

A week of mayhem

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The stockmarket passed a dramatic last week with an unprecedented upheaval in the premier bourse's key index in the history of Motijheel financial district.

The main gauge of Dhaka Stock Exchange touched the highest ever level of 8,918 points on the opening session of the week, but dropped like a stone by 547 points within 75 minutes of the start of trading just two days later, labelling a 'black Wednesday' in the stockmarket history.

Appalled, the investors went to the Motijheel street with procession, ransacked vehicles and chanted slogans against the top brass of the regulator and the bourse.

The market, however, recovered most of the losses on the same day, after the regulator reversed its couple of directives, which the investors blamed for the intra-day crash.

Week-on-week, the DSE General

Index (DGEN) declined 258 points, or 2.92 percent, to 8,580 -- marking the end to an 11-week bull run.

Analysts see the regulatory intervention as the main reasons behind the black Wednesday and the week's downturn.

The unprecedented fall of Wednesday was resulted by a regulatory directive, which squeezed 'netting facilities', stopping investors from buying new shares with funds from another share sale that was ordered but not finalised.

Another directive on executing buy orders only after cashing an investor's cheque also stung the market in the prior two days of Wednesday.

"The bull run ended on Monday, when two consecutive directives came from Securities and Exchange Commission (SEC) that pushed the market towards a decline," according to BRAC-EPL, an investment firm.

"Several other factors might have helped trigger this correction; one of which may be the high call money

rate (at around 30 percent) which means that the financial institutions were having liquidity problems. It is speculated that the financial institutions were offloading their holdings in order to cover their liquidity needs," BRAC-EPL said in its weekly market analysis.

LankaBangla Securities, a leading stockbroker, also mentioned similar reasons behind the last week's fall.

It further said the fall of 547 points indicates how severe the slide can be if the market runs continuously without fundamentals. "In the previous two months, the DGEN added 1,505 points mainly driven by the excess liquidity and over enthusiasm of the naive investors who forgot the downside of the bull market."

Apart from the reversal of two of its directives, the SEC also formed a four-member inquiry committee to probe the Wednesday's unprecedented fall.

The DGEN, however, closed higher on Thursday, the last trading day of the

week, as the investors went for fresh buy in anticipation of a bullish trend from the beginning of this week.

Although the single-day turnover reached a new high of Tk 3,249 crore on December 5, the total and daily average turnover declined by 6.72 percent to Tk 11,603 crore and Tk 2,320 crore respectively.

Losers beat advancers 176 to 72 on the prime bourse, which traded more than 54.85 crore shares and mutual fund units.

Market capitalisation stood at Tk 3,57,940 crore, down by 2.35 percent, week-on-week.

Chittagong stocks also saw a sharp fall last week, with the CSE Selective Categories Index declining 3.34 percent to 15,583 points.

More than 7.08 crore shares and mutual fund units were traded on the Chittagong Stock Exchange on a value of Tk 1,293 crore.

Losers beat gainers 145 to 63, with four securities remaining unchanged on the port city bourse.



Akku Chowdhury, centre, executive director of Transcom Foods that operates Pizza Hut and KFC in Bangladesh, attends the launch of Pizza Hut's new offer for Visa card users at its Gulshan branch in Dhaka yesterday. From left, singer Tishma and model Sharmin Lucky are also seen.

Pizza Hut's discount for Visa users

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Pizza Hut yesterday announced a 20 percent discount on its six 'king-size' meals, an exclusive menu for Visa card holders.

"As a global initiative of Pizza Hut, any customer paying by Visa debit or credit card will avail themselves of the discounts up to 20 percent," said Akku Chowdhury, executive director of Transcom Foods Ltd. The offer will remain valid until June 11, 2011.

The offer is a joint initiative of Visa and Pizza Hut to encourage consumers to use the Visa cards and enjoy the benefits of electronic payments for convenience, security and reliability, said Uttam Nayak, group country manager for Visa (India and

South Asia).

"We are confident that the promotion will be a huge success amongst the Visa cards users in Bangladesh," he added.

Besides pizzas, the restaurant chain specialises in a range of appetizers, pastas and desserts.

Pizza Hut, the first international restaurant chain in the country, started business here by opening its flagship restaurant in 2003 in Gulshan. Now, the restaurant has three outlets in Dhaka and one in Chittagong.

Transcom Foods, a subsidiary of Transcom Group, operates the Pizza Hut joints in Bangladesh. The group is also the franchisee of Kentucky Fried Chicken (KFC).



Rangs Electronics launched Alpha NEX camera at a programme at Dhaka Sheraton Hotel on Thursday. Aktar Hussain, chairman and managing director of Rangs Group of Companies, attended the launch.

DBH re-elects chairman



STAR BUSINESS DESK

Faruq A Choudhury, former foreign secretary, has been re-elected as chairman of Delta Brac Housing Finance Corporation Ltd (DBH), says a statement.

The election was made at the company's 59th board meeting in Dhaka on Wednesday.

BKMEA to help execute new wage

UNB, Dhaka

BKMEA acting president M Hatem yesterday said his organisation will provide all-out cooperation to its members to implement new wage structure for workers.

Hatem was speaking at a meeting with Dhaka region's knitwear mill owners at the conference room of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA).

"We have a tough stand on proper implementation of the new wage structure in the RMG sector," he said.

All mill owners have already been requested to implement the new structure without delay and in case of any difficulty, BKMEA will provide all-out support, he added.

Chief Inspector of factories Aminul Islam, BKMEA Vice President Sharafat Jamil and directors M Monsur Ahmed, M Shahjahan Alam, M Shafikuzzaman Prince, Faruk-bin-Yusuf Pappu and Engineer ASM Kamrul Ehsan were also present.

Another meeting on the issue will be held at BKMEA Chittagong office on December 18.



Abu Noman Howlader, second from left, managing director of BBS Cables Ltd, and Md Shakil Wahed, third from left, managing director of Protishabda Communications, sign a deal in Dhaka recently under which Protishabda will work as an advertising agency for BBS.

Seminar points to Bangladesh's potential in generic medicines

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Pharmaceutical sector leaders at a seminar in Dhaka yesterday pointed to a number of problems the industry now faces.

Besides demanding rules relaxation to facilitate overseas investment, they stressed tapping Bangladesh's potential of being a supplier of generic drug.

Held at Dhaka Sheraton Hotel, the seminar on Pharma Vision 2015 was also addressed by a number of ministers, including the finance minister.

Abdul Muktedir, general secretary of Bangladesh Association of Pharmaceutical Industries (Bapi), said although Bangladesh sells pharmaceutical products to 80 countries, the country's export earning from the sector has been dismal due to the current foreign exchange regulation.

"The regulation does not allow us to invest outside the country. Besides, we need to take permission for overseas expenses from Bangladesh Bank through authorised dealer, which is too time-consuming," he pointed out.

Local production accounts for 97 percent of the national consumption, while the rest 3 percent is imported.

About 194 local companies, currently in operation, also dominate the market share, as those occupy 90 percent of the US\$ 800 million market size, while multinational companies contribute 7 percent and the rest 3 percent comes from import. The sector grows 16.8 percent annually.

Because of high quality, a number of local companies have been able to register their products in many countries, but total export revenue was only \$47 million in 2009 in the global export market of over \$800 billion, said Muktedir.

He stressed tapping Bangladesh's potential of being a supplier of generic drug. In this connection, he pointed to the fact that India is becoming the only source of generic formulation in the global generic market of about \$100 billion. "All countries are looking for an alternative source, so Bangladesh has immense opportunity in the sector," he said.

On his suggestion for raising capacity of the National Drug Control Laboratory, Health Minister AFM Ruhul Haque said the government expects such upgrade to make it a WHO-standard by mid-2011.

The demand to make the Active Pharmaceutical Ingredient park fully operational within 2012 was also raised at the seminar.

Nazmul Hassan MP Bapi's adviser, suggested the government remove barriers to help the highly potential sector expand further and tap export opportunities in the global market, rather than making any incentives.

Assuring the sector of allowing overseas investment, Finance Minister AMA Muhih also asked the authorities concerned to be strict while issuing licences to drug makers to avert any trend of making spurious medicines.

Dr Modasser Ali, health adviser to the prime minister, said the government will take steps to solve the problems the local pharmaceuticals sector.

Industries Minister Dilip Barua expressed his hope that API Park in Munshiganj, to be inaugurated by early next year, would bring new opportunities for the sector.

Mashiur Rahman, adviser to the prime minister on economic affairs, the barriers standing in the way of local pharmaceuticals industry need to be looked at.

The health minister said the sector should be given assistance in registering products with foreign markets, promoting their products and sending sample to tap opportunities.

Pabna Sugar Mills starts production

A CORRESPONDENT, Pabna

Pabna Sugar Mill started production for this season amid fears of losing nearly Tk 85 crore.

The authorities have set a target to produce 5,625 tonnes of sugar for 2010-11, out of 75,000 tonnes of sugarcane, but the shortage of sugarcane may see the mill missing the target, mill officials said.

Md Mohib Ullah, managing director of the mill, said, "Though the target is fixed at 75,000 tonnes, we would not be able to crush more than 65,000 tonnes as sugarcane farming is poor this year."

The mill produced 3,600 tonnes of sugar by crushing 43,121 tonnes of sugarcane last year.

An inauguration programme was held at the mill premise on Friday. Shamsur Rahman Sharif Dilu, lawmaker of Pabna-4, spoke at the programme as chief guest.

"The government is determined to develop agro-based sectors. Employees of the mill should work hard to make it profitable and steps should be taken to reach the target," Dilu said.

Furniture fair makes a happy ending



People look at some bedroom furniture at the ninth National Furniture Fair that ended in Dhaka yesterday.

IQRAMUL HASAN

A six-day furniture fair ended yesterday with prospects for a brighter future for the expanding industry.

Happy with thousands of visitors during the showcase at Bangabandhu International Conference Centre, organisers and furniture makers said the response to both home and office decor in the fair was overwhelming.

The cash-happy furniture lovers were also excited as they got a chance to check such a display at one place. It was perfect for the people who wanted to avoid huge traffic on streets after office hours or on weekends but spent their extra savings to decorate their homes.

"This is great to be here as I can easily choose my furniture from the fair, at one place. I can pick whatever I want," said Shoma Islam, a senior executive of a local commercial bank.

Aklima Akter, a housewife, was also buoyant as she bought a sofa set from the fair. "I have bought it from so many options."

Aklima said the prices of the furniture were reasonable.

Bangladesh Furniture Industry Owners Association organised the fair where 78 furniture-makers showcased their goods. It was the ninth fair organised by the association to promote furniture produced by local makers.

Executives of the furniture companies said Saturday sales at their stalls were satisfactory while the huge presence of clients demonstrated that furniture industry has a future at home.

Ibrahim Sheikh, sales executive of FURNITEC, said around 1,200 clients visited their outlet in the fair and their sales exceeded Tk 15 lakh.

OTOBI, the country's leading furniture-maker, knew it would get overwhelming response from the prospective clients.

Moinur Rahman Khan, senior executive of the company, said the clients accepted their effort to move from regular design to a new height of style, yet traditional.

"We wanted to promote our style here," he said. "We have successfully done so."

Golam Mustafa, sales executive of Navana furniture said their sales in the fair crossed Tk 60 lakh.

Mustafa said around 450 customers have visited their stall everyday.

Md Saiduzzaman, deputy manager for sales of PARTEX Furniture, said his company offered a 15 percent flat discount on every item.

Saiduzzaman said their sales touched Tk 50 lakh, and the company's most popular items were wooden beds and dining tables.

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Analysts stress upgrade to internet protocol

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Speakers at a workshop in the city yesterday called for gradual adoption of the latest internet protocol IPv6 to cope with the increasing size and coverage of internet technology globally.

The latest version of the internet protocol technology, more popularly known as IPv6, has already been adapted in a number of developed economies and has already been introduced in a number of Indian cities.

In the current trend, the present IPv4 technology will be exhausted and considered redundant in the near future. It is time for slow transition from the present IPv4 to IPv6 to cope with the changing international trend, the speakers said.

Arranged by Bangladesh Computer Council and sponsored by Grameenphone, the daylong workshop was attended among others by BCC Executive Director M Mahfuzur Rahman, Director of Bangladesh Telecom Regulatory Commission (BTRC) Rakibul Hassan and GP IT's Chief Executive Kazi Islam.

The current version of internet protocol has some limitations, experts observed. The

address space of IPv4 is 32 bit length which means only 4.2 billion addresses can be accommodated with this, they said.

The state-of-the-art IPv6 having an address space of 128 bit length will be able to deliver 340 billion addresses, they observed. The speakers, however, noted that due to the huge size and coverage of Internet these days, it would be impossible to have a fast shift to the new version.

To make the whole process feasible, the coexistence of both IPv4 and IPv6 must be arranged in a practical and simple manner, the experts suggested.

The transition would also be a costly process the speakers observed while stressing on encouraging the transition process among the concerned authorities to overcome the hindrance.

"With the rest of the world gradually moving toward the next version of internet protocol standard, we should not miss the train as the new version should become globally accepted in no time," said Mahfuzur Rahman.

Speakers at the workshop specified various techniques and recommendations for smooth and stepwise transition to IPv6.