

PHILIPS Bluray Player

- Pure aluminum casing with touch-panel controls
- 7.1 Channel Audio Output with DTS Master Audio
- DVD Video up-scaling to Full HD 1080p
- High quality HDMI Cable - absolutely free



Now at BDT 35,500/-

TRANSCOM
DIGITAL
think electronics... think DIGITAL

Stocks	
DGEN	0.22% 7,476.83
CSCX	0.23% 13,990.15

IDLC Index	
IDLC 50	0.72% 7,331.72

Asian Markets	
MUMBAI	0.92% 19,983.13
TOKYO	0.43% 9,539.45
SINGAPORE	0.35% 3,192.29
SHANGHAI	1.58% 3,001.85

Currencies		
	Buy Tk	Sell Tk
USD	69.72	70.72
EUR	95.30	99.86
GBP	108.92	113.90
JPY	0.84	0.91

Commodities	
Gold	\$1,369.00 (per ounce)
Oil	\$82.74 (per barrel)

Contact Us
If you have views on Star Business or news about business in Bangladesh, please email us at business@thedailystar.net

Tax rebate likely for coal miners

JASIM UDDIN KHAN

The government plans to offer a 10 percent tax rebate to the coal miners to attract leading global players to the sector.

The energy and mineral resources division of the energy, power and mineral resources ministry proposed the option last week and sought National Board of Revenue's (NBR) opinion on the matter.

In a letter to the NBR chairman, Energy and Mineral Resources Division Secretary Mohammad Mizbahuddin said the government is planning to offer a tax rebate and include the provision in the coal policy.

"We will complete a review of the draft coal policy soon, for which, we are seeking suggestions and opinions from all the ministries concerned," Mizbahuddin said.

Now a coalmine developer has to pay 35 percent corporate tax, in addition to paying royalty.

The government is weighing all the options, including the tax issues, and plans to finalise the policy by yearend.

The government earlier had formed a committee, with the energy division secretary its head, to review the draft coal policy and submit a report within the shortest possible time.

Mizbahuddin said the committee is working to make the draft policy more environment- and business-friendly.

The committee was also asked to make short the draft policy, from the current 42 pages to 10-12 pages.

The final draft of the coal policy, which was prepared in December 2007, discouraged aggressive development of the country's coal sector and placed national bodies on the driving seat to lead the sector by pushing private and foreign investors into the backseat.

The present committee is likely to alter the policy, to help attract global players to

BY THE NUMBERS



10%
Tax rebate for coal miners

35%
Corporate taxes for coalmine developer

the sector, a member of the committee said, preferring not to be named.

But private companies will not have sole ownership over any coal mining deal, a continuation of the previous draft policy. They must join as partners with a national coal mining company, the member added.

The member said the government will not take any hasty decision on the coal policy.

The country has five coalmines with a reserve of about 4.5 billion tonnes, including 2 billion tonnes recoverable.

The total reserve of coal in Barapukuria stands at about 300 million tonnes, of which only 10 percent has so far been recovered. Underground mining and open-pit mining are the two conventional methods to produce gas in the coalmine. Coal Bed Methane and Underground Coal Gasification are the unconventional methods.

The Tk 1.14 trillion (\$16.5 billion) budget for the current fiscal year allocated Tk 43.10 billion (\$625 million) for the power and energy sector; 48 percent higher than the last budget.

jasim@thedailystar.net

Energy crisis deflates tyre industry

SAJJADUR RAHMAN

The country's sole tyre manufacturing plant has failed to cash in on the booming automotive industry due to energy shortage and under-invoicing by a section of importers.

Now the importers meet more than 80 percent demand for light commercial vehicle (LCV) tyre in Bangladesh.

Husain Tyre, which started production in 1996 with three-wheeler scooter tyres, now makes 13 types, including those for LCVs and minibuses. LCVs are generally minibus and light truck (3 tonnes).

"We start production at our plant at midnight due to inadequate pressure of gas in the day," said Moazzem Husain, managing director of Husain Tyre.

The market has a huge demand for LCV tyre. Moreover, Bangladesh now produces a lot of rubber, the main raw material for tyre, he said.

"The industry can consume more three to four factories if there is adequate gas and electricity supply. Also, the local tyre industry has a potential to become an import substitute," said Husain.

The plant now makes only 10-12 LCV tyres a day against its capacity of

28. It cannot supply against the demand. Bangladesh spends nearly Tk 1,000 crore to import up to 15 lakh tyres (all sizes) a year, according to the importers, distributors and sellers. Of the amount, one-third is spent for importing LCV tyres.

Nepal and Sri Lanka produce tyres to meet their domestic demand. But the Bangladeshi players are yet to pick up pace and compete with the giant rivals from India, China and Japan.

Bangladesh imports at least 60 percent of its tyre requirements from India, followed by China, Indonesia, Japan and Thailand, industry people said. The prices of tyres also quadrupled in the last decade, as the demand rose.

The sellers said the locally produced tyres cost less than the imported ones because of relatively cheaper rubber.

A Husain-brand tyre of 57-16 size (LCV) costs Tk 8,400 on the retail mar-

ket, while the same size of the imported one costs Tk 10,800 (Birla) and Tk 9,300 (Apollo), and a China one between Tk 6,400 and Tk 7,000.

"Customers are satisfied with the services of Husain Tyre. It is like Indian tyre in terms of quality," said Fayed Ahmed, a dealer of Husain Tyre. The company gives guarantee, which Ahmed said is an extra advantage.

"The problem is with the price that fluctuates frequently, and low supply." Mamunur Rahman, commercial manager of Husain Tyre, blamed the shortage of electricity and gas for a poor production and supply. It also causes fluctuation in the prices, he added.

Rahman said some traders import tyres by stating price less than actually paid, and concealing information.

The duty on the tractor tyres is 5 percent. "Some importers bring LCV tyres, stating that those will be used for tractors, and sell those at lower prices," he added.

Husain Tyre was earlier a plant of the then West Pakistani entrepreneurs. After the liberation of Bangladesh, the government took over it and sold to Husain Group in an auction in 1991.

sajjad@thedailystar.net



Regulator takes step to ease IPO rules

SARWAR A CHOWDHURY

The Securities and Exchange Commission (SEC) will seek permission from the government to relax the rules for initial public offerings to encourage more companies to go public.

The chairman of the stockmarket regulator will talk to the finance minister on relaxing the rules, as the existing ones had been laid out on the government's prescription, SEC officials said.

SEC Chairman Ziaul Haque Khondker yesterday sat with the commission's members and executive directors, and asked for their take on the matter. The meeting participants said the move would push non-listed companies to come to market.

In line with the existing rules, a company must have a minimum of Tk 40 crore in paid-up capital, including the IPO offer size, to list on the exchanges.

Following introduction of the new

A required capital base of Tk 40 crore contradicts the book-building method that allows a company to go public with shares equivalent to 10 percent of its paid-up capital, or Tk 30 crore, whichever is higher, analysts say

rules last year, only a few companies entered the market. Even though many others were interested, they were deterred by the IPO conditions.

The condition of a required capital base of Tk 40 crore contradicts the book-building method, which allows a company to go for IPO with shares equivalent to 10 percent of the company's paid-up capital, or Tk 30 crore,

whichever is higher, analysts say.

In August, SEC's Consultative Committee recommended relaxation of the IPO rules to encourage more companies to be listed.

The committee said a company with at least Tk 25 crore in paid-up capital, including IPO offer size, should be allowed to go for listing.

The Bangladesh Association of Publicly Listed Companies at a meeting of the parliamentary standing committee on the finance ministry last month urged the government and SEC to ease the IPO rules.

In addition, Bangladesh Merchant Bankers' Association, on several occasions, urged SEC to move on the matter.

Merchant bankers, who manage IPO floatation, said if the rules were relaxed, they would be able to attract newcomers into the market.

sarwar@thedailystar.net

CONGRATULATIONS

To

Dutch-Bangla Bank Limited
YOUR TRUSTED PARTNER

1000 ATMS

FOR ACHIEVING THIS SIGNIFICANT MILESTONE

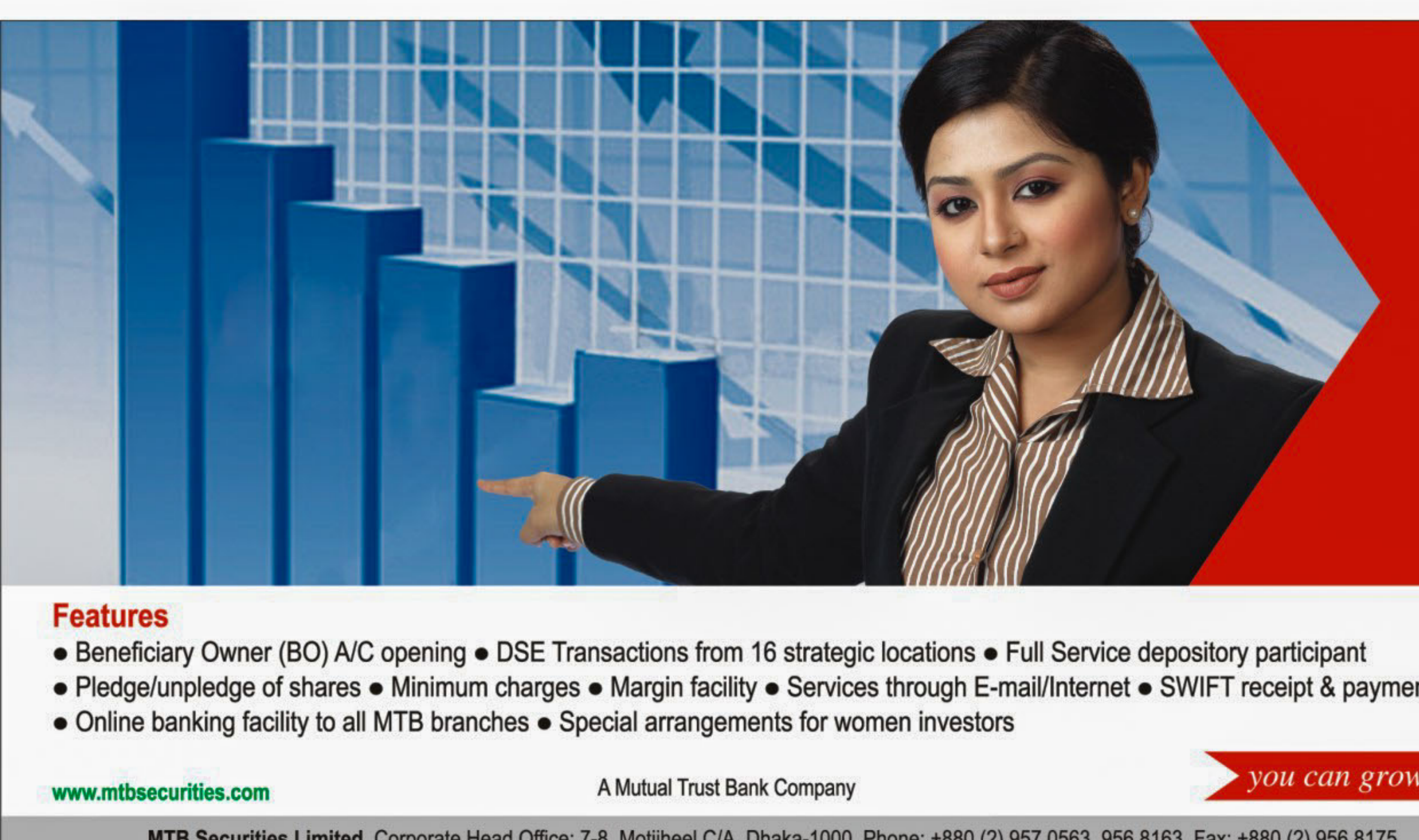


proud to be the 1000th ATM partner

WINCOR NIXDORF

globally renowned for advanced dispensing technology

IT Consultants Limited
www.itcbd.com



Your investment... grows with us

Apart from business acumen, expertise, experience and market analysis, **MTB Securities Ltd.**, also offers a host of facilities that lead to the growth of your investment.

Features

- Beneficiary Owner (BO) A/C opening
- DSE Transactions from 16 strategic locations
- Full Service depository participant
- Pledge/unpledge of shares
- Minimum charges
- Margin facility
- Services through E-mail/Internet
- SWIFT receipt & payments
- Online banking facility to all MTB branches
- Special arrangements for women investors

www.mtbsecurities.com

A Mutual Trust Bank Company

you can grow with us

MTB SECURITIES

MTB Securities Limited, Corporate Head Office: 7-8, Motijheel C/A, Dhaka-1000, Phone: +880 (2) 957 0563, 956 8163, Fax: +880 (2) 956 8175