**ASIAN MARKETS** 

TOKYO

1.17%

MUMBAI

**V** 0.81%







\$98.22

DHAKA THURSDAY JULY 21, 2011, e-mail:business@thedailystar.net

COMMODITIES

\$1,592.00



A stall showcases textile technology and machinery at the 12th Textech International Expo at Bangabandhu International **Conference Centre in** Dhaka yesterday. Three concurrent exhibitions on garment technology, machinery and chemical dye will continue at the same venue until Saturday. Nearly 450 exhibitors from over 16 countries are participating in the exhibitions, organised by CEMS Global.

**CURRENCIES** 

**BUY TK** 

SHANGHAI

**V** 0.10%

SINGAPORE

**0.98%** 

**\$USD €EUR £GBP ¥JPY** 

74.52 105.36 120.17 0.94

**PALASH KHAN** 

## Taka fall takes a pause

#### Payment pressure eases

STAR BUSINESS REPORT

....... The continuous depreciation of the taka against the US dollar was halted this week after a rally of six months, bankers said.

The taka has been appreciated by 20-30 paisa against a US dollar in the past few days due to an increase in supply and an ease in payment pressure.

The dollar was sold at Tk 74.95-Tk 75 for

import payments yesterday. The price reached as high as \$75.35 at the end of the last month. "There is enough supply of dollar in the

market," said Abdus Sobhan, head of

treasury of Jamuna Bank. "The market looks to be stable now due to a decline in payments," said Ashim Kumar Saha, head of treasury of NCC

Some other private bankers said the

central bank's intervention also played a role in halting the depreciation of the taka. The Bangladesh Bank sold \$1.3 billion to different banks during fiscal 2010-11.

increased to \$10.33 billion yesterday from around \$10 billion a few days ago, according to a BB official. "The taka will be appreciated further if

Foreign exchange reserve has also

the government gets budget supports and aid promised by development partners on time," said the central bank official.

"Banks have adequate liquidity (foreign exchange)," he said.

"Gold has also paid off and added \$110 million to the reserve," said the BB official.

In the beginning of 2011, the US dollar was sold at Tk 71 for import payments and the exchange rate was Tk 69.34 in June last year.

# Shahjalal airport upgrade costs to climb

SAYEDA AKTER

**STOCKS** 

**0.72%** 

The government is set to extend the duration and budget for upgrading Hazrat Shahjalal International Airport by another two years, which will increase the project costs by nearly 65 percent

Initially, the project cost was estimated at Tk 328 crore to upgrade the airport by June this year, while the rescheduled cost finalised by the new bidding stands at Tk 540 crore.

The Civil Aviation Authority of Bangladesh (CAAB) intended to complete the project to make the country's first international airport meet safety requirements set by the International Civil Aviation Organisation (ICAO).

Now, the CAAB has to redesign the entire project that needs to revise the project duration and budget further, said a letter sent by the CAAB to the civil aviation and tourism ministry in April.

The ministry then agreed in principle to consider allowing an extension of two years to the proect depending on getting approval from the Mixed Credit Division of the Danish International Development Agency (DANIDA) that funds the project.

US Federal Aviation Adminis-

tration (FAA) listed the CAAB in category-2 in 2006 due to a lack in ensuring minimum safety standards, which eventually forced the government to suspend the Dhaka-New York route.

Also, the ICAO included Bangladesh in the list of countries having Significant Safety Concern (SSC) in June 2009, after it identified a series of irregularities, including issuance of Air Operator Certificates (AOC), and a lack of safe air operations as per international standards.

Now the ministry and CAAB are seriously trying to get out of the stigma and upgrade own status to and finalised selecting a Danish category-1 by meeting all neces- company as per the conditions set the government. sary safety standards, where upgrading the airport is a must, said officials.

The project was first taken in 2001 to upgrade the country's biggest airport's capacity to handle heavy aircrafts, such as Boeing that need a wide and sturdier runway and taxiway.

The modernisation project includes re-constructing the existing taxiway to make a highspeed taxiway and modernising the drainage system. Procurement of equipment for maintenance, visual guidance and radio communication, primary and secondary radar are also included

in the project.

In addition, under the project, some construction works, including extension and development of operation building and refurbishing the transmitting buildings were also incorporated. In 2006 the Bangladesh gov-

ernment and DANIDA signed an

agreement on providing technical assistance to the CAAB to implement the project, and a countryto-country agreement was signed in 2008. In 2009, the CAAB called a

bidding to find contractors for the construction work of the project, by the Danish Mixed Credit Policy.

The Executive Committee of the National Economic Council (Ecnec) approved an estimated cost of Tk 328 crore, of which the DANIDA was supposed to provide the major portion to complete the project.

However, the company demanded a 17.5 percent increase from the actual rate, as the bidding validity period expired by then, and thus the ministry cancelled the bidding.

Later, the CAAB called a second bidding and reached an understanding with another Danish company, which asked Tk 276

crore more than the previously settled cost. The government has to pay nearly Tk 64 crore as duty and VAT.

Now, the CAAB is set to pay nearly double to upgrade the airport, and requested the ministry to give an extension to the project duration and also requested the DANIDA to increase budget allocation accordingly.

Although, the parliamentary standing committee on the civil aviation ministry asked the CAAB to complete the tasks by September, extending two months beyond its actual deadline set by

GM Quader, civil aviation and tourism minister, said the project was delayed mainly due to some impediments caused by both

"It took some time to complete the formalities on both sides -the CAAB and DANIDA. Now the CAAB has to revise the designs of the entire upgrade project to meet the requirements set by the ICAO," the minister said.

"As per the new design, the work volume has gone up, and an increased budgetary allocation is needed," he said. "But everything will depend on the approval of Ecnec and DANIDA."

6690

6680

6670

6660

6650

6640

6630

6620

6610

6600

6590

6580

#### Govt moves to assess state enterprises

**GAZI TOWHID AHMED** 

Bank.

The government issued a circular last week to 'evaluate' and 'revaluate' asset and liabilities of state owned enterprises (SoEs) to offload their shares in the stockmarket.

The state enterprises that will apply for direct listing or initial public offerings with financial reports on asset and liabilities cannot be more than a year old from the date the companies submit their financial reports, according to guidelines.

The Securities and Exchange Commission (SEC) will make a list of valuation firms in line with the securities rules to evaluate asset and liabilities of the state firms.

The guidelines that came out with the circular will help measure the actual financial strength of the state firms and set the sizes and prices of their shares, said an official of the finance ministry.

The guidelines were prepared following the norms of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as those comply with international standards of revaluation of assets and liabilities of firms, said an SEC official.

The government's steps will help the SoEs to list on the bourses and to create a positive impact on the market, he added.

Asset and liabilities into the balance sheet of SoEs would be evaluated by valuation firms following the rules and regulations of BAS and BFRS.

The valuation firms will have to consider fixed assets and current assets to

liabilities and long-term liabilities will be considered to evaluate liabilities.

evaluate assets of a firm, while current

As per the guidelines, land, plant and machinery, building, intangible asset, long-term investment, inter-company balance and fixed assets such as vehicles, computer, power generating equipment and office equipment will be considered as fixed assets.

On the basis of market criteria, intangible assets will be valued based on industry-wise acceptable best practices, for example, mobile phone company and airlines for route and network.

Trade and other payables and government liabilities will be considered as current liabilities of state enterprises. Trade and other payables should be verified by valuation companies, while government liabilities should be separated from deposit against share, said the guidelines.

Tax liabilities, gratuity, pension fund and contingent liabilities will be considered as long-term liabilities.

Any defaulting audit firm which faced punishment for any wrongdoings will not be considered as an evaluation firm. The policy said any audit firm, already appointed by any of the SoEs concerned as auditor or actuary or which performed similar job in the last three years, will be disqualified to be an evaluation firm. In case the managing director or adviser had relations with the audit firm it cannot be appointed as evaluation firm of the concerned enterprise, said the policy.

gazitowhid@thedailystar.net

#### Border haats open Saturday

REFAYET ULLAH MIRDHA

The border haat will start on Saturday as Bangladesh and India are taking last-minute preparation to resume trade in frontier areas for the first time in four decades.

The border trade between West Bengal and East Pakistan (now Bangladesh) stopped soon after independence in 1971.

The first border marketplace will start near Kalaichar, a bordering area of Meghalaya of India and Baliamari of Kurigram district in Bangladesh, said Commerce Minister Faruk Khan.

He said the central banks of both countries have already authorised some banks to open booths at the border haats for transaction by customers.



Mofiz Uddin Mansion Hasnabad, South Keraniganj

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### Stock turnover soars to seven-month high

**DSE GENERAL INDEX** 

STAR BUSINESS REPORT

................. Turnover on the Dhaka Stock Exchange yesterday hit a seven-month high amid fresh buying among small and institutional investors who expected the rising trend would continue.

The total turnover on the premier bourse stood at Tk 1,765 crore, registering a 27.2 percent rise from the previous day. The DSE had its previous best value of transaction at Tk 1,783 crore on December 30 last year.

The General Index of Dhaka Stock Exchange (DGEN) rose 31 points or 0.47 percent to 6,619.

The Selective Categories Index of Chittagong Stock Exchange (CSCX) also added 87 points or 0.72 percent, to close at 12,115.

The finance minister however said stability is there in the stockmarket, and offloading of shares of state-owned enterprises has already started to continue the trend of stability.

AMA Muhith spoke to a team of Bangladesh Association of Publicly Listed Com-

panies at a meeting yesterday. Salman F Rahman, president of the beremoved," he said.

increase supply to the market.

the same for all listed companies, which is

discriminatory. "The discrimination must

11am

association, urged the minister to offload shares of state enterprises to Rahman said shares offloaded by different companies are different in propor-

The DGEN witnessed a steep rise durpoints within the first five minutes. Prof Salahuddin Ahmed Khan, who tions in the market, but tax benefits are

ing the opening hour of trading and gained more than 1.21 percent or 80

teaches finance at Dhaka University, said it is a matter of thinking that some lowprofile shares behaved abnormally with-

3pm

Grameenphone, which represents the telecoms sector, gained 2 percent, boosted by the nation's largest mobile phone operator's interim dividends of 140

Of the total 262 issues traded on the DSE floor, 127 advanced, 127 declined and eight remained unchanged.

The banking sector gained 0.73 percent, making 29.8 percent of the total market capitalisation, non-bank financial institutions 0.03 percent and fuel and power 1.41 percent, while pharmaceuticals lost 0.53 percent.

Federal Insurance was the biggest gainer, posting a 9.5 percent rise as the Securities and Exchange Commission has given the green light to rights shares, while ICB AMCL Mutual Fund was the worst loser, slumping by 3.82 percent.

United Airways topped the turnover leaders with 13.12 lakh shares, worth Tk 69.97 crore changing hands.

The other turnover leaders were One Bank, GP, Social Islami Bank, Beximco, RN Spinning Mills, MI Cement Factory, United Commercial Bank, MJL Bangladesh and First Lease Finance and out any price sensitive news in the market. Investment.