

Stocks pass volatile week

STAR BUSINESS REPORT

Stocks passed a volatile week as the benchmark yardstick of the prime bourse lost 3.42 percent because the confidence of investors turned topsy-turvy.

The general index of Dhaka Stock Exchange (DGEN) decreased by 227 points week-on-week to 6,411.92 points.

The index witnessed a large downside last week, breaking with the previous week's strong rally. The DSE on Sunday lost 459.66 points or 6.92 percent in the wake of rumours that the state-run Investment Corporation of Ban-

gladesh (ICB) failed to form the much-talked-about fund.

However, the government quickly refuted the rumour and the market responded positively on Monday.

Professor Mahmud Osman Imam, who teaches finance at Dhaka University, said: "Some low-profile companies shares behaved unusually."

"Investors should stop investing in those low-profile companies." Imam also said some market manipulators manipulate those companies easily because of their vulnerability.

The surveillance and the mar-

ket monitoring committee should work efficiently to foil market manipulation, said Osman.

Trade volume improved moderately last week although the trading week was cut short by one day because of a public holiday to mark the birth anniversary of Bangabandhu Sheikh Mujibur Rahman.

The total turnover was only 5.3 percent lower while average daily turnover of the week was 18.4 percent higher compared to the previous week.

The daily average turnover of the week stood at Tk 1,204.88 crore, compared with Tk 1,017.55

crore of the previous week.

Most of the major sectors retraced this week: banks lost 8.12 percent, non-bank financial institutions 2.8 percent, telecoms 5.87 percent, pharmaceuticals 2.91 percent, fuel and power 4.37 percent and tannery 2.82 percent.

However, insurance companies had a good week as general insurances and life insurances gained 9.30 percent and 3.65 percent respectively.

Of the total 260 issues traded last week on the DSE, 101 advanced, 158 declined and one remained unchanged.

Beximco topped the turnover leaders with 79.11 lakh shares worth Tk 234.99 crore traded through the week.

The other turnover leaders of the week were People's Leasing and Financial Services, Bextex, Aftab Automobiles, United Airways, Maksons Spinning Mills, Union Capital, Shinepukur Ceramics, Grameenphone and Golden Son.

Singer Bangladesh was the biggest gainer of the week, posting a 42.96 percent rise in its share price, while One Bank was the worst loser, slumping by 40.08 percent.



SME FOUNDATION
SME Foundation Chairperson Aftab ul Islam and Managing Director Syed Rezwatul Kabir are seen with other directors at the state-run agency's fifth annual general meeting in the city yesterday.

SME Foundation holds AGM

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The fifth annual general meeting of Small & Medium Enterprise (SME) Foundation was held at Bangabandhu International Conference Centre in the city yesterday.

Chairperson of SME Foundation Aftab ul Islam presided over the meeting, which approved the Board of Director's report along with the audit report of 2010. Islam said the foundation would

organise a number of programmes to promote SMEs across the country.

Directors ABM Khorshed Alam, Ashish Kumar Paul, Professor M Kamal Uddin, Prof Momtaz Uddin Ahmed, Nasrin Awal Mintu, Parveen Mahmood, Taufique Ahmed Chowdhury, and general body members Rokia Afzal Rahman and Jalal Ahmed were present.

SME Foundation Managing Director and Chief Executive Syed Rezwatul Kabir also spoke on the occasion.



FBCCI
Jashim Uddin, first vice president of the Federation of Bangladesh Chambers of Commerce and Industry, addresses a discussion with a business delegation of China Council for the Promotion of International Trade at the FBCCI office in Dhaka yesterday.

Tourists gone, bikes back in once-popular Japan town

REUTERS, Tono, Japan

More than a week after an earthquake and tsunami smashed much of Japan's northeast coast to pulp, a small tourist town tucked safely between mountains has ground nearly to a halt.

Tono, a city of 30,000 about 30km from the Pacific, usually enjoys a steady flow of visitors attracted to the birthplace of much Japanese folklore, including ghoulish tales of mountain spirits and mythical creatures.

"Since the earthquake on March 11, we haven't had a single visitor," laments local tourism board official Shinichi Tachibana at the city's main rail station. It closed for service after

the tremor damaged train tracks. Instead of renting its 120 bicycles to visitors, the city-run tourist office now lends them for free to locals forced to keep cars parked due to the sudden shortage of fuel.

Petrol stations on the main street are roped off.

Not even emergency vehicles can obtain fuel without a special permit by the regional government, and even then sometimes only five litres at a time, says an attendant.

Across much of the northeast, which is reeling from the double impact of an earthquake and tsunami, two-hour waits are common at the few fuel stations open to individuals.

While Tono's population is

relatively small, the city covers an area bigger than all Tokyo's 23 wards combined, so getting around without a car is difficult.

Without tourism, this sleepy town -- like many others in the northeast -- could be in for a long and heavy blow to an economy that had already declining due to the shrinking population.

"It's probably going to get worse now," says Eiko Niisato, 69, who runs a small tofu food business with her husband and son.

She is under no illusions that the government will step in to help, knowing the devastated coast and crisis at the Fukushima nuclear power plant demand more attention.

"The government itself has no money, and the whole country is

in crisis. We'll do what we can to survive, because what else is there to do?"

Niisato is, however, among the lucky ones right now in Tono. Her family business is at least enjoying a temporary boom since out-of-town wholesalers are unable to deliver to the big supermarkets.

Elsewhere, though, small businesses on side streets are mostly shuttered, and the streets are empty of pedestrians and cars.

A handwritten sign at a dimly lit butcher shop advertises it is open for business, but only two blocks of meat remain.

Major supermarkets are open, but shelves have been emptied of frozen foods, milk and many

other products.

"Three days ago I bought a bicycle and I'm using it for commuting," says Katsuhiko Tada, a 32-year-old builder who cycled to the supermarket from his workplace.

The home depot centre where he purchased his bicycle is now out of stock, he says.

A nearby barber shop is also open but proprietor Fujiko Segawa is watching television with a friend rather than cutting hair. "I guess it must be the earthquake," she says.

The tourism board's Tachibana says he has no idea when Tono might return to normal. "I guess we're stuck until the trains start running. Who knows when that'll be?"

They awarded cash prizes among the contestants who occupied 4th to 10th position, Tk 1 lakh each.



STAR
Officials launch a solar power pilot project at a factory of Amrita Food Products in Barisal on Thursday. Bangladesh Solar Energy installed the 1,500 watt system.

PM asks garment owners to be kind to workers

UNB, Dhaka

Prime Minister Sheikh Hasina yesterday urged the owners of readymade garments manufacturing units to be more sympathetic towards the workers.

She said better outputs from the workers could be ensured through affection and winning their hearts.

The prime minister was speaking at the grand finale of "Premier Bank-Gorba (pride)" arranged for the RMG workers at Sonargaon Hotel last night.

At the same time she urged the workers to stay away from wrongdoing in the sector, which ensures their livelihood. They should be vigilant that the sector does not fall victim of any conspiracy.

Responding to a demand of the garments factory owners, Hasina said the government would set up special economic zones in the country where arrangements will be there for the RMG sector.

Appreciating the event organised for the workers, the prime minister said such initiative would help create solid bridge between workers and owners and strengthen the existing relations.

"A plenty of latent talents are across the country. But few of them have been awarded among more than 30,000 workers contested in the event," she said.

Hasina thanked the workers for their courage to sing though they do not have any institutional lessons on music. "This

Barisal food company gets solar power system

SUSHANTA GHOSH, Barisal

A solar power pilot project was launched at a food production company in the southern region on Thursday. Officials involved with the project stressed an expanded use of alternative power sources to address the energy crisis.

Bangladesh Solar Energy Ltd (BSEL) installed the 1,500 watt solar power system with 25 panels at a cost of Tk 6 lakh at a factory of Amrita Food Products in Pangsha area near Barisal Airport.

Enamul Huq, managing director, engineer Shahidul Huq, and Nazmul Islam of BSEL; Bhanu Lal Dey, managing director of Amrita Food Products; Abdul Hanif and Abu Sayeed, assistant general managers of Rural Electrification Board, and Abdul Zabbar, district livestock officer, attended the installation ceremony.

The BSEL officials said energy is a human right. The shortage of electricity has remained a great problem in Bangladesh for years. "Therefore, renewable energy sources have become pertinent to address and mitigate the crisis," one of the officials said.

Solar energy is considered environment-friendly 'green energy' and the geographical position is favourable to receiving sufficient solar energy supply almost round the year.

The solar systems have been manufactured with technical collaboration of China and offer round-the-clock door to door supply and installations, warranties about maintenance, after sales service and recycling come with easy loans, the BSEL said.

The REB officials emphasised finding and developing eco-friendly cost effective alternative energy resource and technology acknowledging that the energy crisis is hampering economic growth.

The food products company officials said the power crunch creates obstacles in the way of achieving the targeted economic growth of the country.

IBM to pay \$10m to settle Asian bribe case

AFP, Washington

IBM has agreed to pay \$10 million to settle charges it gave cash and gifts to Chinese and South Korean officials to win contracts for mainframe and personal computers and other products.

The agreement with the US Securities and Exchange Commission (SEC) calls for the US computer titan to pay disgorgement of \$5.3 million, interest of \$2.7 million and a civil penalty of \$2 million.

Under the agreement, which is subject to court approval and was released by the SEC on Friday, IBM does not admit or deny the allegations it violated the Foreign Corrupt Practices Act (FCPA).

In the complaint filed with the US District Court for the District of Columbia, the SEC outlined the accusations against IBM, which is based in Armonk, New York.

The complaint detailed instances of IBM Korea employees allegedly handing over envelopes filled with cash to South Korean officials in parking lots, providing them with free notebook computers, fiddling bid sheets and making payments to the bank account of a "hostess in a drink shop."

It said employees of IBM subsidiaries and a majority-owned joint venture provided cash and improper gifts, travel and entertainment to Chinese and South Korean government officials between 1998 and 2009.

From 1998 to 2003, employees of IBM Korea and joint venture LG IBM PC Co. paid \$207,000 in cash bribes and gave improper gifts to South Korean government officials to secure the sale of IBM products, the complaint said.

It said that from 2004 to 2009, employees of IBM China provided overseas trips, entertainment and improper gifts to Chinese government officials.

"The misconduct in China involved several key IBM China employees and more than 100 IBM China employees overall," the complaint said.

US hopes geopolitics can help land India jet deal

AFP, Washington

Two US aerospace firms are jostling with global rivals to win a \$11-12 billion Indian fighter jet contract, hoping a nascent US-India strategic partnership can help seal the deal.

As defence contracts go, Delhi's bid to replace 126 aging MiG fighters is large, but hardly a show stopper.

Still, in an industry where billion dollar contracts are commonplace, the project is turning heads.

"It is not the price," explained Ron Somers, president of the US-India Business Council, "the \$11 billion is great, but this is geopolitical."

India, after 50 years of depending on Russian fighter technology, is casting around for a new partner.

To play that role US firms Lockheed Martin and Boeing are pitched against Europe's Eurofighter, France's Dassault, Sweden's Saab and Russia's RSK MiG.

Whichever company and country wins, the deal could help cement military and strategic ties with one of the world's fastest emerging powers.

"You are talking about aligning how you work together for the next two generations," Somers told AFP.

Experts say that the Indian Air Force, by looking beyond Russia's MiG-21s, could remove one of the last vestiges of Cold War power politics and set the stage for a revamp of India's military outlook.

"The supply of the MiG-21 established the Soviet Union as a close ally of the Indian government in the '60s and it led to the 1971 Indo-Soviet friendship treaty," said Sunil Dasgupta, an India military expert and lecturer at the University System of Maryland.

"Whichever aircraft is chosen is going to be the mainstay of the Indian Air Force for maybe 30 years."