

Intervention rumours pull down stocks

STAR BUSINESS REPORT

Dhaka stocks witnessed the steepest fall in the last 37 trading sessions, as rumours on intervention by the market regulator spread out during the four-hour transaction period.

The rumours, centring a meeting of a market monitoring committee of the Securities and Exchange Commission, include possible shifting of more companies to spot transaction instead of normal trade.

Although the SEC body sat yesterday after the trading hours, no absolute decision or direction came out from discussion. Rather, the attendees focused on strengthening monitoring and surveillance activities in the market.

Rules and regulations are in the market, but some of them are not being implemented properly, the meeting pointed out.

For example, no investor is allowed

to purchase shares just after depositing cheque with the stockbrokers. But, it is seen often that the stockbrokers allow investors to purchase share before maturity of any cheque.

"The regulator may issue a circular to this effect so that the rule is implemented effectively. In case of violation, the regulator will take actions," said an SEC official after the meeting.

The meeting also discussed about introducing T+0 settlement period, which means settlement of share transaction is completed within a day.

"Under the present circumstances, it is not possible to introduce the T+0 settlement. But, the stock exchanges have been requested to start thinking how it can be launched," the SEC official said.

However, the rumours were enough to pull down the market, as most of the retail investors either sold out shares or booked profit.

Benchmark index of the Dhaka Stock Exchange -- DSE General Index (DGEN) -- plunged 147 points, or 1.64 percent to 8,771.

With the fall, the record-breaking rally that continued for a third straight day till Sunday also came to an end.

The financial sectors such as bank, insurance and non-banking financial institution suffered the biggest losses.

Losers beat advancers 181 to 63 on the premier bourse, which traded more than 11.47 crore shares and mutual fund units worth Tk 2,710 crore.

Chittagong stocks also marked a sharp decline yesterday, with the CSE Selective Categories Index sliding 207 points, or 1.28 percent to 15,914.

The Chittagong Stock Exchange traded more than 1.52 crore shares and mutual fund units worth Tk 309 crore.

Losers beat gainers 142 to 54, with four securities remaining unchanged on the port city bourse.

Dhaka Bank Limited Mandated Lead Arranger Standard Chartered Bank



Jim McCabe, extreme right, chief executive officer of StanChart, Bangladesh, shakes hands with Khondker Fazole Rashid, managing director of Dhaka Bank, at a function to launch Tk 200 crore in subordinated bonds in the capital yesterday. Reshadur Rahman, second from right, Dhaka Bank chairman, is also seen. (Story on B1)

GE to supply four gas turbines for power plant

STAR BUSINESS DESK

General Electric (GE) will supply four gas turbine rental units to Max Power Ltd, a local company, which will start producing 76 megawatts of electricity for commercial use early next year, said a statement.

Max in association with GE will install the gas-based power plant in Ghorasal.

The local company earlier won a contract of Bangladesh Power Development Board (BPDB) to rent four gas turbine rental units from GE.

The rental project will be the first installation of GE's TM2500 aero-derivative gas turbines in Bangladesh.

The electricity will be used in residential, industrial and agricultural purposes in the Ghorasal region.

"GE's TM2500 gas turbine portable units are considered one of the most environment-friendly power plants," said Sufian A Khondker, department head of water resources engineering of Max Power.

Compared with high-speed diesel or heavy furnace oil, the gas-fuelled power

plant will have lower emissions of certain air pollutants, he added.

The TM2500, a portable version of GE's LM2500 aero-derivative gas turbine, can easily be transported by ship, plane or truck and can be installed quickly.

With a 10-minute start-up capability, each TM2500 unit can produce more than 20 megawatts of power on short notice.

"GE is constantly striving to develop innovative technology that can address our customers' dynamic energy and water needs. Our ability to deliver these rental units and get them operating quickly is a key to meet Bangladesh's urgent power requirements," said Darryl Wilson, vice president of aero-derivative gas turbines for GE Power & Water.

GE operates in more than 100 countries and employs around 300,000 people worldwide.

GE Energy that comprises of GE Power & Water, GE Energy Services and GE Oil & Gas, provides integrated product and service solutions to the energy sector including coal, oil, natural gas and nuclear energy, renewable resources and other alternative fuels.

Lack of income scope keeps char people in acute poverty

Say development workers

STAR BUSINESS REPORT

Landlessness and lack of income generating opportunities have kept thousands of people in char areas in acute poverty, development workers said yesterday.

The inhabitants of chars (land emerged from rivers), who are in severe indebtedness, suffer from hunger and malnutrition. They also virtually do not get benefit of public services, such as education and primary healthcare, in absence of proper infrastructure and service delivery.

"The level of poverty is higher in char areas than the main land. Some 77 percent people in char areas suffer from extreme poverty," according to a paper on improvement of livelihood of char people

through *Nodi O Jibon*, a project run by Concern Worldwide in association with local nongovernmental organizations (NGOs).

The paper based on a study conducted in the country's northern region, said more than 50 lakh char people suffer from extreme poverty because they depend solely on farming. Also, lack of any scope for non-farm activities puts them below poverty.

The paper, presented at a discussion at Unnayan Shamannay office, also pointed out that 13 percent of char people remain jobless round the year.

The rate of seasonal unemployment is also very high, as agriculture cannot provide jobs more than four months a year, it said.

"The extent of poverty is different from mainland," said Talukdar Golam

Sarwar, coordinator of the five-year project, *Nodi O Jibon* (river and life).

The Tk 32 crore project aims to help 10,000 extreme poor in char areas to improve living standards by taking various initiatives, including employment generation and market linkage.

Tarafdar claimed that there has been a change in economic activities in char areas due to the project, the tenure of which expires next March. There has also been improvement in public service delivery, added the official.

Some discussants at the programme stressed proper coordination of all the activities in the areas aimed at ameliorating the standard of livings, as a number of international and local NGOs are working

there for such purpose.

They feared that in absence of proper coordination a problem of overlapping might be created.

A coordinated effort will bring benefit, said Khondker Ibrahim Khaled, chairman of Bangladesh Krishi Bank.

"The government should recover the char lands from grabbers and distribute these lands to char people," suggested Khaled, also a former central bank deputy governor.

Such distribution of land will be of great help in improving the economic condition of char dwellers."

NGO Foundation Managing Director Abu Taher Khan suggested a strong local government, which can bring about improvement in public service delivery in char areas.

DuPont steps in Bangladesh

STAR BUSINESS DESK

US science-based company DuPont opened its first liaison office at Uttara in Dhaka yesterday, says a statement.

The company offers products and services for various market segments including agriculture and food, apparel and textiles, renewable energy.

Balvinder S Kalsi, president for South Asia of DuPont, and Showkat A Sarkar, country manager, inaugurated the office.

"DuPont is responding by sharpening our focus to meet the increasing demand for food, protecting lives and the environment,

decreasing dependence on fossil fuels and meeting emerging market demand for science-based solutions," said Kalsi.

"DuPont's entry in Bangladesh demonstrates our commitment and focus on growing in key emerging markets across India and Asia to address local needs."

"As we build and expand our presence in this country, our goal is to work closely with local customers to better understand the unique market needs here and develop solutions tailored to these needs," said Sarkar.

Founded in 1802, DuPont has operations in more than 90 countries.

Medical equipment show Thursday

STAR BUSINESS REPORT

Triune Exhibition and Event Management Services (TEEMS) is set to organise a three-day medical equipment and healthcare services exposition in Dhaka.

The fair will take place at Pan Pacific Sonargaon Hotel on Thursday.

MEDEXPO-2010, the eighth international medical equipment and healthcare services exposition, is likely to showcase affordable healthcare services from both local and foreign companies.

Professor Syed Modasser Ali, health and family welfare and social welfare adviser to the prime minister, is expected to inaugurate the fair.

"The main objective of this fair is to create a bridge between consumers and health service providers from home and abroad. The fair will also showcase a range of locally made and imported medical equipment," Kazi Wahidul Alam, editor of Bangladesh Monitor, a travel magazine, and chairman of the fair committee, told après conference at Sonargaon Hotel in Dhaka yesterday.

Otobi Ltd, a leading household and medical furniture manufacturer in Bangladesh, is the premium partner of the fair.

A total of 40 participants from seven countries, including India, Thailand, Singapore, China and Japan, will showcase their products and services at the fair.

The fair will remain open from 10 am to 8 pm everyday without any entry fee.

StanChart high-ups in town

STAR BUSINESS DESK

Julian Fong, chief financial officer for Asia and global head for country finance of Standard Chartered Bank, is in Dhaka for a two-day official visit, says a statement.

Julian is also an executive director of the bank's Hong Kong operations. Anurag Adlakha, chief financial officer for India and South Asia, accompanies him.

In his banking career of nearly 30 years, Fong has been serving StanChart in Hong Kong and Singapore for the last 19 years.

Previously he worked in various finance roles with the Royal Bank of Canada in Toronto and Montreal.

Julian's current responsibilities include providing leadership, strategic direction

and governance for the country finance function globally; and directing the capital, financial management and financial control function.

An MBA in finance and accounting from McGill University in Canada, he is also a certified member of the Society of Management Accountants Ontario, Canada and a fellow of the Institute of Canadian Bankers.

Anurag Adlakha is responsible for the regional finance function. His key responsibilities cover business performance analysis, financial reporting and control, balance sheet management, financial compliance and taxation.

Adlakha has 24 years of experience, which includes 19 years in the financial services industry.

Int'l plastic fair in 2012

STAR BUSINESS REPORT

Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA) yesterday announced the 2012 schedule of an international plastic fair.

The seventh International Plastic Goods Fair will be held from February 15 through February 18 in 2012 at Bangabandhu International Conference Centre, said Shahedul Islam Helal, president of the association.

Nearly 350 local and foreign firms will showcase their plastic products in the categories of household appliances, furniture, industrial mould, plastic raw materials, agricultural tools and machinery.

BPGMEA and Chan Chao International Co Ltd, an industrial exhibition arranging company will jointly organise the four-day event to accelerate growth of the export earning plastic industry, said Helal.

The Tk 4,000 crore local market is growing at 20 percent a year. At present, local manufacturers are exporting plastic hangers, polybags and shopping bags.

Export earnings from plastic products registered nearly Tk 2000 crore in fiscal 2008-09, according to the sectoral trade body.

The country's growing garment and pharmaceutical sectors are sourcing most packaging materials from local makers, said Helal.



Mahbubur Rahman, second from left, president of International Chamber of Commerce-Bangladesh, inaugurates a workshop on New Incoterms 2010 in Dhaka yesterday. Mamun Rashid, second from right, chairman of the trade body's standing committee on banking, is also seen.

ICCB stresses knowledge about revised trade rules Follow-up workshop today

STAR BUSINESS DESK

The business community, especially bankers and exporters, must get updated on the revised rules for shipments to avoid misunderstanding in the delivery of goods, said a trade body chief at a workshop yesterday.

Mahbubur Rahman, president of International Chamber of Commerce-Bangladesh (ICCB), said this at a workshop on international commercial terms (incoterms-2010) rules organised by ICCB.

International Chamber of Commerce (ICC) has recently launched the latest revision of its internationally recognised incoterms-2010 rules. The new rules for any mode or modes of transport for shipment of goods all over the world will come into effect on January 1.

The ICCB president emphasised the importance of understanding the new rules

because any deviation will result in cancellation or withholding of payment against L/Cs.

Revisions have been made to ensure that the wordings of the incoterms rules clearly and accurately reflect present-day trade practices, he said.

ICC first created the incoterms rules in 1936 to help traders avoid misunderstandings by clarifying the costs, risks and responsibilities of both buyers and sellers in the delivery of goods.

A total of 126 senior and mid-level executives from banks and financial institutions attended the workshop. The follow-up workshop on incoterms 2010 will be held in Dhaka today.

Vincent O' Brien, a standing member of the ICC Banking Commission, conducted the workshop. Mamun Rashid, Citibank's country officer and chairman of ICCB Standing Committee on Banking, also spoke.



Julian Fong

Anurag Adlakha