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SOURCE: STANDARD CHARTERED BANK	
Commodities	
Gold	\$1,093.50 (per ounce)
Oil	\$79.82 (per barrel) (As of Friday)
SOURCE: AFP	
News in Brief	

Investor takes SEC order on AIMS mutual fund to court

STAR BUSINESS REPORT

An investor has filed a writ petition with the High Court (HC), challenging the market regulator's rejection of a dividend proposal by AIMS 1st Mutual Fund.

An HC bench asked the Securities and Exchange Commission (SEC) to explain why the refusal would not be declared illegal.

Following the appeal filed by stockmarket investor Abul Kalam Azad on March 25, the court stayed the SEC order for three months.

Due to the writ petition, the trustee committee of the AIMS 1st Mutual Fund yesterday postponed a meeting that was expected to announce dividends and sought the next course of action from the SEC.

The SEC on March 7 rejected a proposal for stock dividends and rights issue declared by the trustee body of the AIMS 1st Mutual Fund.

On February 24, the trustee committee of the AIMS 1st Mutual Fund announced 70 percent stock dividend for 2007-08 and 2008-09 and a 130 percent rights entitlement.

The committee proposed the rights offer, 13 units of Tk 1 each against a holding of 10 units of Tk 1 each, at a price equal to the net asset value of a unit of the fund.

Geely to buy Volvo from Ford for \$1.8b

AP, Stockholm

Zhejiang Geely Holding Group signed a binding deal Sunday to buy Ford Motor Co.'s Volvo Cars unit for \$1.8 billion, allowing the independent Chinese automaker to expand its foothold in Europe.

The stock purchase agreement is subject to regulatory approvals and is expected to be completed in the third quarter, representatives of two automakers said as they presented the deal at a news conference at Volvo Cars headquarters in Goteborg, on Sweden's west coast.



Michael Kuehner, right, managing director of Axiata (Bangladesh) Ltd, and Biddiyut Kumar Basu, left, chief commercial officer, play drums at AKTEL's rebranding ceremony at Suhrawardi Udyan in Dhaka yesterday.

Global clouds linger over FDI

Domestic investment on the rebound

REJAUL KARIM BYRON

Domestic investment has rebounded in the first six months of the current fiscal year although the inflow of foreign direct investment (FDI) is still low because of the impacts of global financial meltdown.

Bangladesh could attract net FDI worth \$197 million in the July-December period this year, marking a 67 percent fall compared to the same period of the last fiscal year, according to central bank data. The FDI was \$603 million in the July-December period of fiscal 2008-09.

BB officials said most countries are now experiencing a low flow of FDI because of global recession. Generally, the FDI inflow rate is low in Bangladesh and the recession has added much to the decline, they said.

However, FDI was higher last fiscal year for reinvestment by some foreign telecom companies operating in Bangladesh, the officials said.

At the same time, profit repatriation against foreign investment is going on, which

they said is reducing the net FDI amount.

According to the latest Bangladesh Bank Enterprise Survey, foreign oil, gas and power companies operating in Bangladesh earned \$332 million in the January-June period last year, but a substantial part of the earning was repatriated.

Different economic indicators showed that domestic investment is rebounding.

Export orders of main foreign exchange earner readymade garment are peaking up after the recession.

BB statistics show that disbursement of industrial term loan increased by 41 percent to Tk 12,615 crore in the July-December period of the current fiscal year.

The disbursement of industrial term loan marked 7.5 percent negative growth during the same period in fiscal 2008-09.

In the July-January period of the current fiscal year, credit to private sector increased by 13.06 percent, which was 8.65 percent in the same period last year.

Import of capital machinery also indicates the higher domestic investment during the July-January period.

The number of letter of credit opened during this period for importing capital machinery went up by 38.58 percent, which declined 24.06 percent in the same period last year.

The higher inter-bank call money rate also shows that the investment demand is increasing. The average call money rate was 3.45 percent on March 16, up from around 1.0 percent in June last year.

The businesspeople said it would be very difficult for them to maintain enhanced domestic investment unless the government immediately improves the supply of gas and power in the industrial sector.

The supply of gas and power has deteriorated so much that even the local investors are not coming with investment proposals, said Waliur Rahman Bhuiyan, the immediate past president of Foreign Investors' Chamber of Commerce and Industry.



Bill on duty-free access will get through, says US Congressman

STAR BUSINESS REPORT

US Congressman Jim McDermott yesterday assured Bangladesh that a crucial bill meant to ensure duty-free access for the least developed countries to the US market would be passed in August.

Commerce Minister Faruk Khan and leaders of Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) briefly met McDermott at Hazrat Shahjalal International Airport in Dhaka. He was on his way to Bangkok.

McDermott tabled the New Partnership for Development Act in the US House of Representatives in 2007 for the first time in its 110th Congress.

Later, he renamed the bill and tabled it in the 111th Congress as New Partnership for Trade and Development Act 2009, which is now under observation by the US Congress House Ways and Means Committee.

McDermott suggested Bangladesh uphold the country's image as a moderate Muslim country to the US Congress House Ways and Means Committee.

Talking to The Daily Star, BGMEA President Abdus Salam Murshedy said a high-powered business delegation is scheduled to visit the US shortly to follow up on the bill.

BKMEA President Fazlul Hoque said McDermott's stay in Dhaka was short. "So, we could not discuss the issue in detail. But he assured us of the passage of the bill."

Muhith stresses demutualisation of stockmarket

STAR BUSINESS REPORT

The finance minister yesterday stressed the need for demutualisation of stockmarket by separating bourse management from shareholders -- a move that he said would make the market more matured.

"For the stockmarket to mature, demutualisation is a must," AMA Muhith said when a Dhaka Stock Exchange delegation, led by its newly elected President Md Shakil Rizvi, called on him at the secretariat.

The minister, however, did not mention the time for the demutualisation to take place.

Demutualisation transforms an exchange from an entity owned by its members into a for-profit, shareholder-owned company. After demutualisation, an exchange can trade on the market.

Bangladesh's stock exchanges are non-profit and mutual or cooperative organisations owned by the exchange members who are usually stockbrokers.

In response, the DSE delegation told the minister that the time for demutualisation has not come yet.

"The finance minister also agreed with us," Shakil Rizvi told reporters on the DSE premises.

The minister also told the DSE delegation: "Our stockmarket is not much developed. We need to advance carefully."

Admitting the DSE allegation about government officials' reluctance to offload shares in 26 state-owned enterprises by June this year, Muhith said he would monitor and help accelerate the process.

AKTEL rebrands itself as focus shifts to rural market

Robi is new brand name

STAR BUSINESS REPORT

Axiata (Bangladesh) Ltd has rebranded itself with a new look by introducing Robi, the new brand name for the company, to take its products to the mostly untapped rural market.

'Robi' replaces the earlier brand name of 'AKTEL'. The company launched branding campaigns -- Bangladesh Mela -- at more than 70 spots across the country on Saturday, where local singers performed until yesterday. It also introduced a new brand logo.

AKTEL, initially a joint venture between Telekom Malaysia and the local AK Khan Group, launched services in 1997 in Bangladesh. Later, the company was renamed Axiata (Bangladesh) Ltd after Japanese NTT DoCoMo bought AK Khan's 30 percent share in AKTEL in 2008.

Axiata is now aiming to localise all of its branding. The word Robi has been chosen as it carries a range of meanings representing the emotional and cultural bonds of Bangladeshis.

"We aim to develop an emotional link with the culture and roots of this nation," said Michael Kuehner, managing director and chief executive of Axiata (Bangladesh) Ltd, at a press meet at Suhrawardi Udyan in Dhaka.

The mobile operator launched the brand at sunrise. "As Bangladesh's future

telecom market will be rural-based, identification with a Bengali word is expected to add value," said Biddiyut Kumar Basu, chief commercial officer of Axiata Bangladesh.

He said under the new brand name, Axiata is going to offer a wide range of affordable services, including minute call rates between Tk 0.40 and Tk 1.48 for different customer segments.

Axiata launched its rebranding activities at a time when other operators in the market quietly began a price war.

The entry of Indian Airtel has possibly prompted operators to concentrate on the rural market.

The market's top operator Grameenphone announced new price plans and unveiled three new packages, charging between Tk 0.49 and Tk 0.99 a minute.

Banglalink also lowered call charges to Tk 0.68 a minute. Axiata presently offers calls at prices between Tk 0.68 and Tk 1.48 a minute.

Bangladesh's total mobile subscriber base was 54.15 million as of February 2010. Grameenphone is the market leader with 23.75 million customers, followed by Banglalink with 14.13 million and Robi with 10.31 million.

Meanwhile, in Chittagong, a daylong programme to unveil the new logo was also held on DC Hill premises.

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Transport workers go on indefinite strike

UNB, Chittagong

Road communication between Bandarban and Cox's Bazar districts with the port city remained suspended since last morning as transport workers went on an indefinite strike on its 19 routes.

Transport Owners-workers Association called the strike demanding stoppage of robbery on the routes and withdrawing the ban imposed by the district administration on plying of a particular transport company on these routes.

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