

Minister vows to strengthen TCB

STAR BUSINESS REPORT

The government is trying to arm Trading Corporation of Bangladesh (TCB) with monetary and legal facilities to put a tab on the skyrocketing prices of essential commodities, said the commerce minister yesterday.

"We are trying hard to keep the prices of commodities stable in the market. We are strengthening TCB further so it can intervene when profiteers make people suffer by controlling the supply and increase prices of commodities like edible oil or sugar," said GM Quader.

"But we would also make sure that the genuine businessmen can do business, and the market would be friendly to businessmen. However, we want to break the oligopoly and monopoly created in the market over the

trade of major commodities as well," he added.

He was addressing his first press meet after taking charge of the ministry in Dhaka Reporters Unity (DRU).

As part of strengthening TCB, the government has undertaken moves to increase the storage capacity of the state owned organisation, so it can conserve farm products and commodities.

"We'll hire storages from the food department in different districts and will build some new structures wherever needed as well. Sufficient storage will help tackle the situation when supply gets hampered."

"TCB can then intervene in the market when demand rises and supply is poor, for example in Ramadan," said the commerce minister.

The ministry placed the draft

competition law in parliament, which is likely to be approved in the next session, said Quader.

"At present, we don't have any strong laws to control the oligopolies and monopolies of some profiteering businessmen. We hope the Competition Law will help reduce market manipulation and artificial crisis," Quader added.

An oligopoly is a market dominated by a few large suppliers and a few firms selling similar products. Oligopoly firms collaborate on prices to keep them higher than regular market prices for larger profits.

Quader said only a handful of businessmen are now controlling the huge market for edible oil and sugar.

The size of the edible oil market is worth Tk 1,000 crore a month, he said.

Simultaneously, the government is also planning to increase the allocation of money for TCB so that it can further increase its buying capacity and ensure a good stock of essential commodities.

"We would provide subsidies if needed in this regard."

The government is all set to ensure an adequate supply of commodities like edible oil, sugar, date, and chickpeas before the month of Ramadan, so that corrupt traders cannot make the market volatile with irrational prices, said the minister.

He stressed enhancing and diversifying the export basket and increasing export destinations, which will eventually boost earnings.

In response to a query, the minister said the report on Destiny prepared by the commerce

ministry has been sent to the cabinet for evaluation.

The country exported products worth \$23 billion, while it imported goods and services worth \$32 billion in 2010-11, he added.

However, Quader feared that the trade imbalance may rise further because petroleum oil prices are still rising on the international market, which may rise further due to unrest in the Middle East.

"And for that, along with increasing local production, there is no alternative to enhancing the export basket and increasing the destinations beyond the US, EU, Japan and Canada."

Shakhawat Hossain Badsha, president of DRU, and Sajjad Alam Khan Topu, secretary, were also present.



SINGER

AM Hamim Rahmatullah, managing director of Singer Bangladesh, reopens a renovated outlet of Singer Plus in Makbul Plaza in Natore. Mokbulla Huda Chowdhury, national sales director, was also present.

CCCI to join Taipei show

OUR CORRESPONDENT, Cig

Chittagong Chamber of Commerce and Industry will take part in Taipei International Industry Show in June, the chamber said in a statement yesterday.

CCCI President Murshed Murad Ibrahim announced the plan at a meeting with a delegation of Taiwan Trade Centre at the chamber's office in the port city.

MA Latif, ex-chairman of CCCI and a lawmaker, Mahbubul Alam, senior vice-chairman of the chamber, and Woody Wang, director of Taiwan Trade

Bangladesh, Maldives to start direct flights

STAR BUSINESS REPORT

The Civil Aviation Authority of Bangladesh signed an air-service agreement with Maldives on Sunday to operate direct flights between the two South Asian countries, CAAB said in a statement.

A memorandum of understanding was signed in the Maldives. CAAB Chairman Air Vice Marshal Mahmud Hussain and Chief Executive of Maldives Civil Aviation Authority Hussain Jaleel attended the signing ceremony.

Both sides will be able to fly 14 passenger and

Stocks hit by court move

STAR BUSINESS REPORT

Stocks declined yesterday as investors lost confidence in the market because of a writ petition against the Securities and Exchange Commission's directive that mandates minimum shareholding.

The DGEN, the key yardstick of Dhaka Stock Exchange, finished the day at 5,070.29 points, after falling 98.62 points or 1.91 percent.

The stockmarket regulator made it compulsory on November 22 last year for sponsors, directors and promoters of listed companies to individually hold at least 2 percent in their own companies.

"As uncertainty was growing and aggravated as the High Court issued another rule asking the authorities to justify the SEC's circular on holding minimum two percent shares of the listed companies by their directors and sponsors individually," IDLC Investment said in its market commentary.

Turnover rose 6.07 percent, compared to the previous day. A total of 0.090 lakh trades were executed with 6.37 crore shares and mutual fund units changing hands on the Dhaka bourse.

Of the total 261 issues that traded on the Dhaka bourse, 44 advanced, 204 declined and 13 remained unchanged.

All major sectors plummeted, ceramics by 6.09 percent, and non-bank financial institutions 3.66 percent. Only general insurance gained 0.06 percent.

Lanka Bangla Finance was the turnover leader with 31.66 lakh shares worth Tk 31.81 crore changing hands.

Peoples Insurance was the biggest gainer of the day as it rose 8.61 percent. The biggest loser was Takaful Islami Insurance that slumped 13.21 percent.

Chittagong Stock Exchange also declined yesterday following the writ and current political tension.

The Selective Categories Index of the CSE closed at 9,601.02 points, after falling 178.92 percent.

Losers beat gainers 28 to 144, with 16 securities unchanged on the port city bourse that traded 76.57 lakh shares and mutual fund units with Tk 36.92 crore in turnover.

BB forces 4 banks to pay Sonali as Beximco defaults

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A BB official said the amount will have to be made a 'forced loan' to Beximco on part of the four banks.

In effect, Beximco remains a defaulter to the four banks who were forced to pay for them.

An official of Sonali Bank said the four banks owed a total of about Tk 650 crore to it regarding the Beximco transactions.

The four banks have already repaid Tk 127 crore



CITY BANK

Rubel Aziz, chairman of City Bank, presides over the bank's 29th annual general meeting at Bashundhara Convention Centre in Dhaka on Sunday. The bank approved 25 percent stock dividends for 2011. K Mahmood Sattar, managing director, was also present.



DBBL

Abul Kashem Md Shirin, deputy managing director of DBBL, Suresh Dadlani, chief operating officer of ControlCase, and Maruf Alam, managing director of Cynergon IntelliSys, the local partner of ControlCase, attends the signing of an agreement between their firms at a hotel recently. ControlCase will be responsible for managed compliance services of DBBL Visa/MasterCard operations.

Ctg bourse wants cuts in brokerage commission

STAR BUSINESS REPORT

The Chittagong Stock Exchange will propose the government cut tax on brokerage commission by 70 percent.

The bourse will also seek continuation of the existing stimulus package for the capital market through the next fiscal year.

"The stockbrokers as well as the investors are going through tough times since the market debacle in January-February last year. It has become difficult for the stockbrokers to survive as their business volume has been downsized to a great extent after the market debacle," said Al-Maruf Khan, president of the CSE.

Besides, he said, the brokerage commission is ultimately borne by the investors. Since the stockbrokers pay tax on the turnover irrespective of their profit or loss, their tax burden is multiplying with the transaction volume, he explained.

"Our appeal to the government is to re-fix the tax rate at 0.015 percent, instead of existing 0.05 percent," he said, adding that this would help increase the total trade volume and consequent tax collection by the government.

"We will submit our budget proposal to the government while meeting the finance minister on Tuesday next," said Khan, who was sharing the port city bourse's budget proposal with journalists at its Dhaka office yesterday.

The Chittagong bourse will request the government to give a 15 percent tax rebate for one fiscal year if any company lists on the stock exchanges. "It will encourage profitable and multinational

companies to be listed," Khan said.

The CSE will also recommend the government keep dividend income by mutual funds' unit holder tax free to encourage investment in the mutual fund sector.

Presently, 10 percent tax is applicable on dividend income by resident and non-resident Bangladeshis, while the tax rate is 15 percent for foreign investors and 20 percent for institutions.

The Chittagong bourse will also urge the government to revise the 10 percent tax on capital profit of share sale by institutions to encourage long-term institutional investment in the market.

"The tax rate should be 7.5 percent, if any institution holds investment from one year to two years, and 5 percent for more than two years," the CSE president said.

The port city bourse will also request the government to restructure the 10 percent tax rebate for listed companies that give 20 percent or more dividend.

"It can be revised to 10 percent for companies that will give 20 percent to 25 percent dividend and 15 percent for firms that will give more than 25 percent dividend," Khan said, adding that it will encourage listed companies to give more dividends.

The CSE will also ask the government to withdraw 3 percent tax on share premium.

The CSE president said: "We also want continuation of the existing facilities for the capital market, as these are good for the development of the market."

Presently, investment of undisclosed or untaxed money with 10 percent tax is allowed in the stockmarket. There is also no tax on income from mutual funds.

Unipay2u investors threaten to launch massive protests

STAR BUSINESS REPORT

Some investors of Unipay2u Bangladesh, a multi-level marketing (MLM) company, yesterday threatened to go for tougher agitation if the government failed to arrest fraudsters within 24 hours.

They alleged that the top management of Unipay2u embezzled nearly Tk 6,000 crore by cheating six lakh people between October 2009 and January 2011.

Unipay2u Members' Club Ltd, a platform of losing investors, announced their agitation programme at a press meet at the office of Crime Reporters' Association in Dhaka. They also formed a human chain in front of the National Press Club.

The aggrieved investors threatened to block Dhaka-Chittagong and Dhaka-Sylhet highways if the government failed to take steps to return their money.

"We want the prime minister, the finance minister and the law minister to intervene and resolve the problem as they did after the stockmarket crash," said Muhammad Sarwar Morshed, president of Unipay2u Members Club.

Most of the investors fear that the police may free Muntasir Hossain Emon, managing director of Unipay2u and Jamsheer Rahman, general manager of Unipay2u, said Morshed. Police arrested the top brass of the MLM firm on Sunday.

Asaduzzaman Baktiar Asad, secretary of Unipay2u Members Club, alleged that 100 agents of Unipay2u are seeking visas to leave the country.

"We want to know what is happening behind the scenes and why the police are reluctant to arrest them even after we have informed them," Asad said.

Had the government taken timely punitive action against the wrongdoers, the investors would not have suffered, Asad said.



CITYCELL

Taslim Ahmed, head of corporate communications of Citycell, and Sabreena Sadeq, head of marketing of Hyundai Motors Bangladesh, shake hands over a deal signed at the latter's head office in Dhaka on Monday. Citycell's postpaid users will get discounts on Hyundai purchases in Bangladesh until June 30.



PRIME BANK

M Reazul Karim, additional managing director of Prime Bank, poses with the participants of a foundation training course for trainee assistants held at the HR and Development Centre of the bank recently. Iftekhar Hossain, head of human resource, was also present.



APOLLO HOSPITALS

Bhagwan W Kundanmal, chairman of Apollo Hospitals Dhaka, attends the annual general meeting of STS holding, the hospital's parent company, in Dhaka yesterday. Apollo's net profit rose 15.62 percent to Tk 261.94 million in 2011 from a year ago.