

DSE soars on dividend hopes

STAR BUSINESS REPORT

The prime index of the Dhaka Stock Exchange (DSE) appreciated yesterday amid active participation by investors.

The benchmark General Index of the Dhaka bourse stood at 4,289.70 points, after adding 2.69 percent or 112.48 points.

"Most shares closed positive, while the banking sector performed very well," Green Delta LR Holdings said in its daily market analysis.

Investors became active in trade that pulled up the market as they expect most banks to declare good dividends for the year to December 31, 2011, market analysts said.

The finance ministry's meeting set for Sunday also boosted investors' confidence, the analysts added. The finance ministry will sit with the Securities and Exchange Commission, bourses and experts to discuss the market situation, 21-point stimulus packages and a special scheme for small investors.

Dhaka Bank has recommended 5 percent cash dividends and 30 percent

stock dividend for the year ended December 31, 2011.

The bank also reported that its consolidated earnings per share are Tk 6.25, net asset value is Tk 25.88 and net operation cash flow per share is Tk 1.80. The shares of the bank advanced 1.66 percent yesterday.

The banking sector was the biggest gainer of the day as it posted a 3.35 percent rise amid expectations of good dividend declarations, BRAC EPL said in its daily market analysis. A number of banks will disclose their earnings and dividends in a couple of days.

DSE will organise an awareness programme for the listed companies and mutual funds on the use of the electronic fund transfer system, which will be conducted by Bangladesh Bank officials. The programme will continue from February 19 to March 11.

The telecoms sector declined 0.65 percent. Non-bank financial institutions rose 1.68 percent, pharmaceuticals 2.01 percent and power 1.55 percent.

The Selective Categories Index of the Chittagong Stock Exchange rose 2.35 percent or 183.10 points to 7,948.94.

Bengal Investments gets nod for merchant banking

Star Business Report

The Securities and Exchange Commission yesterday gave the green light to Bengal Investments Ltd to operate merchant banking in the capital market.

The commission sent a letter to the managing director of Bengal informing that the company can run merchant banking operation since the issuance of the letter.

The regulator gave the approval to the firm, according to the regulations of Merchant Banker and Portfolio Rules of 1996, as the SEC sought to increase the number of institutional investors in the market, said an SEC official.

He said the SEC officials visited the office of Bengal to check its capability of running merchant banking operations.

A total of 49 companies now operate merchant banking business in Bangladesh, including Bengal.

The merchant banks operate loan activities, manage new issues and underwriting.

Twenty more companies have applied to the SEC, seeking approval for merchant

Internet service providers say no to new gateway licences

STAR BUSINESS REPORT

Internet service providers yesterday said the government's decision to offer 85 new gateway licences in information technology will harm their business.

The telecom ministry approved 85 new licences -- 25 for international gateways (IGWs), 21 for interconnection exchanges (ICXs) and 39 for international internet gateways (IIGs) -- and sent the list to the regulator on Wednesday to issue the licences.

In a press briefing in Dhaka, Akhtaruzzaman Manju, president of Internet Service Providers' Association, urged the government to review the decision.

The association leaders said there is no need to allow new IIG companies as the current two companies are enough.

The government move will encourage companies to run illegal businesses, said Rashed Amin Biddut,



Kazi Samiur Rahman, managing director of Totalgaz Bangladesh, poses with the winners of "Win and Fly", a contest for distributors' sales at a function in Dhaka recently. Mujibur Rahman, general manager for marketing and sales, was also present.

Malaysia economy grows 5.2pc in Q4

AFP, Kuala Lumpur

Malaysia's economy grew 5.2 percent in the fourth quarter of 2011, up slightly over the year-earlier period as public spending offset weakness in export markets, the government said Wednesday.

But the persistent world economic uncertainty caused full-year 2011 growth to slip to 5.1 percent, down from a 7.2 percent expansion in 2010, the central bank added.

Bank Negara said the fourth-quarter numbers for the export-dependent country were constrained by trouble in the crisis-hit Eurozone and other key markets, which contributed to an easing in export growth to 9.8 percent.

Exports had grown 11.3 percent in the third quarter.

Despite the overseas threats, Malaysia's economy had been growing at a steadily quickening pace throughout the year, hitting 5.8 percent growth in the third quarter.

The central bank said a central government campaign to spur domestic demand through greater public spending had helped buoy the economy.

The full-year growth of 5.1 percent was "commendable" in light of the world situation, said Yeah Kim Leng, chief economist with financial research firm RAM Holdings.

"Going forward, we expect the Asian economies, given their shift towards boosting domestic and regional demand, to weather the European head-



Sheikh Abdul Hai Bacchu, chairman of Basic Bank Ltd, inaugurates the bank's branch at Bashundhara residential area in Dhaka yesterday. Kazi Faqurul Islam, managing director, was also present.



Sonia Bashir Kabir, country manager for Dell Bangladesh, and Tamzid Siddiq Spondon, convener of Basis SoftExpo 2012, shake hands after signing a sponsorship agreement, at BDBL Bhaban at Karwan Bazar in Dhaka recently. Dell will be the gold sponsor for the upcoming expo.

UCB boss Bhuiyan wins best banker award

STAR BUSINESS REPORT

M Shahjahan Bhuiyan, managing director of United Commercial Bank, won the country's first-ever best banker award for his outstanding contribution to steering a troubled-bank into a profitable one.

Bangladesh Bank Governor Dr Atiur Rahman handed over the award at a ceremony in Purbani Hotel co-organised by Bangladesh Institute of Bank Management (BIBM) and Institute of Bankers Bangladesh (IBB).

Bhuiyan also received a certificate and a cheque for Tk 1 lakh as the award money.

"He (Bhuiyan) has been recognised for his excellent efforts to turn a problematic bank into a very successful one," Rahman said in his speech.

The governor said this recognition would increase competitiveness among the banks.

A six-member jury board led by eminent banker Khondker Ibrahim Khaled selected Bhuiyan for the award, Kriti Banker 2010, by assessing his performance. The jury board assessed deposit, lending and profit growth as well as the status of non-performing loans.

"The nominee's image was also considered in the selection," said Khaled, chairman of Bangladesh Krishi Bank.

UCB's operating profit increased by an amazing average of 138 percent in four years since Bhuiyan took over the bank's charge in 2008.

Deposits and loans grew by 156 percent and 158 percent respectively between 2008 and 2011.

The BB governor said the banking industry is an important part of the economy. The economy, which faced turmoil in the past year, is slowly getting stabilised, especially due to prudent role played by the bankers, he said.

Rahman cited the example of the depreciation of the taka, interest rates and operation of banks in this regard.

"Banking is not only a monetary transaction but also a business of reliance and trust," said Bhuiyan.

"I am aware that this award is a mere milestone in the never-ending journey of providing excellent services to our customers," he said.

Humayun Kabir, managing director of Sonali Bank, chaired the event.

Prof Mustafizur Rahman, executive director of Centre for Policy Dialogue, Amjad Khan Chowdhury, president of Metropolitan Chamber of Commerce and Industry, Dr Towfiq Ahmed Chowdhury, director general of BIBM, and MA Yusuf Khan, a former banker, were the other members in the jury board.

Bangladesh a rising star: a UN official

UNB, Dhaka

Bangladesh is a 'rising star' of economic growth and fiscal discipline, said Rob Vos, director of UN Department of Economy and Social Affairs (UN-DESA).

Vos said: "Among the least developed countries, Bangladesh economy is maintaining a high growth rate of over 6 percent and expected to maintain its high growth rate in 2012 despite the global slowdown."

He spoke while presenting the annual report of UN-DESA on world economic situation yesterday.

The report said while economies of the developed countries of Eurozone and North America are teetering on the brink of another major downturn, few developing economies like that of China and India and low income countries like Bangladesh are maintaining high growth rates and higher per capita income growth.

"Their growth is expected to remain robust," according to the report.

It said the LDCs that maintained an average 7 percent GDP (gross domestic product) growth rate in 2006 which went down to 5.3 percent on average in 2009 and further declined to 5 percent in 2011 may maintain 5.2 percent in 2012 and 5.4 percent in 2013.

"However, Bangladesh economy which had 6.4 percent GDP growth rate in 2006 that went down to 5.7 percent in

2009 and then increased to 6.6 percent in 2011, is expected to grow 6.7 percent and 7 percent in 2012 and 2013 respectively in spite of global financial challenges," Vos said in his report.

"Thus comparative to rest of the economies, Bangladesh is doing very good in terms of economic management and growth," he added.

The report said the developing countries that had an average 7 percent GDP growth rate in 2006 that went down to 3 percent in 2009 and bounced back to 6 percent in 2011 are likely to maintain 6 percent or slightly below 6 percent in 2012 and 2013.

It also stated that global job crisis, recovery of world trade, volatility of commodity prices, fragilities in the international financial markets and financing for development, uncertainties and risks, are the major challenges for the global policymakers.

The report identified inflation as a major concern for the developing countries.

The report recommended more stimulus financing, non-austerity programmes, redesigning macroeconomic policies for job growth and sustainable development, addressing international financial market, commodity price and exchange rate volatility.

The report has been posted on the website of the permanent mission of Bangladesh to the United Nations.



Mohammad Obaidul Karim, chairman of Orion Group, attends the inauguration ceremony of the group's new concern -- Orion Biocare Ltd -- at Sonargaon Hotel in Dhaka on Tuesday. Salman Obaidul Karim, managing director, was also present.



Md Nurun Newaz Selim, chairman of NCC Bank, inaugurates the bank's new premises at Chowmuhani in Noakhali recently. Mohammed Nurul Amin, managing director, was also present.

Airbus CEO orders probe on A380 cracks

REUTERS, Singapore

The head of Airbus said he ordered an internal investigation into how the company allowed wing cracks to develop on its flagship A380 passenger jet, acting to draw a line under weeks of embarrassing publicity for the world's largest planemaker.

Chief Executive Tom Enders reiterated that the world's largest jetliner was safe to fly as engineers repair hairline cracks in the wings, and he sought to allay any concerns the setback to Europe's industrial prestige could spread to the future A350.

"We made a little mistake here and we are repairing it as quickly as possible," Enders told a news conference at the Singapore Airshow on Wednesday. "This plane is absolutely safe to fly."

"Are we learning from this? Absolutely. We are taking lessons from the A380 programme for the A350 programme," he said, referring to the company's next project, a mid-sized jetliner designed to compete with the Boeing 787 Dreamliner.

"We have a thorough investigation underway on how we could make these mistakes in the first place and to eradicate the sources of the mistakes," he added.

A drip-feed of disclosures about the cracks, which Airbus and regulators say do not affect parts critical to safety for the time being, has left Airbus red-faced and overshadowed Enders' appointment to run parent EADS from June.

Crucial talks for stocks set for Sunday

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"It will be reviewed how much of the package has been implemented," said one of them.

The SEC set a three-month time to February this year to implement the mid-term steps of the market stabilisation package.

Under the mid-term measures, the SEC is supposed to allow advisory services for investment to develop a rumour-free market and publication of equity research to ensure access to information by investors, academicians and policymakers.

The mid-term measures also include formulation of guidelines for corporate governance to ensure transparency and accountability of the listed firms, and finding out ways to increase the capital of merchant banks and subsidiaries.

The Sunday's meeting will be attended by representatives from the SEC, Dhaka and Chittagong bourses, Federation of Bangladesh Chambers of Commerce and Industry, Metropolitan Chamber of Commerce and Industry, Dhaka Chamber of Commerce and Industry, Insurance Development and Regulatory Authority, Investment Corporation of Bangladesh, Bangladesh Insurance Association, Bangladesh Association of Banks, Association of Bankers, Bangladesh, Bangladesh Merchant Bankers Association, Bangladesh Association of Publicly Listed Companies and Bangladesh Association of Asset Management Companies.