

STOCKS		COMMODITIES		As of Friday		ASIAN MARKETS		Friday closings		CURRENCIES		STANDARD CHARTERED BANK		
DGEN	CSCX		Gold ▲		Oil ▲	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	 USD	 EUR	 GBP	 JPY	
▲ 2.19%	▲ 2.23%		\$1,650.60		\$106.12	▲ 0.96%	▼ 1.14%	▲ 0.36%	▼ 1.10%	BUY TK	81.25	106.49	127.30	0.96
4,863.48	9,062.77		(per ounce)		(per barrel)	17,361.74	10,011.47	2,990.08	2,349.54	SELL TK	82.25	110.47	131.30	1.02



BUSINESS

DHAKA MONDAY MARCH 26, 2012, e-mail:business@thedailystar.net

Govt to lease out lands to private firms

Entrepreneurs will build 257 industrial units on unused lands of state enterprises

REJAUL KARIM BYRON

The government will allow private entrepreneurs to build 257 industrial units on lands owned but unused by state companies.

The cabinet committee on economic affairs yesterday approved a proposal of the Privatisation Commission -- the first such move in Bangladesh.

The government will lease out the public lands to the private entrepreneurs initially for 35 years.

Mashiur Rahman, economic affairs adviser to the prime minister, will lead an 11-member committee to deal with the issue.

The committee will mark out unused lands of different state-owned enterprises and commercial institutions.

The committee will submit its recommendations to the cabinet committee in two months.

The committee members include the executive chairman of the Board of Investment, chairman of the Privatisation Commission, governor of Bangladesh Bank, Prime Minister's principal secretary, and secretaries of Finance Division, textile and jute ministry, commerce ministry and industries ministry.

The Privatisation Commission has already conducted a survey on 39 state enterprises that have 1,288 acres as surplus lands.

If the government parcels out five acres of land to one industrial unit, about 257 new industrial units can be set up on 1,288 acres, the commission said in its proposal.

The new industrial units will see more than Tk 5,000 crore in investment in the next two years if the average investment per unit is Tk 20 crore, the commission said.

If each industrial unit creates employment for 200 persons, a total of 50,000 jobs

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may be generated, the commission estimated.

The commission also said, if the proposal is implemented, scope for more industrialisation will be created without affecting the existing state enterprises.

The government may also increase revenue collection without losing its lands.

The commission said gas, power and

other infrastructures may be given to the new industrial units on the basis of lease or sub-lease from the existing government enterprises without creating new infrastructures.

Meanwhile, the cabinet committee on purchase gave a go-ahead to another proposal for purchasing 20,500 laptops at a total cost of around Tk 109.32 crore.

The laptops will be used in opening multi-media classrooms in 20,500 educational institutions at secondary and higher secondary levels. Each of the laptops will be purchased at Tk 48,527 from state-owned enterprise Telephone Shilpa Sangstha. The laptops will carry a three-year warranty.

Besides, the purchase committee approved a proposal for procuring 50,000 tonnes of wheat. An Indian trader, LMJ International Ltd, will supply wheat at \$303.90 a tonne.

Jute exports thrive on new markets

SOHEL PARVEZ

A recently-created demand for jute sacks in Thailand has come as a boon for the jute industry in Bangladesh, raising hopes for a recovery in exports that fell 13 percent during July-February of the current fiscal year.

Also, India has recently increased import of jute and jute goods after its currency started to gain against the US dollar.

Prices have also increased.

"Exports of jute goods to our traditional middle-eastern and African markets have fallen amid political unrest in Libya, Syria, Iraq and other countries," said Md Shamsul Haque, director (marketing) of state-owned Bangladesh Jute Mills Corporation that has 21 jute mills running.

"But our exports increased in the last three months as we got some new markets," said Haque, "Thailand has emerged as a new market for our jute sacks along with Vietnam."

The market in Thailand has widened after the current Thai-government started buying a huge quantity of rice in jute sacks to fulfil its pledge of providing a guaranteed price to farmers.

"We have received orders for supplying two crore (20 million) pieces of jute sacks from millers in Thailand," he said.

"Thailand has opened up a new opportunity for us. It has come as a blessing as our stocks were piling up due to a fall in exports. Now all our mills are booked for the next four months," said the BJMC official.

Private jute mills will also be benefited due to the decision of Thailand, which is the largest exporter of rice and forecasts to produce 30 million tonnes of rice in 2011-12.

"Demand for jute sacks is high in Thailand," said Mahmudul Huq, deputy manag-



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Workers carry bundles of jute sacks at a factory in Bogra. Thailand and Vietnam have emerged as new markets for jute sacks.

ing director of Janata Jute Mills Ltd, a leading jute yarn and jute goods exporter.

He said, as his mill alone could not meet the orders, he tied up with two other mills.

Janata ships 3.2 lakh pieces of jute sacks a month to Thailand, he said.

Huq said Thailand needs three million pieces of bags a month to package rice. It means around 36 million pieces of sacks will be required a year, he added.

"Because of Thailand, the demand for jute sacks will continue across the year. India is our main market, but its demand remains only for eight months," said Huq.

Apart from Thailand, exporters faced an

increased demand for raw jute and jute goods from India.

The Indian rupee has gained against the greenback in recent months, and so the Indian importers started to buy more jute and jute goods, said Haque of BJMC.

Mahfuzul Haque, chairman of Bangladesh Jute Association, a body of raw jute traders and exporters, also said the demand for jute goods has improved abroad.

"Prices have also gone up," he said, "It's mainly because of increased demand from India."

Exporters said the increased demand and higher prices of jute goods will allow

them to narrow down the losses in export receipts in the first half of the year.

But it may not be possible to offset the past fall and post a positive growth in exports by the end of the fiscal year on June 30, according to Janata Jute Mill official Huq.

Export receipts from the jute industry -- the second biggest export earner -- fell 13.66 percent to \$615 million in the July-February period of the current fiscal year, from \$712 million during the same period last year, according to Export Promotion Bureau.

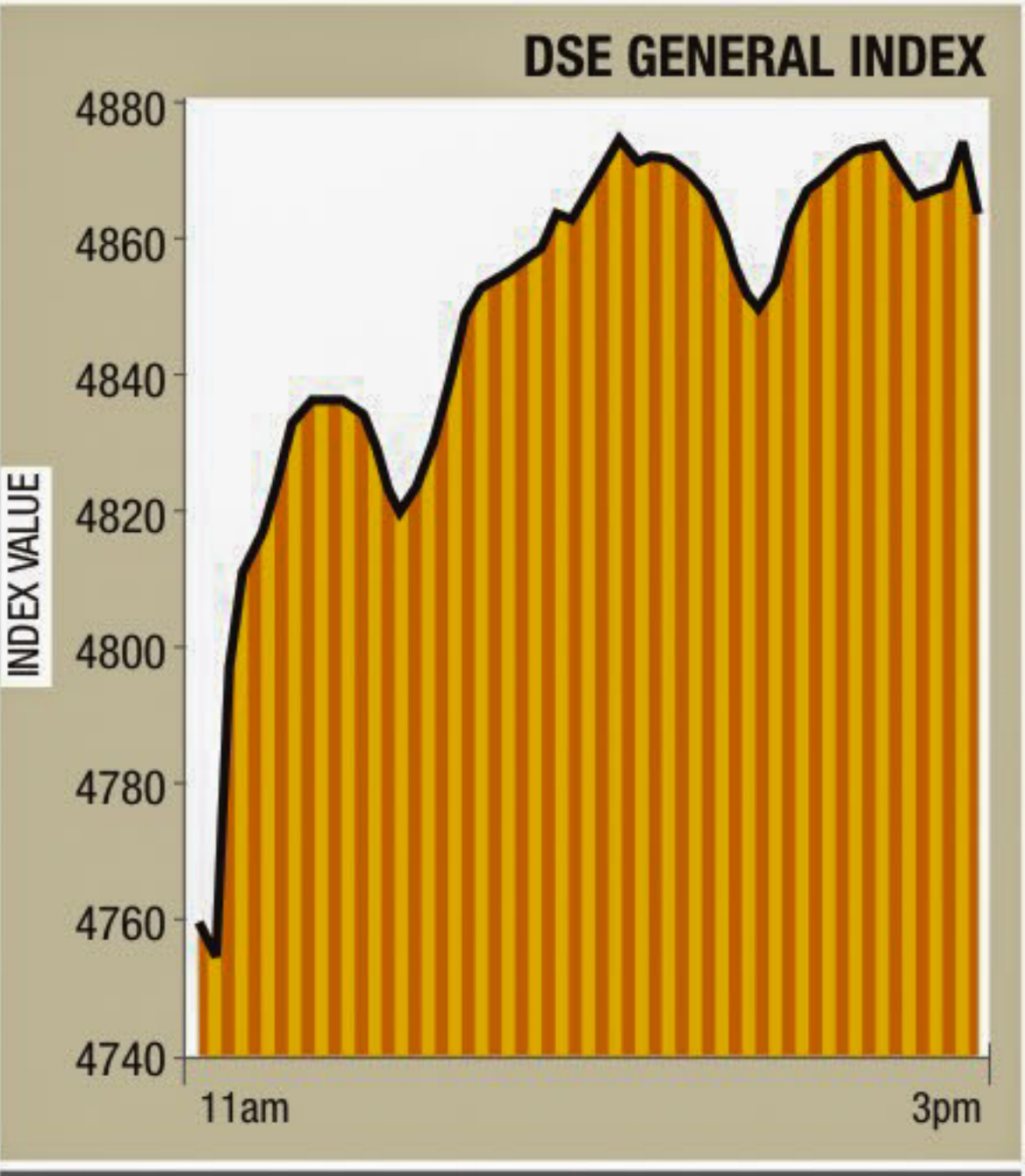
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Stocks curve up fast



STAR BUSINESS REPORT

Stocks gained yesterday with the highest turnover since January 4, as investors went for heavy buying of shares and mutual fund units.

The benchmark General Index, DGEN, the gauge of Dhaka Stock Exchange, finished the day at 4,863.49 points, after gaining 104.35 points or 2.19 percent, which was the highest in the last eight trading sessions.

"Recent improvements in market condition seem to heighten investor confidence as investors became more active in taking positions, while realizing some profits from the rally," said IDLC Investments Ltd in its daily market analysis.

Ahmed Rashid, senior vice president of DSE, said the price to earnings (P/E) ratio of some companies is lucrative, while some of them are high.

Rashid advised investors to avoid those high P/E companies.

Smart investors must take into account companies' fundamentals and corporate declarations to make investment decisions, he said.

"After a long break the DSE enjoyed such a bullish movement in the prime index as retail investors were actively participating in trading," Green Delta LR Holdings said in its market commentary.

Turnover increased 56 percent to Tk 691 crore, compared to the previous day. A total of 1.65 lakh trades were executed with 13.76 crore shares and mutual fund units changing hands on the Dhaka bourse.

Fuel and Power dominated trading, while banks lagged slightly in turnover.

All major sectors closed green. Textile gained 4.97 percent, non-bank financial institutions 4.62 percent, fuel and power 3.26 percent and pharmaceuticals 2.88 percent.

Grameenphone, which represents the telecoms sector, gained 3 percent and Tk 25.86 crore worth of its shares were traded.

GP continued to attract investors' attention that helped achieve this outstanding performance for past couple of weeks, said Green Delta.

Beximco topped the turnover leader with 30.23 lakh shares worth Tk 34.57 crore changing hands.

IDLC Finance Ltd was the biggest gainer of the day at it posted 9.75 percent gain. Green Delta Insurance was the worst loser, plunging by 17.95 percent.

The Chittagong Stock Exchange also gained yesterday due to buying pressure. The Selective Categories Index of CSE closed at 9,062.78 points, after gaining 197.88 points or 2.23 percent. The port-city bourse traded more than 1.44 crore shares and mutual units with Tk 64.24 in turnover.

ICB to waive interest for 10,000 investors

STAR BUSINESS REPORT

Around 10,000 retail investors will get an interest waiver on their margin loans that they took from the Investment Corporation of Bangladesh (ICB) during fiscal 2010-11 for share purchase.

At a board meeting on Thursday last, the state-run investment corporation decided to waive interest worth around Tk 14 crore for 9,974 retail investors, ICB officials said.

The Tk 14 crore interest is half of the amount that 9,974 retail investors were supposed to pay in a year.

The ICB took the decision in line with a compensation package approved by the government last month.

As per the compensation package, the small investors, who suffered financial losses due to the last year's

stockmarket debacle, will get a waiver of up to 50 percent of the interest on margin loans.

A small investor will be an individual who deposited Tk 10 lakh or less of own money in beneficiary owner's (BO) account and incurred losses.

The retail investors will, however, have to apply to the state-run investment corporation to get the interest exemption facility, the ICB officials said.

As per the compensation package, the retail investors are also given 20 percent quota of all initial public offerings (IPOs) -- government and private -- to be issued in 2012 and 2013. It means, if an IPO size is Tk 100 crore, Tk 20 crore will be allotted for the small investors who incurred capital losses.

The government in October last year announced a stimulus package

for stockmarket investors to restore stability in the market.

On November 27 of 2011, the government formed a seven-member special committee to identify the small investors who lost money, and how much they lost. Md Fayekuzzaman, managing director of the ICB, was made the convener.

The committee had found that the number of adversely affected small BO accounts is 15.26 lakh, and the amount of total interest on loans in such accounts is Tk 499 crore.

However, the total number of adversely affected BO accounts is 17.84 lakh, and the total amount of loss suffered by those accounts is Tk 22,300 crore.

The committee had come up with the data by analysing the losses incurred between January 2009 and November 2011.

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