

## Déjà vu!

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If you looked at individual companies listed on the stock market and find out their price earning ratios, it would seem that people are suddenly defying general logic and trying to make their progenies -- 12 or 15 generations later -- happy with their investments.

For example, take Eastern Cables. In December last year, the company's price earning ratio was 921. This means, if you buy a share of the company, you will have to wait 921 years -- nearly a millennium -- to recover your investment. And what is your incentive to invest in this company? A 5 percent dividend declared last year. So they can maintain it in a business as usual scenario. If business doubles -- a very unlikely prospect in a stable economy -- then may be a 10 percent dividend? That means you pay around Tk 600 for a Tk 10 return at the end of the year. A mad man's proposition. Still that has happened. There are more mad men in the stocks today than saner heads.

Take Beacon Pharmaceuticals. You will have to wait 62 years to get back your investment. Or Monno Ceramic. A 480-year wait, and a 20 percent bonus share offer last year. That means if you had owned 5 shares you got one extra share at no cost.

There are at least 20 such companies on the market whose price earning ratios are well above 100. They are the worst cases. What about the best cases?

Take Reckitt Benckiser, a very good company. You will have to wait 29 years to get back your investment. But at least they offered 750 percent dividend last time. Or Glaxo SmithKline -- a 42-year wait.

Which logical minds rushed to buy all these shares at such crazy prices? The answer is everybody. Induced by greed to make quick bucks at the end of T+3 (three days after you buy a share), small investors flocked to the market. But a sense of fantastic gains was curbed out for them. Just imagine, the index rose a fantastic 7,000 points in two years. From 7,000 points it took only 45 days to reach nearly the mark of 9,000. Who would not be tempted, except those who knew what was happening, and those who were making it happen?

People are known to have left their jobs and closed businesses just to be glued to computer screens and invest and make money. In fact a number of fish farms in the Mymensingh belt are known to have closed, because the owners preferred the stocks rather than the fish.

As the market spiralled out of proportion astronomically, market capitalisation also jumped. At the end of 2010, it stood at Tk 350,000 crore. Just a year ago it was Tk 190,000 crore. Many touted it as a success but little did they know how much of this money that was pumped into the market by the common investors actually fed the economy. How

much of it was actually directed towards industrialisation and how much was just money changing hands, creating a bubble economy. And now the gas is leaking fast.

One could not be faulted if he or she said that policy support was given to such a bubble up. A small pensioner buying savings certificate for old-age support has to pay income tax. A speculator in the capital market has been exempted. Come you lamb to be slaughtered on the altar of greed! And then in the name of promoting investment, black money was allowed to be invested in the market without question. You cannot do the same in industry. What a strange way of promoting investment (in fact, time has come to count the money that actually went into industries through the market). Actually, funds were rather diverted from industrialisation to speculation. Bangladesh Bank itself unearthed that loans taken for setting up industries had been diverted to stocks.

Banks were more interested in stocks. They flouted the Bank Company Act to over-invest in the market. The result was obvious -- majority chunk of their profit last year came from stock dealings. It only shows they came away from their core active ties. And now it is said that the banks again need to stack up their stock portfolios but are unable to buy at such high rates. So they pushed the brakes on margin loans -- although the banks are supposed to allow loans to stock investors 1.5 times of the equity, they allow only a portion of it. This matches with the liquidity crunch in the market.

Other things happened as well. A weak and whimsical Securities and Exchange Commission made decisions and undid them again. As markets corrected themselves, small investors rushed to the streets burning up a few tires. And the curve went north again. As if a few rowdy crowd is more powerful than logic and economics. The rumour has it that the market was artificially perked up even though everybody knew it had become unsustainable and was about to come down heavily. These are all talks on the streets. The situation demands a thorough investigation to reveal who played what role in this whole affair.

The perk up job finally did not save the day. The inevitable happened. Fourteen years ago from today, the stocks crashed and the bubble lost its air. That was in 1996 when Awami League came to power for the first time after the return to democracy in 1990. The government was only one year old. Today the same party is in power and the stocks are losing ground from an unreal height again. What is eerie to know is that a handful of known "entrepreneurs" who had made money in 1996 through manipulation, got richer this time too.

TIBA's Executive Director Iftekharuzzaman hoped that the authorities would assess the gravity and extent of the problems of services of the judiciary from the result and recommendations of the survey.

Déjà vu!

## Stocks nosedive

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investor to receive highest Tk 10 crore loan.

The SEC also relaxed margin loan criteria for new investors making them eligible for share credit after 15 days, instead of 30 days, from the date of opening BO accounts.

The decisions came at an SEC meeting, with its Chairman Ziaul Haque Khondker in the chair. Officials and merchant bankers of Dhaka and Chittagong stock exchanges were also present.

Anwarul Kabir Bhuiyan, executive director and an SEC spokesperson, told journalists that the SEC also decided to allow Grameenphone shareholders to receive netting facilities from now.

Yesterday's fall in share prices was even greater than the market crash in 1996 when the stocks plunged by highest six percent on a single day.

Market insiders have blamed the slump on liquidity constraints, a monetary tightening measure by the central bank to curb inflation.

Many investors were caught in a price trap; those who bought shares at high prices were unwilling to sell them at a lower price. Besides, they were not confident enough to put fresh funds in the market that experienced sales pressure on profit taking.

The credit providers could not extend additional loan facility to clients for costly borrowing with institutional

investors sitting idle due to expensive liquidity in the money market.

"Although the SEC relaxed and lifted some of its restrictions, they failed to stop the slide in share prices, mainly due to liquidity crisis," said Salahuddin Ahmed Khan, professor of finance at Dhaka University.

Moreover, retail investors withdrew several thousand crore taka to apply for the Mobil-Jamuna IPO, he said.

"It seems the retail investors panicked seeing the constant slump in the market," said Salahuddin, also a former DSE chief executive officer.

With the market remaining volatile from the opening bell, additional police and RAB members were deployed in front of the DSE building to avoid any untoward incident.

A group of investors tried to bring out a procession on the Motijheel street. The law enforcers dispersed them and held an investor.

Rab also detained Monjur Ahmed, special correspondent of Daily Prothom Alo, while he was covering the events at the DSE. He was released 20 minutes later.

Retail investors in Sylhet took to the streets in the afternoon protesting the unusual fall in share prices, reports our Sylhet correspondent.

They brought out two processions from the city's Zindabazar and the RN tower. The protesters paraded the main roads and dispersed at Chouhatta.

## Murder, graft accused in mayoral race

STAR REPORT

All the mayoral candidates of Ishwardi municipality are accused in cases including those for attacking a rally of Sheikh Hasina and murdering two Jubo Dal activists. And in Dinajpur, candidates are charged with siphoning municipality funds.

Abul Kalam Azad Mintu, Mokhlesur Rahman Bablu and Jakaria Pintu, all contesting the January 12 polls of Ishwardi municipality in Pabna, are facing 10 cases.

Mayoral candidates of Dinajpur municipality -- former mayor Mosaddek Hossain Labu and former councillors Altaf Uddin and Tarejul Islam -- are accused in a case filed by the Anti-Corruption Commission for embezzling Tk 61.30 lakh.

Awami League-backed candidate Abul Kalam Azad Mintu in his *halafnama* (affidavit) mentioned two criminal cases had been filed against him. One was under trial while the other was being probed, reports our Pabna correspondent.

Contacted, Mintu claimed innocence.

Mokhlesur Rahman Bablu, the incumbent mayor supported by the main opposition BNP in the polls, was accused in two cases, his affidavit shows.

The cases -- under the Arms Act and the Explosives Act -- were filed for attacking a rally of Sheikh Hasina, the then opposition leader and now prime minister, in Ishwardi in 1997.

The arms case has been dropped while the other is under trial.

Bablu said he was not mentioned in the primary case statement. He was later named as an accused, he added.

Ishwardi upazila BNP Convener Jakaria Pintu, who failed to secure support from his party, is facing seven cases according to his affidavit.

Pintu, now detained, is accused in an explosives case in connection with the attack on the rally of Hasina. He is also charged with murdering Jubo Dal activists Azam and Raju.

His associates believe Pintu is a victim of political conspiracy.

## TIB sends

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answers of its survey report.

The survey report last month showed that the judiciary is the most corrupt service sector in the country. Later, the SC had asked for the hard copies of the questionnaire and answers.

The SC in its January 6 letter asked for the hard copies, as the CDs that were sent earlier could not be opened.

TIB's Executive Director Iftekharuzzaman hoped that the authorities would assess the gravity and extent of the problems of services of the judiciary from the result and recommendations of the survey.

## JRC to talk

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secretary, will lead the five-member Indian delegation in the talks at the state guesthouse Meghna.

The two delegations are also likely to discuss a short-term treaty for sharing water of the Feni river, another border river. Currently, the two neighbouring countries are discussing sharing waters of six more rivers -- Monu, Khawai, Muhuri, Gomti, Dhorla and Dudhkumar.

Bangladesh submitted a draft interim treaty at the minister-level talks of the JRC in New Delhi last year.

The water of Teesta is very crucial for Bangladesh, especially in the leanest period from December to March. Sometimes in December and January, the water flow comes down to less than 1,000 cusec from 5,000 cusec.

Sources in the water resources ministry said Bangladesh wants equal share of water through India's Gazoldoba -- the only release point of Teesta water to Bangladesh.

The last secretary-level talks were held in Dhaka in March last year when the delegations reached a consensus about dredging the Ichhamati river and protecting the banks of common rivers.

## Scrap approval

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"I am very surprised to know that the minutes of the meeting show my approval of the projects. I was misled and misinformed while signing the minutes of the meeting," a source quoted the minister as saying.

The two projects had been discussed at a meeting at the secretariat on August 22, last year.

The parliamentary body asked the ministry to cancel the approval of the two housing projects since the realtor got the projects approved by giving false information, said Zahirul Haque Bhuiyan Mohan, another member of the committee.

Mohan, also a ruling party lawmaker, said, "Eastern Housing Ltd showed vested property and khas land as its own property in the housing projects. It is absolutely illegal."

According to the rules, the proprietor must own at least 85 percent land in a housing project while the realtor does not own even half of the lands in the two projects, he said.

In October 1987, the then government approved the two housing projects on 1,310 acres of land in Banasree and 232 acres in Pallabi.

After enactment of the land development rules in 2004, Eastern Housing Ltd made some changes in the two projects and applied

## Extortionist

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guard of Confidence Washing factory at Section-1 of Mirpur, and Md Sabbir, 23, a BBA student of a private university.

Kazi Wazed Ali, officer-in-charge of Mirpur Police Station, said two extortionists came to Confidence Washing factory around 8:00pm and demanded toll from the factory authority.

During a conversation between the extortionists and the security guard, one extortionist opened fire on security guard leaving him injured.

At one stage, locals chased the miscreants, caught one of them with firearms and severely beat him to death.

During the chase and counter-chase, the miscreants fired several shots that injured Sabbir.

In another incident, muggers stabbed a student of Mirpur Bangla College and his college mate at Dour point of Dhaka-Ashulia Highway and snatched mobile phones and money from their possessions.

## Cabinet okays

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streets vagrants, and bring them at government shelter home.

"The main objective of the act is to provide shelter to the vagrants, not to arrest or punish them," said Nasreen Begum, joint secretary of the law ministry.

According to the draft, the vagrants will stay at the shelter homes for two years and will be trained up for employment. Destitute children, mentally challenged people and prostitutes will also fall within the scope of the law.

For their rehabilitation, the government will build a vagrant centre in each of the country's 64 districts. There are six of them now that can shelter about 2,000 people.

Social welfare Secretary Quomaran Nessa Khanam said the government moved to amend the Vagrancy Act, 1943 to rehabilitate the vagrants and beggars who are deprived of all fundamental rights.

The government found that many street people are involved in crimes like theft, robbery, mugging, trafficking and drug peddling.

"The government will also welcome private and non-government organisations' steps for setting up shelter homes, thus bringing a large number of vagrants in the country's mainstream development," Enamul Haque Mostafa Shaheed, social welfare minister, told The Daily Star.

According to a government survey, there are about 12 lakh vagrants in the country, and the number of beggars and their dependants adds up to nearly one crore. The number of women vagrants comes to about 55 percent while the child vagrants are about four lakh.

Of the total vagrants, 80 percent live in urban areas

again for their approval. They extended the project area in Banasree to 1,515 acres and the other in Pallabi to 335 acres.

The BNP-led four-party government in October 2006 approved the projects, subject to certain conditions.

In August, 2008 the then government warned the realtor that the approval of its two projects would be scrapped if it fails to meet all conditions by September the same year.

The company then made a request to extend the time frame by a year.

In June 2009, the housing ministry formed a technical committee to find whether the realtor had met all conditions.

The committee presented a report at a meeting at the secretariat on August 22 last year saying the firm had failed to meet all conditions.

## Robbery

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yesterday and then broke into the ground-floor flat of lawmaker Shahida Tarek Dipti.

They tied up and gagged flat owner late Maj Ziaul Haque's widow and a relative. They ransacked the entire flat taking 6.50 tolas of gold ornaments and Tk 55,000. The gang broke into the rented home of the legislator around 2:40am and took 80 tolas of gold ornaments and Tk 5.51 lakh at gunpoint.

The gang also disconnected the telephone line of Dipti's house while fleeing three hours after the break-in.

Tarek Mintoo, husband of Dipti, told The Daily Star, "Four masked robbers entered our house cutting bars of a window in the drawing room and turned the lights on."

"We woke up and as soon as we woke up two criminals pointed revolvers at us and the other two were armed with knives," said Tarek Mintoo, adding, "The criminals tied up our hands and legs with ropes from the mosquito net, they blindfolded us with saris and duct taped our mouths."

"Before they tied us up, they forced us to say where the jewellery and money were," he added.

The Criminal Investigation Department collected evidence from the spots. Home Minister Sahara Khatun and Police Commissioner Benazir Ahmed also visited the flats around 11:30am.

Sahara told reporters that despite police patrolling in the area, such robbery is unfortunate.

She said there must be some godfathers behind such a robbery and asked police to arrest the criminals within 24 hours.

and the rest in rural areas, the survey of social service department says.

The amendment proposed cancellation of a provision granting indemnity to persons involved in the deaths of vagrants or any kind of unexpected incidents in the vagrant centres.

As per the existing law, vagrants are not allowed to leave the centre, but the proposed act calls for repeal of the provision.

The draft also proposes formation of an advisory board to look into the woes of the vagrants and also create a fund for their welfare. It also proposes special care to the pregnant vagrants and their infants.

## 34 municipalities

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secretary (municipalities) of EC.

Baten said the EC has decided to transfer them to police stations close to municipalities in Noakhali, Laxmipur, Feni, Chittagong and Tangail districts to ensure fair elections.

Seven municipalities in Noakhali, four in Laxmipur, three in Feni and nine each in Chittagong and Tangail will hold elections in line with countrywide municipality polls that will begin on January 12.

EC officials said there is a risk of the polls being influenced in those districts based on allegations received against the OCs who had been serving at the stations for long.

Meanwhile, Bangladesh Hindu-Buddha-Christian Oikya Parishad, in a memorandum to the chief election commissioner, yesterday urged the EC to take steps to ensure active and safe participation of voters from minority communities.

## 3 killed in tiger attack

UNB, Khulna

Three people were killed in an attack by a tiger while they were collecting golpata in Sundarbans yesterday.

One of the deceased was identified as Kalam Gazi, 45, son of Sabur Gazi of Kushodanga village. The identity of the two other deceased could not be known immediately.

Jahir Uddin, forest official of Sundarbans west department, said three people, known as bawali, went to the forest to collect golpata at about 11:30am.

Suddenly, a tiger attacked them at Dagra canal in Koira river and dragged them into deep forest.

Their bodies were recovered at about 2:00pm.

Earlier on Saturday, another man -- Atiar Rahman, 50, was killed in an attack by tiger at Dagra canal.

## Migration

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"We proposed the migration cost to be within Tk 50,000," Zafar Ahmed Khan, secretary to Expatriates Welfare and Overseas Employment told The Daily Star yesterday, after a meeting with the delegation.

Earlier, the government fixed rate for guest workers to Malaysia was Tk 84,000, but involvement of middlemen and malpractices led to the workers spending almost Tk 2.5 lakh. Also, recruiting too many workers in 2007-08 caused saturation finally leading to a freeze of manpower export to Malaysia in early 2009.

The Malaysian fact-finding mission arriving to Dhaka Saturday visited various agencies and inspected the immigration procedures for the Bangladeshi job-seekers and held a meeting with the officials concerned.

The six-member delegation led by Raja Azahar bin Raja Abdul Manap, Malaysian home ministry's senior deputy secretary general met Khandker Mosharrif Hossain, minister of expatriates' welfare, yesterday morning.

Zafar Khan said Malaysia wants to reopen the market for Bangladesh workers but wants to recruit workers through state arrangements. "We proposed reviewing the memorandum of understanding (MoU) aimed at reducing migration cost and ensuring that the Bangladesh workers get the minimum wage as enjoyed by the Malaysian workers," Khansaid.

He said traditionally the levy, supposed to be paid to the Malaysian government by the employers, was actually borne by the Bangladeshi workers.

"We proposed that it should be paid by the employers not by the workers and these issues are clearly incorporated in the MoU," the secretary said.

"We also said that the Bangladeshi workers should have an initial contract for a minimum of five years having the option to renew it when it expires," he added.

Zafar said Bangladesh suggested having joint committee meetings regularly with officials from both the countries to solve recruitment-related problems, the secretary said.

The delegates will report the proposals to higher authorities in Malaysia to finalise the recruitment procedures, Zafar said.

The Malaysian mission visited the Bureau of Manpower Employment and Training, a state-owned recruitment agency, Bangladesh Overseas Employment Services Ltd, Begum Fazilatunnesa and Bangla-Korea Technical Training Centres in the city.

It also held a meeting with the leaders of Bangladesh Association of International Recruiting Agencies yesterday evening.

The delegation will meet some home ministry officials and a district employment and manpower office in Cox's Bazar today.

## BSF kills

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men opened fire on the traders, leaving three of them dead on the spot.

The BSF officials told BDR that there was nothing to be worried as the Indian border guards were firing on "criminals" in their territory, Zahid said.

According to BSF, two Bangladeshi and one Indian traders were killed in the firing.

BSF members are yet to return the bodies of the Bangladeshi nationals.

## Unite against

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conference at her Gulshan office in the capital.

Khaleda went on, "People don't want to hear any more fairy tales from the prime minister. They only want food, clothes, gas, electricity, water, jobs and a healthy and safe life. How much of these were attained in the last two years?"

The opposition leader said people are now spending their days taking only one meal or half a meal a day as they are not able to purchase rice at Tk 38-40 a kg. A silent famine is going on. Free fertiliser and jobs as pledged by the rulers before the election have now turned golden deer, and are out of reach of the people.

Khaleda welcomed Hasina's call to compare the first two years of the AL-led alliance rule with that of the previous BNP-led government, and said they don't know what kind of development work this government has done so far.

The former premier also described the development activities during the first two years of her rule.

Khaleda mentioned that the prime minister in her election manifesto had pledged to disclose her wealth statement as well as those of the ministers. And people now want to know why this pledge has not been implemented yet.

Claiming that prices of essentials were much lower when BNP was in power, the former premier said prices have now increased sharply due to corruption, mismanagement, tender manipulation and deterioration of law and order. But these were totally ignored in the prime minister's speech.

Khaleda went on, "Ruling party men are benefiting by increasing prices through market manipulation. The commerce minister himself is involved with the syndicate responsible for the price hike."

Refuting the PM's claim that she has tackled munga [a famine like situation in some northern districts], Khaleda said she has rather spread it in the whole country.

The opposition leader sarcastically said the premier has told "huge megawatt stories of success" in generating electricity but people no longer want to hear such "false stories". They want electricity, not estimates of megawatt.

She also said share market collapses whenever Awami League comes to power. Small investors are losing capital due to controversial decisions taken by the government for the benefit of a ruling party-backed quarter.

Turning to BNP's boycott of parliament, she said they are ready to play an effective and meaningful role in the House. "Create a congenial atmosphere and make the parliament effective," she asked the government.

Khaleda said the prime

minister in her address o the nation did not say anything regarding her India visit and treaties signed at that time. "After her visit, she [PM] claimed that she had won. But she has not said anything in her speech which prove that she was defeated."

BNP standing committee members and senior leaders of the party were also present at the press conference.

Later, Khaleda alleged that the government did not allow private TV channels to telecast her press conference live.

"I heard some private television channels made preparations for broadcasting it live. But I came to know later that the government obstructed this," she said while leaving the press conference venue.

## 19pc pay tax

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pending against them.

"Though it doesn't mean they are guilty, we need to think whether we would choose someone as mayor who is accused in murder or other criminal cases," he said.

"In our analysis we have found a number of candidates who are millionaires and are dominating the field of campaigns. A large number of businessmen are also contesting the polls that means businessmen are replacing good and efficient politicians," Prof Muzaffer said.

As many as 32 candidates have more than a crore taka in their moveable and immovable properties, the analysis says.

For the first time candidates in the municipality elections had to submit information on eight categories including educational qualifications, wealth, and police records. Election experts say the trend of businessmen seeking candidacy reflects the national polls.

According to different studies, there were around 25.5 percent businessmen in the first parliament of the country in 1973, while the percentage shot up to 63 in the current parliament.

Sujan in his analysis said possibilities of elections being influenced by money cannot be ruled out as the number of businessman candidates is huge. As many as 752 candidates have declared their profession to be business.

Sujan Secretary Dr Badiul Alam Majumder said there might be some other candidates who had hidden their profession. Politics of the country is going in the grip of businessmen, he added.