

Stocks	
DGEN	1.56% 5,400.39
CSCX	1.18% 17,277.57

Asian Markets	
MUMBAI	0.29% 17,052.54
TOKYO	0.17% 10,567.65
SINGAPORE	0.18% 2,839.54
SHANGHAI	0.52% 3,069.14

Currencies		
	Buy Tk	Sell Tk
USD	68.62	69.62
EUR	92.49	96.65
GBP	102.71	107.01
JPY	0.74	0.79

Commodities	
Gold	\$1,121.19 (per ounce)
Oil	\$81.55 (per barrel)

News in Brief

Delegation leaves for Lebanon

STAR BUSINESS REPORT

A Bangladeshi delegation left for Lebanon yesterday to gather information about the security and welfare of Bangladeshi women migrant workers there.

"The delegation will check the ground reality of Bangladeshis there, which is a prospective country for women jobseekers," said an official of the expatriates' welfare and overseas employment ministry.

The delegation was led by Expatriates' Welfare and Overseas Employment Minister Khandaker Mosharraf Hossain.

The visit to Lebanon follows a string of allegations that some women migrants in that country had been subjected to torture, another official of the ministry said. In Lebanon, around 30,000 Bangladeshi women migrants work as cleaners, home helps and garment workers.

There is huge demand for Bangladeshi women workers in Lebanon. But there is no mission of Bangladesh in that country. On behalf of Bangladesh, there is one honorary consul general and a welfare officer to look after Bangladesh's causes, the official added.

Chevron to shed 2,000 jobs

AP, Detroit

Chevron Corp says it will cut 2,000 jobs this year and will continue reducing its work force through 2011.

The nation's second largest oil producer revealed the cuts as it outlined corporate strategy and major capital projects Tuesday in a meeting with financial analysts in New York.

California-based Chevron says its oil refining market conditions will be difficult for the next several years, so it plans to reduce costs and capital spending, improve efficiency and simplify its organisation.

Chevron also says it will concentrate its refining business in its North American and Asia-Pacific markets where it has the greatest competitive strength.

Stocks in freefall as jitters spread

STAR BUSINESS REPORT

Dhaka stocks slid deeper into the red for a third session yesterday with a key index plummeting more than 86 points.

From February 17, the market lost over 400 points, down from its peak of 5,828 points.

Single-day turnover came down to a six-month low to Tk 629.12 crore, showing investors' lukewarm response to trade.

Although some market analysts said it was a correction in share prices, but many said a price correction would not last long.

"If this trend continues for few more days, it will result in a bigger fall," said one of the market experts.

Some pointed fingers at the regulator's "unexpected and unnecessary" intervention that unnerved investors in the last few days, sending stocks into a state of turbulence.

A question mark hangs over the regulator's intervention in the Dhaka Stock Exchange election. On



top of that, a notice on two individual investors on charges of manipulating share trade of a company and the posting of the news on the DSE website rattled other investors.

The SEC had called two big investors in for a hearing. "The commission has the right to call them, but it sent a wrong signal to the market," Abu Ahmed, a professor of finance at Dhaka University, told The Daily Star yesterday.

"Other high-valued investors,

who are also treated as institutional investors, were apparently shaken by the move. Many are staying away from market -- part of the reason for the current bearish trend," he said.

As the jitters are spreading, the prices of shares with strong fundamentals are also coming down, Ahmed said.

Commenting on the regulator's intervention in the DSE election, Ahmed said the Securities and Exchange Commission should keep

its hands off the election.

The DSE has recently rescheduled the elections to March 21 from March 3. The rescheduling came after the SEC issued a directive, making it mandatory for intending candidates to obtain a no-objection certificate from the regulator before filing nominations.

Yaweer Sayeed, managing director of AIMS of Bangladesh, said a price correction might go on for a maximum of two days, but not for long.

"Investor confidence is eroding. If appropriate measures are not taken immediately, people will start losing interest in the stockmarket and ultimately leave."

The bourse's benchmark index closed at 5,400.39 points, suffering a 1.56 percent loss. The broader DSE All Shares Price Index declined 65 points, or 1.44 percent, to 4,428.41.

Losers outnumbered advancers 178 to 49 with 16 securities remaining unchanged. A total of 3,11,98,805 shares traded on the premier bourse.

Alico takeover to firm up Bangladesh foothold: Official

SAJJADUR RAHMAN

Alico's takeover by MetLife will strengthen the international life insurer's capacity and operations in Bangladesh, said the top Alico official in Bangladesh yesterday.

Insurance giant American International Group Inc (AIG) on Monday agreed to sell its American Life Insurance Co (Alico) division to another insurance powerhouse, MetLife, for \$15.5 billion.

It was AIG's second big asset sale in two weeks. On March 1, AIG agreed to sell Asia-based life insurer AIA Group to Britain's Prudential for \$35.5 billion.

Akhlaqur Rahman, chief operating officer of Alico in Bangladesh, considers the MetLife deal a "positive move" for Alico and said it will benefit all stakeholders.

"The combination of Alico and MetLife will make the company's operations stronger in Bangladesh," said Rahman.

He expects the move to increase the company's earnings in Bangladesh.

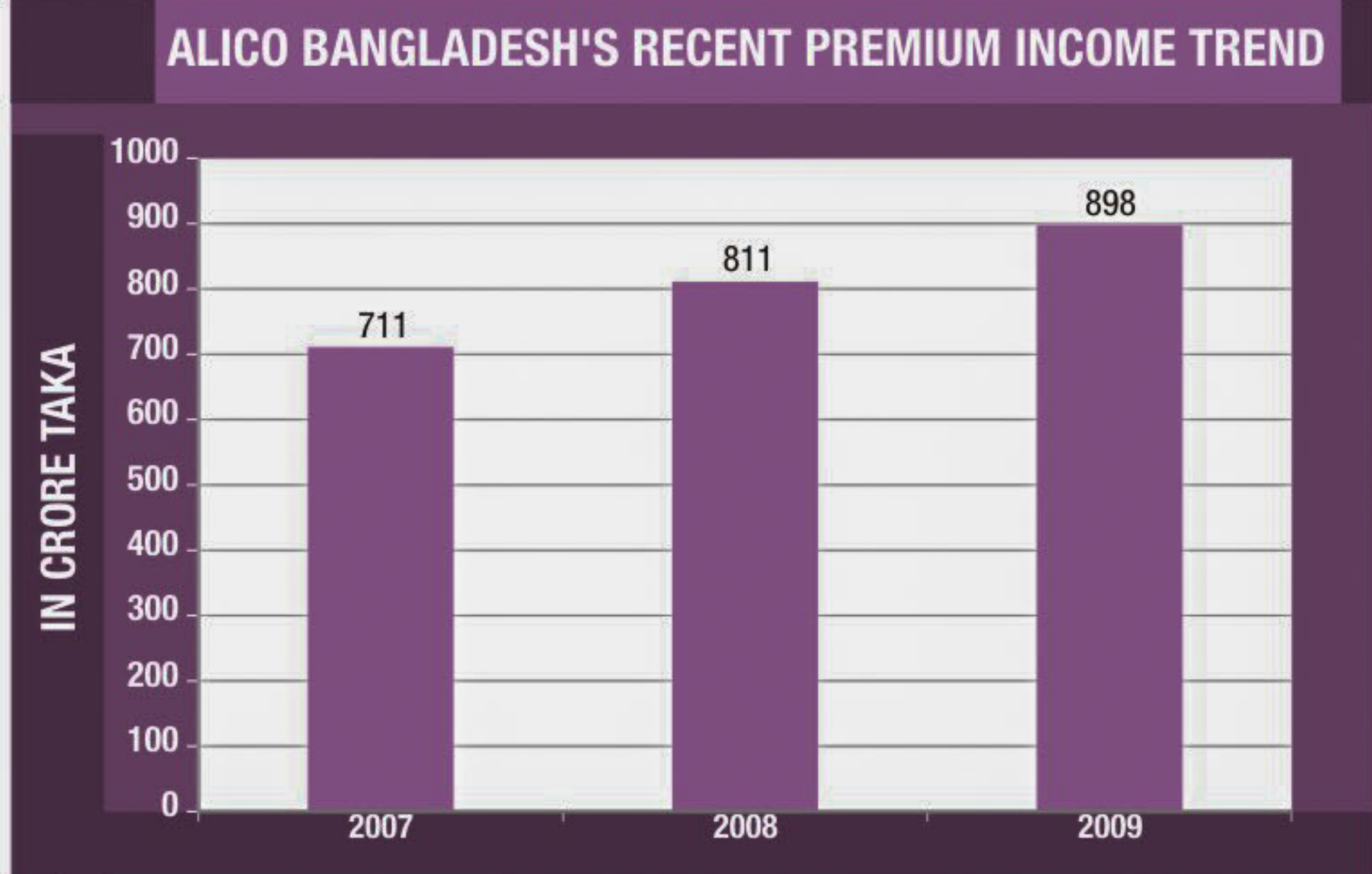
Rahman also assured Alico policyholders that there will not be any changes in the insurer's operations in the country.

"Things will remain unchanged here."

Founded in 1921, Alico is a leading international life insurer that provides consumers and businesses with products and services for life insurance, accident and health insurance, retirement and wealth management solutions.

The sale agreement includes all of Alico, including the company's approximate 60,000 points of distribution, agents, brokers and financial institutions, 12,500 employees across more than 50 countries and 20 million customers worldwide.

MetLife Inc is the largest life insurer in the US



and Mexico. The deal will give MetLife a larger presence in Japan as well as high-growth markets in Europe, the Middle East and Latin America, according to MetLife officials.

The transaction has already been approved by the boards of directors of both MetLife and AIG, and is expected to close by the end of 2010. The transaction is subject to certain regulatory approvals and other customary closing conditions.

Both AIG and MetLife are based in New York, USA.

Alico is by far the largest life insurer in Bangladesh. The company's market share was 20.7 percent in 2008 and it has nearly 10 lakh

policy owners in Bangladesh.

Alico Bangladesh earned premiums worth Tk 898 crore in 2009, up from Tk 811 crore a year ago.

"The move will bring together two profitable and well-established businesses with superb track records and strong long-term growth potential," said the Alico Bangladesh's COO.

AIG owed to the Treasury and Federal Reserve Bank of New York nearly \$130 billion as on December 31. Officials said the funds to be received from the recent two sales will be used for repayment of billions of bailout dollars the company still owes to the US government. sajjad@thedailystar.net



KH Lee (3-R), managing director (MD) for Dhaka branch office of Samsung Electronics Co Ltd, poses with Md Zakiullah Shahid (3-L), MD of Electra Telecom (BD) Ltd, the sole distributor of Samsung mobiles in Bangladesh, at the launch of Samsung Genoa (C3510) mobile phone at Sonargaon Hotel in the capital yesterday. (Story on B3)

Deal signed on three five-star hotels

STAR BUSINESS REPORT

Unique Group, the owning company of Westin Dhaka, and Starwood Hotels and Resorts Worldwide signed a memorandum of understanding (MoU) yesterday to build three five-star hotels in the country.

Mohammad Noor Ali, managing director of Unique Group, and Don Elliot, regional vice president of Starwood, signed the MoU.

Unique will invest around Tk 2,000 crore for the ventures, which will create over 6,500 direct and indirect job opportunities in the country's hospitality sector.

Starwood, the parent company of renowned global brands like Westin, Sheraton and Le Meridien, will act as the management company for the three hotels.

Dr Mashiur Rahman, economic affairs adviser to the prime minister, and Dr SA Samad, chairman of the Board of Investment, were also present.

Move to bring VoIP under legal cover

MD HASAN

A move is underway to bring illegal VoIP (voice over internet protocol) under a legal framework by renting out E1 connections to the operators.

E1 is an all-digital communications line that allows transmission of voice, data, video, and graphics at high speed compared to standard communication lines. Illegal VoIP operators handle international calls through the E1 devices.

The parliamentary standing committee on the post and telecommunication ministry yesterday asked state-run Bangladesh Telecommunications Company Ltd (BTCL), the distributor of E1, to make a report on whether the government's earnings will increase or decrease if VoIP operators use the line.

BTCL charges Tk 1.2 lakh for each E1 connection that can rout 30 calls at a time.

"The parliamentary body is looking for a suitable way to legalise international call termination through VoIP. The committee has asked BTCL to provide a report on E1 rental," said Zia Ahmed, chairman of Bangladesh Telecommunication Regulatory Commission.

Earlier, the government had decided in principle to issue more international gateway licences for handling international calls to trigger a price war and bring illegal VoIP operators under a legal framework.

Around 60 million minutes of international calls are made in and out of Bangladesh a day. Illegal VoIP handlers rout around 40 percent calls of the total volume.

Presently, BTCL rents out E1 connections to the licensed telecom operators.

Telecoms ministry officials said, according to law, the VoIP operators will still remain illegal as they will have to take licences for both E1 connection and for routing international calls.

However, if the government wants to bring VoIP operators under a legal framework, the recently amended international long distance telecommunication services (ILDTS) policy will require a further modification.

The BTRC chairman said the parliamentary committee has asked the telecoms ministry to submit the policy in the next meeting this month to find out how the amendment should be made.

"A major policy improvement is required, if the government goes for renting out E1 to the VoIP operators," said Zia Ahmed.

Currently, illegal VoIP operators charge around 1.75 cents per minute for an international call whereas legal call handlers charge 3 cents.

RMG yet to benefit from stimulus

REFAYET ULLAH MIRDHA

The readymade garment sector is yet to get any money under stimulus package from the finance ministry.

The second phase of such package worth Tk 1,000 crore that was announced on November 25 last by Finance Minister AMA Muhith to cushion the sectors affected by global recession has covered the prime foreign exchange earning sector.

"The RMG exporters have not yet received any benefit from the government's bailout package, when negative growth in apparel exports goes on," said Abdus Salam Murshedy, president of the Bangladesh Garment Manufacturers and Exporters Association.

President of Bangladesh Knitwear Manufacturers and Exporters Association Fazlul Hoque's view in this regard is also identical. "No positive thing happened so far, although I talked to the finance minister several times about the disbursement of the stimulus package," he said.

When the finance minister's attention was drawn to this matter, he told The Daily Star: "We're giving the money and the exporters are benefiting from the stimulus."

Muhith however did not elaborate when and how the money under the bailout plan would be disbursed among RMG exporters.

The government pledged many things through this stimulus package, which include compensating power crisis by paying the licence renewal fees for the captive power plants used in different RMG units for a period stretching from November 1, 2009 to June 2010.

Another benefit the government offered in the package is extension of the bank loan re-scheduling without any downpayment up to June 30, 2010 from October 2009 at a 10 percent interest rate instead of the current 13 percent for the RMG and textile sectors.

Besides, a 5 percent cash incentive will be provided for the apparel exporters in case of new destinations they choose, except US, European Union and Canada, for a span of three years.

According to the package document, members of Bangladesh Textile Mills Association will receive this facility in case of direct yarn exports.

The government has also decided to give a special benefit to small and medium enterprises (SME). The companies that exported up to \$3.5 million in FY2008-09 will be brought under the SME category. reeafat@thedailystar.net