TRANSCOM



Visitors check out notebooks on display at a stall at the Dhaka Laptop Fair 2010, a three-day event that kicked off at Bangabandhu International Conference Centre yesterday. (Story on B3)

Realtors see slack sales

MD HASAN

Stocks

IDLC Index

Subject to Conditions contained in www.Idlc.com

Asian Markets

0.78%

0.76%

12,121.08

0.43%

6,769.96

0.81%

0.63%

9,279.65

0.24%

2,861.03

0.49%

2,421.12

\$1,187.75

(per ounce)

(per barrel)

(Midday Trade)

17,471.03

6,404.71

DGEN

CSCX

IDLC 50

MUMBAI

TOKYO

SINGAPORE

SHANGHAI

Commodities

Gold

Oil

Mega shopping

STAFF CORRESPONDENT, Ctg

The largest shopping mall in

Chittagong, Akhteruzzaman

The 16-storey mall with

central air-conditioning

facility is built on more than

1.5 bighas of land at

Agrabad-Badamtali inter-

The mall houses 220

shops on the first ten floors,

said Kutubuddin

Chowdhury, managing

partner of Chowdhury Asso-

ciates, the construction firm

Lawmaker Akhteru-

zzaman Chowdhury will

inaugurate the shopping

mall, while Primary and

Mass Education Minister

Afsarul Amin is scheduled to

attend the opening cere-

mony as chief guest.

of the shopping mall.

section in the port city.

Centre, opens today.

mall opens in

Ctg today

Apartment prices are likely to go up by Tk 300 to Tk 400 per square feet, as developers will now have to pay higher taxes in line with the new budget.

Realtors predict slack sales this year because of the high taxes imposed for fiscal 2010-11. The sector recorded the highest sales in fiscal 2009-10 thanks to the government's decision to allow undisclosed money into apartment purchases.

Real estate developers, who build prime-location apartments and buildings, now have to pay Tk 2,000 per square feet in advance income tax.

The areas include Gulshan Model Town, Banani, Baridhara, DOHS, Dhanmondi, Lalmatia, Uttara, Bashundhara, Motijheel, Dilkusha, Dhaka Cantonment and Karwan Bazar in Dhaka; and Khulshi, Agrabad and Panchlaish in Chittagong.

flat rate of Tk 250 per square metre. "The government increased the

tax on developers' income. However,

suffer ultimately, as developers may adjust the new rate by raising prices," said Tanveerul Haque Probal, managing director of Building for Future Ltd.

"Developers may increase the price by Tk 300 to Tk 400 per square feet to adjust to the new tax structure."

Presently, customers have to pay Tk 8,000 to Tk 15,000 per square feet for an apartment in Dhaka's plush areas, while the price ranges between Tk 4,000 and Tk 7,000 in other areas.

Before the budget was announced, the government increased the charge for registration from 8.5 percent to 9.5 percent, which also added to apartment prices, Probal said.

Real estate experienced slack sales when the caretaker government was in power because of their drives against black money holders. However, sales shot up after the

For other areas, the tax will be Tk present government announced 800 per square feet. Earlier, it was a that people can whiten undisclosed

ments are sold a year. In 2009, apart-

money by purchasing apartments. Usually, 5,000 to 7,000 apart-

the customers might be the one to ment sales increased to 20,000 units. More than 300 developers are engaged in the real estate business in Bangladesh. The developers handed over more than one lakh apartments to customers so far.

> However, the housing development business still focuses on big city areas, including Dhaka and Chittagong.

> Mohammad Abdul Awal, managing director of The Structural Engineers Ltd, also said demand for apartments is increasing but it is the customers who will suffer more than the developers.

The industry insiders said the growing sales trend may sustain if the government keeps black money whitening provision as it was in the earlier fiscal budget. The government is yet to make clear whether new budget allows black money into apartment purchases.

"We can have a real forecast about the sector's growth after having an idea whether the government continues black money whitening for the apartment buyers," said Probal.

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Stocks ride on hope for bright data

STAR BUSINESS REPORT

Stocks ended higher yesterday, riding on the hopes of attractive dividends from better half-yearly earnings of life insurers and nonbank financial institutions.

The market posted gains a day after the regulator asked participants, such as brokers and merchant banks, to abide by the rules in sanctioning margin loans.

On Tuesday, stocks finished almost flat amid speculations of a probable measure to be taken by the Securities and Exchange Commission to cool the market, which is registering a rise in fund inflow from capital gains made by betting on a limited number of issues.

Participants said robust bank operations in the six months to June and a reduction in the interest rates of savings instruments has fuelled the buying spree, marking a return of many investors.

The benchmark index of Dhaka Stock Exchange General Index (DGEN) gained 50.01 points or 0.78 percent to reach 6,404.71.

Insurance, non-bank financial institutions and fuel and power stocks led the gain, supported by pharmaceuticals and the cement sector. The banking sector, as a whole, fell along with textiles and mutual funds, with telecoms ending marginally lower.

"It appears that a better performance by the financial sectors, like banks, are luring investors, making the market upbeat," said Rezaul Haque, head of the merchant banking division of Prime Finance and Investment.

Participants said expectations of better dividend postings in the backdrop of a low capital base of life insurance firms contributed to the rise in insurance stocks.

Orders to freeze BPC bank accounts go

PHILIPS

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200Hz 1

EISA

LED PRO

Record Setting 5,000,000:1

JASIM UDDIN KHAN

The revenue board has withdrawn the notices served to freeze the bank accounts of Bangladesh Petroleum Corporation (BPC).

The National Board of Revenue (NBR) had earlier asked half a dozen banks to freeze the banking transaction of the struggling state firm as it failed to pay outstanding taxes. The decision to pull out the notices came on Sunday amid

problems in opening letter of credit (LC) to import fuel and pay loans to Islamic Development Bank. The tax zone one under Chittagong circle withdrew the

notices and consented to continue six bank accounts of the BPC following an assurance of the Finance Division to pay back the money soon.

Last week the NBR asked Sonali, Janata, Agrani, Prime and Standard Chartered banks to collect Tk 144 crore outstanding taxes and duty from the corporation.

The finance ministry has recently assured the NBR that a loan of Tk 900 crore will be arranged for the BPC at a 3 percent interest rate as it is going through huge financial losses due to under-pricing of imported petroleum products.

A high official of the finance ministry said the government has allocated the money instead of paying subsidy to the state corporation to help it offset the losses.

"The division has already paid Tk 200 crore import duty and Tk 200 crore VAT in arrears," the official said, requesting not to be named. NBR Member (Tax Policy) Aminur Rahman said although the

division paid Tk 400 crore tax and VAT, it did not pay any income tax in arrear. "We have freed the accounts and withdrawn the notices to ease the fuel import problems," Rahman added. The BPC is currently faced with a loss of Tk 1,689 crore

mainly because of selling imported fuel at subsidised rates. BPC Chairman Anwarul Karim said the corporation

incurred Tk 15 crore losses in the immediate past fiscal year. He said the government has to adjust the fuel prices to

make the corporation financially viable. The BPC imported 11.64 lakh tonnes of crude oil and 22.65 lakh tonnes of refined oil last fiscal year at a cost of Tk 15,200

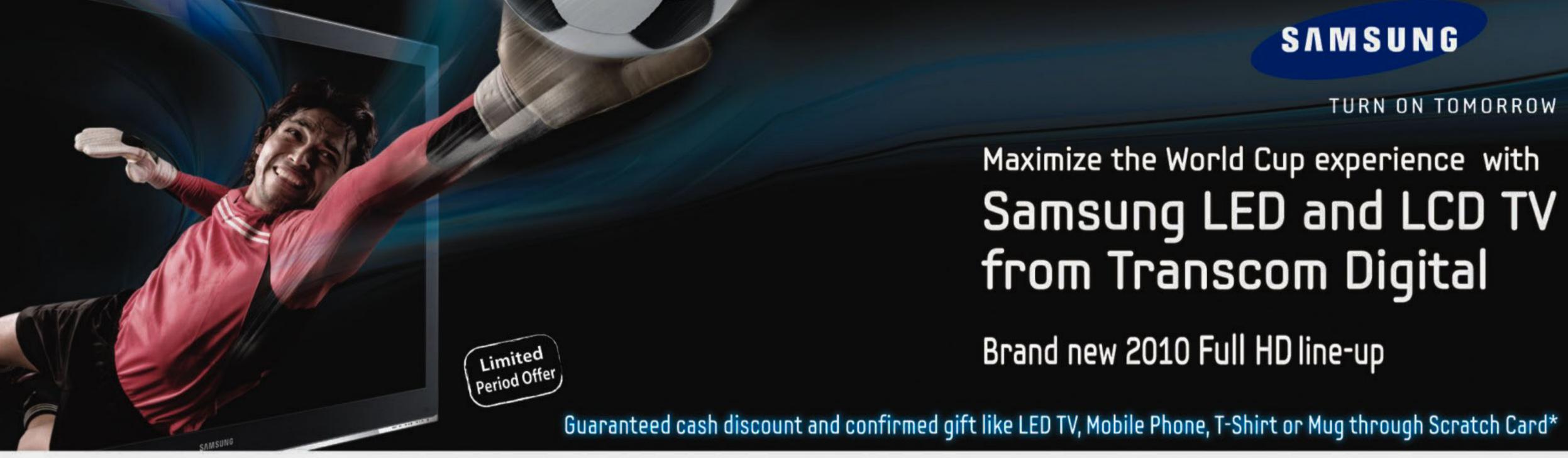
crore. But it earned much lower than the cost. Although the BPC owns handsome shares in the profitmaking distribution companies Padma Oil, Jamuna Oil and

Meghna Petroleum, the dividend earned from these companies are not enough for it to offset the losses. The government earlier had a plan to adjust the fuel prices

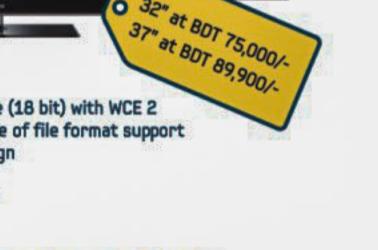
further but the plan contradicts its agri-subsidy policy as the agriculture sector alone consumes over 19 percent of fuel, officials said.

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