



Stocks	
DGEN	▲ 0.78% 6,404.71
CSCX	▲ 0.76% 12,121.08
IDLC Index	
IDLC 50	▲ 0.43% 6,769.96
Subject to Conditions contained in www.idlc.com	
Asian Markets	
MUMBAI	▼ 0.81% 17,471.03
TOKYO	▼ 0.63% 9,279.65
SINGAPORE	▼ 0.24% 2,861.03
SHANGHAI	▲ 0.49% 2,421.12
Commodities	
Gold	▼ \$1,187.75 (per ounce)
Oil	▲ \$72.37 (per barrel)
SOURCE: AFP (Midday Trade)	



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)

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 non-bank 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

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The revenue board has withdrawn the notices served to freeze the bank accounts of Bangladesh Petroleum Corporation (BPC).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 arrears. "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 profit-making 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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Realtors see slack sales

MD HASAN

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.

For other areas, the tax will be Tk 800 per square feet. Earlier, it was a flat rate of Tk 250 per square metre.

"The government increased the tax on developers' income. However,

the customers might be the one to 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 present government announced that people can whiten undisclosed money by purchasing apartments.

Usually, 5,000 to 7,000 apartments are sold a year. In 2009, apart-

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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Mega shopping mall opens in Ctg today

STAFF CORRESPONDENT, Ctg

The largest shopping mall in Chittagong, Akhteruzzaman Centre, opens today.

The 16-storey mall with central air-conditioning facility is built on more than 1.5 bighas of land at Agrabad-Badamtali intersection in the port city.

The mall houses 220 shops on the first ten floors, said Kutubuddin Chowdhury, managing partner of Chowdhury Associates, the construction firm of the shopping mall.

Lawmaker Akhteruzzaman Chowdhury will inaugurate the shopping mall, while Primary and Mass Education Minister Afsarul Amin is scheduled to attend the opening ceremony as chief guest.

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