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Stocks	
DGEN	▲ 1.36% 8,083.01
CSCX	▲ 1.85% 14,732.30

IDLC Index	
IDLC 50	▲ 1.93% 8,324.08

Asian Markets	
MUMBAI	▲ 0.38% 20,932.48
TOKYO	▼ 0.39% 9,694.49
SINGAPORE	▲ 0.40% 3,313.61
SHANGHAI	▼ 0.78% 3,135.00

Currencies		
	Buy Tk	Sell Tk
USD	69.93	70.93
EUR	95.19	99.97
GBP	110.83	116.06
JPY	0.85	0.92

Commodities	
Gold	▲ \$1,413.50 (per ounce)
Oil	▼ \$86.88 (per barrel)

Obama offers recipe for G20
REUTERS, Jakarta

US President Barack Obama said the Group of 20 nations still had a lot of work to do on the world economy and had not yet achieved a framework for balanced growth. Obama's comments, after a meeting with the president of G20 member Indonesia in Jakarta on Tuesday, came as China criticised US easy money policies and warned two days before a G20 leaders summit that Washington could destabilise the global economy and inflate asset bubbles. "We still have a lot of work to do...one of the key steps is putting in place additional tools to encourage balanced and sustainable growth," Obama told a press conference with Indonesian President Susilo Bambang Yudhoyono.

IMF moves on loan reforms

REJAUL KARIM BYRON

The International Monetary Fund (IMF) has attached a series of conditions to its lending practice, but said any loan to Bangladesh will be tailored to local circumstances.

Following a series of meetings with the government, an IMF mission that visited Bangladesh on October 24-November 4 gave such signals.

Economists suggested the government discuss the issue with stakeholders before accepting the conditions, but hailed IMF's apparently flexible terms for borrowing.

After borrowing \$490 million from IMF's poverty reduction growth facilities (PRGF) scheme in fiscal 2003-04, the country has again sought around \$1 billion under ECF (extended credit facility) arrangement for four years (fiscal 2011-14).

The IMF draft aide-memoire said: "Under the ECF arrangement, the conditionality would be expected to be parsimonious,

designed around national reform priorities and tailored to Bangladesh's circumstances".

On return home from the World Bank-IMF annual meeting in Washington in October, Finance Minister AMA Muhith hinted that IMF might tag conditions with Bangladesh's reform programmes and budgetary measures for the current fiscal year.

The IMF insisted on immediate finalisation of the draft law on value-added and income taxes. It also linked any release of ECF loan to prioritising social spending in fiscal 2010-11, monitoring actual outlays and publication of the revised preliminary estimates of national accounts for fiscal 10.

On the first year of loan disbursement, about 11 steps will have to be taken as per IMF conditions. Those include placing of the new VAT and income tax law in parliament and separation of policy and tax administration functions besides taking measures to achieve revenue targets.

IMF said the process of ADP

STRINGS ATTACHED

- Put a new VAT law in place
- Place a new income tax law in parliament
- Establish a monitoring framework for BPC, BCIC and PDB to set aside funds to cover losses
- Phase out ceilings on bank lending rates
- Amend the Banking Companies Act to strengthen governance of banks

project approval must be expedited. Besides, the lending agency wants Bangladesh government to establish a framework to monitor losses of the organisations like Bangladesh Petroleum Corporation, Bangladesh Chemical Industries Corporation and Power

Development Board. It also recommended phasing-out of bank lending rate ceilings.

IMF also asked for amendments to the Banking Companies Act to ensure good governance of commercial banks, including the state-owned, and audit on state banks by the firms of international repute.

Mustafizur Rahman, executive director of Centre for Policy Dialogue, sees no problem with accepting the IMF conditions, if those are consistent with the needs of the country.

Rahman said sometimes conditions turn out to be inconsistent with ongoing reforms.

"The government should discuss the IMF conditions with different stakeholders before accepting those," he suggested.

Echoing Rahman's view, Zaid Bakht, research director of Bangladesh Institute of Development Studies, said, "Good conditions are acceptable, but many times the international lender urged the government to strictly control money supply, which is not desirable."

Tax break suggested for new listings

STAR BUSINESS REPORT

A parliamentary body yesterday recommended a 'five-year tax holiday' for new companies that will list on the stockmarket through initial public offerings (IPOs).

The tax break facility will act as an incentive package for the non-listed companies to encourage them to go public, observed the parliamentary standing committee on the finance ministry.

Presently, listed banks and non-bank financial institutions enjoy 2.5 percentage points rebate in corporate tax, while listed telecom companies enjoy 7.5 percentage points, and other sector 9.5 percentage points.

The standing committee made the recommendation at a meeting, attended, among others, by Finance Minister AMA Muhith and Securities and Exchange Commission (SEC) Chairman Ziaul Haque Khondker.

After the meeting, committee chief AHM Mostafa Kamal said: "We have recommended that the tax holiday facility should be given to the new companies that will join the market through IPOs."

The tax break facility should be given for five years, Kamal said, adding that the incentive may be introduced from the next fiscal year.

The committee also asked the SEC to find out the persons involved in the recent bearish trend in listed state companies' share prices, following a government announcement of offloading more stakes in eight listed state firms within this month.

A vested quarter is trying to pull down the share prices of the state companies so that the government is discouraged to offload its stakes in the listed firms, Kamal said.

"The sudden decrease in the share prices of the state companies seems abnormal because this happened at a time when the finance minister announced that several public companies are coming in the market very soon."

The committee chief termed the effort as manipulation by some vested groups and asked the regulator to identify those groups.

However, Kamal said, in spite of such efforts, the finance minister assured that some public companies will join the market within a few days and the shares of the rest are likely to come by December.

The committee also recommended that brokerage houses no more offer share credit to retail investors, and the finance ministry think about introducing 'price-breaker' system in the market.

Replying to the queries on a recent comment of the finance minister about corruption in the National Board of Revenue (NBR), Kamal said, the finance minister has already cleared his position.

"I actually wanted to mean that corruption is taking place at the lower level of NBR, and its high officials are not corrupt," the committee chief quoted the finance minister as saying at the meeting.

On the amendment of value added tax and income tax laws, Kamal said, they have recommended that the two laws get amended to be more customer-friendly.

AIMS okays 72.5pc cash dividend

STAR BUSINESS REPORT

The trustee committee of AIMS 1st Mutual Fund yesterday announced 72.5 percent cash dividend for the year 2009-10.

The committee also validated the previously declared bonus dividend and rights offer for fiscal years 2007-08 and 2008-09 at a meeting in Dhaka.

On February 24, the trustee committee declared 70 percent stock dividend and 130 percent rights entitlement.

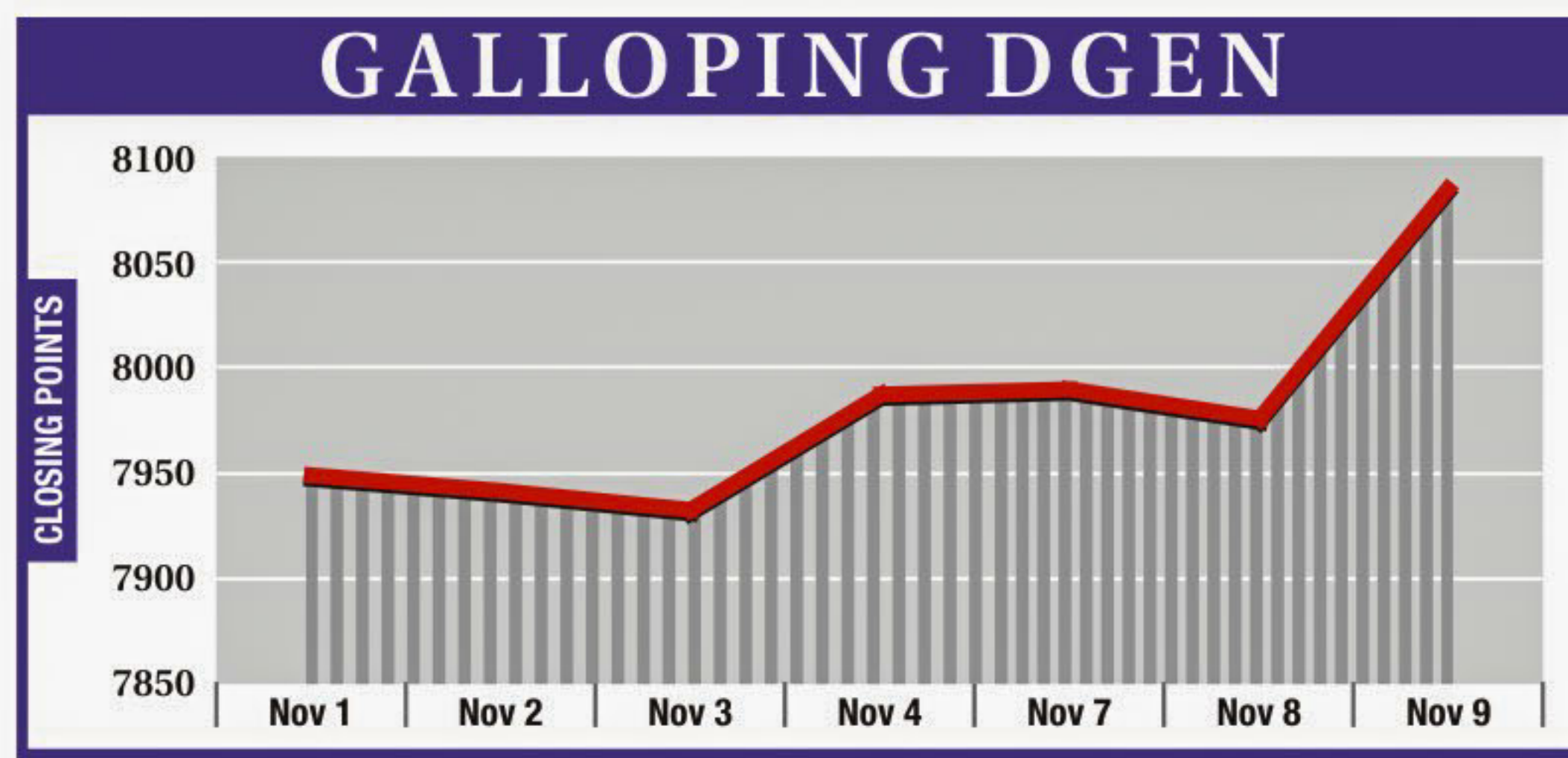
The committee proposed the rights offer for 13 units of Tk 1 each, against a holding of 10 units of Tk 1 each, at a price equal to the net asset value of a unit of the fund.

The record date for all the dividends and the entitlement of the rights offer will be November 25.

Earlier on November 3, the Securities and Exchange Commission decided to approve the AIMS 1st Mutual Fund's rights offer and bonus dividend, following a High Court verdict that declared illegal the regulator's previous rejection of the dividend announcement.

On October 5, the HC directed the SEC to approve the fund's proposal for offering rights issues and declaring bonus dividend.

On the Dhaka Stock Exchange yesterday, each unit of AIMS 1st Mutual Fund traded between Tk 23.80 and Tk 25.44, before closing at Tk 25.



DGEN crosses 8,000 points

STAR BUSINESS REPORT

The key index of the premier bourse yesterday crossed the 8,000-point mark for the first time, after Dhaka stocks gained 108 points, or 1.36 percent.

At the end of the trading hours, DSE General Index (DGEN), the benchmark index of the Dhaka Stock Exchange, stood at 8,083 points.

Most of the sectors passed a good session and contributed to the overall gain. Among the biggest gainers, the telecom sector comprised of lone Grameenphone advanced 5.56 percent.

Also, the energy and power sector rose 2.37 percent, banks 1.62 percent and non-bank financial institutions (NBFIs)

1.15 percent.

Pharmaceuticals, tannery and cement companies also increased by 1.63 percent, 1.46 percent and 0.9 percent, on an average, respectively.

Stockbrokers said investors have already started taking positions especially of the financial sector shares targeting the end-year closing in December.

The investors are encouraged by the third quarter earnings of the banks and NBFIs that showed a huge profit growth, most of that coming from investment in the stockmarket, the stockbrokers said.

Gainers beat losers 142 to 90, with three securities remaining unchanged on the prime bourse, which traded more than 10.28 crore shares and mutual fund

units on a value of Tk 2,329 crore.

Peoples Leasing and Financial Services topped the turnover list of the DSE with 33.88 lakh shares worth Tk 105 crore being traded.

Chittagong stocks also marked a sharp rise, with the CSE Selective Categories Index increasing by 268 points, or 1.85 percent, to 14,732.

The Chittagong Stock Exchange traded more than 1.18 crore shares and mutual fund units on a value of Tk 206 crore.

Advancers beat losers 107 to 73, with eight securities remaining unchanged on the port city bourse.

Pubali Bank topped the turnover leaders on the CSE with 9.54 lakh shares worth Tk 9.26 crore being traded.

SPORTAGE

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E-mail : kiabd@meghnagroup.net, anisuzzaman.aniskia@gmail.com