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Star BUSINESS

DHAKA FRIDAY, JULY 15, 2011

Civil Aviation and Tourism Minister Ali Quader and Thai Ambassador Tasanawadee Khanchanan take a tour of a Thai fair in the capital yesterday. The Thai embassy in Dhaka organised the three-day show on its premises in Baridhara. Story on B3

AMBER KHAMAN

Stern warning on state share offloading

Bayezid Kamran Bristow

The banking division of the finance ministry yesterday issued a fresh directive to 23 state-owned enterprises to immediately offload shares on the bourses to increase the supply of shares.

The banking division is also going to take a number of other measures to stabilise the share market.

The companies that have so-called dark shares can release shares in the market by the first half of the next month, the finance minister told reporters after his meeting with officials.

The companies that have not so-called dark shares will take some more time to offload shares in the market.

Of the list of 23 companies, four have already offloaded shares before they will release more shares after the directive. The rest will release fresh shares.

The banking division has sent separate letters to the ministry concerned, Securities and Exchange Commission (SEC) and Investment Corporation of Bangladesh (ICB).

As per a decision of the inter-ministerial meeting held on February 10 with Finance Minister AMA Muhith in the chair, they have been instructed to offload shares in the quickest possible time, the letter said.

Although the banking division issued after the present government assumed power, the finance ministry undertook several initiatives to make the public sector companies offload more shares. But the companies failed repeatedly.

On the share market debacle recently, many observed that the failure of the public sector companies to offload shares was a major blunder behind.

In February, the offloading of the shares was suspended following market plunge.

The banking division high official said the prime minister announcing parliament that several fully government companies shares would be offloaded to stabilise the market.

However, stern action will be taken against companies that fail to offload shares this time.

The banking division said the public limited company shares will be offloaded after asset revaluation, for which it has prepared fresh guidelines. These guidelines will be issued next week.

BB opens up online money transfer, partly

Rayeem Rumee

The central bank has partly lessened its foreign exchange transactions by approving online transfer of funds for academic purposes by credit card.

Also, foreign professionals and scientific institutions have still been able to avoid "membership fees" abroad online. Bangladesh Bank said in a statement yesterday.

Bankers hailed the move saying it means significant development in the economy's liberalisation efforts.

Banks have to be inside telegraphic transfers of funds or pay orders to enable people to sit for exams such as TOEFL, SAT, GRE, GMATS, DOS SCEA, FCA and medical exams. Now, these payments will easily be made by international credit card, debit card and prepaid card.

"It will not only save the students hassles of studying additional papers and bearing counter costs but also help throttling back of the spending," said Abdur Rahman Sikder, head of alternate banking of BRAC Bank.

Many bankers said they get frequent requests from students who apply to foreign universities after their HSC exams, to allow them to pay the application fees online.

Bangladeshi students who want to go abroad for studies usually send applications and admission fees through telegraphic transfers, mail transfer or draft at bank branch level. Students have to open files with banks for the purpose.

Now individuals, with no international credit cards, will also be able to make such payments online using "virtual cards" to be issued by banks for the required amount, according to the central bank.

But these transactions must be reported to the central bank.

According to bankers, the BB was approached by a number of private commercial banks several months ago to enable them to transfer money online.

They also want to make hotel reservations on the internet, which has been made mandatory by many hotels across the world.

"Online payment should also be allowed to purchase air tickets," said another banker, asking not to be named.

He said many airlines run special sale campaigns on their websites round the year to various destinations. From Dhaka to Dhaka to destination cities or from any several country to a third. These special rates are substantially cheaper than the rates available with the local agents of airlines and sometimes there are no local agents for certain airlines in Bangladesh.

Online payments can also be useful in paying visa fees, cellphone roaming bills and domain registration, web hosting, small software and journal subscriptions, said the bankers.

Govt borrowing from banks beats target

Star Business Report

The amount of government's borrowing from the banking system for deficit financing surpassed the target set in the revised budget last fiscal year.

In the original budget last year, the target of government borrowing from the banking system was fixed at Tk 15,000 crore, which was later increased to Tk 18,170 crore in the revised budget.

But, the government had to borrow a total of Tk 20,361 crore, which is Tk 2,041 crore more than the target in the revised budget, according to the Bangladesh Bank.

Though the revenue earning was high last year, the amount of foreign aid disbursement was lower than estimate, while the expenditure on revenue budget remained a miss, said an official of the finance ministry.

The government also borrowed less through savings instruments last fiscal year, he added.

All these factors pushed the government to go for higher borrowing from the banking system, the official said.

Dividend payouts rise in first half

DIVIDEND PERFORMANCE

Sector	Dividend (June 2010)	Dividend (June 2011)
Banks	3.0	3.03
Financial institutions	3.00	3.28
Investment	4.50	5.42
Engineering	19.88	21.48
Food and allied	89.28	111.88
Fuel and power	23.08	31.42
Jute	13	10
Textile	2.2	2.88
Pharmaceuticals	28.88	31.71
Paper printing	10.38	9
Service and real estate	16.7	18.22
Cement	4.02	5.01
IT	1.38	3.98
Tannery	88.11	91.88
Ceramic	0.38	0.71
Insurance	2.07	3.08
Telecom	80	120
Miscellaneous	32.78	14.21

Nasir Bin Kaiser Rasheed

The number of dividend paying companies increased by more than 5 percent in the first half this year, as a total of 112 listed firms paid dividends during the period.

In the first half last year, a total of 104 companies paid dividends. Of these, 56 companies gave cash dividends, while 48 bounce stock dividends.

This year, 55 companies paid cash dividends and 57 companies stock dividends, according to statistics from the Dhaka Stock Exchange.

Five companies, however, did not declare any dividend this year, as against 11 companies in the same period last year, adding by more than 55 percent.

Nine companies declared more than 100 percent cash dividend, one announced more than 50 percent to 100 percent, eight companies more than 20 percent to 50 percent, nine companies more than 20 percent to 30 percent and 19 companies between 10 percent and 20 percent, while nine companies declared less than 10 percent cash dividend up to June 2011.

The value of bonus shares, issued by companies in different sectors up to June, stood at Tk 1,313 crore.

The sector-wise weighted average dividend distribution performance showed that 11 sectors paid higher dividend in the first half of 2011, compared to that in the same period last year, according to the DSE statistics.

However, offering of rights shares by listed firms declined in the first half this year. Fifteen companies declared rights shares up to June 2011, against 20 in 2010.

A total of Tk 784.48 crore worth rights shares were adjusted on their trading floor during the period.

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