

Draft demutualisation bill gets a go-ahead

UNB, Dhaka
The cabinet yesterday gave a final approval to the draft of the Exchanges (Demutualisation) Bill, 2012 that seeks to ensure transparency, efficiency and accountability in the capital market through separating the ownership of stock exchanges from the management.

The approval was given at a meeting of the cabinet at the Prime Minister's Office with Prime Minister Sheikh Hasina in the chair.

After the meeting, Cabinet Secretary M Musharraf Hossain Bhuiyan said, in the October 9 meeting of the cabinet, in principle, gave approval to the law and asked the concerned ministry to make a Bangla version of that law.

"The Banking and Financial Institution Division of the finance ministry made a draft of the law in Bangla

version and got this version vetted from the law ministry," he said. The law is very important for the country's capital market, Bhuiyan said.

Terming the proposed law as epoch-making, the cabinet secretary said it will separate the management of the stock exchanges from their ownership.

Under the proposed law, the majority directors will be elected from independent category and the members of a stock exchange will not be allowed to retain more than 40 percent of the issued shares.

Similar law is in vogue in around 50 countries of the world, including neighbouring India, Pakistan and Sri Lanka.

Bhuiyan said the law, which is likely to be enacted by December this year, will be implemented gradually in five years. "The government won't

implement the law immediately." He said the proposed law has defined the jobs of everybody relating to the stockmarket.

The cabinet meeting also approved the final draft of the "National Integrity Strategy" seeking to build Bangladesh as "Sonar Bangla".

The cabinet secretary said the cabinet division has prepared the draft of the strategy after consultations with all ministries, divisions, constitutional and statutory bodies, and the civil society.

In order to implement the strategy, there will be a National Integrity Advisory Committee headed by the prime minister.

He said establishing integrity is a vast work and the government cannot alone implement it. "It should be established in government and non-government organisations also."

Stocks end flat on cautious investment

STAR BUSINESS REPORT

Stocks ended flat yesterday, as institutional investors preferred monitoring the market while small investors sold shares for cash ahead of the Eid festival.

DGEN, the benchmark general index of Dhaka Stock Exchange, finished the day at 4,458.57 points, after gaining 1.76 points or 0.04 percent.

"The bourse observed another session of flat movement. The benchmark index DGEN got stable at 4,450 points level over the last nine sessions, while turnover declined due to a decrease in spontaneous participation of investors," said IDLC Investments.

Investors got more cautious and adopted a 'wait-and-see' policy, the merchant bank said, adding that withdrawal of fund from the market has declined, as only three sessions left before the festival.

Turnover declined 11.92 percent to Tk 369 crore than the previous day. A total of 88,000 trades were executed with 8.94 crore shares and mutual fund units changing hands on the Dhaka bourse.

Banks gained 0.41 percent followed by power 0.23 percent and pharma 0.05 percent.



Ekramul Hoque, managing director of Al-Arafah Islami Bank, and Kamal U Ahmed, president of Placid Express, attend a programme where the companies signed a deal in Dhaka on Sunday. Expatriate Bangladeshis can now remit money through the bank and the money changer.

Emirates increases flights to South East Asian destinations

STAR BUSINESS DESK

Emirates Airline is increasing its services to three of its destinations in South East Asia: the Philippines, Indonesia and Malaysia, according to a statement of the airliner yesterday.

From December 3 this year, the number of flights on the Dubai to Kuala Lumpur route will be increased from three daily to 25 a week. There will be 26 flights a week from February 6, 2013.

Starting from January 1, 2013, Emirates will introduce a third daily, non-stop flight to Manila; with a third daily, non-stop service beginning on March 1, 2013 to Jakarta.

"Due to the strong demand we are experiencing, Emirates has added much-needed seat capacity on its flights to Jakarta, Kuala Lumpur and Manila. The extra daily flights will increase capacity on the Jakarta and Manila routes by 50 percent," said Salem Obaidalla, Emirates' senior vice president for commercial operations for Far East and Australia.

Emirates began services to the Philippines in 1990, Indonesia in 1992 and Kuala Lumpur in 1996.

Sustainable banking boosts sales of small businesses: study

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The GABV is a network of 20 of the world's leading sustainable banks from Asia, Latin America, North America and Europe.

BRAC Bank and BRAC Microfinance Programme are the only members from Southeast Asia to the global alliance.

The meeting, hosted by BRAC Bank, is part of a series of meetings in different parts of the world to streamline the uniform practices of sustainable banking.

"GABV takes SME financing of BRAC Bank as a model for sustainable economic development. It makes us proud that GABV banks intend to replicate the financing model of a Bangladeshi bank," said Muhammad A (Rume) Ali, chairman of BRAC Bank.

"We focus on meeting financial needs of small entrepreneurs at grassroots level, who are missed out in traditional banking system, for their financial inclusion," said Syed Mahbubur Rahman, managing director of the bank.

Development of uniform global practices of sustainable banking will encourage more banks to join in the alliance which will help fight financial crisis globally, Rahman said.

David Korslund, senior adviser to GABV; Martin Rohner, chief executive officer of Alternative Bank of Switzerland; Pierre Aebly, chief financial officer of Triodos Bank from the Netherlands; Linda Morris, a senior vice president of Vancity Credit Union in Canada; and Salvador Menjivar, executive director of One Pacific Coast Bank, USA, were also present.

GP net profit slumps

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Its total revenue during January-September was Tk 6,927 crore with a 4.6 percent growth over the same period last year.

"This growth was mainly contributed by non voice services and wholesale business," the company said.

Grameenphone invested Tk 287 crore during the third quarter to expand network capacity and enhance quality.

It contributed Tk 2,463 crore to the national exchequer as taxes, VAT and duties, and 2G renewal fees.

Mobile users suffer as top-up vendors go on strike

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Bangladesh Mobile Phone Baboshaye Association, a platform of mobile top-up vendors, called the strike to mainly press home their demand for a raise in commission from Tk 27 to Tk 100 for every Tk 1000 recharged.

Aminul Islam, president of the association, said almost all vendors are observing the strike country-wide, along with demonstrations.

"There have been price hike in all sectors, but the top-up vendors had the same 2.7 percent commission for the past decade," said Islam.

He further said the mobile operators, who are responsible for the increase in commission, are not sitting with the association.

Moreover, the individual operators refuse to talk about the issue as it is an industry matter.

The other demands include distribution of recharge SIM only through the association; charging 25 paise per minute round-the-clock for calls made from public-call-office SIMs; and no unregistered business would get permission to recharge.

They also asked for remuneration of their due amount from the three fixed phone operators who have folded up their operations.

The vendors went on a strike on the issue earlier



Kabita Chowdhury, wife of Square Group chairman, and Ratna Patra, vice chairman of the group, inaugurate Taantighar, a handloom sari house, in Pink City of Gulshan in Dhaka yesterday.



Sohail RK Hussain, additional managing director of City Bank, and Shouvik Bhattacharya, managing director of Siemens, sign a corporate cards deal in Dhaka recently. City Bank American Express corporate cards automate the official expense management process of Siemens.

Nestle's sales jump 11pc

AFP, Geneva

The world's biggest food company Nestle reported on Thursday an 11-percent rise in sales during the first nine months of the year to 67.6 billion Swiss francs (55.9 billion euros, \$73.1 billion), and confirmed its full-year guidance.

The group said in a statement it had grown "in line with our expectations" during the January-September period.

The company had achieved 11.7-percent organic growth in emerging markets amid an improved product range.

In "intensely competitive developed markets," it had meanwhile managed to grow 2.4 percent, "in spite of a general economic malaise and low levels of consumer confidence," company chief executive Paul Bulcke said in the statement.

"Our continued momentum in real internal growth, combined with some easing of input cost pressures, allows us to confirm our full-year outlook," he said.

The Swiss company said it expected to achieve between 5.0 and 6.0 percent organic growth this year, as well as "improved margin and underlying earnings per share in constant currencies."

China eyes tepid rebound

REUTERS, Beijing

China likely hit the bottom of a seven-quarter long economic downturn between July and September, but the slowest three months of growth since the depths of the financial crisis and a cloudy housing market outlook make recovery prospects tepid.

GDP grew 7.4 percent in the third quarter from a year ago, the National Bureau of Statistics (NBS) said, in line with forecasts of economists polled by Reuters who expected the first miss of the official target since Q1 2009's 6.5 percent.

Industrial production, retail sales and investment data were all slightly ahead of forecasts, however, and quarter-on-quarter GDP growth was strong, suggesting the worst may be over and the world's No.2 economy will pick up in the final quarter - as a once-a-decade leadership transition gets under way in Beijing.

"Those fearing a hard landing will be able to sleep a little better tonight, but those positioned for a clear recovery might be disappointed," Alistair Thornton, senior China economist at IHS Global Insight wrote in a client note.

"The picture is one of emerging stabilisation, not the return of unbridled optimism."

Annual economic growth in the first nine months of the year was 7.7 percent, down slightly from a 7.8 percent rate in the first half of the year, but the NBS insisted China would meet or exceed the government's official

2012 target of 7.5 percent.

"We have 7.7 percent growth in September, which laid a solid foundation for achieving the full-year growth target. So we are confident that we can achieve 7.5 percent full-year growth or above," NBS spokesman, Sheng Laiyun, told a news conference.

Riskier assets reacted positively, with Asian shares outside Japan rising to a 7-month high, while the Australian dollar, sensitive to Chinese demand for industrial commodities, touched its highest in two weeks.

HEALTH WARNING

While GDP growth at 7.4 percent would be cause for joy in recession-stalked developed economies, it represents a sharp slowdown for China, where GDP grew 9.2 percent in 2011 and has averaged an annual rate around 10 percent for three decades.

Fixed-asset investment rose 20.5 percent in January-September from a year earlier, ahead of the 20.2 percent consensus forecast, although still down from around 25 percent seen for most of last year.

Consumption also quickened, with retail sales in September expanding by 14.2 percent year-on-year, ahead of the 13.2 percent forecast, which would have been unchanged from August.

Growth in factory output came in at 9.2 percent, slightly ahead of both the 9.0 percent forecast and August's 8.9 percent.

Meanwhile the NBS revised five prior quarters of seasonally adjusted GDP data to show the economy bottomed in Q1.

EU to give 19m euros for poverty reduction: Barua

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"This grant scheme is basically a direct financial assistance to clusters and business intermediary organisations. Eight priority sectors have been identified for the assistance," he said.

The priority sectors are: agro-processing, natural fibres, leather, plastics, light engineering, electronics, furniture and textiles, Barua said.

"Small and medium enterprises constitute 90 percent of the private sector enterprises and 70-80 percent of the non-agricultural workforce."

The SME sector employing around 25 percent of the total labour force contributed up to 25 percent to the gross domestic product last year and about 40 percent to the gross manufacturing output, he said.

The EU is also an important export destination for Bangladeshi products, he said. In most cases Bangladesh enjoys trade surplus with European countries, he said.

The EU is the second destination for Bangladesh's RMG sector, the country's main foreign currency earner where most of the



Arif Dowla, chairman of Mutual Trust Bank, attends the launching of MTB Care, a unique savings project of the bank for children with special needs, at a function at Gulshan in Dhaka recently. Anis A Khan, managing director, was also present.



Muhammad A (Rume) Ali, managing director of BRAC Enterprises and Investments, poses with the first batch of female trainees of goat artificial insemination workers of the company at a certificate giving ceremony, in Dhaka on Monday. Rabeya Yasmin, director of BRAC Community Empowerment Programme, was also present.