

Breeders upbeat on poultry industry

STAR BUSINESS REPORT

The poultry industry will shape up into a leading sector in Bangladesh in a decade, predicted sector leaders at a roundtable yesterday.

The Breeders Association of Bangladesh (BAB) organised the roundtable at the National Press Club, focusing on the crisis and prospects of the industry.

The poultry sector has been growing at a rate of 20 percent a year for the last 15 years despite bird flu, soaring prices of raw materials, competition with a neighbouring country and lack of support from government, said Kazi Zahedul Hasan, president of BAB.

The current investment in the sector is around Tk 15,000 crore, which may double in five to seven years if government support is ensured, he added.

Moshiur Rahman, convenor of the Poultry National Coordination Committee, said the sector would create jobs for nearly one crore people in the coming years.

People are being supplied with quality protein by the poultry sector for the lowest prices in the world, Rahman claimed.

Poultry farms in Bangladesh rear broiler chicks for meat and layer chicks for eggs.

There are five grandparent stock farms, 40-50 parent stock farms and hatcheries, 70,000-80,000 poultry farms and 15-20 pelleted poultry feed factories in the private sector.

Pelleted poultry feed is made from natural plant-based ingredients free of all animal proteins and fats.

"Besides egg and chicken, we are also producing chicken nugget, sausage and several other fast food items to meet the demand of the new generation," said Saidur Rahman Babu, secretary of BAB.

Syed S Kaiser Kabir, an adviser to BAB, stressed the need for a sectoral country strategy, long-term planning and its effective implementation to be able to provide protein for another one crore people by 2015.

The speakers pointed out that the price volatility is high in the sector due to seasonal variations and availability of substitute products. The real costs of products vary from one farm to another, they said.

But the average production cost is Tk 45, Rahman said.

Poultry industry leaders protested a recent circular issued by the Department of Livestock asking poultry owners to fix the maximum prices of one-day chicks.

He said it was an unfair instruction, as the Department of Livestock has no busi-

ness or authority to issue such orders.

The industry insiders also mentioned that the government has unilaterally fixed the prices of one-day old broiler chicks and layer ones at Tk 30 and Tk 32 respectively without considering if such prices were logical.

The Department of Livestock has fixed the prices taking account old costs.

On the looting of one-day chicks from delivery vans, Babu alleged that some vested quarters have been out there to destroy the emerging sector.

As marginal farmers are not able to buy the chicks when they need them, the crisis will ultimately push the prices of poultry products up, he said.

The government should focus on an action plan in an effort to increase the supply rather than fixing prices, the industry people stressed.

There is a supply and demand gap of around 10 lakh broiler chicks a week, which has been responsible for the price spirals, said Kabir.

The breeders also demanded withdrawal of levying advance income tax on maize import and tax imposed on pelleted feed production.

They urged the government to make a broad plan on how to manage the bird flu.

They also urged farmers to maintain bio-security and ensure healthy environment inside and outside the farms.



Moshiur Rahman, convenor of Poultry National Coordination Committee, speaks at a roundtable on the present crisis and prospects of poultry industry in Bangladesh, organised by the Breeders Association of Bangladesh (BAB) at the National Press Club in Dhaka yesterday. Kazi Zahedul Hasan, BAB president, and Saidur Rahman Babu, secretary, are also seen.



M Ehsanul Haque, managing director of Prime Bank Ltd, speaks to the press about Remit Fast, the bank's remittance receiving software, at its launch in Dhaka yesterday.

Policy for private placement of shares stressed

CSE formally launches Dhaka office

STAR BUSINESS REPORT

A policy should be framed immediately to make private placement of shares transparent, a former president of Chittagong Stock Exchange (CSE) said yesterday.

There are no appropriate rules and regulations for private placement of shares, especially by non-listed companies, MKM Mohiuddin said. "What's happening currently in the name of private placement business should go."

"Placement of shares to private investors should be brought under a transparent policy," he said at the formal launch of the CSE's Dhaka office.

The port city bourse had shifted its Dhaka bureau to its own premises at Eunoos Trade Centre in Dilkusha Commercial Area, Motijheel, from the

city's Karwan Bazar area a couple of months back.

Mohiuddin made the comment as the stockmarket regulator unearthed irregularities in private placement recently.

Rapid Action Battalion with the help of the Securities and Exchange Commission (SEC) on July 15 arrested two men for their alleged link with illegal trade involving private placement of shares in the capital market.

The SEC on July 19 formed a committee headed by the Commission's Executive Director ATM Tariquzzaman to detect any irregularities in the private placement business.

The stockmarket regulator asked the three-member probe body to submit its report by August this year.

Private placement is a way of raising

funds from chosen or selected private investors without an initial public offering.

The new office of the CSE is a modern outfit that will provide better capital market services.

CSE President Fakhor Uddin Ali Ahmed inaugurated the new office at the function, also attended by former presidents of the port city bourse, exchange directors and officials, merchant bankers and stockbrokers.

Officials said the CSE bought over 15,000 square feet of floor space on the 15th floor of Eunoos Trade Centre at a cost of around Tk 6,500 per sq ft.

Of the total space, the CSE is now using 5,000 square feet, while the rest will be rented out to CSE members.

Stocks return to black

STAR BUSINESS REPORT

Dhaka stocks returned to the black last week, as the market shook off the jitters stemming from regulatory intervention, which pulled down the indices in the week before.

However, further intervention by the Securities and Exchange Commission (SEC) held back the market's momentum on Thursday, the last trading day of the week.

The SEC on Wednesday capped margin loan to a single borrower at Tk 10 crore for merchant banks and Tk 5 crore for brokerage houses to be effective from today.

"The new directive dampened the mood of the market," BRAC-EPL, an investment bank, said in its weekly analysis.

"In our estimate not many individual investors have such large exposures as to be affected by this ceiling. However, the market seems to follow a number of very large investors, and the perception that their exposure would have to be reduced has contributed to the decline in the market," it added.

The benchmark index of Dhaka Stock Exchange -- DSE General Index -- rose 95.53 points week-on-week, or 1.51 percent, to 6,404.97.

Analysts said the market regained the momentum from previous week's losing streak, as cooling measures taken by the SEC were shaded.

But, the regulator stepped in once

again, for the third time in two months, to calm down the market that pulled down the index by more than 1 percent on the last trading of the week.

"With an overhang of doubts because of the new regulatory directive and a religious holiday occurring this week, we expect the market to remain subdued," said BRAC-EPL.

"The cumulative effect of the regulatory directives, along with the call for a slightly restricted credit growth by the central bank would be understood in early August," it added.

The total and average turnover in terms of value gained more than 17 percent to Tk 8,503 crore and Tk 1,700 crore. The total number of shares and mutual fund units transactions also increased by more than 30 percent to 32.48 crore.

During the week, pharmaceutical stocks finally came out of their continued slide. Square Pharma announced its FY09-10 results along with a declaration for 35 percent cash and 30 percent stock dividends.

The company also clarified that the announced EPS (earning per share) of Tk 138.36 was their stand-alone result for the pharmaceutical unit, and their consolidated EPS was 23 percent higher compared to that of the previous year.

The market seems to have taken this confusion in stride and is betting that other pharma companies would achieve similar results.

Advancers beat losers 166 to 90, and two securities were unchanged.

Total market capitalisation went up 1.73 percent to Tk 2,82,413 crore.

Titas Gas, the state-run fuel company, topped the list of turnover leaders with more than 49.11 lakh shares valued at Tk 541.63 crore being traded. The other turnover leaders were Beximco Ltd, AB Bank, LankaBangla Finance and Desco.

RAK Ceramics (Bangladesh) was the largest gainer, posting a 19.74 percent rise, followed by Ocean Containers, Summit Alliance Port, Dacca Dyeing and Singer Bangladesh.

Prime Islami Life Insurance was the biggest loser, marking a drop of 24.74 percent, followed by Alpha Tobacco, Modern Dyeing, Sonarbangla Insurance and National Life Insurance. Chittagong stocks edged up last week, and the CSE Selective Categories Index increased by 0.46 percent to 12,270.31 points.

More than 4.62 crore shares and mutual fund units were traded on the Chittagong Stock Exchange (CSE) with a turnover of Tk 678.61 crore.

Gainers beat losers 129 to 76, while eight securities stayed unchanged.

Beximco Pharma topped the list of turnover leaders with more than 27.38 lakh shares worth Tk 41.02 crore being traded. The other turnover leaders were Beximco Ltd, RAK Ceramics (Bangladesh), Bextex and Titas Gas.

Apex Weaving was the largest gainer, posting a 27.44 percent rise, followed by Gulf Foods, Jago Corporation, Dacca Dyeing and Chittagong Vegetable.



Mahbul Alam, managing director of Southeast Bank Ltd, presides over the bank's half-yearly managers' conference 2010 in Dhaka recently.



Janata Bank Chairman Prof Abul Barkat opens the bank's 857th branch at Boalmari in Faridpur recently. Managing Director SM Aminur Rahman was also present.

Banglalion reaches Khulna

STAFF CORRESPONDENT, Khulna

WiMAX broadband service provider Banglalion rolled out its operations in Khulna yesterday.

Md Shafiul Haque Chowdhury, chief commercial officer of Banglalion, said the district attracts a lot of tourists as the world's largest mangrove forest is in the Sundarbans there.

Khulna is also the second largest port city in the country, which inspired the company to bring the district under its coverage, Chowdhury said at a press meet.

"We believe Banglalion will be able to contribute to healthcare, education, manufacturing industries and information technology."

DCCI wraps up supply chain management course

STAR BUSINESS DESK

The supply chain management system can help acquire competitiveness and face the challenges of globalisation, said Industries Minister Dilip Barua yesterday.

Barua was speaking as chief guest at a certificate awarding ceremony organised by the Dhaka Chamber of Commerce and Industry's (DCCI) Business Institute at the its office.

The minister urged the leaders of public and private sectors to work together to develop need-based human resources development programmes to speed up industrialisation.

While handing over the certificates to the participants of the training course, Barua said courses such as this would help coordinate purchasing, logistic and inventory management, which will cut costs and increase profit and customer satisfaction.

DCCI President Abul Kasem Khan said the chamber's business institute conducts training courses with up-to-date knowledge to meet the requirements of the business community.

The institute was set up in 1991 with the assistance of International Trade Centre, Geneva, where around 1,000 people are trained a year.

New boss for Emirates in Bangladesh



STAR BUSINESS DESK

Emirates airline has appointed Satish Sethi as the area manager for Bangladesh, said a statement.

Previously, he held the same position in Yemen.

Starting his career as an airline trainee, Sethi joined Emirates in 2001 as a sales executive in Kuwait.