

Stocks tumble on the back of fresh political unrest

STAR BUSINESS REPORT

Stocks returned to the red yesterday by breaking a six-day winning streak of 134.06 points, as investors went on a selling to pocket profits.

DSEX, the benchmark general index of the Dhaka Stock Exchange (DSE), finished the day at 4,126.75 points, after falling 27.86 points, or 0.67 percent.

DS30, a special index formed of 30 fundamentally good companies, dropped 9.09 points, or 0.6 percent, to close the day at 1,486.56.

"A turnover upswing tempted investors to take positions at the opening hour. However, as the session progressed, the pull of profit took over," IDLC Investments said in its market report.

"Besides, the fresh bout of political turmoil dampened investors' upbeat mood, resulting in a decline in turnover by 15.99 percent to Tk 287 crore."

A total of 85.60 lakh trades were executed, with 7.48 crore shares and mutual fund units changing hands on the premier bourse.

Of the 272 issues that traded on the DSE, 70 advanced, 176 declined and 26 remained unchanged.

The non-bank financial institutions registered the highest losses -- of 0.86 percent -- among the major sectors, followed by banks 0.47 percent, power 0.43 percent, pharmaceuticals 0.40 percent and telecommunication 0.11 percent.

Standard Ceramic was the biggest gainer of the day, posting a 9.27 percent rise, while Rahim Textile was the worst loser, slumping 8.81 percent.

United Airways was the most-traded stock of the day, thanks to its transaction of 99.65 lakh shares worth Tk 21.98 crore.

Unique Hotel and Resorts and Generation Next Fashions were the next most popular stocks.

CSCX, the selective categories index of Chittagong Stock Exchange, closed the day at 8,206 points, dropping 45.51 points, or 0.55 percent.

The port city bourse traded 1.15 crore shares and mutual fund units, with a turnover of Tk 36.69 crore.

Govt to set up software parks in all districts: minister

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The government will set up software technology parks in all districts to boost the information and communication technology sector, ICT Minister Mostafa Faruque Mohammed said yesterday.

The minister spoke at a roundtable at Bangladesh Association of Software and Information Services (BASIS) in the capital.

He visited Jessore, Rajshahi and Sylhet to scope out the places where the parks will be set up. Other districts will also see such parks in future, he said.

At the roundtable, he also declared ICT incubator of BDBL Bhaban at Kawran Bazar in Dhaka the first software technology park of the country and said the under-construction park in Janata Tower, which is also at Karwan Bazar, will be the second.

The park at the BDBL Bhaban will get uninterrupted electricity and internet, he said, adding that the ICT ministry is also

working to provide easy loans to the investors of the sector.

The initiative of setting software parks will encourage global ICT companies to invest in the country, according to the speakers at the roundtable.

They also stressed the need for setting up more ICT incubators in the city to help new entrepreneurs flourish.

Bangladesh could highlight itself as the land of freelancers or mobile technology, said former BASIS president Mahboob Zaman.

Another former BASIS leader Nahid Ahmed said the parks could also be set up on private initiatives to ensure rapid growth of the ICT sector.

Alam Kabir of BASIS highlighted the present scenario of the country's first software park. He said 43 companies under the park now generate Tk 49.30 crore in revenue annually.

Senior Vice President of BASIS Shameem Ahsan conducted the programme.



Md Shafiqur Rahman, managing director of Social Islami Bank, inaugurates an ATM booth of the bank in Shatkhira recently.

Sort legal disputes before 3G auction: GP chairman

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Brekke deemed the base price to be "excessive", while adding that the VAT on the licence fee was "not logical" as the operators pay taxes for the services.

The company, which deems its voice business to be saturated and sees future growth coming from data transmission services, however, is excited about the advent of 3G service in Bangladesh.

"When 3G will come you will see explosion of data usage," said the Grameenphone chairman, adding that the company has a 3G-ready network thanks to recent upgrades.

Brekke hopes the price of smartphones, needed to experience the best of 3G's capabilities, will become affordable for all with the roll-out of the service.

The company has seen its growth in subscriber base stagnate in recent months, and Brekke blames it on the SIM tax.

Regarding the employee outrage Grameenphone faced last year, Brekke said the company is in dialogue with the employees concerned to find an agreeable solution for all.

Brekke, who is also part of Telenor, Grameenphone's parent company's board, said the Norwegian telecommunication giant is now turning its attentions to Asia.

"There is tremendous scope for growth in Asia, in both the areas of voice and data," he said, adding that about half of the group's revenues come from its Asian concerns.

Telenor, which already has operations in Thailand, Malaysia, Bangladesh, Pakistan and India, is now looking to enter Myanmar.

Global telecom companies are now eyeing the lucrative Southeast Asian country, which is aiming to expand its telephone penetration between 75 and 80 percent by 2016 from the current level of around 10 percent.

Myanmar's communications and information technology ministry has launched tenders for two mobile phone licences, to which Telenor has expressed its interest.

Regarding the group's growth prospects in its home region, Brekke said: "Growth in voice service there [in Europe] is over. While there is still scope for data



Jalal Uddin Ahmed, chairperson of Social Marketing Company, speaks at the company's annual conference for 2012 at Sonargaon Hotel in Dhaka recently. Ashfaq Rahman, managing director, was also present.



Alamgir Kabir, chairman of Southeast Bank, attends the bank's annual business policy and planning conference for 2013 at Bashundhara Convention Centre in Dhaka yesterday. Ragib Ali, vice chairman, was also present.

Primary work of nuke power plant to begin in Sept

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He said the cost of setting up a nuclear plant varies from country to country, but was reluctant to disclose a figure. "We hope our cost will be lower than any other projects in the region," said the minister.

But the electricity generation cost will be higher than that of the hydro power project but one-third of the coal-fired power plant, he added.

Under the deal, Bangladesh will get \$500 million loan at LIBOR (London Interbank Offer Rate)+ 1 percent rate from Russia, for design, infrastructure development and training of the plant's personnel.

Local and international organisations will conduct a total of 62 tests for the preparatory works -- site design and construction -- to be completed by the end of 2014, said Osman. Of the total, local experts will perform 26 tests, he added.

The minister said the country's first-ever nuclear power plant will have all types of safety measures, which will protect the plant from all natural calamities.

The Russian government will provide fuel for the plant and take back the radioactive wastes of the reactor, as per the agreement. Responding to a question, the minister said the project will not be affected by government changeover.

Osman said a separate company will be formed to build and operate the project.

Meanwhile, four officials of Bangladesh Atomic Energy Commission made presentations on different aspects -- infrastructure, technical and legal -- of the proposed project.

The BAEC officials said about 19 infrastructure issues have been identified that need to be addressed as per recommendations of the IAEA and Russia.

The project's director Mohammad Shawkat Akbar said Bangladesh has completed the first phase and achieved most of the second phase of the three milestones set by the IAEA.

A total of 438 nuclear power projects are in operation and 63 are at the under-construction stage across the world, he said.

Russia will ensure all-out safety of the plant in Bangladesh as they will provide the latest technology, he said.

Akbar said about 1,660 people will be required for the proposed plant, and the government has taken different steps to create the required manpower in the next five years. As the vendor country, Russia will provide training, as well.

M Ali Zulquarnain, an official of BAEC, said fuel consumption of a nuclear power plant is very low in comparison to a coal-based plant.

For example, a coal-based power plant with a capacity of 1,000MW requires about three million tonnes of coals, while a nuclear power plant needs only 25 tonnes of nuclear fuel a year, he said.

Rahman Samina, a BAEC director, said a regulatory authority will be created under the newly enacted Bangladesh Atomic Energy Regulatory Act 2012 to oversee and regulate every activities of the proposed nuclear power plant.

Md Monirul Islam, a member of BAEC, said the project will require 260 acres of land for the plant site and 33 acres for housing purposes.

The plant is expected to be in operation for 60 years, with the option to extend by another 20 years.

Science and Technology Secretary Rafiqul Islam and BAEC Chairman SM Firoz also spoke.

Govt shelves rice export plan amid rising prices

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Earlier, the food ministry framed a proposal of allowing rice exports due to surplus production. Currently only aromatic rice is allowed to be exported.

In fiscal 2011-2012, net production of rice was 28.6 million tonnes and consumption 28.5 million tonnes, according to Bangladesh Institute of Development Studies.

In the current fiscal 2012-13, output of rice fell 3 percent to 22.58 lakh tonnes due to reduced acreage, according to Bangladesh Bureau of Statistics (BBS).

Production estimates of aman, the second biggest crop, are not finalised yet. But an official of BBS said the immediate past aman output might be equivalent to last year's. KM Layek Ali, convener of Bangladesh Rice Mills Association, also said the aman season did not record bumper output.

He blamed the spiralling prices of rice on the cold wave and a huge paddy purchase by millers.

"The cold wave is over. But its impact still remains. Many millers face problem in drying," he said. "Farmers also lost interest in taking care of their paddy fields due to low prices of their produce in the last one year and the recent spike in petroleum prices."

"Millers also do not have enough stocks to continue milling until the beginning of the next harvest in April. That's why, they are buying," said Ali.

Nirod Boron Saha, president of an association of rice and paddy wholesalers in Naogaon, blamed the huge purchases on the speculation of a low production in the next boro season.

"There is a forecast among businesses that crop will come late this year as seedlings in many areas were affected by fog and cold injuries," he said.

"As yield may drop due to delayed plantation, big traders are buying in larger volumes. But farmers are supplying less than the demand," said Saha, explaining the reasons behind the recent price spike.

Farmers also kept aside a portion of their lands for wheat and mustard cultivation discouraged by the low prices of rice, he said.

Prices of both paddy and rice have increased by Tk 3-4 each kg in the last two-three weeks, said the trader in Naogaon, one of the main rice and paddy markets in the north.

"At this moment, the government should not allow rice exports," he said.

Ministry advises PM to sign TICFA

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The proposed Trade and Investment Cooperation Framework Agreement (TICFA) is a platform for Bangladesh and the US to discuss bilateral trade issues, including trade barriers, opportunities and investment in the two countries.

"I sent a personal letter to her, requesting to sign the agreement as soon as possible," Commerce Minister GM Quader told The Daily Star by phone yesterday.

"Otherwise, it will be difficult for us to defend our logic for the continuation of GSP in the US market," Quader said, quoting the letter.

Quader reinitiated the move after receiving a letter from the United States Trade Representative (USTR) in December 21.

In the letter, USTR chief Ron Kirk urged Bangladesh government to address the workers' rights and bring the murderers of labour leader Aminul Islam to book.

In the summary sent to the prime minister, the commerce ministry said if the agreement is signed, a formal platform will be created to hold regular dialogues for resolving bilateral issues.

After the approval of the draft by the PM, it will be sent to the law ministry for

vetting and later will be placed in the cabinet meeting for a go-ahead.

If the TICFA is signed, Bangladesh's capacity in export to the US will increase, according to the summary.

The ministry said the country's exports to the US market will be hampered if the GSP facility is cancelled, although GSP covers very minimal of the total exports to the US market.

Other countries, where Bangladesh enjoys duty-free benefit on exports of garment items, might be influenced by the decision of the US, the summary said.

Removal of both tariff and non-tariff barriers and protection of the intellectual property rights can be ensured if the agreement is signed.

Meanwhile, Bangladesh submitted its "position paper" on the continuation of GSP to the USTR on Tuesday, said the minister yesterday.

The USTR earlier asked the commerce ministry to submit the position paper within January 31.

The Federation of Bangladesh Chambers of Commerce and Industry also sent a letter to the USTR, explaining the grounds for the continuation of the GSP.



Rupali Chowdhury, managing director of Berger Paints Bangladesh Ltd, attends a ceremony to present donation cheques to the representatives of nine organisations for the welfare of autistic children, including SEID Trust and Scholars Special School, at the corporate office of Berger in Dhaka recently.

Nano education: route forward for business

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The readers might still be wondering how education efforts lead to business and research initiatives.

Again, putting education in the core of development has been exercised in the western world as well as in our regions. The notion is that education will develop human resources, who either will join an existing workforce in the trained area or will generate demand for job growth in that area.

In parallel, the education structure will also likely encourage research initiatives in the respective field. Small businesses once established will likely require skilled workforce, which will in turn increase the demand and need for the educational and training activities.

Industries will also need new innovations to remain competitive in the national and world market; which will promote research. The educational institutes will collaborate with industries and also make an effort to establish independent research initiatives to compete in the education market. This will improve and foster education. This self-contained loop will thus result in a true impetus for development in a new area of interest.

Nanotechnology is a new field for Bangladesh. Beginning with research or investment in industrial sectors can be risky. A void in the trained workforce can compromise both such activities. However, given the high IQ and existing academic-savvy culture of our country, nano education programmes should be the first step to encourage subsequent business and research efforts.

The strategy outlined in this article is one of the many routes that can be followed in Bangladesh. The author currently is leading a nano education effort in his institution funded by the US National Science Foundation. The experiences therein have guided the strategy discussion in this article. The academics, industry professionals, and policymakers of Bangladesh and those who are pursuing nano-related research and education elsewhere, should be brought together to formulate a comprehensive plan for nanotechnology development in Bangladesh. New ideas and strategies will likely emerge from the unique experiences of the other experts, which can only help in taking the most appropriate measures for our country and establish a truly successful nanotechnology education, research, and entrepreneurial programme.

The author is an assistant professor at the University of South Carolina (USC), USA. He currently supervises multiple research projects on nanoscience and nanotechnology at USC.

Correction

In a news item -- Biman gets \$118m from BB in a special deal -- published yesterday, it was mistakenly mentioned that Bangladesh Bank kept a deposit of \$118 million with Sonali Exchange UK, the London-based subsidiary of Sonali Bank.

Actually the BB deposited the amount with Sonali Bank (UK Ltd), which is not a subsidiary of Sonali Bank. It is a separate bank in London where the Bangladesh government holds 51 percent stake and Sonali Bank 49 percent.

We regret the mistake.