

DSE index hits new peak

STAR BUSINESS REPORT

The key index of Dhaka Stock Exchange, DSE General Index (DGEN), reached another new high at 8,838 points, as the stocks continued to gain for third straight sessions yesterday, the week's last trading day.

Throughout the four-hour trading, the benchmark index jumped up almost 115 points, or 1.31 percent to reach the new peak.

Stockbrokers said the news to delay the implementation of a new directive on toughening the members' margin rule led the rally on the trading board.

"Last couple of days' rally is basically backed by the news of time extension in implementing the revised rule on members' margin," said a stockbroker.

The Securities and Exchange Commission on November 25 directed the stockbrokers to double their deposit against any additional trade exposure to the capital market in an effort to tighten the liquidity flow.

But on Wednesday, the stock-market regulator extended time to January 2 for execution of the rules on stockbrokers' margin on additional trade exposure following appeals from the DSE.

As per the revised rule, a stockbroker or a stock exchange member will have to deposit 40 percent of its additional trade exposure, instead of 20 percent, if trade value crosses by Tk 1 crore after the free limit for Tk 5 crore.

For up to Tk 8 crore, the SEC increased the ratio to 60 percent from 30 percent; while the ratio is 80 percent for up to Tk 9 crore. For any amount above Tk 9 crore, the ratio is unchanged at 100 percent.

The revised rule will also not allow any member to cover more than 50 percent of the required margin deposit through bank or corporate guarantee.

In line with the existing system, a stockbroker can cover 10 percent of member's margin by cash, pay order, fixed deposit receipt or other acceptable instruments and the rest

through bank guarantee.

However, banks led the yesterday's rally, as the sector went up by 2.98 percent with contributing 43.84 percent to the total turnover in terms of value -- Tk 3,176 crore.

Apart from banking stocks, non-banking financial institutions also gained 1.36 percent on an average.

In contrast, telecom and fuel and power sectors lost 1.45 percent and 1.23 percent respectively.

Advancers beat losers 120 to 107, with three securities remaining unchanged on the premier bourse, which traded more than 12.86 crore shares and mutual fund units.

Chittagong stocks also marked a sharp gain yesterday, with the CSE Selective Categories Index increasing 172 points, or 1 percent, to stand at 16,015.

The Chittagong Stock Exchange traded more than 1.51 crore shares and mutual fund units on a value of Tk 314 crore.

Gainers beat losers 104 to 84, with seven securities remaining unchanged on the port city bourse.



A Rouf Chowdhury, chairman of Bank Asia, inaugurates the bank's 46th branch in Faridpur town yesterday. Erfanuddin Ahmed, president and managing director, is also seen.

Bangladesh ensures shrimp safety: Official

STAR BUSINESS REPORT

Bangladesh has achieved remarkable success for improving its regulation and control of veterinary drugs in shrimp farming as well as for the development of a unique traceability system under public private partnership (PPP), said a government official.

"We got acclamation from the EU authorities for the development of a system to ensure food safety and security," said Shamsul Kibria, joint secretary of the Ministry of Fisheries and Livestock, at a programme on Wednesday.

Thailand has also shown eagerness to pursue the Bangladeshi model for ensuring food safety, he added.

Kibria, who attended a symposium in Belgium on November 24 to know the findings of a research on the presence of

illegal antibiotic in shrimp, has shared the outcomes of the seminar at a "Workshop on Measure to Avoid Contamination in Shrimp".

Poverty Reduction by Increasing the Competitiveness of Enterprise (PRICE) project of USAID organised the workshop at Lakeshore Hotel in Dhaka.

Ghent University and Agri-Food & Biosciences Institute, Belfast, UK, conducted the research on the presence of illegal antibiotic residues in Bangladeshi giant freshwater prawns, on behalf of Europe-based Seafood Importers and Processors Alliance and the Bangladesh Shrimp and Fish Foundation.

The buyers of shrimp can now easily track down its origin by using the traceability system.

"We temporarily suspended export-

ing golda shrimp for six months in response to the EU's rejection over 42 containers of frozen prawn in 2009," said Kibria.

During this period, the government in collaboration with the private sector had taken a couple of measures like the implementation of new legislation, improvement of laboratory analytical capacity and the development of a traceability system.

"We have already made the national action plan to create an environment for ensuring food safety in Bangladesh in a joint effort with the Bangladesh Fisheries Research Institute and the Department of Fisheries under the action plan," said Kibria.

William J Collis, director (South Asia) of World Fish Centre, hailed the Bangladeshi government for developing a role model for others in ensuring food safety.

WTO rejects Pakistan's tariff benefits

STAR BUSINESS REPORT

The World Trade Organisation (WTO) Tuesday rejected Pakistan's bid for preferential trade status and cancelled Sri Lanka's status, at its meeting in Geneva.

Pakistan sought status under the generalised system of preferences (GSP) to export 75 products to the European Union, pleading economic hardship following massive floods.

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

Bangladesh opposed Pakistan's bid to the council. Sri Lanka lost its GSP status, after getting it in 2005, due to human rights violations.

WTO members, such as India, Peru

and Venezuela, opposed the EU's bill and it was dropped for the next council meeting in April, said a senior commerce ministry official in Dhaka yesterday.

Either consensus or two-third majority is needed for the passage of the bill, but none was possible, the official also said. China and Brazil asked for further review of Pakistan's plea, he said.

Bangladesh's export opportunities to EU widened, following the rejection of Pakistan's plea. The commerce ministry official said Bangladesh is gaining duty-free facility to EU since 2001.

Bangladesh applied to the EU either to exclude or set a cap on exports of eight among 75 products of Pakistan so that Bangladesh's shipments to EU remain unhurt, for the new move in

(RoO) in EU.

Abdul Hai Sarker, president of Bangladesh Textile Mills Association, said the rejection is a boon because Bangladesh's benefits remained protected: "Pakistan is already a developing country whereas we are still a least-developed country. We need more access."

The new RoO adopted by the EU will take effect from January 1, 2011. The biggest change is that single-stage processing (manufactured from fabric) will be allowed instead of two-stage processing (manufactured from yarn).

Most apparel items from 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.

Central bank's new executive director



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Bangladesh Bank yesterday promoted M Mahfuzur Rahman to executive director, the central bank said in a statement.

Prior to this appointment, he was general manager of the bank's anti-money laundering department.

Rahman, starting his banking career in 1981, has worked in various capacities in the central bank.

Top-up provider opens Dhaka office

STAR BUSINESS REPORT

Ezetop, an Ireland based top-up facility provider, is set to provide services to non-resident Bangladeshis (NRB) from March.

The company will buy talk-time from local telecom operators and sell to people living or working abroad. Consumers will be able to instantly top-up the credit balance on their friends and family's mobile phones back home.

Initially, the company plans to provide services to NRBs in the Middle East, UK, US and Malaysia, where one can top-up \$5-50 each time, said Mark Roden, chairman of Ezetop.

"We have opened our office here in Dhaka, and we have also completed the agreement process with 2,200 retailers in four regions, where majority NRBs are living."

The company launched its office in Bangladesh on Wednesday and is in talks with Bangladesh Bank and Bangladesh Telecommunication Regulatory Commission for approval, said Roden.

"We are also in talks with all the local telecom operators. We hope to get approval and start providing the facility from March

next year," Roden said.

Initially, the company plans to invest \$ 0.5 million on technical development, including equipment and staff, he said.

Ezetop eyes an average of \$30,000 in revenues a month, Roden said.

Ezetop's services benefit mobile operators as they generate additional revenue outside their domestic market. It now offers direct connections to more than 140 international mobile operators across Asia Pacific, Africa, the Caribbean, Central and Latin America and Eastern Europe.

The company's existing operators include Telenor, Airtel, Orascom, Reliance, Digicel, Etisalat, Singtel, Vodafone and Warid.

Ezetop services are available from more than 220,000 retail stores in 16 countries, as well as online and on mobile phones through ezetop.com.

Headquartered in Dublin, Ireland, the company has regional headquarters in North America, Europe and the Middle East.

Kenneth Thompson, Ireland ambassador to Bangladesh, inaugurated the Ezetop Dhaka headquarters at a programme at The Westin Dhaka.

MTB launches four loan products

STAR BUSINESS DESK

Mutual Trust Bank has recently introduced four new retail loan products for individual customers, says a statement.

The products are personal loan, auto loan, home loan and home equity loan.

"We are gradually diversifying its products and services with tailor-made features catering to the changing needs of the market and launching of these four new retail loan products is the manifestation to this endeavour," Anis A Khan, the bank's managing director, told a function at MTB Centre in Dhaka, marking the launch of the new products.

All the four products are meant for salaried individuals, businesspersons, landlords, self-employed professionals like doctors, chartered accountants.



Anis A Khan, managing director of Mutual Trust Bank, launches the bank's four new retail products at its corporate head office in Dhaka yesterday.

NBR opposes special facility to coal extractors

UNB, Dhaka

The National Board of Revenue (NBR) has opposed the energy ministry's move to provide special facility for coal extraction companies.

The ministry has recently sent a letter to NBR to examine the possibilities of duty waiver on import of capital machinery by coal extraction companies.

"It won't be wise," said an NBR official. The official added such companies, both local and foreign, could be profit-making entities.

Many of such entities like pharmaceuticals have to pay 3 percent duty for capital machinery import now.

Energy ministry officials said the long-expected coal policy has almost been finalised following a high level meeting with Prime Minister Sheikh Hasina a couple of months ago.

WikiLeaks targets corporate world

REUTERS, London

Whistle-blowing website WikiLeaks, which is causing an international storm over its release of confidential diplomatic cables, said it would also publish disclosures from the corporate world.

"I believe that in the future we are going to have more material that is pertaining to the corporate community," WikiLeaks spokesman Kristinn Hrafnsson said late on Wednesday.

Shares in Bank of America fell 3 percent on

Tuesday amid investor fears that the largest US bank by assets might be at the centre of WikiLeaks' next document release.

WikiLeaks founder Julian Assange said his group planned to release tens of thousands of internal documents from a major US bank early next year, according to an interview published on Monday by Forbes Magazine.

Hrafnsson, speaking at an event in London, confirmed that the website had information about the operations of a US bank, but declined to identify it.



Seated from left, Khalid Quadir, chief executive officer of Brummer & Partners Asset Management (Bangladesh) Ltd, signed an agreement with Reaz Ahmed Khan, chairman of Impress-Newtux Composite Textiles Ltd, to buy Impress-Newtux's stake, at the Westin Dhaka Hotel on Wednesday.

Brummer & Partners to buy Impress Newtux stake

STAR BUSINESS DESK

Brummer & Partners Asset Management (Bangladesh) Ltd Wednesday signed a deal with Impress-Newtux Composite Textiles Ltd to buy the latter's stake, says a statement.

Brummer & Partners will invest several million dollars in Impress-Newtux to expand the company's capacity and manufacture higher value added apparel products, the statement added.

Reaz Ahmed Khan, chairman of Impress-Newtux, and Khalid Quadir, chief executive officer of Brummer & Partners Asset Management (Bangladesh), inked the agreement at the Westin Dhaka Hotel.



Industries Minister Dilip Barua, second from right, attends a workshop as the chief guest at Hotel Agrabad in Chittagong yesterday. The workshop organised by the International Business Forum of Bangladesh focused on how to reduce corruption in accessing industrial credit.