

SAFE takes steps to develop stockmarkets

GAZI TOWHID AHMED

South Asia Federation of Exchange (SAFE) has decided to provide consultancy services to the countries of South Asian Association for Regional Cooperation (Saarc) to help develop respective stockmarkets.

The federation has taken steps to increase co-operation among Saarc countries to develop and expand their stockmarkets, said Fakhruddin Ali Ahmed, SAFE's vice president.

SAFE took the decision on July 6 after a meeting of its executive committee in Nepal.

The central bank of Nepal showed interests in consultancy services for Saarc countries, said Ahmed, also a president of Chittagong Stock Exchange.

The consultancy service of SAFE will offer help to formulate securities regulations, demutualisation of stocks, establishing new indices for selected stocks and other technological support to the regional countries.

SAFE has also decided to form a 'Saarc Mutual Fund' by August to stop a liquidity crunch in capital markets.

Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka will sponsor the fund, said Ahmed.

He said asset manager, trustee and custodian of the fund will come from the Saarc countries. The size of the fund has to be determined too.

"We will supply liquidity from the fund for Saarc countries to

face liquidity crunch and stabilise the stockmarkets," he added.

Finance Minister AMA Muhith also showed interests in the Saarc Mutual Fund, said Ahmed, adding that they will sit with the minister as early as possible to discuss the fund.

SAFE is a forum launched by bourses in South Asia to promote the development of securities markets in the region. The inception of SAFE marks an important milestone in the growth of South Asian capital markets towards

regional and global integration.

The imperatives of globalisation necessitate increasing interdependence among nations in terms of business, politics and cross-cultural activities which SAFE should facilitate in the Saarc countries.

The members of SAFE have agreed to work toward setting common standards, including adoption of international accounting standards and best business practices in the capital markets.



Sir Fazle Hasan Abed, founder and chairperson of development organisation BRAC, unveils the new corporate office of BRAC-EPL at Gulshan in Dhaka recently.



STAR Finance Minister AMA Muhith speaks at a post-budget reception organised by Sylhet Chamber of Commerce and Industry in Sylhet recently.

India hikes export price of onion

PALLAB BHATTACHARYA, New Delhi

India on Friday increased the export price of onion by \$30 to \$230 a tonne to discourage shipments of the kitchen staple out of the country.

However, the minimum export price (MEP) of two superior varieties -- Krishnapuram and Bangalore Rose -- was kept unchanged at \$350 a tonne, according to the Directorate General of Foreign Trade (DGFT).

"MEP of onions other than Bangalore Rose onions and Krishnapuram onions will be \$230 per tonne Freight on Board (FOB). It was \$200 a tonne as notified on June 8, 2011," DGFT said.

It was the second time that the government hiked the price of onions in just over two months. On June 8, the government raised the export price of onion to \$200 a tonne from \$170 a tonne.

The hike in onion MEP came at a time when food inflation went up to 8.31 percent during the week ended July 2 and onion prices increased by 30 percent during the same period.

In December last year, the government had imposed a ban on exports of onion after its prices skyrocketed to Rs 80-85 a kg on the retail markets across the country.

The export ban was lifted in February after prices fell to normal levels.

India produced 13 million

Al-Arafah donates solar panels in Habiganj

REJAUL KARIM BYRON, back from Habiganj

Al-Arafah Islami Bank yesterday distributed 25 solar panels for free among some poor families at Madhabpur in Habiganj in a bid to boost the rural economy through empowering the poor.

The bank handed the panels as part of its corporate social responsibility programme. Bangladesh Bank Governor Atiur Rahman inaugurated the event.

The panels will enable poor students to continue their studies till late night, Rahman added. He said it will also invigorate the rural economy, as small traders and cottage industry workers will also be able to extend their work hours at night with the help of the panels.

Twenty-five families who have school-going children in

Madhabpur got the solar panels worth about Tk 3.10 lakh each.

The central bank governor thanked Al-Arafah for spending about Tk 5.26 crore in CSR programme since 2008.

The central bank has long been pushing banks to play a pioneering role in carrying out social responsibilities.

The BB chief expressed his satisfaction as the banks spent Tk 391 crore in 2010 in CSR, up from Tk 55 crore in 2009.

Al-Arafah Chairman Badiur Rahman said the bank started giving easy term loans with repayment in installments for setting up solar panels in remote areas under the bank's own management.

The bank, through its 14 branches, had so far set up solar panels of about 50,000-watt power for 1,100 families, he said. The chairman added the total

investment in the project has been to the tune of Tk 3.5 crore.

Recently a 1,020-watt-power solar panel has been set up at the bank's South Jatrabari branch and another 300-watt panel at Moulvibazaar branch in Dhaka for their own use.

The Al-Arafah chief said there are many meritorious students in the villages who do not have the ability to buy and set up solar panels. Al-Arafah bank has been helping the families of these children to own solar panels through providing them with easy loans payable in installments.

Distribution of solar panels will start in Sirajganj soon, he said. In the process the bank will distribute solar panels at different places in the country under the programme throughout the year.

Bangladesh Bank governor also introduced a programme to

let farmers and freedom fighters open bank accounts for free with the help of Al-Arafah Islami Bank.

Al-Arafah's Managing Director Ekramul Haque said the central bank directive asked the banks to open bank accounts for farmers with a deposit of Tk 10. But Al-Arafah has been providing scope for opening bank account free of cost to the farmers and freedom fighters, Haque added.

The bank will bear the cost for opening every account under its CSR programme.

Habiganj Deputy Commissioner Mahmudul Hasan and Police Super Kamrul Amin also spoke at the inaugural function.

After distributing the solar panels, Bangladesh Bank governor handed a cheque for Tk 1 lakh to Sitesh Ranjan Deb, chief executive of Bangladesh Wildlife Welfare Foundation at Srimangal.

Shoe company to employ 800 climate refugees

BSS, Dhaka

A leading shoe company will provide jobs to 800 hardcore poor people who became refugees due to floods and river erosion in the north.

Apex Adelchi Footwear Limited that takes up nearly half of the country's footwear exports, signed a memorandum of understanding for partnership with nongovernmental organisation Gano Unnayan Kendro that will help find deserving people and employ them through skill building.

Funded by Shiree, Gano Unnayan has set up a project to help build the skills of 1,500 extremely poor people living in Gaibandha. Apex will provide technical assistance to develop appropriate skills of the people to absorb in the company.

"The footwear industry in Bangladesh is growing fast but our biggest constraint is to find skilled and semi-skilled labour. NGOs and other development agencies can support the growth by developing new manpower for the sector," said Md Mominul Ahsan, head of human

resources of Apex, in Gaibandha after signing the MOU.

"We believe the private sector has a critical role to play in helping the nation to achieve MDG-1 for eradication of extreme poverty and hunger. We are extremely grateful that Apex is setting example to address MDG and climate change challenges," said Kishore Kumar Sarker, project manager of Gano Unnayan.

Gaibandha is a disaster-prone area where people are vulnerable to regular flooding and riverbank erosion. The

poor in the district lack work opportunity in April and July, and in the September-November period each year, when they face seasonal unemployment.

The project hopes to address this problem by training these people and linking them to job opportunities around the country.

Apex accounts for 45 percent of the total footwear exports from Bangladesh. With 6 percent of share in the local market, it is behind only Bata Shoe, which holds 22 percent of the market.



Abu Nasser Muhammad Abduz Zaher, chairman of Islami Bank Bangladesh Limited, addresses the half-yearly business conference of the bank at Ruposhi Bangla Hotel in Dhaka on Friday.



Parvez Murshed, director and global transaction services head of Citibank Bangladesh, and Ariful Islam, finance controller of British American Tobacco Bangladesh, sign an agreement in Dhaka recently. Under the deal, the bank will execute payments through Bangladesh Electronic Fund Transfer Network for the tobacco company.



MM Jasim Uddin, assistant general manager for sales and marketing of Akij Cement Ltd, attends the launch of Akij Ready Mix Concrete Plant in Savar recently.

Senior StanChart official due in town

STAR BUSINESS DESK



Kevin Bailey, head of audit for North East Asia and South Asia of Standard Chartered Bank, is scheduled to arrive in Dhaka today for an official visit.

He will be meeting senior officials of the bank during his one-day visit, the bank said in a statement yesterday.

A chartered accountant, he joined bank in London as head of audit for Africa in 1994.

Currently based in Singapore, he has previously spent time in Mumbai and Hong Kong. He is a graduate in commerce from Otago University in New Zealand.

Stocks pass four bullish weeks

STAR BUSINESS REPORT

Stocks gained for a fourth week with high turnover due to active participation of small and institutional investors and the possibility of an increased inflow of money into the market.

The benchmark general index, DGEN, gained 4.22 percent or 266 points, to end the week at 6,578. The yardstick of DSE gained 13.89 percent or 802 points in the last four weeks.

Average daily turnover was Tk 1,562 crore last week, which is 44.5 percent higher than in the previous week. Turnover on Thursday rose to Tk 1,683 crore, the highest since December 30 last year.

The market opened with a sharp gain of 1.99 percent and the gaining streak continued through the last four sessions.

The liquidity flow in the stockmarket has improved in the last four weeks as the government approved investments of undisclosed money in the stockmarket earlier this month, BRAC EPL said in a market analysis.

The commission should work for increasing the flow of stocks into the market to reduce the gap between demand and supply, a market analyst said.

Meanwhile, Finance Minister AMA Muhith said on Thursday that the surge in prices of shares was not welcome and was not a good sign for the capital market.

All major sectors advanced this week: banks 4.8 percent, non-bank financial institutions 4.8 percent, telecoms 7.27 percent, pharmaceuticals 4.5 percent and power 3.3 percent.

Mutual funds rose 7.34 percent, general insurance 8.03 percent, cement 8.6 percent, while life insurance lost 0.9 percent and food and allied 1.8 percent. Mutual funds gained significantly based on expectation of good dividend declaration.

Telecommunication sector advanced this week following the news that the licence renewal fee of the companies will be slashed down.

However, the food and allied sector was down as the blue-chip stock of the sector, BATBC, retraced following the publication of its half-yearly profit, said BRAC EPL.

Bextex topped the turnover leaders with 68.44 lakh shares worth Tk 266 crore changing hands.

Federal Insurance was the biggest gainer of the day, posting 24.59 percent rise, while the Sandhani Life Insurance was the worst loser, slumping by

Australia economy strong despite jitters: treasurer

AFP, Sydney

Australian Treasurer Wayne Swan insisted the country's economy was strong Saturday following a slump in consumer confidence and retail spending which left some analysts predicting an interest rate cut.

Strong Asia-driven demand for its mining exports helped Australia emerge from the global downturn as the only advanced economy to dodge recession but high interest rates and offshore debt worries are rattling the public.

Consumer confidence slumped 8.3 percent this month to recession levels and retail stocks dived Thursday after top-end department store David Jones slashed its profit forecasts due to an unprecedented and dramatic slowdown in sales.

Australia's economy suffered its worst contraction in 20 years in the first three months of 2011 after flood and cyclone emergencies damaged mines and crops, with growth shrinking 1.2 percent on-quarter.

A second quarter of negative growth would see it