Stocks bounce back

STAR BUSINESS REPORT

Dhaka stocks returned to the black with a jump in the indices after the prime bourse reiterated its appeal for not imposing tax on individual investors' capital gains.

Benchmark index of the Dhaka Stock Exchange -- DSE General Index (DGEN) -- jumped up 109.06 points, or 1.79 percent to 6,176.49.

The bourse's appeal helped restore investor confidence. They got panic Monday on newspaper reports about a possible tax imposition on capital gains from the next fiscal year, market insiders say.

On the day, the DSE executive board through a press briefing expressed its fear that such tax on individual investors would affect the market badly. And in fact, it experienced a big jolt.

Yesterday the market was in a positive mood throughout the entire session. The DGEN gained 80 points within the first fifteen minutes of trade.

It lost the momentum slightly in the next twenty-five minutes, but picked up the pace in the next forty minutes and continued the trend for the rest of the session.

All the sectors were back in the black.

The advancers outnumbered the losers 193 to 45 with nine securities remaining unchanged.

The total turnover however came down around 15 percent to Tk 1,364.79 crore on a transaction of 3,71,27,525 shares and mutual fund units.

Titas Gas, the state-run energy company, topped the turnover leaders with 9,14,100 shares worth Tk 84.36 crore being traded on the floor.

Chittagong stocks also bounced back heavily with the CSE Selective Categories Index went up by 231.55 points, or 2.02 percent to 11,678.17.

The Chittagong Stock Exchange traded 46,65,418 shares.

Of the traded issues, 145 advanced, 32 declined and 10 remained unchanged on the port city bourse.

Summit Power topped the turnover leaders with 97,060 shares worth Tk 13.76 crore being traded.

NESTLE BANGLADESH

Laurent Therond, managing director, and employees of Nestle Bangladesh see off the first export consignment of Cerelac, the company's brand infant cereals, to India on Sunday.

Unido chief stresses stable public policy

UNB, *Dhaka*

Bangladesh needs stable public policies with a risk-free political environment to attract foreign investment and drive sustainable industrialisation, said the director general of United Nations Industrial Development Organisation (Unido) yesterday.

"Public policy is important for sustainable industrialisation because it takes an average of three to five years to complete a major investment process," said Dr Kandeh K Yumkella. He was speaking to reporters at Shahjalal International Airport.

The Unido chief said a lack of proper infrastructure is the key barrier to industrialisation, which is common in other developing countries.

"Investors need to be convinced that you (Bangladesh) have solid infrastructure on the ground," he said.

"Secondly, Bangladesh needs confidence that investment will be protected. I think Bangladesh is way ahead in establishing such a level of confidence," Yumkella said. He was here on a three-visit.

He emphasised good public policies and regulations to ensure that green technologies are adopted.

"Bangladesh needs to adopt green technologies to make its growing industrial sector sustainable."

Expressing satisfaction over implementation of the Unido-supported programmes here, the UN body chief said it is working with Bangladesh to set up a national cleaner production centre (NCPC), which will look at the concept of 'greening industry'.

"The NCPC will be based on four major pillars -- to reduce the use of natural resources to be energy efficient, to optimise water use, and to reduce effluents," he said.

He said the organisation identified some additional areas of cooperation, including medical waste management in discussion with Bangladesh.

"We're looking at the whole area of hazardous medical waste, which is a growing problem in a number of countries. We will be developing a new programme dealing with hazardous medical waste. Prime Minister Sheikh Hasina is also concerned about it," the Unido chief said.

The UN is advocating the private sector across the world to come and invest in Bangladesh. "There are several international banks and companies that are looking for opportunities for green investment. We are working with public and private entities to give confidence, so that a large volume of investment can be attracted."

Appreciating progress of the garments and pharmaceutical industries, Yumkella said: "Bangladesh can be an example to other developing countries, as it has proven its capacity in these sectors."

He said there is no doubt that poverty cannot be eradicated without industrialisation.

"I have visited some factories. It was impressive to see what your country has done in expanding industrial production. Some companies are competitive globally and they are producing international standard products and exporting to major international markets," he said.

"We are pleased to come here. We had very clear reasons -- first of all we reviewed the programs that we have been doing here, to see what we have achieved, what is the opinion of Bangladeshi institutions and government."

Yumkella said Unido wanted to engage in dialogue with the government and all stakeholders in the private sector, and inform relevant parties about their concept of greening industry.

"We also explored new areas where the Bangladesh government believes it needs our support for implementing its Vision 2021."

NCC Bank re-elects top brass

Yakub Ali Montu

STAR BUSINESS DESK

Yakub Ali Montu and Md Harunur Rashid have been re-elected chairman and vice-chairman of National Credit and Commerce (NCC) Bank recently, the bank said in a statement.

Montu, chairman of Habib Group, Regent Power and Anowara Paper Mills, started his business career in 1973. He is also the chairman and managing director of Habib Shares and Securities.

Rashid obtained his master's from Dhaka University. He is the chairman of NCC Consortium and Nazma Construction Company Consortium and managing director of Faridganj Fisheries.

Rashid owns Nazma Construction Company, Apurba Embroidery and HR Holdings.

JS body detects revenue loss from property under-valuation

BSS, *Dhaka*

The Parliamentary Standing Committee on Public Accounts has reacted to the loss of over Tk 180.44 crore in government revenue from under-valuation of lands and houses while executing their transfer deeds.

Dr Mohiuddin Khan Alamgir, committee chairman, yesterday presided over a meeting.

The loss mainly occurred from nine sub-registration offices of four major cities, an official handout said.

Acting secretary of the Law Ministry Anwarul Haque, among others, was also present.

The JS body set up a high-powered committee, headed by a joint secretary from the law ministry, to investigate the matter.

The probe committee has been asked to place a report in a month.

The committee found that the sub-registry offices allowed the use of under-valued non-judicial stamps to benefit parties to evade the actual amount of registration fees.

It also identified a loss of over Tk 34 crore for executing transfer deeds without using non-judicial stamps.

The committee asked government agencies to take punitive departmental actions against those sub-registrars.

It has also asked the inspector general of registrars to appear personally before the committee in 15 days and report on the actions taken against the officials involved.

The JS body also identified a loss of about Tk 10.52 crore in government revenue from value-added tax (VAT) evasion of parties on the land developed for commercial purpose and flats and on its sale.

The body recommended departmental action against the registrars and directed officials to take measures to recover the unrealised VAT on such properties.

They also identified the loss of government of Tk 1.39 crore resulting from manipulation of land value when reported to the registration office and banks in connection with loans.

UCB

MA Hashem, chairman of United Commercial Bank, speaks at the bank's extraordinary general meeting and 20th to 24th annual general meetings for 2003 to 2007 at Radisson Hotel in Dhaka on Monday. M Shahjahan Bhuiyan, managing director, was also present.

STANCHART

Sabbir Ahmed, general manager for distribution of Standard Chartered Bank, inaugurates evening banking services at the bank's Mirpur branch in Dhaka recently. Customers can enjoy evening banking from 6pm to 8pm during the weekdays.

US small businesses slowly becoming more optimistic

REUTERS, *Washington*

US small businesses are slightly more optimistic about their economic outlook than they have been in the last two years but are still not ready to expand staffs and boost capital spending, according to a survey released on Tuesday.

The National Federation of Independent Business said its survey showed the second straight month of gain in its small business optimism index in May. It was up 1.6 points in the month bringing the index to 92.2, the highest reading since September 2008.

"Seven of the 10 index components rose, but job creation and capital expenditure plans barely gained and remained at recession levels," the NFIB concluded.

"The recovery in optimism we are currently experiencing is very weak compared to recoveries after 1982 or 1975," the survey concluded. "The May Optimism index is a shade better than April but remains well below the other recovery trajectories."

At the same time, more business owners expect conditions to improve in the next six months, the survey showed.

Delhi to ease cotton exports further

PALLAB BHATTACHARYA, *New Delhi*

India may allow its mills to export 306,000 bales of cotton to Bangladesh and Pakistan this month under stringent procedures..

Following complaints from the textile mills that exports of Indian raw cotton on large scale had led to the item's domestic market scarcity, the Delhi government enforced in April the suspension on new exports to contain its spiraling prices.

An official of the commerce and industry, the traders who had signed deals with Pakistan and Bangladesh, will be able to export 190,000 bales of cotton to Islamabad and 116,000 bales to Dhaka.

Under the tough conditions for the proposed cotton export, the traders will have to pay an export tax of Rs 2,500 a tonne, stipulated just before the ban was imposed.

If allowed, such shipment will be the first since the government lifted a ban on May 21.

Online service eases job application procedure

BSS, *Dhaka*

A newly developed web-portal of the Directorate of Secondary and Higher Secondary Education now enables over 1.3 lakh candidates across the country to apply for the posts of teachers at government secondary schools online.

The new online application system minimises hassles of job seekers, as they no more require standing in long queues of banks to pay application fees or for sending qualification certificates by postal services.

Following development of the portal with support from the Access to Information programme, the aspirants only need an internet connection for filling up the online prescribed forms and Teletalk mobile network for paying application fees.

The portal, using a link page with Teletalk, received warm response from its users.

"We were surprised to receive such huge number of submissions from applicants through the portal," Habibur Rahman, marketing chief of Teletalk, told the news agency.

Ahmed Selim, one of the applicants, said that he could submit his application within five minutes, which earlier took at least three to four days.

UNITREND

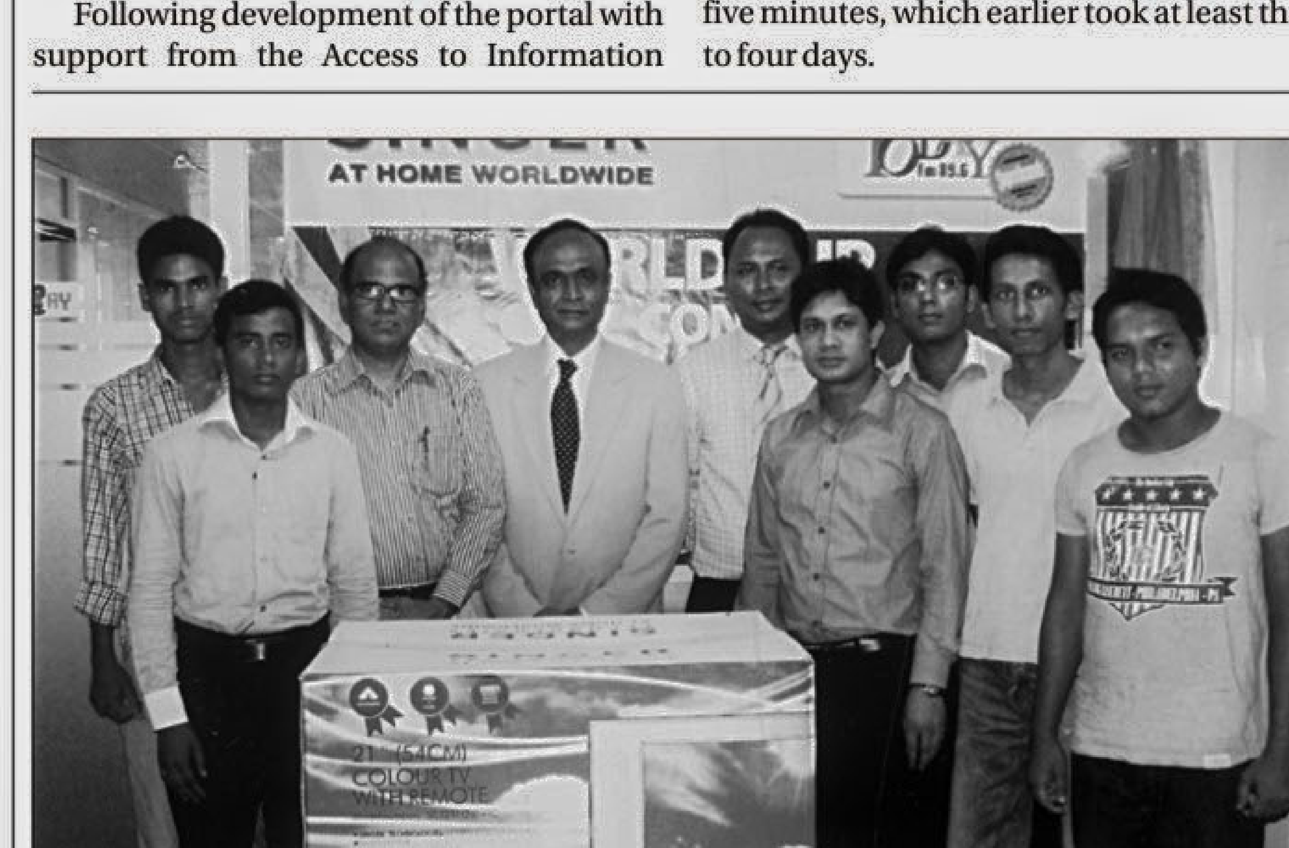
Chairman of BSRM Steels Ltd Alihussain Akberali presides over the organisation's eighth annual general meeting at the Institution of Engineers in Chittagong on Sunday. The company approved 15 percent stock dividend. Managing Directors Aameir Alihussain, Zohair Taherali and Tehseen Zohair Taherali were also present.

Hungary to slash public spending

AFP, *Budapest*

Hungarian Prime Minister Viktor Orban on Tuesday unveiled swingeing cuts in public-sector spending and a new tax on the financial sector aimed at curbing the country's spiralling deficit.

At the same time, Orban -- who had made tax cuts one of his main election promises -- announced a flat-rate tax for individuals and lower taxes for small and medium businesses.



SINGER BANGLADESH

Sajidur Rahman, marketing director of Singer Bangladesh Ltd, and Moniruzzaman Khan, general manager of Radio Today, pose with the winners of Singer-Radio Today World Cup Quiz contest in Dhaka recently. Seven participants from the first week of the contest received 21" Singer colour television each as first prize.