

STOCKS		COMMODITIES		ASIAN MARKETS		CURRENCIES	
DGEN	CSCX	Gold	Oil	MUMBAI	TOKYO	USD	EUR
1.53 %	1.64 %	\$1,602.40 (per ounce)	\$102.58 (per barrel)	0.36%	1.92%	82.30	105.18
5,483.55	9,979.92			15,882.64	8,560.11	GBP	JPY
						126.77	1.03
						BUY TK	83.30
						SELL TK	109.41
							131.11
							1.13



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# starBUSINESS

DHAKA THURSDAY JANUARY 5, 2012, e-mail:business@thedailystar.net

## Used flat market taking shape

SOHEL PARVEZ

A market for used flats is taking shape as a growing number of consumers are showing interest to buy old flats at low prices than the newly built ones, developers said.

New firms are signing up, while some existing developers are opening up new offices to buy and sell second-hand flats to meet the growing demand. It is slowly replacing the traditional practice of buying or selling old apartments through person-to-person deals.

"In the past, the number of old flats for sale was low. Now, the availability of old flats has increased due to the growth of the real estate sector," said Md Kamal Hossain, executive director of BNS Properties, a leading firm engaged in trading of old and ready flats.

People now sell and buy old flats for a number of reasons, including getting shifted to desired locations or larger apartments, he said.

Person to person deals in handing used flats also take place now. But, trust has appeared as an important factor here with the spiralling prices of property and apartments, he said.

In such cases, a section of buyers prefer deals with companies to avoid being cheated from person to person deals, added Hossain.

Being encouraged by the growth in building new apartments, firms began to enter the segment of used flat market after 2000. Now more than a dozen of companies are engaged in old flat trading, said



Some real-estate buyers now opt for used flats as those have all utility connections available.

operators.

Entrance of firms in such trading has been saving buyers and sellers from hassles and misuse of time, said Shariful Islam Tutul, general manager for operations of Ratul Properties, one of the pioneers in buying and selling used flats.

"Now, we play the role of a matchmaker," he said, adding that the market grew by 20 percent a year in value and volume

until 2010.

The used flat market got a boost in 2009 in the wake of the government's apathy to provide fresh gas and electricity connections to newly built houses.

This uncertainty for fresh utility connections has led a section of buyers to look for old homes equipped with all such connections.

Presence of utility connections is one of the main reasons

for buyers' increased interest for old flats, said Mahfuzur Rahman, chief executive of Flatbazar Ltd, a new entrant in the segment.

"Low price is another factor." According to these officials, most of the buyers look for used flats which are priced below Tk 1 crore.

Tutul of Ratul Properties said the real estate market was good until 2010. But the demand for

both old and new flats slowed down in 2011 due to a stockmarket debacle, he said.

"The overall situation of the sector is not good," said Tutul.

Another reason for the slow-down in sales is lack of finance from banks.

"In the past, banks used to finance in flat purchase randomly. Now they seem less enthusiastic. It has impacted on us," Rahman of Flatbazar.

## Govt has adequate urea fertiliser for boro season

### Barua lists his ministry's successes in three years

STAR BUSINESS REPORT

Industries Minister Dilip Barua yesterday said the government has an adequate supply of urea fertiliser for the upcoming boro season.

Currently, the government has a stock of 10 lakh tonnes of urea fertiliser, the minister said.

A total of one million tonnes to 1.2 million tonnes of urea are required during the boro season, while the annual demand for the chemical fertiliser is 2.8 million tonnes, the minister said.

"The current stock of urea is 20,000 tonnes more than in the last boro season," Barua said while briefing journalists on the achievements of his ministry during the first three years of the incumbent government.

The minister also claimed that adequate production and proper and timely distribution of urea fertiliser among the farmers was one of the major successes of the government. He said farmers had to suffer for the fertiliser in the past.

The government is subsidising Tk 23 for per kilogram of urea fertiliser, while the price of the item is Tk 18 per kg at the farmers' level, the minister said, adding that the prices of non-urea fertilisers have also been cut down to half.

"We have started the process of setting up Shahjalal Urea Fertiliser Factory at Fenchuganj in Sylhet to meet the growing demand for the item," the minister said.

Barua said Indian authorities now accept more Bangladeshi goods certified by the state-run Bangladesh Standards and Testing Institution (BSTI) after the body was strengthened recently.

He said the formulation of the Industrial Policy-2010 is a success of the government.

Barua said the industrial policy will be made into a law to enhance the contribution of the industrial sector.

The minister said the government has recognised ship breaking and recycling as an industrial sector and formulated policy to streamline the sector.

The government has taken initiatives to set up some new industrial plants under the Bangladesh Small and Cottage Industries Corporation, Barua added.

The plants under the government plan are industrial park in Sirajganj, Mirsarai industrial town, Comilla industrial town-2 and expansion of the Gopalganj industrial town.

Moreover, the government has a plan to set up a special economic zone on 17,000 acres of land in Mirsarai upazila in Chittagong.

The construction work of an active pharmaceutical ingredient (API) industrial park is going on to prepare the basic ingredients of medicine, the minister said.

Pragoti Industries Ltd (PIL), the lone state-run automobile assembling plant, also started assembling Mitsubishi's Pajero sport utility vehicle in Bangladesh, he said, adding that a sedan venture is in the pipeline.

Barua said the government also achieved successes in sugar production, re-launching of Chittagong Chemical Industrial Complex and strengthening small and medium enterprises.

## Govt meets oil refiners today to control prices

STAR BUSINESS REPORT

The government sits with refiners today to find an answer to a price hike in cooking oil prices.

Commerce Secretary Ghulam Hussain will chair the meeting with the refiners at his office in the secretariat to discuss the country's current stock, refining and supply of crude soybean and palm oil.

The meeting will be held in the backdrop of the price hike of cooking oil, as traders sell the essential item at prices higher than the rate fixed earlier.

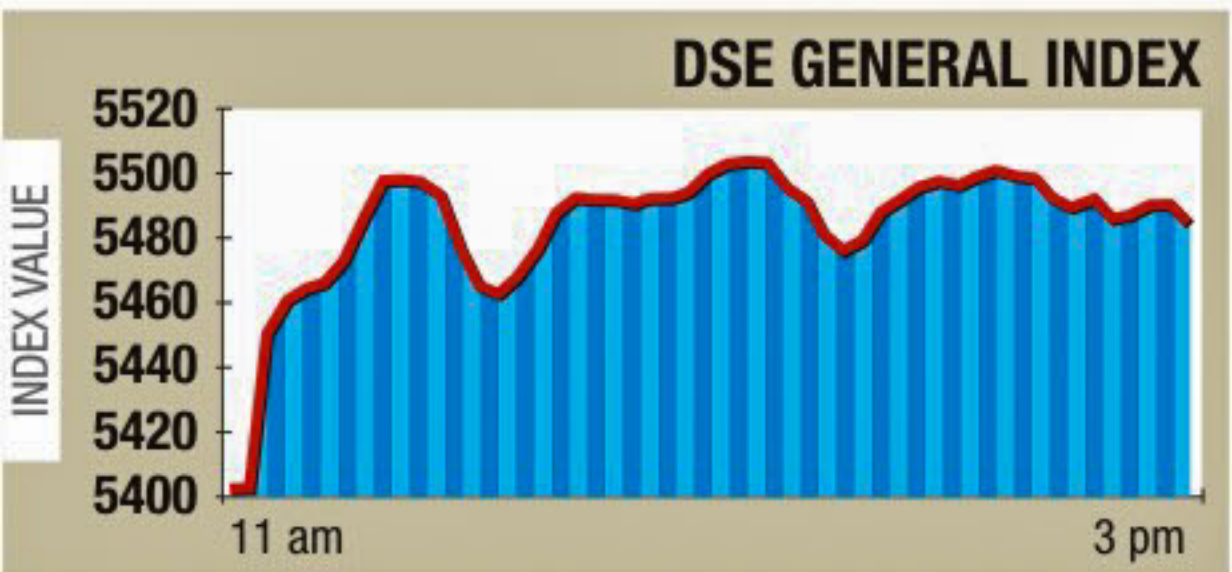
Retailers sold a litre of loose soybean oil yesterday at Tk 124-128, an 11 percent rise from two weeks ago.

The prices of a 5-litre container of soybean oil rose to Tk 605-615 from Tk 595-605 last month.

Some refiners are charging more than the government rate, while some have reduced the supply to create a shortage in the market so that prices go up, according to some distributors.

However, in the last few months, prices of soybean oil in the international market dropped.

## Stocks continue gaining streak



STAR BUSINESS REPORT

Stocks continued to gain for the second day with a high turnover due to cheerful trading of investors yesterday.

The benchmark General Index, the gauge of Dhaka Stock Exchange, went up 82.52 points or 1.53 percent, to 5,483.55 at the 3pm close.

"The premier bourse kept its pace as the higher degree of participation by the investors helped the prime index gain rapidly from the beginning of the session," said Green Delta LR Holdings in its market analysis.

Turnover soared to one-and-a-half-months high, which was 13.7 percent higher compared to the previous day.

A total of 1.94 lakh trades were executed, generating Tk 807.82 crore in turnover from 13.36 crore shares traded on the Dhaka bourse.

The life insurance sector had a good run on the day due to the insurance regulator's declaration of introducing a three-layer life insurance business soon, said Green Delta LR Holdings.

This will be effective from the first day of February which is likely to give a boost to the life insurance sector's earnings, the analysis said.

Small cap speculative securities saw their shares slowing down. As a result, large caps like Grameenphone and Titas Gas saw their share prices gaining substantially.

Of the 265 issues that changed hands, 143 advanced, 116 declined and six remained unchanged.

Among the major sectors, power gained 2.46 percent, and banks and telecommunication each advanced 1.8 percent.

Pharmaceuticals and non-bank financial institutions went up 1.44 and 0.08 percent respectively.

United Airways topped the turnover leaders with 1.32 crore shares worth Tk 33.83 crore changing hands.

Modern Dyeing and Screen Printing was the worst loser, slumping by 5.80 percent.

The Chittagong Stock Exchange also gained yesterday with its Selective Categories Index going up 160.99 points or 1.63 percent to end the day at 9,979.92.

## Bangladesh down one notch in investment ranking

STAR BUSINESS REPORT

Bangladesh slipped one step to 16th as a potential global destination for investment in the annual survey report 2011 of Japan Bank for International Cooperation (JBIC).

In 2010, the country ranked 15th showing big progress from 34th in 2007, 24th in 2008 and 28th in 2009, according to the report.

China got the top position followed by India, Thailand, Vietnam, Brazil, Indonesia, Russia, USA, Malaysia, Taiwan, Korea, Mexico, Singapore, the Philippines, Turkey and Australia. Cambodia,

Myanmar and Great Britain are beyond Bangladesh.

According to the report, the reasons of respondent companies to choose Bangladesh as a promising country are: inexpensive source of labour, future growth potential of local market inexpensive components/raw materials, current size of local market, concentration of industry.

There are some other reasons, including good for risk diversification to other countries, base of export to Japan, profitability of local market, tax incentives for investment and stable policies to

attract foreign investment.

The 23rd annual survey report -- Overseas business operations by Japanese companies -- was conducted targeting manufacturing companies that have three or more overseas affiliates.

The survey was sent to 977 companies while 603 responded, the report said.

The main survey topics were medium-term business prospects, evaluation of overseas business performance and promising countries or regions for overseas business operations and infrastructure business overseas.



RASHED SHUMON

An Ambassador car of Hindustan Motors is on display at the Intraco Motors' pavilion at Dhaka International Trade Fair yesterday. Intraco will assemble and market the Indian car in Bangladesh with a price tag of Tk 13 lakh.



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