

# Stocks gain on after-Eid expectations

STAR BUSINESS REPORT

Stocks gained for the second day yesterday, as investors went on a buying spree anticipating a positive market trend after the Eid vacation.

DGEN, the benchmark general index of Dhaka Stock Exchange, finished the day at 4,574.97 points, after surging 59.07 points or 1.03 percent.

The country's two bourses will remain close from today for six days for Eid and Puja vacation.

Some big institutional investors are yet to become active in the market in full swing to boost investors' participation, according to analysts.

"Investors waited earlier for the quarterly earnings, started their cautious move to take position as

some earnings were disclosed for the quarter ended in September. In addition, as the sale pressure declined, market had some room for upturn," said IDLC Investments.

"However, participation kept low as bulk investment kept silent, so did their followers. Liquidity of the money market was satisfactory before the upcoming festivals," said the merchant bank.

Turnover rose 16.69 percent to Tk 397 crore than the previous day.

A total of one lakh trades were executed with 9.73 crore shares and mutual fund units changing hands on the Dhaka bourse.

Among the major sectors, telecom rose 3.93 percent, life insurance 1.86 percent, tannery 1.44 percent and textile 1.46 percent.

Of the total 274 issues that traded

on the DSE, 191 advanced, 65 declined and 18 remained unchanged.

United Airways featured in the most traded stocks chart with 1.53 crore shares worth Tk 46.38 crore changing hands.

Delta Spinners was the biggest gainer of the day, posting a 9.77 percent rise, while Libra Infusions became the worst loser, plunging by 9.58 percent.

CSCX, the selective categories index of Chittagong Stock Exchange, finished the day at 8,897.14 points, after gaining 101.52 points or 1.15 percent.

Gainers beat losers 116 to 48 with 18 securities remaining unchanged on the port city bourse that traded 1.17 crore shares and mutual fund units with Tk 45.53 crore in turnover.

# Jute needs more genetic research: experts

STAR BUSINESS REPORT

Experts yesterday stressed the need for doing research on genetic improvement of jute to invent new jute seeds for farmers.

"Molecular approaches can help modifying jute," said Haseena Khan, who teaches biochemistry and molecular biology at Dhaka University.

In order to broaden the genetic base of jute it is necessary to implement an efficient jute breeding and transformation programme for developing stress-adapted jute, she said.

She spoke while presenting the keynote paper at a general meeting on "Emerging directions of jute gene technology" at Asiatic Society in the capital.

However, Haseena said

high moisture absorption capacity and drainage properties are key features characterising jute as an eco-friendly fibre.

The fibre possesses high tensile strength and is resistant to heat and fire, she said.

"These natural characteristics of jute, together with its excellent antibacterial, acaricidal and antimildew activity and ultraviolet protective function have always attracted the attention of the environmentalists."

She also urged the government to allocate more fund to run research on genetic improvement of jute at universities.

Professor Nazrul Islam, former chairman of University Grants Commission, was also present.



Prime Minister Sheikh Hasina receives a cheque for Tk 2 crore for the premier's relief fund from Exim Bank Chairman Md Nazrul Islam Mazumder in Dhaka yesterday.

# Atiur meets institutional investors in Singapore

STAR BUSINESS DESK

Bangladesh Bank Governor Atiur Rahman on October 16 met with some institutional investors in Singapore on his way back from the annual IMF-World Bank meetings in Tokyo.

The meetings were arranged by Standard Chartered Bank, according to a statement of the bank recently.

The list of investors included institutions such as PIMCO, Lion Global Investors, and BlackRock, who collectively manage over \$5 trillion of assets globally.

A lunch for key regional investors, including well-known private banks and other important asset managers was also held.

During the meetings, the BB chief reiterated Bangladesh's strong and consistent economic growth, positive balance-of-payments position, growing exports, rising foreign exchange reserves and falling poverty.

He also spoke on the challenges the country faces in areas such as weak infrastructure and low revenue generation and how these areas could be transformed into opportunities.

Investors expressed keen interest to invest in Bangladesh, suggesting they would look to make sizable investments in a debut sovereign bond and/or local currency government bonds.

The central bank governor was accompanied by Jim McCabe, Bangladesh CEO of Standard Chartered, and Abrar Anwar, managing director for wholesale banking.

# Destiny to get administrators in three weeks

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Hussain said the commerce ministry has already withdrawn the proposed provision of giving "indemnity power" to the administrators from the law as such absolute authorities might be abused by some quarters.

The ministry also added a "safety clause" to the law so that future governments cannot use it for political purposes, the secretary said.

The secretary said the ministry will also scrutinise whether appointment of administrators in any private company is anti-constitutional, as article 40 and 42 of the constitution prohibit such a move.

However, the move to amend Bangladesh Companies Act 1994 and to appoint administrators to any troubled company like Destiny Group drew criticism from business community.

The cabinet approved in principle a proposed

# Legal experts oppose administrators to firms

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Asif Ibrahim, president of Dhaka Chamber of Commerce and Industry, said the investigation into affairs of companies by the ACC is an unnecessary encroachment of authoritative intervention, which may create a regime of fear in the business environment.

"There is an apprehension that the section may be used in an inappropriate way in our political system," he said.

Commerce Secretary Ghulam Hussain said the government has not taken any final decision yet in appointing administrators.

"The cabinet only gave approval in principle," he said, while adding that the government plans to only appoint administrators to companies involved in fraudulent practices.

"There will be adequate safeguards so that the interests of the good companies are protected," Hussain further said, while assuring that the government would not appoint administrators to politically harass businesses.

He said the commerce ministry would sit with the stakeholders, including the business community, on October 30 this year to listen to their suggestions on the act.

Hussain said the government plans to amend the act as many of its clauses do not meet the needs of the day.

"Perhaps the country needs a new law instead of changes to some sections of the act."

Eminent legal expert Barrister Rafiqul Haque said the act should be formulated in a way that helps expand the economic activity in the country and arrest fraudulent activities.

Shahadat Hossain, a chartered accountant, said the administrators' responsibilities should be outlined definitively; otherwise, the companies could fold up. "The administrators should also not be given any indemnity," he said.

Abbas Uddin Khan, a former member of Securities and Exchange Commission, said the new act should give protection to investors.



TRANSKOM ELECTRONICS

Jafur Alam Khan, general manager for electronics and appliances business at Transcom Electronics, and Rashid Ahmed, executive director at Coral Reef Properties, attend the signing of a deal between the two companies, at Best Western Hotel in Cox's Bazar recently. Tanscom will supply and install commercial air conditioner of GREE at the hotel.



CITY BANK

K Mahmood Sattar, managing director of City Bank; Roger Hennekens, investment officer for financial institutions in Asia, and Corine Pannekoek, senior portfolio analyst for Asia of Netherlands Development Bank; attend a programme where the banks signed a term loan facility at City's head office in Dhaka recently. De Jong, Netherlands' ambassador to Bangladesh, was also present.

# Unauthorised banks asked not to do business in foreign currency

STAR BUSINESS REPORT

Bangladesh Bank (BB) yesterday warned unauthorised banks not to do business in foreign currency.

BB in a circular said it observed that some non-authorized dealer branches of banks are carrying out foreign currency activities.

According to BB rules, only authorised dealer branches can undertake foreign currency operations after getting approval from the central bank's Foreign Currency Policy Department.

"It is not acceptable that non-authorized dealer branches get engaged in foreign currency transaction or purchasing bills in foreign currency," according to the circular.

# BERC gets acting chairman

STAR BUSINESS REPORT

M Emdadul Haque, currently a member of Bangladesh Energy Regulatory Commission, yesterday was appointed as the acting chairman of the commission.

Haque, who replaced Syed Yusuf Hossain, will continue the additional duty until a new chairman is appointed, according to the Press Information

# Young leaders hold the key to future

FROM PAGE B1

Yunus Social Business Global Initiatives has set up Yunus Social Business Haiti SA as an incubator, as well as the Yunus Social Business (YSB) Fund Haiti.

While the incubator searches, coaches and selects social businesses, the fund provides loans and equity after a thorough and due diligence process.

YSB Haiti, an incubator fund for social businesses in Haiti, concluded its 2012 conference on the topic of "eradicating poverty in Haiti through social business".

Following the conference, Dr Yunus and YSB Haiti launched a nationwide

social business ideas competition at an event attended by more than 500 students from 17 Haitian universities.

The goal of the competition is to engage Haiti's youth in crafting innovative and business-oriented solutions to rebuild the country's economy.

The YSB Fund has raised around \$4 million from investors, including a \$6.5 lakh investment from founding partner SAP AG, \$5 lakh from Artists for Haiti founded by actor Ben Stiller.

To date, the YSB fund has invested in six social businesses, including two poultry farms and a poultry processing plant.

Initial investments in each of these social businesses range from \$80,000 to \$5 lakh which will be recouped over a 6-10 year horizon.

Dr Yunus was the keynote speaker in the International Microfinance Conference 2012 held at Yogyakarta, Indonesia, on October 22.

The conference was inaugurated by President Dr Susilo Bambang Yudhoyono who thanked Yunus for helping Indonesia in creating its nationwide microcredit programme, towards building inclusive financial system. The conference was attended by 400 delegates from 38 countries.

# Magazines vs digital startups

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There's something scary and random about the magazine industry -- and in the world of magazines, failure hurts, much more than it does in Silicon Valley, where it's a veritable badge of pride.

I'm not saying that print is dead: it isn't. That said, it's definitely showing symptoms of old age and decline -- and all those high-tech pill bottles labeled "mobile strategy" or "native advertising" aren't going to change the underlying diagnosis.

Venture capitalists don't mind pouring money into digital startups, because the value of those startups, if things go well, will rise ten dollars for every dollar the VC spends. That's an attrac-

tive business to chase. In the magazine industry, by contrast, it's still very much possible to make profits. But how much is your magazine worth? If you make \$10 million a year, but the value of your magazine is \$40 million lower each year than it was the previous year, you're not in a good position.

Moreover, what happens if you do fail? The failed magazine publisher has a dim future indeed; the failed digital-startup visionary is immediately showered with new opportunities.

I'm no great fan of VCs, while I've been a lover of magazines all my life. But the overwhelming majority of my media consumption these days is digital, and magazines in general are beginning to

seem a bit slow and uninspired. I go to the airport newsstand because I know I'll be asked to turn my electronic devices off -- and even then, more often than not, I end up buying nothing.

All the magazines I've had over the years have had some kind of "wow" factor -- something which made them seem a few steps ahead of wherever I happened to be. I still get that "wow" factor today -- but I get it almost entirely online. The age of the magazine is coming to an end, slowly; the age of digital is only in its infancy. And that is why, Simon, the uncertainties of digital ultimately trump the storied legacy of print.

Felix Salmon is the finance blogger at Reuters.

# It's a threat to private companies

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Such a faulty solution will rather misguide the private companies, he said.

"A powerful and unholy nexus within the government is trying to finalise the amendment for all the companies, setting the Destiny Group as an example," Rahman said.

The businesses do not support the idea of appointing administrators having 'indemnity power', said AK Azad, president of the Federation of Bangladesh Chambers of Commerce and Industry. "The move is a direct threat to the private sector."

Amjad Khan Chowdhury, president of Metropolitan Chamber of Commerce and Industry, also opposed the idea of giving 'indemnity power' to such administrators.

"The government should go through a legal process to appoint administrators only in the companies that do not serve greater interest of the people," Chowdhury said.

"The proposed amendment will be detrimental to the private sector. All the companies cannot suffer for the misdeeds of a single company," said Asif Ibrahim, president of Dhaka Chamber of Commerce and Industry.

Earlier, in a joint statement yesterday, International Chamber of Commerce-Bangladesh, Bangladesh Garment Manufacturers and Exporters Association, and Bangladesh Knitwear Manufacturers and Exporters Association also expressed concern over the proposed amendment to the companies act.



MEENA BAZAR

Anil Bandara, general manager for operations at Meena Bazar, and Nazra Mahjabeen Sabet, programme head of BRAC Enterprises, hand over an award to the winner of BRAC Chicken 'scratch & win' campaign at an outlet of Meena Bazar recently.