

Stocks	
DGEN	0.78% 5,518.93
CSCX	0.14% 10,517.05

Asian Markets	
MUMBAI	0.23% 17,451.02
TOKYO	0.47% 10,774.15
SINGAPORE	0.57% 2,905.66
SHANGHAI	0.70% 3,053.13

Currencies		
	Buy Tk	Sell Tk
USD	68.62	69.62
EUR	91.66	95.80
GBP	102.20	106.51
JPY	0.74	0.79

Commodities	
Gold	\$1,102.60 (per ounce)
Oil	\$81.09 (per barrel)

Bahrain Air launches flights from Chittagong

STAFF CORRESPONDENT, Ctg
Bahrain Air, the first privately owned national carrier of Bahrain, started its flight from Chittagong to the Middle East yesterday.

The inaugural flight flew from Shah Amanat International Airport in Chittagong at 7.30am.

Officials of Flight Link Company, Bahrain Air's general sales agent for Bangladesh, said they would operate four flights a week from Chittagong on every Sunday, Monday, Wednesday and Friday.

The airline started three flights a week from Dhaka on March 18: Tuesday, Thursday and Saturday.

Initially two spacious aircraft -- A319 with 132 seats including 12 of premier class and A320 with 162 seats including 12 of premier class -- will be used for the flights from Chittagong and Dhaka, said Flight Link Chairman Abdul Quadir.

"More aircraft will be added to the fleet depending on demand," he said at a press conference in the port city.

All flights will go direct to Bahrain. Connecting flights will carry the passengers to 22 different destinations from there, he added.

"Chittagong residents will get priority as they are around 50 percent of Bangladesh's expatriate workers' in different Middle Eastern countries," said Flight Link's Managing Director Md Aslam Chowdhury.

"It's part of our endeavour to encourage manpower export for earning more foreign currencies."

Stocks sink on panic sell-offs

SEC issues directive for stockbrokers

STAR BUSINESS REPORT

Stocks hit skids yesterday after investors rushed into sell-offs, panicked by the regulator's latest directive on margin loans.

The sharp decline pared down early gains in the stockmarket that traded in the green territory for more than half of the session.

The slump prompted investors to take to the streets in front of Dhaka Stock Exchange and Securities and Exchange Commission buildings. The protesters met the SEC officials, demanding an end to intervention in the market.

In a directive posted on the DSE website during trading hours, the SEC asked stockbrokers to follow the regulator's guideline to determine the price of portfolio or securities against margin loans.

In line with the guideline, the stockbrokers will have to calculate the price by dividing the summation of closing price and net asset value (NAV) of the securities by two.

Price determination of a security, which is purchased against margin loans, is needed before going to 'force sell' or margin maintenance.

The method, practised by merchant bankers, will now come into effect for stockbrokers from April 1.

Investors speculated that -- with the latest directive -- they would get less credit than the loan ratio fixed by the SEC at 1:1.5.

"The market reacted to the latest SEC directive and went down sharply," BRAC-EPL, an investment firm, said in an analysis.

But the SEC said the calculation

method is not related to providing credit to investors but to margin maintenance by creditors.

"Everyone misinterpreted the directive. It's not what investors, merchant bankers and stockbrokers interpreted," Anwarul Kabir Bhuiyan, executive director of SEC, told The Daily Star.

He said he had clarified the directive to a group of retail investors when they met him. "I think the things are clear now."

The commission has also sent a clarification on margin loans to the stock exchanges, he added. The clarification was posted on the DSE website in the evening.

Starting on a positive note, the market rose more than 60 points in two and a half hours. Then the SEC directive came and the market started falling and continued to the end.

The DSE General Index plummeted 43.43 points, or 0.78 percent, to 5,518.93. The broader DSE All Share Price slid 34.81 points, or 0.76 percent, to 4,524.5.

Losers beat advancers 180 to 66 with six remaining unchanged. A total of 4,82,12,045 shares worth Tk 1,102.64 traded on the premier bourse.

Chittagong stocks also plummeted. The CSE Selective Categories Index declined 14.97 points, or 0.14 percent, to 10,517.05. The CSE All Share Price Index fell 24.75 points, 0.15 percent, to 16,068.03.

A total of 75,86,259 shares worth Tk 94.17 crore changed hands on the Chittagong Stock Exchange. Of the traded issues, 48 advanced, 119 declined and three remained unchanged.

Stage set for central bank roadshow

STAR BUSINESS REPORT

Bangladesh Bank starts a weeklong roadshow on Friday to create awareness among people on farm loans and how to check money laundering.

The roadshow also aims at spreading awareness on financing small and medium enterprises and sending remittances through the legal channel.

Bangladesh Bank Governor Atiur Rahman will inaugurate the roadshow in Teknaf. The programme ends in Tentulia on April 2.

As part of the programme, the central bank will organise rallies and discussions at 13 spots that include Teknaf, Cox's Bazar, Chittagong, Feni, Comilla, Tangail, Sirajganj, Bogra, Rangpur, Dinajpur, Thakurgaon, Panchagarh and Tentulia.

A total of 13 commercial banks have selected as the lead banks to organise awareness programmes.

The banks are AB Bank, NCC Bank, National Bank, Prime Bank, Bangladesh Krishi Bank, One Bank, Standard Chartered, Sonali Bank, Jamuna Bank, Uttara Bank, Islami Bank and BRAC Bank.

According to a concept paper, prepared by the money laundering prevention department of the central bank, the programme will help local entrepreneurs with providing necessary information on SME financing, money laundering and farm loans.

During the roadshow, BB will discuss the ways of getting agricultural loans, and its terms and conditions with farmers.

ROADSHOW HIGHLIGHTS

(From March 26 to April 2)

Programme focuses on

SME financing

Farm loans

Prevention of money laundering

Remittance through banking channel

Districts to come under the programme: 13

Number of banks that organise programmes: 13

Easy bank accounts for farmers

STAR BUSINESS REPORT

Bangladesh Bank Governor Dr Atiur Rahman yesterday urged bank authorities to continue opening bank accounts for farmers, even if the banks fail to provide chequebooks to the account holders.

"We have come to know that some banks are facing problems in opening bank accounts for farmers because of the shortage of cheque books. The banks should by no means consider the shortage of chequebooks as an excuse to stop opening bank accounts for farmers," he told a function organised by the Bangladesh Institute of Bank Management in Dhaka yesterday. **More on B3**



Furniture is on display at a showroom of Otobi, one of the leading players in the sector. The Export Promotion Bureau plans to team up with Katalyst to build furniture makers' capacity and widen Bangladesh's export basket.

EPB to team up with Katalyst on furniture export

KAWSAR KHAN

The Export Promotion Bureau plans to team up with Katalyst, a private sector development project, for furniture makers' capacity building and widening the country's export basket.

The new partnership is expected to scope out further prospects of the sector, now growing at 20 percent a year, taking some steps to reach the goals.

A memorandum of understanding (MoU) between the two sides, due tomorrow, will allow them to go into some initiatives. These measures include training for artisans, providing technical supports, putting all efforts to remove barriers to its flourishing and formulating a roadmap for exports.

"Though EPB has been working on developing the furniture sector, there remains a lot to do to earn a sizeable amount of money from the sector. So we want to work together with Katalyst," said Omar Faruq, a director of the state-run promotional agency for exports.

Under the MoU, EPB will organise more trade shows for furniture manufacturers to explore new international markets and facilitate its exports.

The sector's contribution to the gross domestic product is 0.29 percent on an average, according to Katalyst.

Katalyst has been working for the sector's development since 2004.

The industry constitutes about 41,560 enterprises, which employ around 1.8 lakh people unskilled and semi-skilled.

There are 121 clusters of furniture companies across the country -- 93 micro and small, 17 medium and 11 large. The bigger clusters are mostly located in Dhaka and Chittagong.

Otobi is the furniture market leader, while Akhtar Furnishers Ltd, Navana Furniture, Hatil Complex Ltd, Partex Furniture, among others, are the major players.

"Though a formal signing of an agreement with EPB is imminent, we've been working with it for the last one year, and this time we want to strengthen the partnership," said Zannatul

Ferdous, business consultant (Industry and Rural Sectors Group) of Katalyst.

As the sector lacks proper knowledge about global trend in furniture design and competitiveness, Katalyst will bring consultants to the country to make the sector people aware of international market demand, she added.

Katalyst will bear the consultancy fee primarily, but a manufacturer will have to share such fee with the facilitator in case specific consultancy and technical support is sought, the Katalyst official elaborated.

Pointing her finger at policy limitations in some areas of the sector, Ferdous said, "We hope that EPB-Katalyst partnership will contribute immensely to resolving the problems like tax rebate, financing and wood sourcing."

While talking on the issue, Salim H Rahman, general secretary of Bangladesh Furniture Industry Owners Association, said, "The industry is exempted from duty if anything is imported for the purpose of furniture export, but the sector cannot avail itself of the facility due to the lack of government's proper management. We hope that the partnership would be able to solve the problem."

Earlier, in a bid to identify problems and prospects of the sector, Katalyst assisted formation of a committee with representations from all relevant government and private authorities, including National Board of Revenue, Ministry of Industries, Ministry of Commerce, Bangladesh Technical Education Board and industry insiders.

The committee is now working to make a paper in consultation with all the stakeholders of the sector. Based on the paper and other things, a national roadmap will be formulated for furniture export.

EPB data shows that Bangladesh fetched \$3 million from exports of wood and furniture in FY 2008-09, \$2.4 million in 2007-08, \$1.8 million in 2006-07 and \$2.2 million in 2005-06.

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Parliament passes ADR bill

STAR BUSINESS REPORT

A bill to introduce an alternative dispute resolution (ADR) system to resolve a huge backlog of cases out of court was passed in parliament yesterday.

The system will fast-track recovery of thousands of crores of taka now stuck in lengthy court procedures.

A total of 37,496 cases worth Tk 25,254 crore are pending with the Artha Rin Adalat (money loan court) from 1989 to 2009, according to a report by the parliamentary standing committee on the law ministry.

Scrutinising the money loan court amendment bill placed in parliament on February 24 last year, the parliamentary body recommended introduction of the ADR system.

Law Justice and Parliamentary Affairs Minister Shafique Ahmed, who piloted the bill, yesterday accepted the committee's recommendation and proposed passage of the bill.

The parliamentary body's report said a total of 104,832 cases were filed with the money loan court from 1989 to 2009, while the amount claimed by different banks was Tk 29,454 crore.

So far, 67,336 cases were disposed, but the amount of money recovered was only Tk 4,200 crore.

The original bill approved by the cabinet however did not propose introduction of the ADR system.

While scrutinising the bill, the parliamentary body held as many as 11 meetings to find ways to overcome the culture of defaulting loans. It held meetings with members of the parliamentary standing committee on the finance ministry, representatives of the finance ministry, Bangladesh Bank, FBCCI, BGMEA, Chittagong Chamber of Commerce and Sick Industries Association.

They identified the culture as a socio-political-economic problem, instead of a legal problem, and came up with a number of recommendations.

The bill included provisions detailing procedure for the ADR system. The court will ask both parties to settle disputes through ADR within 60 days from the time when the court issues an order for it. If requested by the both parties, the court may extend the time by another 30 days. The court can intervene in mediation if it thinks necessary, according to provision of the bill.

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