Star Business

DHAKA WEDNESDAY NOVEMBER 24, 2010

Stocks

DGEN	▲ 0.39%	8,554.82
CSCX	▲ 0.39%	15,636.11

IDLC Index

IDLC 50	▼ 0.11%	8,685.45

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DSE halts trade of 13 firms

STAR BUSINESS REPORT

Share trade of 13 listed companies was suspended for an indefinite period from yesterday, as prices of the stocks soared abnormally Monday.

On an instruction from the regulator, Dhaka Stock Exchange held back the trade of shares of those companies from 11:30 of Tuesday morning.

DSE in a posting on trade server as well as on its website said: "As per Securities and Exchange Commission's instruction, trading of the instruments will remain suspended until further order due to an unusual price hike of the shares."

The securities are: Sonali Aansh, Mithun Knitting, Tallu Spinning, CMC Kamal, Saffko Spinning, Miracle Industries, Standard Ceramic, Aziz Pipes, Bangladesh Auto Cars, United Air, Desh Garments, Dacca Dyeing and Ambee Pharma.

"The commission has directed the exchanges to stop such trading, as it finds an abnormal price hike that does not match with fundamentals of the companies concerned," said Mansur Alam, an SEC member.

Dhaka stocks returned to the black, a day after a steep fall. The benchmark index DSE General Index (DGEN) rose 33 points, or 0.39 percent, to 8,554.

Chittagong stocks climbed, with the CSE Selective Categories Index increasing 61 points, or 0.39 percent, to 15,636.

AMRAN HOSSAIN

Jon Fredrik Baksaas, president of Telenor, speaks at a press conference at Radisson Hotel in Dhaka yesterday. Oddvar Hesjedal, chief executive officer of Grameenphone, is also seen. (Story on page 1)

RMG exports to benefit from relaxed EU rules

REFAYET ULLAH MIRDHA

Bangladesh's apparel exports will benefit from Europe's relaxed rules for the least developed countries (LDCs) under the generalised system of preferences (GSP) in textile trade, experts said.

The new rules of origin (RoO) adopted by the European Union will be effective from January 1.

The biggest change is that single-stage processing (manufactured from fabric) will be allowed in many cases, instead of only two-stage processing (manufactured from yarn).

It means most apparel items from all LDCs will get duty-free access, no matter where the raw materials originate. The standard import duty for readymade garments in the EU is 12 percent.

The GSP is a trade arrangement allowing reduced or zero tariff on imports from developing countries; and the RoO determines whether imported goods really do originate in the countries covered by the GSP.

Mustafizur Rahman, executive director of Centre for Policy Dialogue (CPD), sees the new move as a boon for Bangladesh.

"Once implemented, if any exporter uses imported fabrics, manufactures in Bangladesh and exports to the EU, he will get the GSP facility."

A majority of the woven garment exporters import fabrics from China because the backward linkage industry is not strong like knitwear, Rahman said.

He, however, thinks the domestic backward linkage industry will face slight competition because many manufacturers import fabrics from other countries, especially China.

Rahman suggested the government continue an adequate supply of gas and power to the backward linkage industries so that they can produce fabrics and yarn in time to tackle competition.

"Apparel exports to the EU will increase manifold for the new move."

Zillul Hye Razi, trade adviser of EU trade delegation to Bangladesh, is also upbeat on reaping more benefit from the new move by woven and knit exporters.

"It may also provide opportunities for the local exporters to go for the higher end of the EU market as Bangladesh could not benefit from the GSP under the existing rules, as a high quality fabric is not sufficiently manufactured locally."

Abdul Hai Sarker, president of Bangladesh Textile Mills Association, said the backward linkage industry is fully equipped to take on the challenge, at least for knitwear.

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Telenor upbeat on internet prospects

STAR BUSINESS REPORT

Telecom giant Telenor Group is upbeat on Bangladesh's growth prospect in internet penetration, said a top official yesterday.

Jon Fredrik Baksaas, president and chief executive of Telenor, the majority stakeholder in Grameenphone, said there would be a 25 percent rate of internet penetration in Bangladesh within a few months.

"We, from Telenor Group, are very eager to move on that line," he said. "We have a long-term ambition to deepen and widen the network and also bring in the skill that the group can offer to Grameenphone."

Baksaas was speaking to journalists after a meeting with Finance Minister AMA Muhith at his secretariat office in Dhaka.

"We have seen the telecom sector in Bangladesh moving much more rapidly than one could have expected if we go 10 years back," he said. "Now it is a hectic sector, which really has a potential to get people connected."

He said a majority of Bangladeshis have voice and sms services. "We will reach out for internet access in the coming years."

He hopes the number of internet-users would rise as the number of people using mobile phones is increasing rapidly.

The meeting also discussed 3G technology, said Muhith. "We are open in this regard. Once the 3G technology is introduced, the country will be benefitted enormously."

Muhith hopes teledensity in Bangladesh would soon reach 80 percent from 40 percent at present. He is however upset by the low level of internet penetration.

"Mobile density has increased, but internet usage is much lower. We hope the use of internet will go up. The mobile technology will play a vital role here."

He said the meeting also discussed banking and financial services through the technology.

Telenor Group is keen to engage in financial services, especially in remote areas, where most financial institutions have no outlets. Since 1996, Telenor Group has invested $2.2 billion in Bangladesh and paid taxes worth up to $2.5 billion.

Grameenphone Chief Executive Oddvar Hesjedal was also present.

Bargain hard on transhipment

Says CPD

STAR BUSINESS REPORT

Bangladesh needs to boost its bargaining capacity and quantify the benefits it can get from providing transit and transhipment facility to India, said a spokesperson for the Centre for Policy Dialogue (CPD) yesterday.

"In today's world, no-one can deny the importance of transit and transhipment facilities among neighbours," said Dr Debapriya Bhattacharya, CPD's distinguished fellow.

"To achieve maximum benefit from providing transit and transhipment facility to India, the government has to boost its bargaining capacity at the discussions table," he said. "A great deal more research must be done before going for any such deal."

He was speaking at a press briefing at the CPD office in Dhaka, ahead of the International Dialogue on Exploring a New Global Partnership for the LDCs in the Context of the Fourth UN LDC. The dialogue begins today.

Mustafizur Rahman, executive director of CPD, agreed the government should make short- and long-term plans and quantify economic benefits before agreeing to transit and transhipment.

BB fines four banks

STAR BUSINESS REPORT

Bangladesh Bank yesterday fined four banks up to Tk 1 lakh each for not complying with anti-money laundering rules, a central bank official said.