

Private open-ended fund kicks off

STAR BUSINESS REPORT

Subscription of the first-ever privately sponsored open-ended unit fund started yesterday.

The fund is a less-risky investment tool for the people and institutions who want to avoid a highly volatile market like Bangladesh's.

Chairman of Securities and Exchange Commission Ziaul Haque Khondker launched the subscription of the fund styled "Prime Financial First Unit Fund" at a function in Dhaka.

An open-ended unit fund is a professionally managed collective investment scheme that has unlimited lifetime and size. The fund manager pools money from many investors through its selling agents and invests it in stocks, bonds and short-term money market instruments, and pays out dividend to the unit holders annually.

The subscription will remain open for the next 45 days, said Moin Al Kashem, managing director of Prime

Finance Asset Management Company Ltd, the manager of the fund.

"It's a first-come, first-served process, and so the subscription may close before the 45-day deadline," he said.

The initial size of the fund is Tk 20 crore, and the fund size will increase from time to time, Kashem added.

Prime Finance and Investment Limited as a sponsor of the fund has already subscribed units worth Tk 3 crore. The fund will initially sell units worth Tk 17 crore at Tk 100 each to individuals including non-resident Bangladeshis and institutions.

For individual, minimum subscription lot is 50 units totalling Tk 5,000 and for institution, it is 1,000 units worth Tk 1 lakh. The investors bought a total of 1,52,100 units worth Tk 1.52 crore yesterday.

"The fund offers a huge investment opportunity for the investors of our country and it will be an ideal investment tool for the investors who want to avoid the high risk in the volatile sec-

ondary market," said Kashem.

The SEC chairman said the newly launched unit fund will be able to attract the investors through its professional efficiency and lucrative returns.

Emphasising proper functioning of the asset management companies (AMCs), Khondker said the commission will allow broadening the working areas of the AMCs if they can prove their efficiency. "If necessary, we will change rules for the AMCs," he said.

Anyone can purchase the unit from the designated selling agents, who will also issue certificates. The unit holders can sell their units any time through the selling agents and the fund will buy back the units.

The unit fund, however, will not be listed or traded on the exchanges or secondary market.

Currently, the state-run Investment Corporation of Bangladesh is managing three open-ended unit funds that are also sponsored by the government.



Md Ziaul Haque Khondker, chairman of the Securities and Exchange Commission, gives unit fund certificate to Asrfunnesa, chief operating officer of IIDFC Securities Ltd.



Momenul Haque, vice president of Bangladesh Association of Pharmaceutical Industries (BAPI), and Win Si Thu, president of Myanmar Pharmaceuticals & Medical Equipment Entrepreneurs' Association, sign a memorandum of understanding (MoU) in Dhaka on Thursday. The MoU will help extend business and promote investment among the entrepreneurs of the two countries.

Stocks continue gaining

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Dhaka stocks continued to gain for second consecutive session, as the key index reached its highest-ever level at 6,958 points.

The DSE General Index touched the peak after increasing 54 points, or 0.79 percent on the board.

The previous highest recorded at 6,947 points on September 21.

A parliamentary standing committee's recent comment on the stockmarket put a positive impact on the market, stockbrokers pointed out.

The parliamentary standing committee on finance ministry on Thursday, after a meeting with the market stakeholders, said the frequent interventions by the Securities and Exchange Commission are destabilising the market.

The committee suggested the regulator consult bourses and the association for listed companies before taking any action.

The parliamentary body also recommended that SEC relax the lock-in period and netting facilities.

"Investors took the recommendations positively, speculating no frequent intervention by the regulator in the days ahead," said a stockbroker.

The top three major sectors -- non-banking financial institutions, textile and cement -- were the drivers of the overall gain in the market.

In contrast, telecom, mutual funds and services and real estate companies led the list of negative performers.

Advancers beat losers 143 to 1130, with four securities remaining unchanged on the premier bourse, which traded more than 9.67 crore shares and mutual fund units on a value of Tk 1,911 crore.

People's Leasing and Financial Services topped the turnover leaders with 50.49 lakh shares worth Tk 95.81 crore being traded on the floor.

Chittagong stocks also posted rise with the CSE Selective Categories Index rising 80 points, or 0.61 percent to 13,121.

The Chittagong Stock Exchange traded more than 1.02 crore shares and mutual fund units on a value of Tk 156 crore.

Of the traded issues, 112 advanced and 73 declined, with eight remaining unchanged.

United Airways topped the turnover lists with 1.77 lakh shares worth Tk 8.72 crore being traded on the port city bourse.

Salek Textile buys out Titas Spinning

REFAYET ULLAH MIRDHA

Salek Textile Ltd completed acquisition of export-oriented denim factory Titas Spinning and Denim Company Ltd at a cost of Tk 120 crore, said officials.

A Matin Chowdhury, managing director of Salek Textile, a Gazipur-based spinning mill, said he bought the German-Bangladesh joint-venture denim mill last month as part of their expansion plan.

"Titas Spinning has been incurring loss over the last few years for a reduction in its production capacity followed by lower gas pressure and inadequate power supply, and it lost its competitiveness," said Chowdhury.

"We were also trying to set up new industrial unit, but it was not possible because the state-owned gas supplying companies have stopped allowing new gas connections in

the industrial units until further improvement of the gas situation in the country. When we heard about the Titas Denim sell-off, we just bought it as it has gas connection," he said.

The Tk 75 crore Titas Spinning and Denim started its operations in Gazipur in early 2006 with a production capacity of 7.5 million metres of denim a year. "We will increase the production capacity further after the completion of the acquisition," Chowdhury said.

The Germans held 65 percent, while the Bangladeshis 35 percent stakes in the joint-venture company.

However, despite several attempts, none at Titas Denim and Spinning could be contacted for their comments.

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Cox's Bazar sites to be made attractive tourist spots

BSS, Dhaka

Civil Aviation and Tourism Minister GM Quader yesterday told the House that the government had taken initiative for turning tourist spots of Cox's Bazar into modern and attractive ones.

The government has also taken various steps to make the world's largest sea beach a major source of revenue income by ensuring security to tourists there, he said while replying to a query from treasury bench lawmaker Golam Dastagir Gazi.

For ensuring security for the tourists, steps have been taken for forming Tourist Police and a police outpost would be set up at Laboni point of the Cox's Bazar sea beach, he said.

Besides, arrangement would be made for setting up beach lighting on the beach, Quader said, adding that green and red flags would be displayed during ebb and flow to alert tourists and security materials would be arranged for them.

The minister said steps have been taken for constructing a 300-bed international standard hotel in Cox's Bazar and for upgrading golf course into an 18-hole one, instead of the existing nine-hole.

A beach management committee has been constituted, which has been working all time for development and maintenance of the beach, he said, adding that steps have also been taken to expand Hotel Shaibal.

Besides, an exclusive tourist zone would be set up at Monkhal in Cox's Bazar, he said.

US seizes chance as China rattles Asia

AFP, Washington

For years, US policymakers have watched uneasily as China grew more assertive, fearing that the emerging power would cut into Washington's clout in one of the world's most dynamic regions.

But in recent weeks, China's rise has instead offered a golden opportunity for the United States, which has swiftly rallied behind the growing number of Asian nations that have butted heads with Beijing.

After China piled pressure on Japan to free a captain captured near disputed islands, the United States said it considered the chain -- known as the Senkaku in Japanese and Diaoyu in Chinese -- to be

under Tokyo's administration, meaning that US forces would be obliged by treaty to defend Japan in an attack.

With Southeast Asian nations voicing alarm over Chinese attempts to exert sovereignty in disputed waters, President Barack Obama and regional leaders in a summit Friday called for freedom of navigation in the South China Sea.

The United States also defied Chinese warnings and carried out joint war games with South Korea after accusing Beijing's ally North Korea of sinking a South Korean vessel.

"It's always bad when an American lectures someone on arrogance, but the Chinese

should beware of premature arrogance," said Ralph Cossa, president of the Center for Strategic and International Studies' Pacific Forum.

"The more they flex their muscle in the South China Sea, the more people dial 911 and hope the (US Navy's) Seventh Fleet will answer. And the same thing with the Japanese," Cossa said.

In Japan, where a left-leaning government swept to power last year pledging to be more "independent" from the United States, Prime Minister Naoto Kan has thrown his support behind a US base plan and appointed one of his party's most hawkish figures, Seiji Maehara, as foreign minister

in a recent reshuffle.

The United States has also built growing partnerships with Southeast Asia, particularly Indonesia and former war foe Vietnam, two countries with historically tense relations with China.

The Obama administration insists it has no grand designs to encircle China. Since taking office, Obama has sought broader relations with China, including cooperation on reviving the global economy and fighting climate change.

But Kurt Campbell, the assistant secretary of state for East Asia, said he has recently seen a shift in views in the region among those convinced of US decline.

Huawei teams up with British Telecom

STAR BUSINESS DESK

Huawei, a telecom network solutions provider, has said it has strengthened its strategic partnership with British Telecommunication (BT) to give a fast broadband network to households in the UK.

The company will provide a number of access products to support BT's Openreach division in deployment of the company's new national fibre network, according to a press statement.

BT is a leading provider of communication solutions and services and operates in more than 170 countries. Its principal activities include the provision of networked IT services globally.

BT plans to spend an extra £1 billion on its next-generation broadband network to bring fast broadband to two-thirds of UK households by 2015.

Huawei said its fibre access network solution is based on an open and unified platform, enabling Openreach to significantly reduce operation and maintenance costs.

Steve Robertson, Openreach CEO, said: "BT and Huawei have had a strong relationship for several years. We are pleased to extend this further by choosing Huawei as one of our strategic partners to help us deploy next-generation access on a national scale as part of BT's £2.5 billion investment in fibre technology."

"Huawei's cutting-edge optical access and transmission technology will provide our CP customers with the ability to offer more diversified high-bandwidth services and an improved broadband experience to their customers."

"We are proud to contribute to the construction of BT's pan-UK fibre deployment," said Chengdong Yu, president of Huawei Europe.

"Huawei has extensive experience in designing and delivering optical access solutions around the world and we will apply this experience together with our strong innovation abilities, to collaborate with BT."

In the year to March 31, BT Group's revenue was £20,911 million.

Jordan urged to recruit more Bangladeshis

UNB, Dhaka

Foreign Minister Dipu Moni requested Jordan Foreign Minister Nasser Judeh to recruit more Bangladeshi workers and stressed increasing bilateral trade.

She thanked her Jordanian counterpart for hosting a sizable Bangladeshi labour force in Jordan during a bilateral meeting in New York on Saturday, according to a message received here yesterday.

EU worried about viability of three German banks

AFP, Berlin

European Commission officials are worried about the fragility of three regional banks in Germany, the weekly Der Spiegel reported Saturday.

A letter from the commission to junior finance minister Joerg Asmussen expresses concerns about the threat that WestLB, BayernLB and HSH Nordbank might pose to market stability.

"For the commission, it is indispensable to have the certainty that rescued institutions are viable in the long term and that they do not represent a permanent threat to the stability of the financial markets," says the letter, quoted by Der Spiegel.



NCC Bank Chairman Yakub Ali Montu inaugurates the bank's 72nd branch at Madambibirhat in Sitakunda recently.