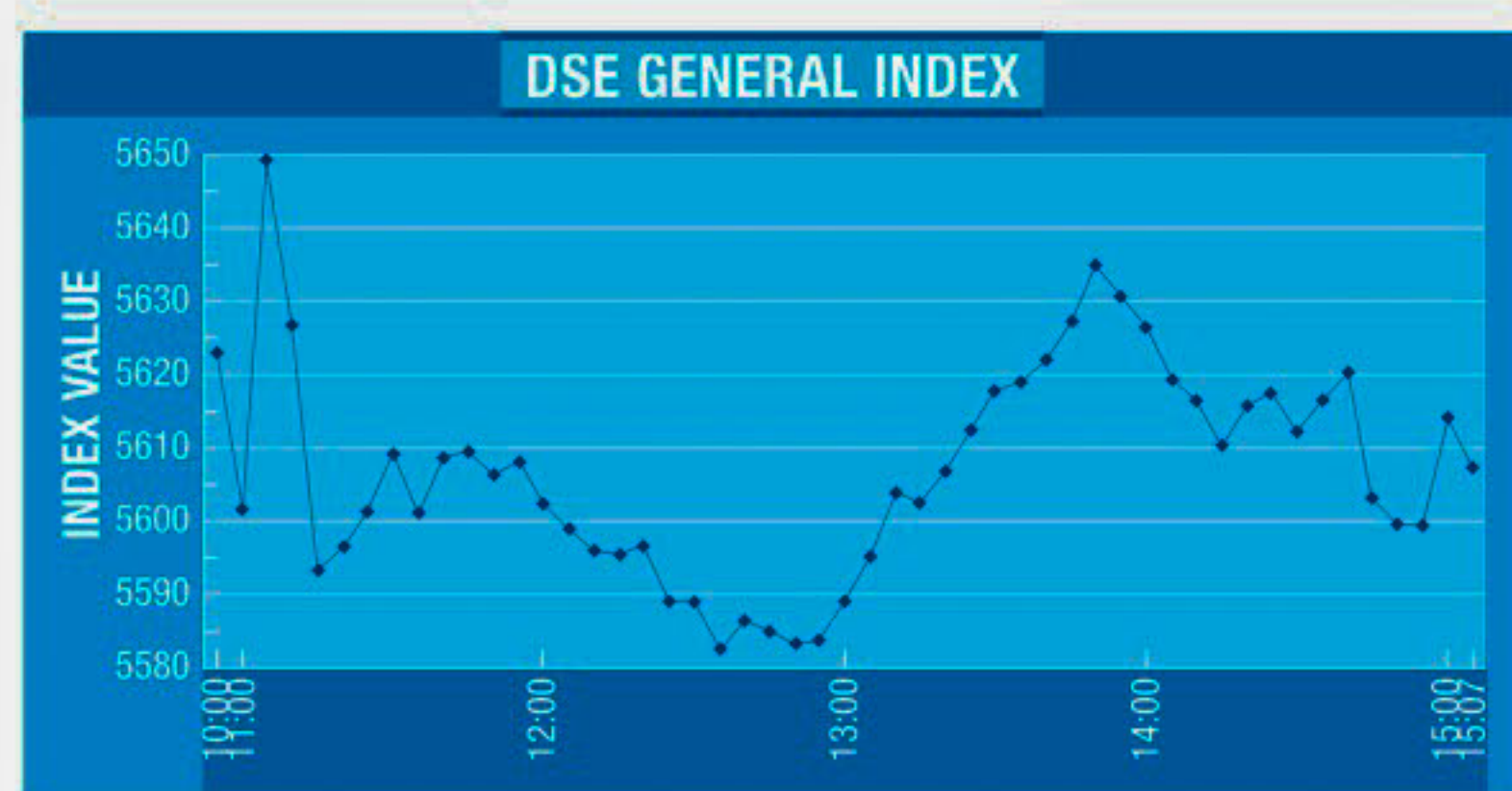
The DSE General Index of Dhaka Stock Exchange declined 15.62 points, or 0.27 percent, to 5,607.36 yesterday. The benchmark index suffered the biggest loss on Monday since its introduction.

The banking sector lost 2.82 percent with all the banks, except for Rupali, trading in the red.

More than half the banking stocks lost more than 3 percent. Premier Bank with a 4.85 percent decline and City Bank with a 4.8 percent slide were the biggest losers.

Rupali Bank increased by 1.07 percent.

The non-bank financial institutions (NBFIs) lost 1.13 percent after advancing for four back-to-back sessions. ICB, which lost 1.61 percent, LankaBangla, which declined 2.49 percent, and IDLC, which decreased 2.43 percent, were the top losers. Prime Finance gained 1.94 percent.



The pharmaceuticals sector lost with a majority of the companies declining. Reckitt Benckiser lost 6.77 percent, Renata 3.41 percent and GlaxoSmithKline 2.05 percent. But Marico and Beximco Pharma advanced 3.41 percent and 1 percent.

The fuel and power sector also went down. All the companies in the sector, except for Summit Power and Eastern Lubricants, suffered losses. Mutual funds, cement and multinational companies also declined.

The telecommunication sector rebounded yesterday with Grameenphone shares, the sole constituent of the sector, gaining 2.77 percent. Earlier, GP lost 13.7 percent in the previous two sessions. The broader DSE All Share Price

Index dropped 14.65 points, or 0.31 percent, to 4,594.86.

Losers beat gainers 161 to 70. Seven securities stayed unchanged. A total of 5,07,82,943 shares worth Tk 1,185.63 crore changed hands on the prime bourse.

Chittagong stocks however posted slight gains yesterday. The CSE Selective Categories Index rose 30.52 points, or 0.28 percent, to 10,706.56. The CSE All Share Price Index increased 36.44 points, or 0.22 percent, to 16,351.17.

A total of 76,95,198 shares worth Tk 113.20 crore traded on Chittagong Stock Exchange. Of the traded issues, 47 advanced, 100 declined and four remained unchanged on the port city bourse.

## Bharti explores another acquisition in Bangladesh

STAR BUSINESS REPORT

Indian telecom giant Bharti Airtel is exploring another acquisition in Bangladesh after acquiring a 70 percent stake in Warid telecom, an Indian newspaper reported.

"Bharti could acquire a big player in Bangladesh," DNA said, quoting a senior industry representative participating in the Mobile World Telecom Congress in Barcelona recently.

But the report did not give further details on the acquisition plan.

For the recently concluded Warid deal in Bangladesh, Bharti would make an investment of \$300 million for the venture.

Earlier this week, Bharti confirmed that it had entered exclusive talks with Kuwait's telco, Zain, for its South African assets. The two groups will be in dialogue until March 26 to set a future course of action.

In a related development, Orascom Telecom CEO Naguib Sawiris, while talking of consolidation, said his company could not afford to buy the African assets of Zain at this point.

# Indian company proposes direct container transport

JASIM UDDIN KHAN

Container Corporation of India Ltd (CONCOR) has proposed that the government start direct container movement by barge and railway on a trial basis between the two countries.

The Indian state-run agency said container carrying charges and lead-time will come down drastically once the direct water and rail links are established.

Two CONCOR high officials met shipping ministry and communication ministry officials yesterday and placed the proposal.

But the government has asked the agency to place the proposal in detail after a few months, as infrastructure at river ports is not ready for such large-scale operation.

According to the proposal, CONCOR wants to use Khanpur and Pangao river ports in Narayanganj to handle containers between Kolkata and Narayanganj by barge.

The company will bring containers through Delhi-Kolkata-Dhaka route by railway and handle at Kamalapur Inland Container Depot.

Sk Mahfuz Hamid, managing director of Gulf Orient Seaways Ltd, the local agent of CONCOR, said they will be able to operate over one lakh containers a year in both ways.

Currently, businessmen will have to pay around \$2,200-\$3,000 for carrying a twenty feet equivalent unit (TEU) container from India to Bangladesh through feeder vessels, Hamid said.

The cost will come down to \$700-\$1,200 once the routes are introduced, he added.

It takes a container around 30 days to reach from India to Chittagong Port, which will also go down to only 7-10 days, Hamid said.

A shipping ministry high official said the company did not place its detailed proposal.

"After submission of a detailed proposal we will assess it and take decision," the official said, requesting anonymity.

Manoj Krishna Akhouri, group deputy general manager (international marketing) of CONCOR, said there are no barriers to introducing the project. "The direct link will help the government generate a substantial amount of revenue from trade."

Bangladesh will earn around \$100 as service charge from each container, he added.

CONCOR is engaged in transportation, handling and parking of containers. As of March 31, 2009, the company had 13,576 containers and 8,117 high-speed wagons.

The company plans to operate under India-Bangladesh Protocol on Trade & Transit, which is part of a bilateral trade treaty, and has been extended by two years with effect from April 1, 2009. The two-year tenure of the protocol expired in March 2009.

# Pause in ship-breaking hikes rod prices in Ctg

STAFF CORRESPONDENT, Ctg

Suspension of work at ship-breaking yards in Chittagong, which put production and supply of scrap iron on hold since Saturday, triggered a price hike of rod.

The price of mild-steel (MS) rod increased by Tk 3,000 a tonne in the last three days.

The price of 40-grade MS rod rose to Tk 39,000 from Tk 36,000 a tonne. But the price of 60-grade MS rod, manufactured by larger companies, remains unchanged at Tk 47,500 a tonne, said Md Sharif, manager of Hossain and Brothers at Halishahar in the port city.

Ship-breaking yard owners suspended operations, protesting a new import policy that makes it mandatory for ship importers to submit pre-cleaning certificates before any ship enters the country's maritime territory.

Workers at the yards extended support to the owners, demanding cancellation of the amended statutory regulatory order (SRO) on the import of scrap vessels.

"The production and supply of scrap iron is on hold. Unless we can restore activities soon, it will hike rod prices further," said Kamal Uddin, vice-president of Bangladesh Ship Breakers Association.

Of the 75 BSBA-listed yards, some 50 yards had vessels for dismantling. But these yards were sure to run out of stock in a few weeks, unless vessels could be imported for beaching, said Abul Kashem, a ship-breaking yard owner.

After the commerce ministry amended its policy order on the import of scrap vessels, Chittagong Customs barred at least 10 ships from entering the country's maritime territory since they did not have pre-cleaning certificates.

The workers of different ship-breaking yards brought out a procession on Monday, demanding steps to stop "conspiracy against the ship-breaking industry".

"Ship-breaking activities are going on in neighbouring India, Pakistan and China. But when ship-breaking activities in our country are protested on the grounds of environmental pollution, we consider it nothing but a conspiracy," said Chittagong Regional Sramik League President Shafi Bangalee.

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