

Fresh optimism sends stocks to black

STAR BUSINESS REPORT

Stocks rose yesterday after a two-day losing streak, as investors went on a buying spree seeing the low price of shares.

DGEN, the benchmark General Index of Dhaka Stock Exchange, finished the day at 4,384.99 points, after surging 60.23 points or 1.39 percent.

Investors bought shares anticipating a bull-run, as institutional investors injected money into the market, market analysts said.

Foreign portfolio managers and investors were also interested in the Bangladeshi market, which had a significant impact on the turnover, they said.

Turnover rose 15.85 percent from the previous day to Tk 610 crore.

Finance Minister AMA Muhith's pledge to take action against Sonali

Bank officials was helpful in boosting investors' confidence, the analysts said.

"Apart from the Sonali Bank officials, several others are linked with the recent Hall-Mark Group loan scam and they would be sued soon," Muhith said yesterday.

The banking sector that accounts for 30 percent of the market capitalisation on the Dhaka bourse witnessed a 5.37 percent fall in the last week, following the Sonali Bank swindle.

"Apparently, investors counted a recent fall as 'well enough' to take fresh position," said IDLC Investments, a leading merchant bank.

"In addition, continuous healthy turnover spurred market sentiment positively."

The power and telecom sector led the day's trading session, which

rose by 3.5 percent and 2.27 percent respectively.

Non-bank financial institutions rose 2.33 percent, while pharmaceuticals by 0.51 percent.

A total of 1.38 lakh trades were executed, with 12.15 crore shares and mutual fund units changing hands on the Dhaka bourse.

Of the 267 issues that traded on the DSE floor, 175 advanced, 73 declined and 19 remained unchanged.

Bangladesh Submarine Cable Company was the top traded stock of the day, with its transaction of 33.54 lakh shares worth Tk 49.55 crore shares.

Unique Hotel and Resorts, which rose by 9.97 percent, was the biggest gainer of the day, while Progressive Life Insurance was the worst loser, plunging by 5.31 percent.

Business hurt by port deadlock

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Exporters may have to bear extra costs of airfreight -- an alternative, but desperate measure to meet the deadline set by buyers, Murshedy said.

"Production at factories will also be hampered if raw materials are not released from the port timely," he said.

Agents at Dhaka Customs House and Benapole Land Port have also voiced support for the striking agents of the Chittagong Customs House. The Dhaka customs house agents observed three-hour work abstention from 9:00am to 12:00pm to show support yesterday.

"Agents of other customs houses continued activities at the ports," said Quazi Mahmud Imam, first joint secretary of Chittagong Customs C&F

Agents Association.

Imam said the C&F agents at Chittagong Customs House started work abstention to press home their six-point demand including proper valuation of goods in line with customs rules of 2000, stoppage of repeated inspection of the same goods by the customs department and good behaviour by customs officials with clients.

He said the officials of the Chittagong Customs House do not follow the rules and charge extra to release goods.

"We have been negotiating the issue with the officials for long, but the authorities remained indifferent forcing us to strike. If the movement continues, it will have serious repercussions on both export and import," he said.



Md Abdul Jalil, chairman of Mercantile Bank, presents a cheque for Tk 10 lakh as second instalment of the donation for 2011 to Anwar Hossain, chairman of Society for the welfare of the Autistic Children, at a ceremony on Thursday.

Robi users cross 2cr mark

STAR BUSINESS DESK

Robi has recently crossed the landmark of two crore subscribers in Bangladesh, the mobile operator said in a statement yesterday.

"This is a momentous occasion for all of us and a clear manifestation of our commitment and sincere efforts over the years," said Michael Kuehner, managing director and chief executive officer of Robi.

"Our efforts will continue to ensure full satisfaction of our customers."

The company invested over Tk 10,000 crore in its 15 years of operations in Bangladesh, laid more than 700 kilometres of optical fibre, and is keen to expand, according to the statement.

Robi Axiata Ltd's network has almost 98.7 percent population coverage and 89 percent geographical coverage in the country. The operator provides GSM services using 900 MHz and 1,800 MHz band.

The company has more than 8,392 base transceiver stations and over 40 lakh mobile internet subscribers, and created more than three lakh

Qubee starts online bills payment

STAR BUSINESS DESK

Qubee launched online bill pay system for its clients, the internet service provider said in a statement yesterday.

Qubee users who have a Visa, Master or Nexus card may go to Easy.com.bd and pay their bills without any extra charges. The payment will be updated in the Qubee system within 15 minutes.

The bills can also be paid through HSBC or BRAC

C&F agents' strike slows Ctg port

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The association leaders are now demanding resignation or transfer of Chittagong Customs House Commissioner Maruful Islam.

Islam, however, denies all the allegations made against him and the administration.

He called a meeting for 10am yesterday with the C&F leaders, but they refused to join.

Three NBR members from Dhaka will join a meeting with customs officials and C&F agents in the port city today to end the deadlock.

Meanwhile, over 20 officials of the Chittagong Customs House signed a letter off two days ago to the National Board of Revenue chairman in support of Islam. They also asked the NBR chairman in the letter to transfer them as well if Islam would have to be transferred from the Chittagong Customs.

The commissioner asked for dialogue in the morning with the agitating C&F agents following request from Chittagong Chamber of Commerce and Industry (CCI) and Awami League lawmaker MA Latif, but the leaders did not respond until the afternoon.

When contacted, the association's joint secretary, Kazi Mahmud Imam Bilu, said they could not sit with the Customs Commissioner only as they are in movement against him. C&F Agents Association leaders, however, met with CCCI leaders and other stakeholders to garner support for their movement.

But all urged the association not to take any programme that could deepen the stalemate at the port.

The agitating C&F agents went ahead with the work abstention, which continued from 9am to 5pm.

Stakeholders fear that if the stalemate continues it would seriously hamper delivery of imports and loading of exports.

Nasiruddin Chowdhury, first vice president of Bangladesh Garment Manufacturers and Exporters Association, issued a statement yesterday expressing his deep concern over the standoff.

He fears the stalemate would have a negative impact on the country's readymade garment sector, and urged all to solve the problem immediately

Changes to ordinance will hurt Grameen Bank: US official

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The US plenipotentiary spoke at a press conference in the port city where US Ambassador to Bangladesh Dan W Mozena was also present.

Verver called upon the government of Bangladesh to ensure the continued integrity, independence and effectiveness of Grameen Bank so that its unique structure could continue to help many people, and its borrower members and members of the board can continue to control the bank's work.

Grameen Bank has done so much to lift the condition of the country's women that it now has over eight million female members who have been able to improve their lives and their families, she said.

She said when she first came to Bangladesh in 1995 with the then first lady of the US, Hillary R Clinton.

They went to a Grameen Bank village and saw what difference it was making with the women, Verver said.

She said she saw the same scenario when she went to another Grameen village with Mozena.

"We have a deep relationship with this country. We want that to continue. There is a disagreement over Grameen Bank and we don't want that to undermine our relationship with this country, its people and its government."

She said she is hopeful that the government would come to a solution regarding Grameen Bank that would



AKM Fakhru Alam, regional manager for Bangladesh, Myanmar and Nepal of Malaysian Palm Oil Council, and Kazi Wahidul Alam, editor of Bangladesh Monitor, sign an agreement in the capital recently to formalise the oil company's sponsorship of a culinary competition, Chef of the Year, for the fifth year in the country.



Humaira Islam, executive director of Shakti Foundation, and KS Tabrez, managing director of Dutch-Bangla Bank, exchange documents of a deal at the head office of the bank in the capital recently. Employees of Shakti Foundation will receive monthly salaries through the bank's mobile banking accounts.

Experts oppose coal-fired power plant near Sundarbans

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The professor said there is hesitation among the government over setting up power plants with domestic coal.

"The government should not delay in extracting coal from mines where open pit mining is not possible. Local coals will give more energy security."

He urged the government to set up a coal research institute to pull together all knowledge and experience in the sector.

Environmentalist Iqbal Habib said the Rampal project would be the most environmentally polluting project given its location and surrounding.

He urged the government to make public the environment impact assessment study on the Rampal project; otherwise, doubts over the project will continue to grow.

However, the location of the two other coal-based plants planned in Anwara in Chittagong and Maheshkhali in Cox's Bazar, according to Habib, are not so critical.

He urged the government to share its EIA and Environment Management Plan (EMP) on the plants with public.

Syeda Rizwana Hasan, executive director of the Bangladesh Environmental Lawyers Association, said the land for the Rampal projects has been acquired and earth-filling has been completed.

"Still the EIA study has not been made public. We have heard that the forest department has objected to the plants but their reservations are being ignored."

The Ramon Magsaysay Award winner said the EIA should be independently reviewed.

Syed Manzur Elahi, a former adviser to

the caretaker government, said the government would have to come up with reports stating the impact of the coal-based power plants on the Sundarbans and Chittagong city.

"It has to be ensured that there will be no impact on the Sundarbans. If there is the possibility of any impact the plants must not be built," he said.

Elahi urged the government to finalise the environment impact assessment report after incorporating suggestions of the environmentalists and experts.

Dr Ijaz Hossain, a professor at BUET's chemical engineering department, said it is possible to construct a 100 percent pollution-free coal-based power plant.

"It depends on how much you plan to spend," Hossain said the Department of Environment sent the EIA report seeking his suggestions.

"This is not a report at all. I told them that this has to be redone."

The energy expert said it would be a challenge for the country to run supercritical technology.

"Plants based on imported coal will also be a challenge as winning long-term coal supply is almost impossible."

He also expressed his doubt over whether Orion Group would be able to sell a kilowatt-hour of electricity at Tk 3.5 to Tk 4.

Annisul Huq, a former president of the FBCCI, who moderated the discussion, said nobody would compromise about the Sundarbans.

So, the government will have to create a credible position.

FBCCI President AK Azad said as the gas

reserves are dwindling, the country has no other option than to go for coal-based power plants for industrialisation and job creation.

He said previously the country could not go for coal-based power plants due to foot-dragging by the government.

"Two years ago, the World Bank told us that they are ready to finance two coal-based power plants with a capacity of 3,000 megawatt each under the public-private partnership."

"But the government signed agreements with a neighbouring country to build the power plants," he said.

Tawfiq-e-Elahi Chowdhury, energy adviser to the prime minister, supported the power secretary, saying Bangladesh would definitely be able to use the supercritical technology to check the environment pollution of coal-based power plants.

He said the government would share the EIA and the EMP.

Muhammad Enamul Huq, the state minister for energy, said the government, experts and environmentalists would have to work collectively to reach a decision on the coal-based power plants.

Energy Secretary Mohammad Mejbahuddin said the government's plan to construct power plants based on imported coal is a step in the right direction.

Bangladesh plans to generate 17.3 percent of electricity from coal by 2016 and 53 percent by 2030, said the power secretary.

At present, the country produces 250 megawatt of electricity from Bangladesh's single coal-based power plant located at the Barapukuria coal field.

Foreign investment in stocks almost doubles

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"This is the right time to invest in the Bangladesh stockmarket as the market is lucrative for long-term investments," said Pusterla, also a member of the management team of the Geneva-based private bank Banque Morval.

Rahman, similarly, said it was the right time for Bangladeshi institutional investors to go for long-term investment.

"Foreign investment flow increased in the June-July period thanks to favorable macroeconomic indicators and market dynamics," said Mohammed Rahmat Pasha, chief executive officer of BRAC-EPL Stock Brokerage Ltd.

On the macroeconomic front, inflation reached a new low, the dollar rate had stabilised for months, and the budget, overall, was optimistic, Pasha said.

Overall inflation declined by 0.10 percentage points to 7.93 percent in August, according to data from Bangladesh Bureau of Statistics.

"Generally, foreign investors like to enter the market after the dollar rate appears stable. This is an important criterion for them," he said.

"Furthermore, the index was lower and several fundamentally strong stocks were lower than the foreign investors' valuation -- they were available at a bargain."

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Kazi Akramuddin Ahmed, chairman of Standard Bank, inaugurates the bank's 70th branch at Uttara in Dhaka recently. SA Farooqui, managing director, was also present.



Nasir Uddin, chairman of Social Islami Bank, inaugurates the "Disaster Recovery Centre" of the bank at its Uttara branch in Dhaka recently. Muhammed Ali, managing director, was also present.