

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DGEN	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY	
4.88%	4.50%	\$1,482.00	\$98.53	1.69%	0.45%	0.33%	0.30%	73.15	102.67	117.53	0.90	
5,611.47	10,115.53	(per ounce)	(per barrel)	18,518.81	9,859.20	3,099.52	2,863.89	BUY TK	74.15	108.67	123.73	0.97

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STAR BUSINESS

DHAKA MONDAY MAY 9, 2011, e-mail:business@thedailystar.net

Investors protest stocks plunge

STAR BUSINESS REPORT

Investors once again demonstrated in front of Dhaka Stock Exchange as share prices marked a sharp fall yesterday despite cash-pumps from the Bangladesh Fund.

The benchmark index of DSE slumped 287 points, or 4.88 percent, to close at 5,611 points, while the selective price index of Chittagong Stock Exchange lost 477 points, or 4.50 percent, to close at 10,115.

The investors took to the streets shortly after 1pm when the premier bourse lost over 200 points. Angry investors chanted slogans against the government and demanded taking necessary steps to bring back normalcy in the market.

Some of them carried placards that read: "Shoot us or stabilise the market."

Investors have given ultimatum of three days to bring back normalcy to the market.

Arif Khan, chief executive officer of Zenith Investment, said, "Investors started selling shares as they lacked confidence."

"Most of the institutional investors faced credit crunch and failed to buy shares. The uncertainty over restructuring the SEC also created a panic."

Of the total 248 issues traded on the DSE, one advanced, 244 declined and three remained unchanged.



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A man chants slogan in front of DSE yesterday.

MCCI urges trade friendly taxation

STAR BUSINESS REPORT

Metropolitan Chamber of Commerce and Industry (MCCI) yesterday proposed the government take trade and industry friendly taxation measures to assist the productive sectors in the budget for fiscal 2011-12.

The chamber asked for simple, flexible and business friendly amendments to any tax and revenue law in its pre-budget meeting with the chief of National Board of Revenue (NBR) at his office.

"Experiences say that stringent rules and regulations do not help increase revenue. Rather, business friendly and flexible laws ensure better revenue generation and collection," said MCCI President Amjad Khan Chowdhury at the meeting.

The chamber also suggested the government provide a comprehensive package of fiscal measures to support the productive sectors and raise sufficient revenue to meet its growing expenditure and check the budget deficits.

MCCI urged the government to contain inflation and enhance budgetary spending on infrastructure, education, health and social services, which will boost the country's growth potential, create

employment and cut poverty.

The MCCI called for measures for fiscal concessions, including income tax, customs duty and value added tax (VAT).

The tax exemption limit for individual taxpayers, now Tk 165,000, should be raised to Tk 250,000, it said.

MCCI proposed a continuation of tax holiday and inclusion of more members from potential sectors in such schemes.

When a company raises its share capital at a value in excess of the face value, the company shall be taxed on the premium over face value at a rate of three percent. "We strongly recommend revoking this provision. It should be noted that in advanced countries like the US and EU, there is no tax on premium over book value," Chowdhury said.

He proposed not to charge the income tax on any new equity other than net income.

The chamber said reduction in the highest rate of tax will encourage the individual being assessed to declare higher incomes than what they do now and hence minimise tax evasion.

Therefore, the chamber suggests that the highest rate of income tax for individuals be reduced from 25 percent to 20 percent.

Imports hurt local poultry

Govt urged to ban chicks, eggs import

STAR BUSINESS REPORT

The government is allowing the import of eggs and chicks from India although the local poultry industry suffers losses because of surplus production, alleged egg and chick raisers yesterday.

Presently, 1.5 crore pieces of eggs are produced daily against a demand for 1.3 crore pieces. The weekly production of day-old chicks (DOC) of layer and broiler has also exceeded demand. This had led to a fall in prices of layer and broiler DOC used to produce eggs and meat.

Currently, breeders hatch 70-75 lakh pieces of broiler DOC and 5-5.5 lakh pieces of layer DOC a week against a weekly demand of 60-65 lakh and 3.5 lakh, they claimed at a discussion at National Press Club organised by Breeders Association of Bangladesh.

Breeders said excess supplies have led to a fall in the prices at the hatchery gates. Poultry farmers suffer in the face of rising production costs,



mainly due to a spike in feed prices, they added.

"The industry incurs a loss of Tk 5-10 crore daily. It is not understood how the government allows eggs and DOC imports," said Breeders Association President Kazi Zahedul Hasan.

Hasan's remark came after the government permitted two firms to import one crore pieces of hatching eggs and day-old chicks from India and other countries.

Breeders also cited OIE-World Organisation for Animal Health and the organisation embargo on the import of eggs and live bird from an avian influenza affected country.

Hasan, also managing director of Kazi Farms, said India is an avian flu affected country.

"It's just not comprehensible how the government allows eggs and live bird imports from a bird-flu stricken country."

Meanwhile, the prices of eggs and broiler chicken fell below the prices of a year ago.

Poultry retailers in Dhaka now sell a kilogram of chicken meat at Tk 120-125, which was Tk 125-135 a year back. Prices of four-eggs slipped 4 percent to Tk 23-24 from last year.

Breeders and poultry industry stakeholders linked the fall in prices to surplus production from a rise in investment in the sector.

Breeders and industry stakeholders said allowing imports would hurt the local sector further, which employs 60 lakh people.

Md Abdur Razzaque, president of World Poultry Sciences Association, Bangladesh, said the outbreak of avian influenza has already caused losses to the tune of Tk 700 crore.

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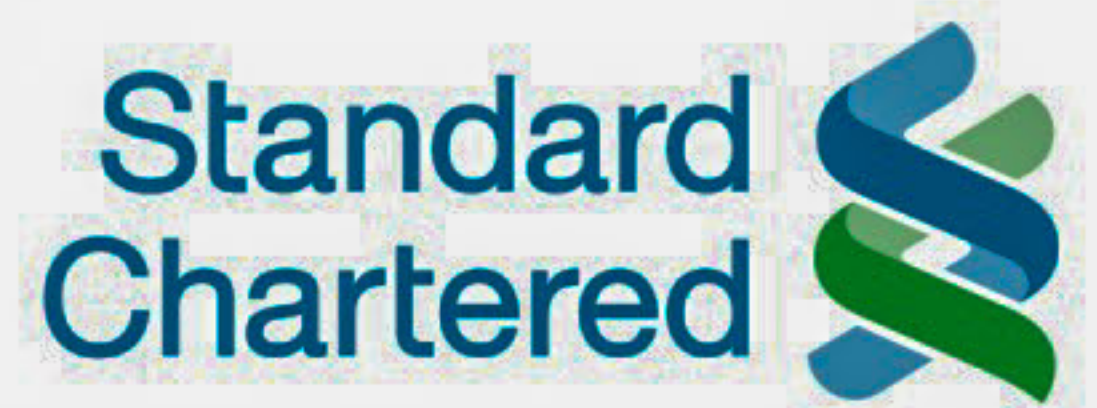
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