

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DGEN	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
▲ 1.48%	▲ 1.21%	\$1,401.00	\$97.32	▲ 1.05%	▲ 5.68%	▲ 0.85%	▲ 1.19%	71.83	100.54	115.51	0.88
6,411.91	11,647.96	(per ounce)	(per barrel)	18,358.69	9,093.72	2,971.00	2,930.80	BUY TK	100.66	115.64	0.89
								SELL TK			

# Star BUSINESS



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DHAKA THURSDAY MARCH 17, 2011, e-mail:business@thedailystar.net



People wearing masks demonstrate to support microfinance pioneer Prof Muhammad Yunus on the Trocadero square in front of the Eiffel Tower in Paris yesterday. AFP

## Yunus supporters urge govt to retract removal order

STAR BUSINESS REPORT

Supporters of Prof Muhammad Yunus yesterday urged the government to withdraw the removal order issued by Bangladesh Bank and said the move was "vindictive and politically motivated".

They also urged the government to ensure an honourable exit of Prof Yunus from Grameen Bank, and change the management leadership taking the Nobel laureate's suggestions into account.

"Yunus is our national pride. If we dishonor him, the country will be dishonored," said ABM Mostafa Ameen, convener of Bangladesh Nobel laureate Dr Yunus' Samman Rakkha Nagorik Committee, at a press conference in Dhaka.

"We firmly believe the Bangladesh Bank order to remove Dr Yunus from Grameen Bank is malicious, politically motivated and against the country's interests. The nation is worried about the removal," Ameen said.

Grameen Bank is a large institution, with one in every four people involved in it in a direct or indirect way, he said.

The government has created a new problem out of the Grameen Bank issue whereas it is overlooking much more serious issues that need to be solved immediately, said Ameen, a lawyer.

## Govt lifts ban on raw jute exports

SOHEL PARVEZ

The government has temporarily withdrawn a restriction on exports of low-graded raw jute to tap foreign markets as many farmers and traders sit with stocks due to less demand against huge production.

"We had imposed a restriction on exports earlier because the overall production of jute was low. But the opportunity to export has widened after a good harvest in the immediate past season," said Md Ashrafu'l Moqbul, secretary to the Ministry of Textiles and Jute.

The ministry waived the ban on raw jute -- named as Bangla Tosha Rejection (BTR) jute -- last week in the wake of a fall in prices of jute amid a gradual dip in demand from the public and private jute mills.

At the same time, many farmers and traders were sitting with unsold stocks due to a surge in output last year.

In 2010, growers bagged 83.96 lakh bales of jute, up from 50.89 lakh bales in 2009, according to Bangladesh Bureau of Statistics.

The traders said a bumper production and problems in retting jute properly due to a low rainfall and water also caused a fall in the quality and prices.

Shaikh Abdul Mannan, owner of Pragati Jute Supply, said the prices of low quality raw jute fell to Tk 1,300 per maund (40 kg) now from Tk 1,700 in November-December last year.

However, the extent of fall in prices of quality jute is not much, he said.

The traders said farmers in south-



western regions -- Jessore and Kushtia -- produce the low-grade BTR jute.

Exporters said they used to export raw BTR jute to China, Pakistan and India before the imposition of the ban in February last year.

Mannan said the latest withdrawal of the ban may not bring about benefit for the farmers and help rebound the prices.

"Exports have been relaxed for a temporary period. But demands among the buyers are not created in a day. It takes time," he said.

Abdus Sobhan Sharif, vice chairman of Bangladesh Jute Association, a body of raw jute traders, said the withdrawal of the ban might encourage foreign buyers to place orders for low-grade jute, used for making bags and sacks.

"Importers will need to spend less to buy raw jute," said Sharif, also the owner of Sharif Jute Trading Ltd.

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## Singer share sale deal falls apart

SAJJADUR RAHMAN

Turbulent stockmarket conditions have forced Singer's owners to terminate a proposed share sale deal with a consortium led by Beximco Group Vice Chairman Salman F Rahman.

Retail Holdings that owns majority shares in Singer Asia, including Bangladesh, India and Sri Lanka, announced the termination yesterday.

"Retail Holdings announced that because of the turbulent equity market conditions in Bangladesh, the company has terminated the agreement to place with Bangladesh investors a majority stake in the company's Bangladesh subsidiary," the company said in a statement.

Bangladesh's stockmarket has been fluctuating dramatically since early December last year. The benchmark index rose to nearly 9,000 points and came down to almost 5,000 in two months.

But Rahman of Beximco cited a different reason for the cancellation of the deal.

"There was a cut-off time for transferring the shares of the company to us. The sellers did not get approval of the Bangladesh Bank to repatriate their sales money within the timeframe," Rahman told The Daily Star yesterday.

As per the share purchase agreement dated November 4, 2010, the cut-off time for transferring the Singer Bangladesh's shares to new the buyers was on March 7. According to the deal, Singer Bangladesh was supposed to sell 1,234,124 shares (55 percent stakes) out of its total holding of 1,682,731 shares.

Of the remaining 45 percent stakes, 20 percent is blocked shares and general shareholders own 25 percent.

Singer Bangladesh has been earning hefty profits for years. The company has recommended 600 percent cash and 75 percent stock dividends for the year that ended on December 31, 2010. It is the highest dividend announced for 2010 by a company listed in the country's capital market, which has over 250 listed companies.

Commenting on the developments, Stephen H Goodman, Retail Holdings' chairman, president and CEO, noted: "The Bangladesh business, as well as the company's other operations, especially Sri Lanka, is performing extremely well. The company and many of the operations realised record profits in 2010."

Goodman said the market values of the other -- individual Singer Asia companies -- continue to grow. While no discussions to sell any of the company's assets are pending, the strategy remains, to monetise Retail Holdings'

investments and to distribute the proceeds to the shareholders.

"I believe that the potential realisation from this exercise continues to increase," he added.

The price offered for a Singer Bangladesh share was in between \$18 and \$25.

"Pricing was not a problem," said Rahman, refuting the speculations that there was a disagreement between the seller and the buyer on the price of a share. "We agreed on the price."

Singer Bangladesh is the largest retailer in Bangladesh of durables for the home and has significant market shares across several product categories including a 24 percent share in refrigerators, a 21 percent in televisions and a 10 percent in washing machines as well as a 25 percent in consumer sewing machines. Sales of sewing products represent approximately 2 percent of Singer Bangladesh's total sales.

It also sells other companies' goods at its Singer Plus outlets. The company operates 231 Singer Plus retail stores and 43 smaller satellite shops. It has 826 employees in Bangladesh.

Singer Bangladesh owns a 35.6 percent interest in a publicly listed, non-bank financial company, International Leasing and Financial Services Ltd.

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## Singer dividends drive stocks

STAR BUSINESS REPORT

A better-than-expected declaration by a multinational company led investors to buy shares with full confidence yesterday.

Singer Bangladesh recommended 600 percent cash dividends and 75 percent stock dividends for the year to 2010.

Singer was the biggest gainer of the day, posting a 32.42 percent rise in its share price that closed at Tk 7,667. It was Tk 5,789 on Tuesday.

The benchmark general index of the Dhaka Stock Exchange (DSE) advanced 93.76 points, or 1.48 percent, to close at 6,411 points. The DSE general index slumped 140 points on Tuesday as investors booked profits.

The selective price index of the Chittagong Stock Exchange gained 139 points, or 1.2 percent, to close at 11,647 points.

The market will remain closed today to mark the birth anniversary of Bangabandhu Sheikh Mujibur

Rahman.

Market experts observed that most investors are switching to fundamentally strong shares. It is a good trend that investors are considering company fundamentals before making any investment, said experts.

But Prof Mahmud Osman Imam, who teaches finance at Dhaka University, said: "The shares of some low-profile companies behaved unusually. Investors should stop investing in those low-profile companies."

## Toyota to partially resume production

AFP, Tokyo

Toyota said it would resume partial production of car parts at seven plants in Japan on Thursday, after suspending all factories following the nation's biggest ever earthquake.

The plants will first begin making replacement parts for the domestic market, and on Monday restart production of parts to supply to its overseas factories.

Toyota has 22 plants in Japan, directly operating 12 of them.



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