

Legal battle leaves stocks in the red

STAR BUSINESS REPORT

Dhaka stocks declined for the fourth week as investors lost confidence in the market amid uncertainties over writ petitions filed by sponsors and directors of listed firms.

The benchmark General Index, DGEN, the indicator of Dhaka Stock Exchange, finished the week at 4,797 points, after falling 198.87 points or 3.88 percent.

Market analysts said most investors adopted a wait-and-see policy as their confidence eroded in the setting of the ongoing court battle over minimum shareholding.

The institutional investors remained inactive, which led to low turnover, the analysts said.

"The DSE dipped for the fourth week as puzzled investors failed to find any conclusive direction about the market," LankaBanglaSecurities said in its analysis.

"Uncertainties around the writ caused the turnover to dip significantly."

Investors are stepping back and wait-

ing for a way out of the disagreement among regulators and the sponsors or directors, it said.

The week witnessed five trading sessions. Among those, four sessions lost 243 points while only one session gained 50 points.

Small investors demonstrated last week protesting a sharp fall in share prices. They demanded government intervention to stop the legal battle with the SEC for the interest of small investors.

A total of 3.97 lakh trades were executed with 28.69 crore shares and mutual fund units changing hands on the Dhaka bourse.

Of 275 issues that traded through the week, 248 declined, only 20 advanced and seven remained unchanged.

LankaBangla Finance topped the turnover chart with 76.56 lakh shares worth Tk 72.52 crore changing hands.

AB Bank First Mutual Fund that rose 6.06 percent was the biggest gainer of the day, while Tallu Spinning was the worst loser, plummeting 57.62 percent.

Pay tax online

BANKS FOR ONLINE TAX PAYMENT

■ Sonali Bank	■ Pubali Bank
■ Janata Bank	■ Shahjalal Islami Bank
■ Bank Asia	■ Social Islami Bank
■ BASIC Bank	■ Standard Bank
■ Commerce Bank	■ City Bank
■ Eastern Bank	■ Trust Bank
■ IFIC Bank	■ Uttara Bank
■ ICB Islamic Bank	■ Exim Bank
■ Jamuna Bank	■ Dhaka Bank
■ Mercantile Bank	■ South East Bank
■ Mutual Trust Bank	■ United Commercial Bank
■ National Bank	■ State Bank of India
■ NCCB	

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"More banks will join the system later," he said.

NBR's e-payment website, www.nbrpayment.org, is easy to use, secure and completely free of charge. Only registered users can make e-payments and get the full functionality of the site.

There will be separate sections for income tax, VAT and customs duty in the profile form of each taxpayer.

The website will ask for card number and password once a user enters his account. Then the income tax will be automatically deducted from the card and the user will be able to see the amount deducted on the screen.

The system is also integrated with Sonali Bank (the settlement bank), QCash (e-payment processor), customs database and integrated budgeting and accounting system of the Controller General of Accounts Office.

The NBR introduced an online return submission system last year on a trial basis in two zones and the tax administrator aims to enable all taxpayers to submit returns online by 2013.

Payback time for tax-shy Greeks: IMF chief

AFP, London

The head of the International Monetary Fund on Friday urged Greeks to pay their taxes, saying she is more concerned about sub-Saharan Africans in poverty than Greeks hit by the economic crisis.

Christine Lagarde told the Guardian newspaper in an interview published online Friday, "As far as Athens is concerned, I also think about all those people who are trying to escape tax all the time. All these people in Greece who are trying to escape tax."

IMF managing director said Greeks should "help themselves collectively" by "all paying their tax", adding that she thought "equally" about those deprived of public services by the crisis and those involved



Model Sharmin Lucky opens the third outlet of Biborton Boutiques at Fortune Shopping Mall in Dhaka on Friday. Runa Mustafa, proprietor of the shop, was also present.

New director for BASF Corporation, USA

STAR BUSINESS DESK

Saria Sadique has recently been appointed as the business director for automotive in BASF Corporation, USA, the company said in a statement yesterday.

Prior to the appointment, he was the managing director of BASF Bangladesh.

Sadique took over the Bangladesh responsibility in 2006 after returning from his last assignment with BASF Asia Pacific regional headquarters in Hong Kong.

He completed his MBA from Institute of Business Administration of Dhaka University. He completed



Team Avant Garde from IBA of Dhaka University has recently won the Bangladesh final of the CIMA (Chartered Institute of Management Accountants) Global Business Challenge 2012. Avant Garde will now represent Bangladesh at the global final in Colombo, Sri Lanka, on July 23 and 24.



Professor Anisuzzaman inaugurates the first outlet of SATORI, a fashion house, at Howlader Complex in Dhaka recently. Fashion designer Bibi Russell, lawmaker Begum Nasreen Jahan Ratna, beautician Kaniz Almas Khan, models Joya Ahsan and Sharmin Lucky were also present.

Janata Insurance gets new chairman

STAR BUSINESS DESK

MA Hasem has recently been elected chairman of Janata Insurance Company, the insurer said in a statement yesterday.

Hashem is a chairman of Partex Group of Industries, a sponsor director of United Commercial Bank.

He is also a former chairman and present mem-



How Nasdaq chaos engulfed Facebook IPO

REUTERS, New York

Dead silence.

For nearly 20 minutes on the morning of Facebook Inc's trading debut last Friday, the line Nasdaq had opened up to keep traders informed about the social media company's \$16 billion IPO had been mute. Well after the stock was supposed to have opened at 11am New York time, no one from Nasdaq was talking -- and there was still no sign of trading.

Finally, at 11:28am, an unidentified person announced that the shares would open in about 2 minutes. Nasdaq also said orders and cancellations were still being processed, according to several sources listening to the call.

Those crucial 20 minutes created confusion that turned into chaos over the next few hours as market makers -- the brokers who quote bid and offer prices -- struggled to figure out what was happening. They were rebuffed in their attempts to get Nasdaq to halt trading and sort out a growing number of problems.

A lack of communication and, some say, misinformation from Nasdaq may have been central to the failed debut of Facebook's shares. Market makers -- crucial to the smooth operation of stock trading -- were unsure about their exposure for hours. Investors were in the dark as to whether their trades had gone through, in some cases for days afterwards.

The turmoil caused the four big market-makers for Facebook's stock, Knight Capital Group, Citigroup's Automated Trading Desk, Citadel Securities, and UBS AG to lose around \$115 million between them.

"There was very little if any communication from Nasdaq throughout the entire process," said Mark Turner, head of trading at Instinet, another market-maker based in New York. "As a matter of fact, we feel there was miscommunication."

Instinet said it also suffered a loss, though it wasn't specific other than to say it was significantly less than the \$30-35 million reported by Knight.

The precise actions taken by Nasdaq officials last Friday are still unclear. Spokespeople for Nasdaq declined numerous requests for

comment, referring Reuters to a status alert issued on Monday that outlined some of the problems encountered and some of the steps it took in an attempt to resolve them.

The Nasdaq call, led by Nasdaq Vice President Todd Golub, according to sources, was scheduled to last 2 hours from 10:15am to 12:15pm to make sure that the exchange was keeping in close touch with the market. It is a normal event for a big IPO.

However, this call stretched into the late afternoon, as the most anticipated new US stock offering in years turned into one of the ugliest.

The fallout from the events last Friday has become a continuing nightmare for Nasdaq OMX Group, which wooed the social media network for months and openly prides itself on its technology.

The result is another black eye for an exchange industry already suffering because investors not only lost confidence in the financial crisis but through the "flash crash" in May 2010 when \$1 trillion in shareholder equity was temporarily wiped out in a matter of minutes.

India warns striking pilots it may replace them

AFP, New Delhi

The Indian government warned striking pilots of state-run Air India that it may hire replacements if they continue their nearly three-week walk-out, after talks failed to make any headway.

Over 200 pilots went on strike earlier this month over former Indian Airlines pilots, who moved to Air India when the domestic and international carriers merged in 2007, being trained for new Boeing 787 Dreamliner planes.

The strikers say the plan to allow the ex-Indian Airlines to pilot the Dreamliners could wreck their career prospects.

"We can think of hiring new pilots," Civil Aviation Minister Ajit Singh said late Friday after a 90-minute meeting with the

Indian Pilots' Guild ended without a breakthrough, the Press Trust of India reported.

Singh's meeting was the first between the government and the pilots since the start of the strike, which has forced the cancellation or rerouting of flights to New York, Chicago, Tokyo and other international destinations.

The dispute with the debt-laden carrier has now spread to cover service conditions and wage agreements. The government has fired more than 100 of the pilots but has said they could be taken back on a "case-by-case" basis if all striking pilots return to work.

The Air India pilots' union insists its members will not return until management unconditionally reinstates all the dismissed pilots.

FDI still in the slow lane

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According to the BIDS fellow, Bangladesh is missing out on the chance.

"Business confidence and market access are the two other major barriers," he said.

FDI has a positive impact on economic growth and plays a role in the BoP. But this year's FDI inflow is of grave concern to the economy and the government, which is struggling to maintain a healthy reserve and BoP for the outgoing fiscal year that ends on June 30.

To maintain BoP stability, the government has allowed some of the country's private companies to seek funds from the international market. The government has also set up a committee to find ways to float sovereign bonds in the international markets.

The MCCI identified lack of action by the country's missions abroad in projecting investment-drawing potential, weak infrastructures and political instability as the major reasons for poor inflow of FDI.

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Plastic pipe market thrives with time

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"Plastic pipes are cheaper and last longer than iron pipes, which get rusty after some years," said Kamruzzaman Kamal, a director in the market leader Pran-RFL Group.

"There is scope for business as the market is growing with the increasing pace of urbanisation and expansion of cities and towns," said Habibur Rahman, general manager of Bengal Plastic Pipes Ltd, a concern of Bengal Group of Industries.

The entry of more large companies in the market will enhance competition and raise the quality of products, Rahman said.

"Small factories that once ruled the market will gradually be lost to the competition," he said ruefully. Many small-cottage based factories were driven out of business in recent years, said Panna of Aziz Pipes.

Delphi in \$1b bid for French auto firm

AFP, DETROIT, Michigan

Delphi, the giant automotive supplier that was once part of General Motors, has offered just under \$1 billion for the major piece of a French company that makes electronic connectors.

Delphi said late Thursday it was close to completing a deal to buy the motorized vehicles division of connectors maker FCI for \$972 million.

"This transaction will solidify Delphi's position as one of the premier global automotive suppliers and will create significant shareholder value," said Rodney

Japan chip maker Renesas may cut 14,000 jobs

AFP, Tokyo

Japanese semiconductor maker Renesas Electronics Corp. is considering cutting up to 14,000 jobs or 30 percent of its workforce as part of a major restructuring plan, news reports said Saturday.

The company is also considering selling a major factory to a Taiwanese firm, while closing or scaling down other plants, said the Nikkei and the Asahi Shimbun newspapers as well as Kyodo News.

Renesas, which lost 62.6 billion yen (\$785 million) in the year to March, also plans to raise 100 billion yen, mainly from its top shareholders NEC, Hitachi and Mitsubishi Electric, the Nikkei said.

The company wants to sell its major factory in Yamagata to Taiwan Semicon-

ductor Manufacturing Company (TSMC), the Nikkei said.

The plant, with 1,400 workers, produces semiconductors used in televisions and other digital gadgets. But low domestic demand has forced the company to reduce operations at the factory, the Nikkei said.

In a short statement, Renesas distanced itself from the reports, saying no formal decision had yet been made.

The scope of the newly reported plan is significantly higher than what was reported Tuesday by the Yomiuri Shimbun, which reported 6,000 job cuts and 50 billion yen in fresh capital.

Japanese electronics makers -- from parts makers to producers of the finished products -- have long struggled with the chronically stagnant Japanese economy and a high yen weighing on their earnings.



Md Nazrul Islam, chairman of Fareast Islami Life Insurance Co, speaks at the closing ceremony of an orientation course for its desk officers in the capital recently.