

STOCKS	COMMODITIES	ASIAN MARKETS	CURRENCIES
CSCX 1.86% 7,434.59	Gold \$1,374.50 (per ounce)	MUMBAI 1.68% 18,860.44	USD 71.30
2.44% 18,374.93	Oil \$91.17 (per barrel)	TOKYO 0.86% 10,499.04	EUR 91.64
		SINGAPORE 0.30% 3,245.96	GBP 110.43
		SHANGHAI 1.29% 2,791.34	JPY 0.84
			BUY TK 72.30
			SELL TK 96.74
			115.62
			0.92



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# star BUSINESS

DHAKA MONDAY JANUARY 17, 2011, e-mail: business@thedailystar.net



AMRAN HOSSAIN

A salesperson shows visitors how to use a salad cutter at a stall at Dhaka International Trade Fair at Sher-e-Bangla Nagar in the capital yesterday. Home appliances and kitchenware are favourite buys for many, with the annual event gathering steam.

## Bhutan transit takes shape

REFAYET ULLAH MIRDHA

Bangladesh plans an exclusive waterway transit for Bhutan as a committee prepares the final documents to give transit facilities to neighbouring countries.

A senior member of the transit sub-committee said they are considering potential routes which could be included for regional connectivity, besides the conventional routes.

A waterway transit for Bhutan from Bangladesh's Doikhawa border under Lalmonirhat district is likely, he said. This is a potential transit route for Bhutan, as the country is eager to use Mongla Port, he added.

"We have already identified major conventional transit routes for India, Nepal and Bhutan. Now we are spotting new routes for them. We are also planning for a railway transit among the South Asian nations," the member said, asking not to be named.

Studies are still progressing on transit fees and infrastructures, he said. All five sub-committees are preparing the final report to submit to the government but he did not mention when it would be submitted.

Earlier, the government formed five sub-committees on December 13, assigning five specialists to give their input to Mojibur Rahman, chief of the core committee, who is also the chairman of Bangladesh Tariff Commission.

M Rahmatullah, former director of UN-ESCAP, is assigned to identify transit routes, infrastructures, investment and cost recovery and Hussein Ahmed, member of National Board of Revenue, is in charge of estimation of transit traffic, fees and charges.

Sadik Ahmed, executive director of Policy Research Institute, is convening the economic analysis, and Mustafizur Rahman, executive director of Centre for Policy Dialogue, is assigned to review key issues of transit and related international protocols.

Hussein Ahmed was also assigned on legal issues, including security, monitoring, anti-smuggling measures, international practices, domestic obligations and related matters.

Prime Minister Sheikh Hasina signed the joint communiqué for regional transit including Bangladesh, India, Nepal and Bhutan on her visit to India last January.

## India briefly lifts cotton export ban

A CORRESPONDENT, Benapole

Cotton imports through Benapole land port resumed after being suspended for about one month, as India temporarily withdrew the ban on exports of cotton to Bangladesh.

India lifted the ban for the period of January 11 to February 25 and imposed a string of conditions. The Indian government guideline said if the approved exporters fail to export cotton within the stipulated time they would not be permitted to export cotton again.

Some 3,405 bales of cotton in 46 trucks and 1,133 bales in 15 trucks were imported through Benapole yesterday.

Assistant Commissioner of Petrapole Customs in India GK Nayek confirmed the permission for cotton exports. Benapole Customs Cargo Superintendent Mostaque Ahmed said import of cotton Benapole port has

## Stocks drive profits for state banks

REJAUL KARIM BYRON

A leading state-owned commercial bank logged 136 percent higher profit last year from its investments in the capital market alone, compared with the previous year.

Sonali Bank earned profits of Tk 177 crore in 2010 from its investments in the stockmarket, up from Tk 75 crore the previous year, its officials said. The bank's profit from other ventures increased 41 percent.

Alongside the private banks, all four state-owned commercial banks (SCB) made good profits last year, thanks to their investments in the share market.

Janata Bank made the highest profit from the stock investments, followed by Agrani, the officials of SCBs said.

A high official of Janata Bank said: "Our profit from stockmarket rose satisfactorily and we were also considerably successful in other banking businesses."

"Deposit growth and loan disbursement increased and the number of loss-making branches decreased substantially."

The officials of the SCBs told The Daily Star that they made huge investments as institutional investors in 2010.

Sonali Bank Chairman Kazi Baharul Islam said they got a big profit from share market. Their profit from other ventures was also considerable.



Islam said he was the convener of the government reform committee for the SCBs. "We, the chairpersons and managing directors, frequently sat together and worked with a common approach. And so the SCBs made handsome profit even outside the stockmarket."

In 2010 four SCBs -- Sonali, Janata, Agrani and Rupali -- increased their average operational profit by 48 percent to Tk 3,626 crore, which was Tk 2,442 crore the previous year.

Sonali Bank's profit rose by 51 percent and stood at Tk 1,102 crore, Janata Bank's 40 percent to Tk 1,203 crore, Agrani's 67 percent to Tk 1,077 crore and Rupali's 17 percent to Tk 244 crore.

An official of Sonali Bank said the banks took rather cautious steps while investing in the capital market. We have formulated a set of rules for judicious investment in the share market holding special board meetings, he said.

In future, they will make investments in the share market after analysing the balance sheet, price-earning ratio, dividend and profitability of the company concerned.

The SCB officials said they could cut the number of loss-making branches as their overall profit went up. Sonali Bank's loss-making branches came down to 90 in 2010 from last year's 180, while Rupali Bank's loss-incurring branches came down to 22 from 58.

## ICB gets Tk 200cr from govt DGEN down 141 points

STAR BUSINESS REPORT

The government has given Tk 200 crore in financial assistance to Investment Corporation of Bangladesh (ICB) to purchase shares.

The central bank yesterday released the Tk 200 crore funds in favour of the state-run investment firm. ICB through its own and clients' portfolios bought shares worth around Tk 235 crore.

The benchmark index of Dhaka Stock Exchange -- DSE General Index (DGEN) -- was down more than 300 points, or 4.1 percent, at one point, but recovered in later to close down 141 points, or 1.87 percent. Market insiders said retail investors are frustrated as they saw no steps to ease the liquidity crunch.

Although the regulator hiked the margin loan ratio to 1:2 to increase liquidity flow, the credit providers are yet to offer share credit in line with the ratio, insiders said.

## Business team leaves for UAE

STAR BUSINESS DESK

A 23-member delegation of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) left Dhaka for UAE yesterday as part of an entourage of Prime Minister Sheikh Hasina.

FBCCI will sign a memorandum of understanding with the Federation of UAE Chambers of Commerce and Industry to strengthen the trade and economic cooperation between



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## Ten delisted firms join main market Sunday

STAR BUSINESS REPORT

Ten companies that were transferred to over-the-counter (OTC) market for not turning their paper shares electronic will come back to the main trading board on Sunday, as the delisted firms are now compliant.

The Securities and Exchange Commission yesterday took the decision of bringing back the 10 companies' shares to normal transaction system at a meeting presided over commission Chairman Ziaul Haque Khondker.

The stockmarket regulator also instructed the Dhaka and Chittagong stock exchanges to transfer the securities of the companies to the main market for transaction.

The companies are: Bangladesh Services, Samata Leather Complex, Anlima Yarn Dyeing, Alltex Industries, Modern Dyeing and Screen Printing, Zeal Bangla Sugar Mills, Shaympur Sugar Mills, Renwick Jajneswar and Company (Bd), Northern Jute Manufacturing Company, and Orion Infusion.

Earlier on September 30 last year, the stock exchanges delisted 25 listed companies, including these 10, from the main trading board after they failed to convert their paper shares into electronic ones within a stipulated timeframe.

However, these companies were transferred to the OTC market for trade. The OTC market is a separate trading floor for junk companies that do not comply

with the securities rules.

Although paper shares take up less than 1 percent of the total market capitalisation on Dhaka Stock Exchange, these scrips create problems, as the system is now electronic.

To bring the highest level of transparency to the trading system, the commission directed that all scrips should be traded in electronic form.

The SEC on June 1 of 2010 in a notification said no paper share will be allowed to trade on the main boards of the stock exchanges from October 1 last year, and the companies with paper shares would have to dematerialise their shares by September 30 the same year. Through the notification, the

stockmarket regulator also directed the bourses to downgrade the companies having paper shares in B-category to Z-category for trade from July 1 last year.

In line with the SEC instruction, the bourses downgraded 26 companies from B-category to Z-category on July 1.

An earlier step halted the trading of paper shares in A-category in January last year.

The electronic trading system has been in place since January 2004, with the introduction of the central depository system (CDS).

Central Depository Bangladesh Ltd operates the CDS and has already gained popularity among investors, as the electronic trading settlement system eliminates the risk of fake or spoiled shares.



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