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Asian Markets	
MUMBAI	▲ 1.68% 19,850.00
TOKYO	▲ 0.51% 9,988.05
SINGAPORE	▲ 1.18% 3,181.94
SHANGHAI	▲ 0.12% 2,823.45

Currencies		
	Buy Tk	Sell Tk
USD	69.85	70.85
EUR	89.12	94.15
GBP	107.12	112.23
JPY	0.81	0.89

SOURCE: STANDARD CHARTERED BANK

Commodities	
Gold	▲ \$1,393.00 (per ounce)
Oil	▲ \$84.12 (per barrel) (Midday Trade)

SOURCE: AFP



## DSE CEO steps down

STAR BUSINESS REPORT

The top official of the country's prime bourse resigned from his post yesterday, much ahead of his tenure's expiry.

Satipati Moitra, who took over as the chief executive officer of Dhaka Stock Exchange December 24, 2009 for three years, in his resignation letter cited his deteriorating health condition as a reason for his quit.

Shakil Rizvi, DSE's president, confirmed the CEO's resignation and said the issue will be put up in the next board meeting.

"If the board of directors accepts his resignation, it will be effective from three months later, meaning Moitra will have to serve for next three months," he said.

Moitra joined the DSE in 2007 as chief financial officer. Prior to his takeover as CEO, he was the acting CEO from July 14 to December 23.

Recently, the Securities and Exchange Commission grilled Moitra for making changes in the index calculation without disclosing the information to the stockmarket.

Later, he apologised to the stockmarket regulator for such move.

SEC also came down heavily on him for the failure to intervene in an unusual and abnormal price hike in some securities.



From right, President of Metropolitan Chamber of Commerce and Industry M Anis Ud Dowla, Agriculture Minister Matia Chowdhury and Industries Minister Dilip Barua attend a discussion, Bangladesh: The Next Investment Destination, at Sonargaon Hotel in Dhaka yesterday. The chamber organised the event.

# Banks under watch for stock investment

REJAUL KARIM BYRON

The central bank yesterday sent 50 teams on surprise visits to different bank branches in Dhaka and Chittagong after it received complaints that the banks were investing in the stockmarket from their reserves in the vaults.

Forty teams visited the branches in Dhaka, while the rest in Chittagong, a BB official said.

When contacted, Bangladesh Bank Governor Atiur Rahman did not elaborate on the matter, but said the BB teams were sent on surprise visits to see whether there were any irregularities in the liquidity management of the banks.

Action will be taken if any irregularity is found, he said.

Another BB official said they have

been receiving complaints for quite some time that the banks were investing money kept in their vaults in the share market to make profit.

This correspondent visited some branches in Dhaka and found that the central bank teams were inspecting record books of the branches and making queries to the officials concerned.

When asked whether they found any irregularities, a BB official in the evening said it cannot not be confirmed before a detailed report reaches them. However, the teams have informed them verbally that at some places they have found some irregularities, the official said.

Another official of the central bank said it would be difficult for the BB to find out if the bank officials invest in the stockmarket the money

in the vaults. But the BB will continue such drives, he added.

In the recent times, the daily transaction in the stockmarket is on an average Tk 2,000 crore and sometimes the figure reaches Tk 3,000 crore, which is double compared to that a year back.

A finance ministry official said the banks as institutions are making investment in the stockmarket, and some bank officials have also got involved with such investment.

The ministry official said if the banks go to the share market in this way, the country's industrialisation will be affected adversely.

The central bank will also send 50 inspection teams to commercial banks that took out more than Tk 20 crore in industrial loans to expose diverters of funds into the share market.

# Telecom licence renewal finalised

STAR BUSINESS REPORT

The telecom regulator has finalised the draft licence renewal guidelines for the telecom sector, under which the four major operators are likely to pay a combined Tk 14,000 crore for licence renewal next year.

The renewal fee for the four operators, whose licence will expire next year, will be Tk 10 crore each, according to the renewed guidelines drafted at a meeting of the Bangladesh Telecommunication Regulatory Commission (BTRC) on Tuesday.

The four operators -- Grameenphone, Banglalink, Robi and Citycell -- will have to pay a combined Tk 28,000 crore as frequency charge during licence renewal.

Under the new guidelines, the renewed licence will be issued for a period of 15 years and the operators will have to pay the licence fees based on their revenue earnings over that time, BTRC officials said.

The regulator yesterday sent the draft guidelines to the post and telecommunication ministry for review.

"According to the new rules, the

mobile operators will have to share 15 percent of their total revenue earnings over the next 15 years," said the BTRC Chairman Zia Ahmed.

"A half of this amount would have to be paid during licence renewal next year, and the rest would be paid in phases in the next 14 years."

As a result of the new directive, it is estimated that Grameenphone has to pay around Tk 7,000 crore during licence renewal next year, while Robi and Banglalink would each pay around Tk 3,000 crore and Citycell around Tk 1,000 crore.

Earlier, the committee formed to take a decision on licence renewal for the telecom operators recommended a renewal fee of Tk 350 crore each.

But later it was decided to take into account the frequency charge that is determined by the revenue per user and subscriber base of the mobile operators over the last 14 years.

Under the new calculation, around Tk 28,000 crore would be collected from the four operators over 15 years, out of which, Tk 14,000 crore would be collected initially.

## PM seeks more Japanese aid for MDGs

UNB, Tokyo

Prime Minister Sheikh Hasina yesterday called for increased Japanese assistance to help Bangladesh attain the Millennium Development Goals (MDGs).

"Our progress on Millennium Development Goals is largely due to Japan's support. To achieve the MDGs, Japan's increased assistance will of course be needed," she said.

The premier was addressing a luncheon meeting arranged by Japan-Bangladesh Parliamentary League at the conference room of Hotel Otani here.

Hasina voiced Bangladesh's support for Japan to its claim for a permanent seat in the UN Security Council.

# Analysts weigh investment future

STAR BUSINESS REPORT

Analysts and businessmen chewed over investment concerns yesterday at a high-level discussion, Bangladesh: The Next Investment Destination.

A surge in domestic investment may help Bangladesh attract more foreign investment and log faster growth, they said.

But problems in power and infrastructure and inadequate investment opportunities for small and large local investors hinder the prospect of spike in domestic investment, and foreign direct investment (FDI).

Metropolitan Chamber of Commerce and Industry (MCCI) organised the event at Sonargaon Hotel, attended by policymakers, economists and local and foreign investors.

Agriculture Minister Matia Chowdhury, Industries Minister Dilip Barua and BNP Standing Committee member MK Anwar also spoke.

The programme took place at a time when investors in rich countries are looking for opportunities in Asia and emerging markets for growth, as well as to shield businesses after the global financial crisis.

In the past two decades, Bangladesh has been growing by 5 percent a year, with global investment banks and multinational institutions praising the country's future potential.

The country, which seeks to become a transport and connectivity hub in South Asia, holds the potential to grow fast. But it lacks the domestic resources and investment needed to solve the power and energy deficit and infrastructure bottlenecks.

"The business community underscores the need to improve the power infrastructure as a prerequisite for investment," said MCCI President M Anis Ud Dowla.

"Domestic investment has remained static largely due to dismal power situation," he said.

Participants said Bangladesh offers promise for foreign investors to grow and have greater market access.

Despite that, the country lags India and Pakistan in attracting FDI, as weak governance, ineffective implementation of policies, and confrontational politics also discourage FDI.

In his keynote presentation, Jomo K Sundaram, assistant secretary-general for economic development of UN's Department of Economic and Social Affairs, said domestic investment leads FDI in Bangladesh.

"So the relationship between domestic and foreign investors needs to be recognised," he said. "FDI plays very important role in development, but it can also crowd out domestic investment."

Rehman Sobhan, chairman of Centre for Policy Dialogue (CPD), said many labour-intensive factories in China, Taiwan and Korea are relocating to Bangladesh to benefit from low labour cost.

"This is just the beginning," he said pointing to the need for FDI to enhance the manufacturing base.

But the professor was critical about the inflow of portfolio investment, due to its speculative nature.

"We should deal with speculative investment with great caution," he said, citing Pakistan's swings between inflows and outflows of portfolio capital.

Inadequate domestic investment opportunities encourage investors to put their funds in stocks, which many fear are overvalued, he said.

Discussions, however, said the problem of power shortages might be solved by plans to generate 3,000 MW by 2013. Gas production is also being enhanced, said Chairman and Managing Director of Summit Power Ltd Muhammad Aziz Khan.

Ashish Bharat Ram, managing director of SRF Ltd, said it is possible that Bangladesh could be a top investment destination as "all the ingredients for it flourishing are there." But he stressed the need for skill development.

Grameenphone Chief Executive Oddvar Hesjedal suggested improving telecom infrastructure.

# BB tightens reins on inflation

REJAUL KARIM BYRON

Bangladesh Bank (BB) has increased the cash reserve requirement (CRR) for the second time in five months to contain inflation.

The central bank increased the CRR by 0.5 percent that is to be effective from December 15, according to a circular issued to banks yesterday.

The new CRR rate will be 6 percent for the commercial banks, which was 5.5 percent previously, and 11 percent for the Islami banks, which was 10.5 percent earlier.

The reserve requirement is a central bank regulation that sets the minimum reserve each bank must hold against customer deposits. The reserve ratio is sometimes used as a tool in the monetary policy, influencing the economy, borrowing and interest rate.

A central bank official elaborates that any

rise in CRR means mopping up excess liquidity from the money market.

In May, the CRR was increased by 0.5 percent as well. The official said the step was taken to contain inflation. The excess liquidity in the banks is moving to the share market and private sector credit growth has also increased, prompting the BB to take the step.

On Tuesday, BB Governor Atiur Rahman told The Daily Star that the central bank has been continuously monitoring the inflation situation.

According to BB, private sector credit has been on the rise instead of falling. On June 30, private sector credit growth stood at 24.24 percent. On August 30, it increased to 25.85 percent.

On a point-to-point basis, inflation has been rising every month. On average, it swelled to 8.12 percent on August 30, which was 7.87 percent the month before that.

## India loans S Leone \$30m

AFP, Freetown

Sierra Leone will receive a loan of \$30 million (23 million euros) from India to revamp its aging water system in the capital and a town in the east of the country, the government said Wednesday.



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## general public notification

this is to notify that after receiving the necessary regulatory consents, the name of the company warid telecom international limited has been changed to airtel bangladesh limited with effect from 1st of december, 2010.

sakib sikder  
for airtel bangladesh limited  
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## Edible oil price to come down by next week: Minister

UNB, Dhaka

Commerce Minister Faruk Khan yesterday said the price of edible oil that witnessed a stiff rise in the market will come down to a tolerable level by next week.

"We will sit with the oil refiners on Thursday [today] and Sunday. We'll be able to fix the price of loose and packed soybean oil through discussion with refiners. I hope the price will start coming down to a tolerable level after Sunday," he said to journalists at his office after a meeting with a Dutch-Bangla Chamber delegation.

The chamber's President Mir Mohammad Imam Hossain led the 10-member team.

Khan said the government is closely monitoring the edible oil market. Some of the refiners have already reduced the price of edible oil.