

Stocks

DGEN	▲ 0.91%
	7,480.33
CSCX	▲ 0.91%
	14,073.60

IDLC Index

IDLC 50	▲ 1.29%
	7,468.55

Subject to Conditions contained in www.Idc.com

Asian Markets

MUMBAI	▼ 1.11%	20,315.32
TOKYO	▼ 0.07%	9,684.81
SINGAPORE	▼ 0.73%	3,166.65

Source: Standard Chartered Bank

Currencies

	Buy Tk	Sell Tk
USD	69.80	70.80
EUR	94.88	99.44
GBP	109.21	114.19
JPY	0.82	0.88

Source: Standard Chartered Bank

Commodities

Gold	▲	\$1,360.18
		(per ounce)
Oil	▲	\$83.74
		(per barrel)

Source: AFP (Midday Trade)

News in Brief

Tax returns deadline ends

STAR BUSINESS REPORT

The last date for the submission of tax returns ended yesterday as the government refused to extend the deadline.

About nine lakh people have submitted tax returns this year, up nearly 18.9 percent from last year, according to the officials of the National Board of Revenue (NBR).

As of yesterday, the tax identification number holders deposited more than TK 950 crore to the national exchequer that may increase after the final calculation, said an NBR official.

The income tax offices were open until 8pm yesterday, three hours more than the usual office hours, due to the prevailing rough weather.

Earlier, the government fixed September 30 as the last date for such submission and later extended the deadline for another seven days.

Logitech unveils first gadget for Google TV

REUTERS, Los Angeles

Logitech International SA showed off on Wednesday its \$300 set-top box for the soon-to-be-launched Google TV, the first glimpse of what the Web search giant's holiday-season television-streaming product will look like.

The \$299.99 Revue is touted as a way for users to watch both television programs and Web content -- Google has already landed deals with the likes of Time Warner Inc's HBO and News Corp -- on a TV that Japan's Sony Corp will build and sell.

But Colin Gillis, an analyst with BGC Partners, said consumers might balk at the price tag.

"That's a piece of change," Gillis said. "The price point, as Apple has pointed out, for a device like this is about \$99. So, it's expensive and yet another box you've got to plug in."



(L-R) Regional CEO of Huawei Max Yang, Managing Director and CEO of Warid Telecom Chris Tobit, President of Mobile Services of Bharti Airtel Atul Bindal, President of Ericsson in Southeast Asia and Oceania Arun Bansal, and President and Country Manager of Ericsson Bangladesh Per-Henrik Nielsen are seen at a press conference at the Westin Dhaka hotel yesterday.

Bharti Airtel up for network expansion

STAR BUSINESS REPORT

Bharti Airtel, the latest entrant to Bangladesh's telecom market, has inked a deal with global network service providers Ericsson and Huawei to enhance its network capacity.

The Indian telecom giant, which entered the Bangladesh market early this year by acquiring a 70 percent stake in Warid Telecom, said the deal will help strengthen its presence in the country through better services.

The agreement between the three parties was formally announced at a press conference at the Westin Dhaka hotel yesterday. High officials from Bharti Airtel, Warid as well as Ericsson and Huawei were present at the event.

The partnership, based on Bharti's business and network expansion model in India and Sri Lanka, will ensure that Airtel's mobile network in Bangladesh is ready for 3G (third generation), officials said.

"Two things are now crucial to strengthen our presence in the Bangladeshi market," said Atul Bindal, president of Mobile Services of Bharti Airtel.

"One is to ensure better quality of our voice services and the other is to tap the potential demand for non-voice services in the remotest region."

"For example, there is a huge demand for m-commerce, internet and healthcare services through mobile telephony in the rural areas," Bindal said.

Under the contract, Ericsson will provide and manage majority of the company's network capacity, while Huawei will upgrade the existing radio networks in the eastern region of the country.

Warid Telecom, which made its Bangladesh debut in late 2005, is now the fifth in the six-operator market with three million subscribers.

"Currently, we have around 5.5 percent share of the local market and our target is to bring that percentage to a significant level through a fast network rollout," Warid Managing Director and CEO Chris Tobit said.

"Actually, our target is to achieve countrywide network coverage and roll out within the next eighteen months," he added.

President and Country Manager of Ericsson Per-Henrik Nielsen said: "Ericsson highly values its 15-year-old partnership with Bharti Airtel."

"As part of the deal, much of the Ericsson's telecom network capacity will be upgraded with the latest energy efficient technology," he added.

Regional Chief Executive Officer of Huawei Max Yang also spoke.

With more than 141 million subscribers, Bharti Airtel is India's largest cellular service provider. It has operations in 19 countries with a subscription base of 180 million globally.

SEC flip-flop roils market

SARWAR A CHOWDHURY

The Securities and Exchange Commission (SEC) has come under criticism for Monday's quirky decision to delist a number of important companies from the bourses and put them on the over-the-counter (OTC) market -- only to reverse the decision overnight.

The SEC move was also questioned as, even when it reversed its decision, it took so long to communicate it to the bourses that the news hit the Dhaka Stock Exchange (DSE) notice board only after 20 minutes of trading in the delisted companies.

Before the news flashed on the notice board, investors who held shares of these delisted companies, panicked by the previous day's decision, had started selling positions at hugely discounted rates.

Although the reversal news pared down some losses in share prices in the remaining hours of trading, some suffered considerable losses.

On Monday afternoon, the SEC directed the bourses to delist "Z-

category" companies. These were in a group failing to meet SEC norms for more than two years.

The Z-category companies lose their spots on the main trading board and can only be traded on the lesser OTC market, an alternative market where shares are sold or bought through price negotiations, not through an auction system as represented by a stock exchange.

The SEC backtracked on its decision on Tuesday morning, after just a few hours, and asked the stock exchanges to delist only four of the 12 companies.

Investors and brokers can only wonder at the erratic decisions, as the commission offered no official explanations, nor would its chairman, Ziaul Haque Khondker, talk to The Daily Star. No-one from the SEC would talk about the delisting.

Stock analysts said one reason might be that if the first decision was implemented, companies such as Rupali Bank, ICB Islamic Bank, Lafarge Surma Cement and Delta Life Insurance would be delisted -- which the SEC would

not want to do.

Prices of the four plunged on the main board. At the end of Tuesday's trading, Rupali lost 6.45 percent, ICB 14.15 percent, Lafarge 8.09 percent and Delta Life 2.32 percent.

The SEC's move took a toll on investors.

"Who will take the responsibility for my losses?" said Opu, an investor who did not want to publish his full name. "If the news had been posted before the trading hours I would not have incurred the losses."

"Are they [SEC and DSE] giving scope to someone for buying shares at lower prices in an uprising market?" he questioned.

Many other investors, stockbrokers and merchant bankers also questioned the transparency of the market regulator as well as the DSE management.

Officials of the DSE said they received an SEC directive five minutes after trading started. They then had to write the directive in news form, which took another 15 minutes.

Chief Executive Officer of the DSE Satipati Moitra did not respond for comments on the issue. However, an SEC official said the commission would look into the DSE's delay in posting the news.

The SEC's move on the Z-category companies also drew criticism from market experts.

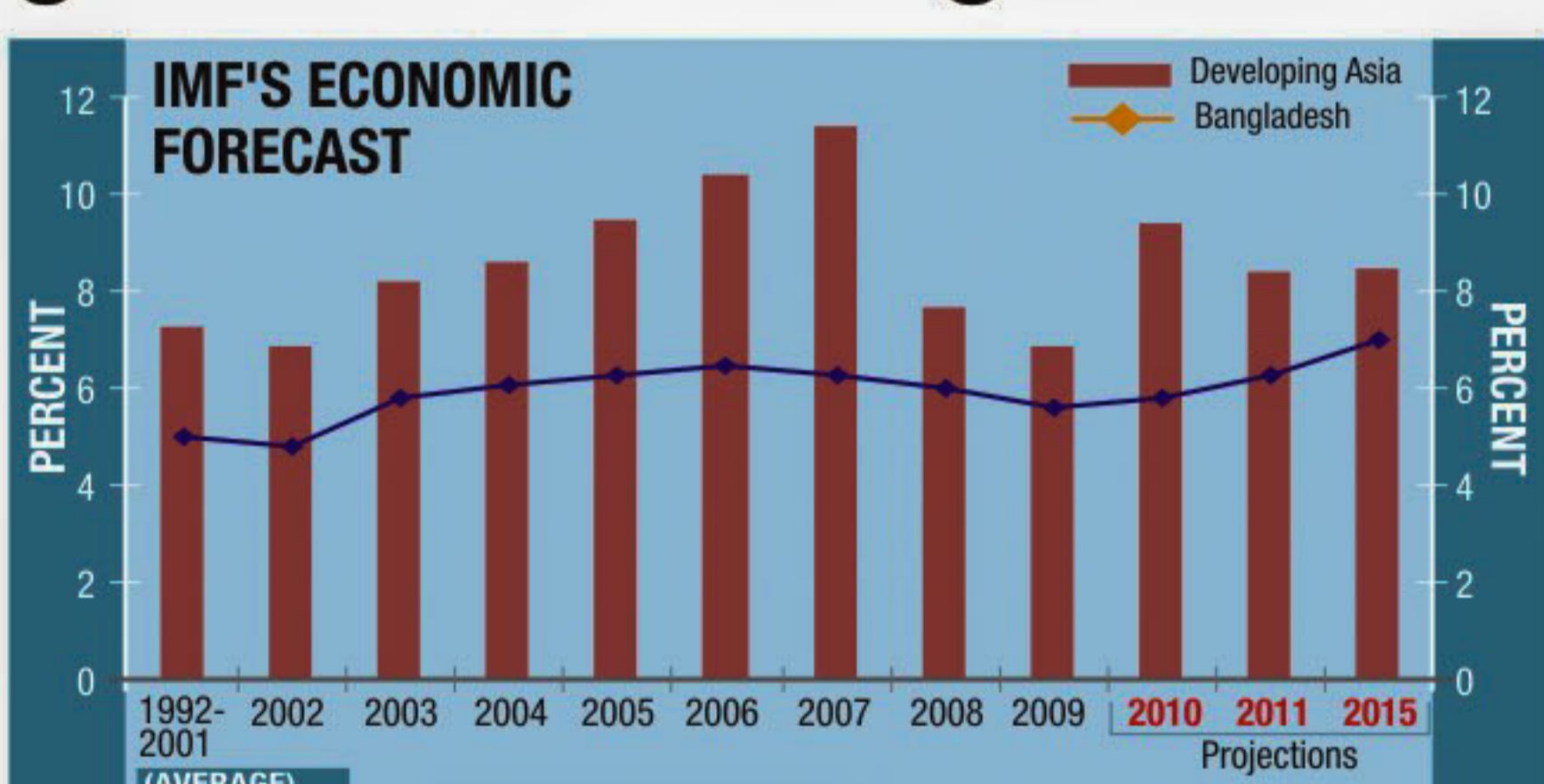
Salahuddin Ahmed Khan, a market expert who served the DSE as its chief executive officer for five years, told The Daily Star on Tuesday that Z-category does not mean that the companies in the area are bad performers.

"Companies with strong fundamentals as well as profitable ones can also be traded under the Z-category just by not giving dividends," explained Khan, citing Rupali and Lafarge as such companies.

"Delisting will also create a supply crisis in the market, now facing a huge demand-supply mismatch," said Prof Khan, who teaches finance at Dhaka University.

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IMF forecasts 6.3pc GDP growth for Bangladesh



STAR BUSINESS REPORT

The International Monetary Fund in its latest economic outlook has projected Bangladesh's economic growth at 6.3 percent for the current fiscal year, higher by 0.5 percentage point than last year.

Earlier, the government projected the country's GDP growth at 6.5 percent for the current fiscal year.

According to the lending agency, Bangladesh's economy will grow by 7 percent in 2015.

The IMF puts the country's inflation figure at 7.4 percent for this year and 6.4 percent for 2015. But the government forecast a 6.5 percent inflation rate for the current fiscal year.

The IMF warned that rich and emerging economies must dramatically change the way they trade with each other or risk throttling the global economic recovery.

In its economic outlook released on Wednesday, the IMF said growth would slow more than previously expected in 2011, as the United States, Europe and Japan continue to struggle and China remains overly dependent on exports.

The recovery is "neither strong nor balanced and runs the risk of not being sustained," warned Olivier Blanchard, the IMF's chief economist.

Painting a picture of a faltering developed world -- where business is still struggling to pick up where government crisis spending left off -- the IMF predicted global growth would be pared back to 4.2 percent next year.

That is less than the 4.8 percent growth expected this year and 0.2 point below the IMF's July forecast for 2011.

While restocking had helped short-term growth in the United States, Japan and some parts of Europe, the IMF said advanced economies were still reliant on dwindling government spending.

"For the past year or so, inventory accumulation and fiscal stimulus were driving the recovery. The first is coming to an end. The second is slowly being phased out," the IMF said.

There was a particular warning for Europe, with "severe external financing constraints" forecast for debt-laden Greece, Ireland, Portugal and Spain.

The picture could not be more different for India and China, where growth continues, but is limited by an over-dependence on exports to Europe, Japan and the US that must be addressed.

The IMF said China must allow its currency to strengthen to boost domestic demand and reduce its reliance on exports.

RELATED STORIES ON B3

Apparel exports to EU rise as Colombo loses tariff benefit

REFAYET ULLAH MIRDHA

Bangladesh is enjoying the benefits of the EU decision to withdraw zero-tariff from Sri Lanka, among other factors now boosting garment exports.

Sri Lanka was supposed to enjoy the Generalised System of Preferences Plus (GSP+) status from the European Union, but it was withdrawn from the country's poor human rights record after its crushing of Tamil resistance.

The EU intends to make the formal move at the end of this month.

The GSP+ status gives 16 poor nations preferential access to the EU in return for strict commitments on a wide variety of social and rights issues.

Exports of readymade garments (RMG) blew past the state's target in the

first two months of the current fiscal year, according to the latest data from the state-owned Export Promotion Bureau (EPB).

Bangladesh exported knitwear worth \$1.6 billion against the \$1.21 billion target in July and August, 31 percent up over the same period a year earlier.

During the same period, the country exported woven garments worth \$1.31 billion against a target of \$1.12 billion, up 17 percent from last year.

Ahsan Kabir Khan, managing director of Interfab Shirt Manufacturing Ltd, cited two reasons for the strong orders coming to Bangladesh, including recovery from the global recession.

"In the last year, buyers followed a conservative strategy in purchasing RMG products, and this year the actual business is returning," Khan said.

Second is the ongoing shift of orders from Sri Lanka, Pakistan and China to Bangladesh, he added. Orders, which were supposed to go to Sri Lanka, are now coming to Bangladesh, he said.

China has been suffering from shortages of low-wage workers, and Pakistan has faced widespread flooding, Khan said.

Part of the rise reflects the competitive level of RMG here.

"We're now taking shipments against orders which were placed earlier. This might be a cause for exceeding the target," said a Spanish buyer requesting anonymity.

But it is also true that many more international buyers are now placing orders in Bangladesh for its cheap prices, he added.

PRICE SENSITIVE INFORMATION

This is to inform all concerned that the Securities and Exchange Commission (SEC) vide their letter No. SEC/CI/RI-47/2010/346 dated October 07, 2010 has approved the Rights Offer Document (ROD) of First Security Islami Bank Limited for issuance of 5,06,00,000 Ordinary Shares of Tk.10 each, totaling Tk.50,60,00,000/- offered on the basis of 1 (one) Rights Shares for 5 (five) ordinary shares held on record date to strengthen capital base of the Company and fulfill regulatory requirements. The "Record Date" for entitlement of Rights Shares and the "Period of Subscription" will be disseminated within 03 (three) working days as per the Securities and Exchanges Commission (Rights Issue) Rules, 2006.

Sd/
Abdul Hannan Khan
SAVP & Company Secretary

Date: October 07, 2010



ফার্স্ট সিকিউরিটি ইসলামী ব্যাংক লি:
FIRST SECURITY ISLAMI BANK LTD.