

Stocks continue gaining streak

STAR BUSINESS REPORT

Stocks gained for the second day yesterday as investors went on a buying spree.

DGEN, the benchmark general index of Dhaka Stock Exchange, finished the day at 4,482.54 points, after surging 13.77 points or 0.31 percent.

"Investors are waiting for the third quarterly earnings declarations before making any long term investment decision. Most of the shares saw suppressed volume," said LankaBangla Securities, a stockbroker.

Fund requirement for initial public offering purpose may have drained out some fund from the market, it said.

The market started with a gain of 58 points within 1.5 hours. However, subsequent sale pressure caused marginal gain at the last trading hour.

"Investors were investing some por-

tion of their total portfolio and kept the rest aside, to invest in stocks based on good quarterly earnings rather than full-fledged investment right at this moment," said IDLC Investments, a leading merchant bank.

Despite marginal movement of the overall market, 23 scrips of bank sector out of total 30 and 27 of non-life insurance out of total 34 advanced, it said.

Turnover declined 8.5 percent to Tk 485 crore, compared to the previous day, which is the lowest in last one month.

A total of 1.16 trades were executed with 11.88 crore shares and mutual fund units changed hands on the Dhaka bourse.

Among the major sectors, general insurance gained 1.42 percent, bank 0.90 percent and engineering 0.87 percent.

Of the total 277 issues that traded on the DSE, 146 advanced, 117 declined and 12 remained unchanged.



BANK ASIA

Aminul Islam, deputy managing director of Bank Asia, poses with participants of a credit management training at its concluding ceremony at the bank's training institute at Panthapath in Dhaka yesterday. KSA Ansari, first vice president, was also present.

Cement industry ripe for foreign investment: Barua

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Bangladesh cement industry has potential to attract foreign investment owing to the tremendous growth shown over the last five years, Industries Minister Dilip Barua said yesterday.

"We have favorable investment climate. As a result, many local and foreign investment projects have been taken up - and they are being lauded by many around the world."

Barua's comments came at the opening of a three-day conference on the cement industry, organised by Interchem in association with The Bangladesh Cement Manufacturers Association at the capital's Pan Pacific Sonargaon Hotel.

The conference is attended by cement manufacturers from a total of 30 countries -- including the USA, Germany, China, India, Pakistan, Turkey, Japan, Sri Lanka, Iran, United Arab Emirates and Singapore.

The industry's output at present is 22 million metric tonnes, when its actual capacity is 15-17 million metric tonnes, he said.

Ikram Ahmed, vice chairman of Seven Circle BD Ltd said: "Our per capita cement consumption still remains poor, only 83kg compared with the world average of 430 kg, meaning there is a strong opportunity for growth of Bangladesh's cement industry."

Cement consumption per capita in India is 174kg, 131 kg in Pakistan, 178 kg in Sri Lanka and 408 kg in Pakistan.

"We have investment-friendly financial and legal systems, which would support the foreign companies," said Ahmed, while adding that Bangladesh has a good environment thanks to its low carbon production.

Shah Cement is the market leader with 16 percent of the market share, followed by the multinational Heidelberg at 10 percent, Meghna and Seven Circle 8 at 8 percent each and Holcim at 7 percent, as per IDLC Investment.

GP returns extra amount

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The mobile operator yesterday sent out a text message to its subscribers to apologise over the matter and inform of their plan to carry out the balance adjustment.

Pre-paid subscribers would be reimbursed in the next 48 hours, while the post-paid users would have their bal-

ance adjusted with the current month's bill.

Banglalink, the country's second largest operator, were also served with the same notice from the telecom regular -- but they are yet to act upon it.

The deadline to implement the 10-second pulse directive was September 15.

India Show kicks off in Dhaka in December

STAR BUSINESS DESK

An exhibition of Indian goods and services will be held in December in Dhaka for enhancing bilateral economic cooperation between the two neighbouring countries.

The fair styled 'India Show' is scheduled to begin in the first week of December at Bangabandhu International Conference Centre, India-Bangladesh Chamber of Commerce and Industry (IBCCI) said in a statement.

The commerce ministry of India will organise the fair in association with the Federation of Indian Chambers of Commerce and Industry (Ficci) and the Indian High Commission in Bangladesh.

Around 150 Indian companies and a 300-member delegation from India are expected to participate in the show.

A few seminars on trade and invest-

ment-related issues will be organised on the sidelines.

A three-member team from the Ficci already held a meeting with the IBCCI members on Sunday at Nitel Centre's conference room in Dhaka.

Goutam Ghosh, director (South Asia), and Jasmeet Singh, deputy director of Ficci, briefed the meeting on the objectives of the show in Bangladesh.

Ficci leaders said, in addition to showcasing Indian goods and services, the main objective of the show is aimed at enhancing bilateral economic cooperation through increased Indian investments in all prospective sectors under joint venture with Bangladeshi entrepreneurs.

Pankaj Saran, Indian High Commissioner to Bangladesh, B Shyam, first secretary (commercial) of the High Commission, and Abdul Matlub Ahmad, president of the IBCCI, also spoke.



IBCCI

Pankaj Saran, India high commissioner to Bangladesh, attends a meeting between the Federation of Indian Chambers of Commerce and Industry (Ficci) and India-Bangladesh Chamber of Commerce and Industry (IBCCI) recently to organise an exhibition, India Show. Ficci and IBCCI will organise the show in the capital in December. Abdul Matlub Ahmad, president of IBCCI, was also present.

Economists call for better investment regime

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"The government will have to raise the productivity of its investment. But it will not take place if the government cannot bring in major reforms in its administration."

He warned the government of fiscal indiscipline, as governments everywhere overspend as elections draw close.

The comments came at a programme on the state of the economy, organised by the BRAC Business School at BRAC University.

Khan, also a professor at BRAC University, said the country's rising dependence on imported energy is the Achilles' heel of the economy.

"This is a major problem. If we do not address it urgently we will have to pay in the long run."

He said the country might not be able to unleash the creativity of the private sector due to the high government borrowing from the banking sector.

AB Mirza Azizul Islam, an adviser to a former caretaker government, said it remains to be seen whether the government would be able to finance its budget deficit.

He said the government claims it has successfully put the deficit at 4.4 percent in terms of GDP in recent years -- and therefore, lower than the tolerable 5 percent-mark.

"But it is not because of our astounding success in revenue mobilisation, but because of our failure to undertake investment activity on the scale we needed, given the fact that we have tremendous shortage of infrastructure."

He cited administrative incompetence, regulatory complexity, lack of transparency and potential emerging of confronta-

tional politics as some of the key challenges the country is facing at present.

He said 6 percent might be a respectable rate of growth for Bangladesh.

Shamsul Alam, a member of planning commission, said the state of the economy is healthy as almost all indicators of the economy are showing positive trends.

He however said the country needs to raise its investment-GDP ratio to 32 percent from the current stagnant ratio of 24 percent.

"The country will also have to woo in foreign direct investment upwards of \$1 billion a year, as Vietnam attracts about \$15 billion per year."

Zahid Hussain, senior economist of the World Bank, said sustenance of longer-term growth poses a challenge for Bangladesh.

Although Bangladesh has done well on the poverty reduction front, he thinks it has not well in terms of reducing vulnerability of the poor.

"Any shock can quickly bring them down to the poverty line."

He said serious policy action is needed to help the country solve its infrastructure deficiency.

"Otherwise, we will not be able to achieve development targets."

Quazi Mesbahuddin Ahmed, managing director of Palli Karma-Sahayak Foundation (PKSF), said the 7.2 percent growth seems to be completely unattainable under the present circumstances.

Prof Mamun Rashid, director of BRAC Business School, said most indicators of the economy are showing upward trend -- but politics is not keeping up with the economic successes.

"Positive political intervention is necessary to drive our growth," he said.

AKIJ CERAMIC
Promise of Perfect

Sheikh Bashir Uddin, managing director of Akij Ceramics, speaks at a function to reveal the company's new logo at Ruposhi Bangla Hotel in Dhaka on Monday.

ICCB team attends UNESCAP meeting in Malaysia

STAR BUSINESS DESK

A team of International Chamber of Commerce-Bangladesh (ICCB) attended the UNESCAP Business Advisory Council Meeting in Kuala Lumpur on Sunday, said a statement.

ICCB President Mahbubur Rahman, ICCB Vice-president Rokia A Rahman and DCCI President Asif Ibrahim were among the delegates.

Rokia and Ibrahim were also scheduled to attend the Asia Pacific Business Forum 2012 in Kuala Lumpur on October 15-16.

Rokia moderated a session on education and training besides being a panelist at the session on "enhancing business competitiveness through trade and investment liberalisation (business perspective)". Ibrahim was a panelist at a session on "non-traditional opportunities in business and development".

The ICCB president along with ICCB Executive Board members Barrister Rafique-ul Huq, senior advocate of Bangladesh Supreme Court, and Mahbub Jamil, chairman of Singer Bangladesh Ltd, was also scheduled to attend a series of meetings in Jakarta during October 15-17 including the World Export Development Forum.

International Trade Centre in cooperation with the Ministry of Trade of Indonesia will organise the forum to be inaugurated by Indonesian President Susilo Bambang Yudoyono.

The delegates have also been invited to attend the inauguration of "Indonesian Expo" to be held at Jakarta International Trade Fair Complex today.

The ICCB team is likely to return to Dhaka on

IDLC launches loans for property registration

STAR BUSINESS DESK

IDLC Finance Ltd has recently launched a new kind of loan -- RegistraLoan -- to help people registering their property, the non-bank financial institution said in a statement yesterday.

The loan facility offered to service holders, professionals, self-employed people and business persons will help secure ownership of apartments, commercial spaces and land.

RegistraLoan is aimed at helping customers cover the registration cost of the property already purchased or already under possession.

Those who have already registered their property using own financing are also eligible to avail the product, according to the statement.

"Property registration costs have increased enormously over the past few years and many property-owners are finding it difficult to manage this large additional cost," said Selim RF Hussain, chief executive officer of IDLC Finance.

"We believe that 'RegistraLoan' will significantly expedite real estate ownership."

Eligible customers may avail a limit of up to Tk 20 lakh with a maximum payback period of 10 years at

British annual inflation grinds close to three-year low

AFP, London

British annual inflation slowed close to a three-year low at 2.2 percent in September, official data showed Tuesday, but analysts warned recent domestic energy price hikes would reverse the decline.

The 12-month rate compared with inflation of 2.5 percent in August, the Office for National Statistics (ONS) said in a statement. The Bank of England's target stands at 2.0 percent.

"The Consumer Prices Index (CPI) annual inflation stands at 2.2 percent in September 2012, down from 2.5 percent in August. This is the slowest rate of inflation since November 2009, when it was 1.9 percent," the ONS said.

September's level matched analysts' consensus forecast, according to a survey by Dow Jones Newswires. The CPI advanced 0.4 percent in September on a month-on-month basis.

A Treasury spokesman said that September's fall in the inflation rate would bring "welcome relief to the budgets of families and businesses".

The ONS added the inflation rate dropped last month as energy price rises in September 2011 were not repeated.

However, over the past week, a raft of British energy companies have announced new large increases to gas and electricity prices.

Four of the country's "Big Six" domestic energy providers -- British Gas, npower, Scottish Power and SSE -- have all unveiled bumper price increases in recent days.

"UK inflation fell to within a whisker of its 2.0 percent target in September, although the fall is likely to be the last for a while," said Vicky Redwood, chief UK



SIBL

Md Rezaul Haque, former chairman of Social Islami Bank, inaugurates the 82nd branch of the bank on Satarkul Road in Badda of Dhaka yesterday. Muhammed Ali, managing director, was also present.



GLOBAL INSURANCE

Md Abdul Muktedir, chairman of Global Insurance, inaugurates the company's 22nd branch in Feni recently. Fariduddin Khan Siddiqui, managing director, was also present.