

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DGEN	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY	
0.40%	0.98%	\$1,384.50	\$89.23	0.96%	0.17%	0.12%	0.49%	BUY TK	70.90	92.35	108.58	0.85
7,948.43	14,517.17	(per ounce)	(per barrel)	20,301.10	10,380.77	3,254.25	2,838.59	SELL TK	71.90	97.47	113.74	0.93

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star BUSINESS

DHAKA THURSDAY JANUARY 6, 2011, e-mail: business@thedailystar.net

Biman returns to losses

The airline plans to go public: minister

STAR BUSINESS REPORT

Biman Bangladesh Airlines returned to losses again in fiscal 2009-10.

The amount of loss is over Tk 80 crore, for which the civil aviation ministry asked the Biman board for a clarification.

"The government made Biman a public limited company with an aim to make it more dynamic and enhance its capacity to sustain competitive aviation business. Instead, the company counts loss," said GM Quader, the civil aviation minister.

"We have sent a letter to Biman and asked explanation," he said.

The annual expenditure of Biman stood at more than Tk 3,023 crore, while its income was Tk 2,943.62 crore in 2009-10.

According to Bangladesh Economic Review 2010, Biman made Tk 15 crore and around Tk 6 core profits in 2009 and 2008 respectively.

Quader said the government exempted Biman from a debt of over Tk 1,194 crore to Bangladesh Petroleum Corporation and over Tk 573 crore to the Civil Aviation Authority of Bangladesh.

The minister stressed Biman's accountability to the ministry for its regular activities, which would help the company sharpen its strategy and overcome loss.

Muhammad Zakiul Islam, managing director of Biman, acknowledged receipt of the ministry's letter. "We'll respond to it soon."

UNB adds: The minister also said that Biman will offload shares in the capital market to recoup its losses.



Angry investors take to the streets in Motijheel to protest a 120-point fall in early trade on Dhaka Stock Exchange yesterday.

Wise up to market, don't take to streets: analysts

SARWAR A CHOWDHURY

Earn from the stockmarket, it is all yours. If you lose, it will be yours too. When you are angered by a loss and take to street protests, it yields nothing, said market experts yesterday.

The market is by no means a political platform, said one of the experts, hours after protests hit the Motijheel Street over a 120-point fall in early trade on the prime bourse.

Retail investors take to the streets each time the market goes through a correction in prices or a downtrend in the indices -- more of a trait now.

For a third time in the last one month, the stock investors did it again yesterday by blocking

roads in the bustling financial district, setting fire to tyres, vandalising vehicles and chanting slogans.

"Any kind of protest in the stockmarket is not expected in any situation," said Faruq Ahmad Siddiqi, a former chairman of the Securities and Exchange Commission, the regulator.

It is quite usual that a market will see both ups and downs, he added.

No stockmarket in the world can only rise or go down. "If the market goes up, it will sink as well. It's natural," said Salahuddin Ahmed Khan, a professor of finance at Dhaka University.

Although a correction was widely expected any time in the

last one year, the present downturn is mainly because of the liquidity crisis, said Khan, also a former chief executive officer of Dhaka Stock Exchange.

"The retail investors should keep in mind that it's not a place for protest or demonstration. It's unfortunate that the investors take to the streets whenever the market witnesses a fall," he said.

The market is now facing a liquidity crisis mainly due to the monetary tightening measures taken by the central bank to curb inflation. As a result, the institutional investors are going through a shortage of funds, while the lenders cannot provide credit.

After yesterday's fall, DSE President Shakil Rizvi said street

protests have become a common practice, as the investors see that the market rises immediately after the demonstration.

"We are asking investors to make investment decisions wisely after analysing a company's fundamentals."

In 2010, the market reported a big jump in prices. From January 3 to December 30, the benchmark index of the premier bourse went up by 3,754 points, or 82 percent, to 8,290.

The "bull run" lured thousands of fresh investors with crores of taka in hand into the market, increasing the demand for shares and making the stocks overvalued.

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Exports rise 41 pc

REFAYET ULLAH MIRDHA

High demand coupled with a recovery from global recession has pushed up six months' exports.

During July-December of the current fiscal year, exports soared 41 percent, compared with the same period a year ago, according to the latest data released by the Export Promotion Bureau yesterday. In the first six months, Bangladesh shipped goods worth \$10.26 billion.

In December alone, the country earned \$1.99 billion. The combined export growth of both knitwear and woven garment rose 42.09 percent in the period compared with the same period a year ago.

Bangladesh exported knitwear worth \$4.31 billion in the six months, registering 43.39 percent growth. The country earned \$3.63 billion in woven garment exports during the period, which means 40.79 percent growth.

Shipbuilding is another bright spot, as the sector fetched \$18.02 million from exports of ocean-going vessels. The sector recorded 1,924 percent growth.

Monoj Kumar Roy, joint secretary (export) of the commerce ministry, said every sector showed a positive trend with the recovery from the financial meltdown.

China is losing its market for higher production costs and a shortage of workers in its garment sector. "This is part of the reason exports from Bangladesh went high," Roy said.

Salim Osman, president of Bangladesh Knitwear Manufacturers and Exporters Association, said many orders have shifted from China to Bangladesh.

"Also, the export of garment products is increasing in some new destinations. As a result, we are getting more markets and more value," he said.

Anwar-ul-Alam Chowdhury Parvez, former president of Bangladesh Garment Manufacturers and Exporters Association, said the increased price of per unit of apparel item also contributed to the higher growth.

Although the prices of raw materials such as cotton and yarn have gone up on the international market, buyers are paying high for the finished products, he said. "As a result, the overall growth was higher."

"Such high growth will continue in future as the orders are shifting to Bangladesh from other competing countries," Parvez added.

Saiful Islam, chairman of Western Marine Shipyard Ltd, a leading shipbuilder, said the export of ocean-going vessels went high, as the growth in the sector was almost zero before.

"My company exported two vessels recently, and from now, I can export one ship per two months as I have abundant orders."

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