

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DGEN	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY	
4.20%	3.80%	\$1,696.80 (per ounce)	\$106.67 (per barrel)	1.55%	0.80%	Flat	0.64%	81.65	106.33	126.92	0.99	
4,385.22	8,106.83			17,362.87	9,698.59	2,991.80	2,445.00	BUY TK	82.65	110.35	130.91	1.05

Breaking obstacles of payments through

NCC BANK Virtual Card
Makes payment easier anytime anywhere around the globe

NCC Bank Ltd.
Where Credit and Commerce Integrates

www.nccbank.com.bd

star BUSINESS

DHAKA TUESDAY MARCH 6, 2012, e-mail:business@thedailystar.net



From right, Aftab ul Islam, president of AmCham; Steve McLellan, chief executive of Saskatchewan Chamber of Commerce in Canada; Mahbubur Rahman, president of ICC Bangladesh; Asif Ibrahim, president of DCCI, and Amjad Khan Chowdhury, president of MCCI, Dhaka, attend a seminar on "Business development opportunities in Bangladesh" on the sidelines of Canada Showcase 2012 at Sonargaon Hotel in Dhaka yesterday. Story on B3

India bans cotton exports

PALLAB BHATTACHARYA, New Delhi

India yesterday banned exports of cotton amid fears that its prices will shoot up due to declining production in the current season.

"Cotton exports have been prohibited till further orders," the Directorate General of Foreign Trade (DGFT) said in a notification.

Exports against registration certificates already issued will not be allowed either, it said.

A US Department of Agriculture report has lowered India's cotton production estimates by about 7.5 lakh bales to 342.5 lakh bales during the current marketing year (October-September). One bale contains 170kg of cotton.

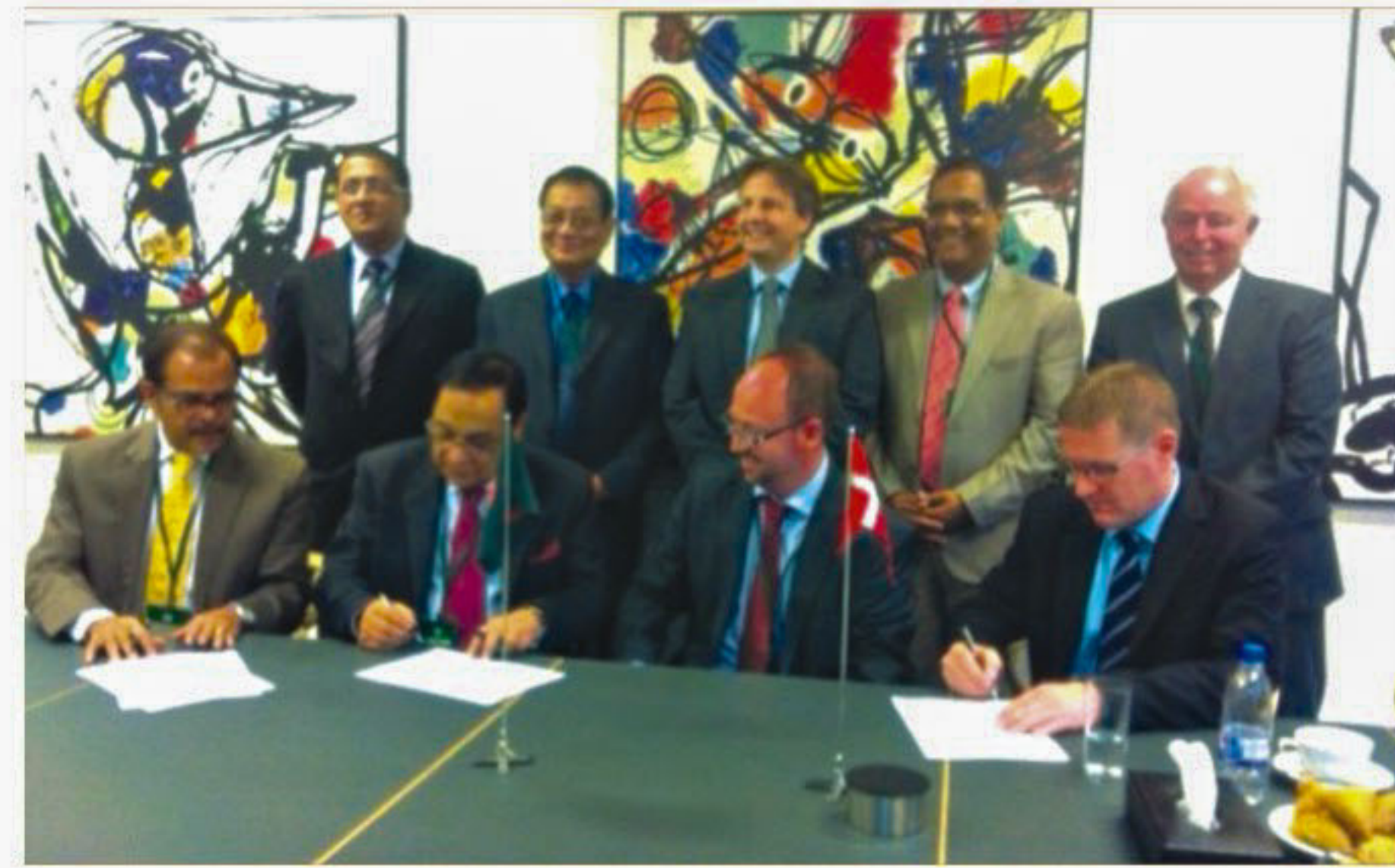
In 2010-11, India's cotton production was 33 million (330 lakh) bales.

The forecast has been brought down due to an estimated lower production in the key state Maharashtra where weather conditions have been less than favourable for the crop's growth.

State-owned Cotton Corporation of India has said cotton exporters and domestic mills are making brisk purchases to meet their immediate as well as lean season requirement of the fibre amid concerns of a production fall and expectations of a pick-up in demand from the yarn industry.

The poor quality of the present cotton crop, a rise in demand for yarn and reports of lower production are compelling exporters and domestic players to hike their purchases.

India, the world's second-largest cotton producer, had already exported 85 lakh bales as against 70 lakh bales last year.



Seated left to right, Md Saiful Islam, a director of newly formed Scan Machinery BD Ltd; A Rouf Chowdhury, chairman; Lars Jensen, managing director; and Karsten Olesen, a director, are seen at an agreement signing ceremony at the Danish embassy in Dhaka yesterday. Standing in the background, Amanullah Chowdhury, a director of Scan Machinery, and Svend Olling, Danish ambassador to Bangladesh, were also present.

New company set up to make hydraulic machinery for vessels

STAR BUSINESS REPORT

Bangladesh is set to start making hydraulic machinery for vessels, including ships, in a bid to reduce import dependence and to export in future.

Local firm Western Fishers Shipyard Ltd (WFSL) and its Danish partners DanSea and AS Scan inked a deal in this regard yesterday, marking the formation of a joint venture -- Scan Machinery BD Ltd.

The new company will make hydraulic machinery ranging from steering gears to winches, net drums, propellers and nozzles.

"With the foundation of Scan Machinery BD Ltd, Bangladeshi vessel operators and shipbuilders can in future be serviced from Karnaphuli in Chittagong instead of outsourcing all hydraulic tasks overseas," said a press statement yesterday.

A Rouf Chowdhury, chairman of WFSL, will also head the new company as its chairman. Lars Jensen of DanSea is the managing director of the 50:50 joint venture.

Supported by Danish International

Development Agency's business partnership programme, the company aims to supply hydraulic systems to vessels including deep-sea fishing trawlers, oil tankers, ferries and domestic and export oriented ships.

Currently builders of ships and other vessels depend on importing hydraulic systems from Europe as there is no manufacturing facility in Bangladesh.

The company will provide onboard installation and after-sales services, said the statement.

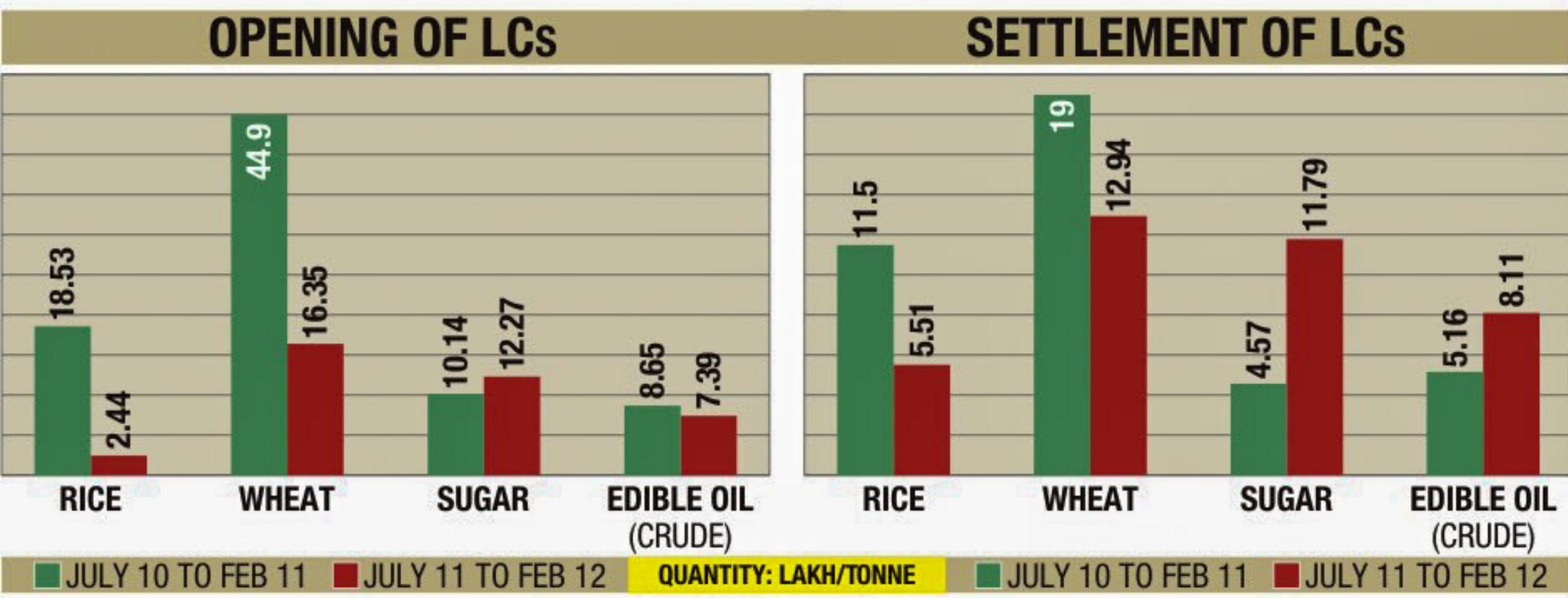
Scan Machinery looks to contribute to merchant vessels building in Bangladesh for supplying abroad, said its MD Lars Jensen.

The company aims to begin supplying hydraulic systems to vessels builders by July this year, said Md Sakhawat Hossain, managing director of Western Marine Shipyard Ltd, a partner WFSL.

"We don't want to limit ourselves to Bangladesh only. In future, we want to secure export orders not only from Asian market and but also from Europe," said Hossain.

The company will initially invest \$1 million, he said.

Money market gets a respite as import falls



REJAUL KARIM BYRON

A fall in the overall import growth has brought a relief to both foreign and local currency markets in the last few weeks.

The average rate of interest in the call money market started falling from the last week of February and came down to 12.01 percent on March 1. The rate was above 19 percent every day in the first half of February.

The exchange rate against the dollar also started to decline from mid-February and the rate in the inter-bank foreign exchange market fell to below Tk 81 in March, down from more than Tk 84 in the first week of February.

A central bank official said a restrained monetary policy of the Bangladesh Bank and its strong monitoring helped stabilise the foreign exchange market and build

up reserves.

Import of fuel and fertiliser marked a rise in the first eight months of the current fiscal year, while that of consumer commodities, including rice and wheat, fell drastically, according to central bank statistics.

Import of rice almost halved and stood at \$275 million from July 1 to February 25 in the current fiscal year, shows statistics of letters of credit settlement.

The amount was \$430 million in the same period last year.

On the other hand, LC opening for rice import fell to \$105 million during the same period, down from \$947 million last year.

Import of wheat was worth \$441 million during the period, while the amount was \$718 million a year before.

For wheat import, LCs worth \$468 million were opened during the

period against \$1,635 million during the same period last year.

The central bank official said import fell mainly due to good food production at home.

However, fertiliser import marked a rise in the first eight months of the current fiscal year to \$1,523 million, from \$1,210 million during the same period last year.

The incidence of LC opening for fertiliser import increased further during the period, to \$1,310 million, while the amount was \$1,097 million a year ago.

The central bank official said the government should examine why fertiliser import shot up so much.

If imports of fertiliser and fuel did not go up so much in the recent times, the foreign currency market would not be so much volatile, he added.

READ MORE ON B3

Stocks suffer big jolt

General Index of Dhaka Stock Exchange loses 4.2pc

STAR BUSINESS REPORT

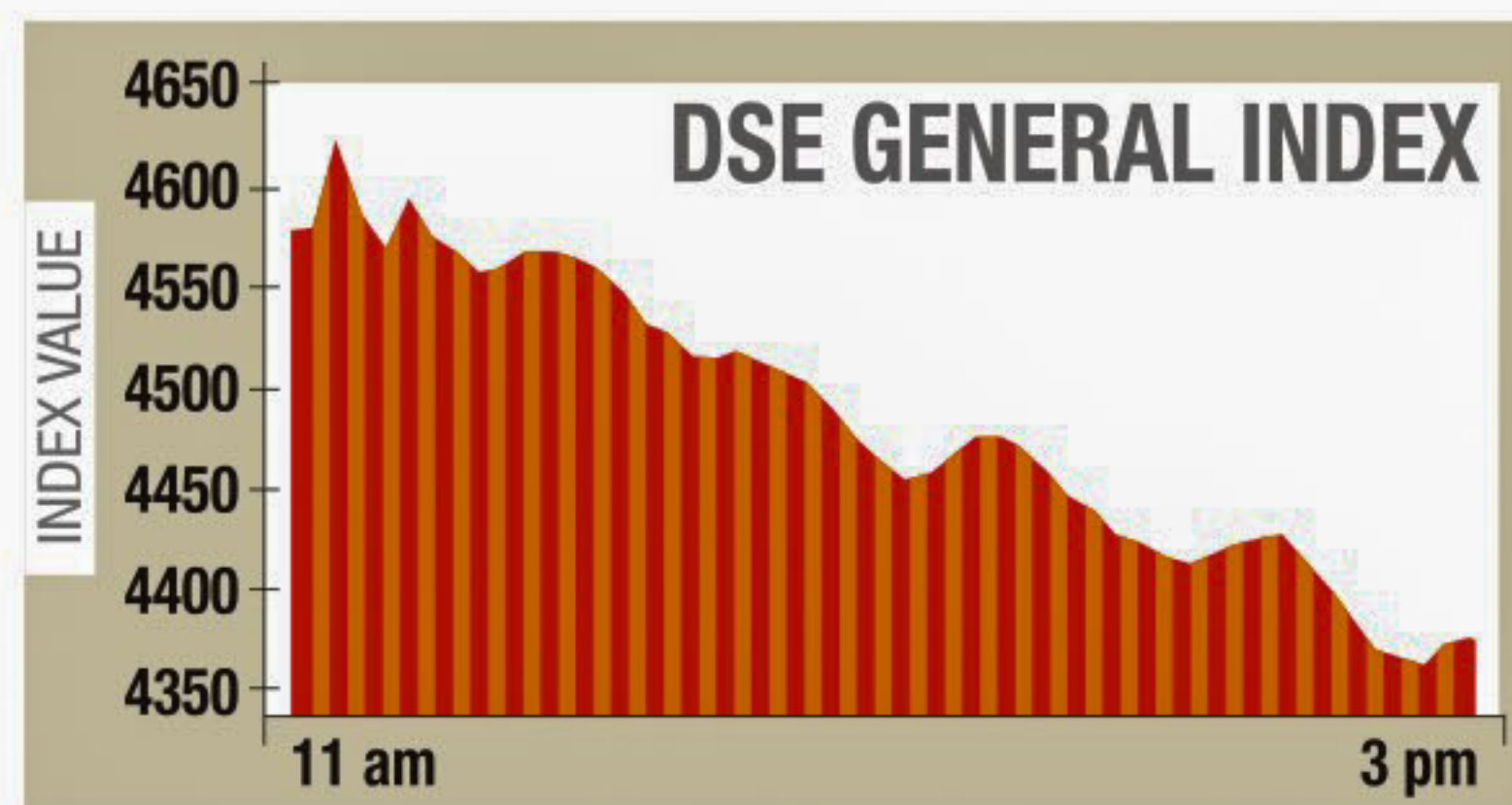
Stocks fell 4.20 percent, the steepest in one month, as investors sold shares a day after the government declared a special scheme for compensating the small investors who lost money to market downswings.

The benchmark General Index, DGEN, the indicator of Dhaka Stock Exchange, lost 192.45 points, to end the day at 4,385.22 points.

Rakibur Rahman, former president of DSE, blamed the price decline on a syndicate that is "working against the market".

A group of investors sold off shares as the special scheme fell short of their expectations, said Rahman. "It was not expected to happen in the market."

The Securities and Exchange Commission will investigate the day's trading to find out if any syndicate is involved in the mar-



ket, said a top official of SEC.

The official said the commission sped up efforts to develop its own surveillance system to monitor the market properly.

"The commission is serious about finding out the syndicate," he added.

Turnover on the DSE floor stood at Tk 304 crore, which was 11 per-

cent higher compared to the previous day.

A total of 1.05 lakh trades were executed with 6.98 crore shares and mutual fund units changing hands on the Dhaka bourse.

Prices of 239 issues declined, 10 advanced and six securities remained unchanged in the market.

All major sectors lost: non-bank financial institutions lost 5.64 percent and banks 4.28 percent. The power sector lost 3.87 percent, pharmaceuticals 3.21 percent and telecoms 3.07 percent respectively.

Beximco topped the turnover table with 17.46 lakh shares worth Tk 16.88 crore changing hands.

Singer Bangladesh was the biggest gainer of the day as it posted 4.38 percent gain. Rupali Life Insurance Company was the worst loser, plunging by 9.28 percent.

The Chittagong Stock Exchange also returned to the red yesterday. The Selective Categories Index of CSE lost 320 points, to end the day at 8106.83.

Losers beat advancers 171 to 15 with two securities remaining unchanged on the port city bourse that traded 1.10 lakh shares and mutual fund units with Tk 43 crore in turnover.

Ctg port turnaround time on the decline

SOHEL PARVEZ

The turnaround time for all types of ships at Chittagong Port declined sharply to 5.12 days in 2011, the lowest in four years.

A fall in such time for container vessels to 3.21 days last year contributed to the overall reduction in turnaround time, a key indicator to measure a port's performance.

For the last couple of months, the premier seaport has been experiencing low turnaround time, which is the time a ship takes to arrive and leave a port after discharging goods.

In January this year, the turnaround time for container vessels fell to 3.04 days from 3.07 days in December last year.

Port users and officials linked the decline of time to the appointment of private berth operators at the six jetties under the General Cargo Berth areas that handle both cargo and containers.

Improvement in labour management is another factor behind the fall.

"Overall productivity has improved," said Golam Sarwar, director in charge of

traffic of Chittagong Port that handles more than 80 percent of the country's external trade.

Efficiency in daily ship handling improved although more large sized vessels arrived at the port last year than the previous year, Sarwar said.

In 2010, turnaround or stay time for ships was 6.12 days, up from 5.25 days in the previous year and 5.63 days during 2008, according to Chittagong Port statistics.

"It's a good sign. The decline in stay time for ships means a reduction in our cost," said Ahsanul Huq Chowdhury, executive director of MGH Group that represents seven shipping lines.

He linked the improvement in turnaround time to the better performance of the berth operators. A container vessel can now leave the port in 48 hours, he said.

"We have no complaints about port performances now. The only problem is that we are facing a rise in cost after the introduction of automated container terminal management system by the port authority."

READ MORE ON B3

Tesco to create 20,000 British jobs

AFP, London

British supermarket giant Tesco on Monday said it would create 20,000 jobs by 2013, in a move aimed at turning around its fortunes and helping to tackle high youth unemployment.

MTB SENIOR
Pleasure of Seniority!

- A Savings Account for Senior Citizens
- Interest adds daily, payment comes monthly
- Lifetime free Debit Card
- Higher interest rate than regular savings rate
- Discount on locker charges
- Free cheque books
- Free Internet Banking

MTB Contact Centre
Just dial 16219 or 09604016219
www.mutualtrustbank.com

মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড
Mutual Trust Bank Ltd.
you can bank on us