

Rice prices spiral amid fears of low yield



Prices of different varieties of rice rose by Tk 2 a kg in the last one week.

SOHEL PARVEZ

Rice prices are on the rise amid speculations about lower boro production due to reduced acreage, stakeholders said yesterday.

Prices of different varieties of the staple rose Tk 2 a kilogram in the last one week.

The increased prices are likely to stoke inflation, which slipped to 7.86 percent in May from 7.93 percent in April, thanks to stable food

prices in the past couple of months.

A kilogram of fine rice, consumed mainly by mid-income households, now sells at Tk 36-50 in city markets, up from Tk 34-48 a week ago, according to Trading Corporation of Bangladesh.

Prices of medium category rice rose to Tk 35-37 a kilogram from Tk 34-36 a week ago. Prices of coarse rice also advanced.

The Directorate General of Food plans to start open-market sales of

rice as part of its move to curb the spiral, a senior official said.

"We are planning to begin OMS unless rice prices stabilise," said Ahmed Hossain Khan, director general of the food directorate, which has a stock of 0.96 million tonnes of grain.

"It appears that there is a production shortfall because of reduced acreage," said Md Abdur Rashid, one of the biggest rice millers in the country.

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Bangladesh to join atomic energy talks in Russia

STAR BUSINESS REPORT

Bangladesh is set to attend a three-day ministerial conference of the International Atomic Energy Agency (IAEA), which starts in Russia's historic city of St Petersburg on June 27.

The conference hosted by Russia will mainly discuss the role of nuclear power in mitigating the effects of climate change and how to meet the growing global demand for energy.

Leading international nuclear experts, dozens of nuclear companies, government representatives from various countries will attend the conference, according to a statement.

"The conference in Russia may become a turning point in the global nuclear power industry," said Yukiya Amano, director general of IAEA.

He would speak on how the industry plans to move forward in light of the 2011 accident at the Fukushima nuclear power plant in Japan.

During a pre-conference visit to Russia, Amano said: "By 2030, nuclear power generation, as a percentage of the world's total energy generating capacity, will grow by at least 23 percent, and according to the most optimistic projections, it will double."

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Political calm key to achieving budget targets

Muhith speaks at post-budget discussion

STAR BUSINESS REPORT

Political stability is a basic need to implement the budget proposed for fiscal 2013-14, Finance Minister AMA Muhith said yesterday.

He is also happy to see the country's political scene calming down in recent times.

"Anarchism is over," he said, addressing a post-budget discussion organised by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) at Officers' Club.

"They [opposition parties] look flexible in imposing hartals," the minister said.

Kazi Akram Uddin Ahmed, president of FBCCI, chaired the discussion where Ghulam Hussain, chairman of National Board of Revenue, spoke as a special guest.

In his welcome address, the FBCCI president termed the proposed budget 'business-friendly' and said it met 80 percent of their demands.

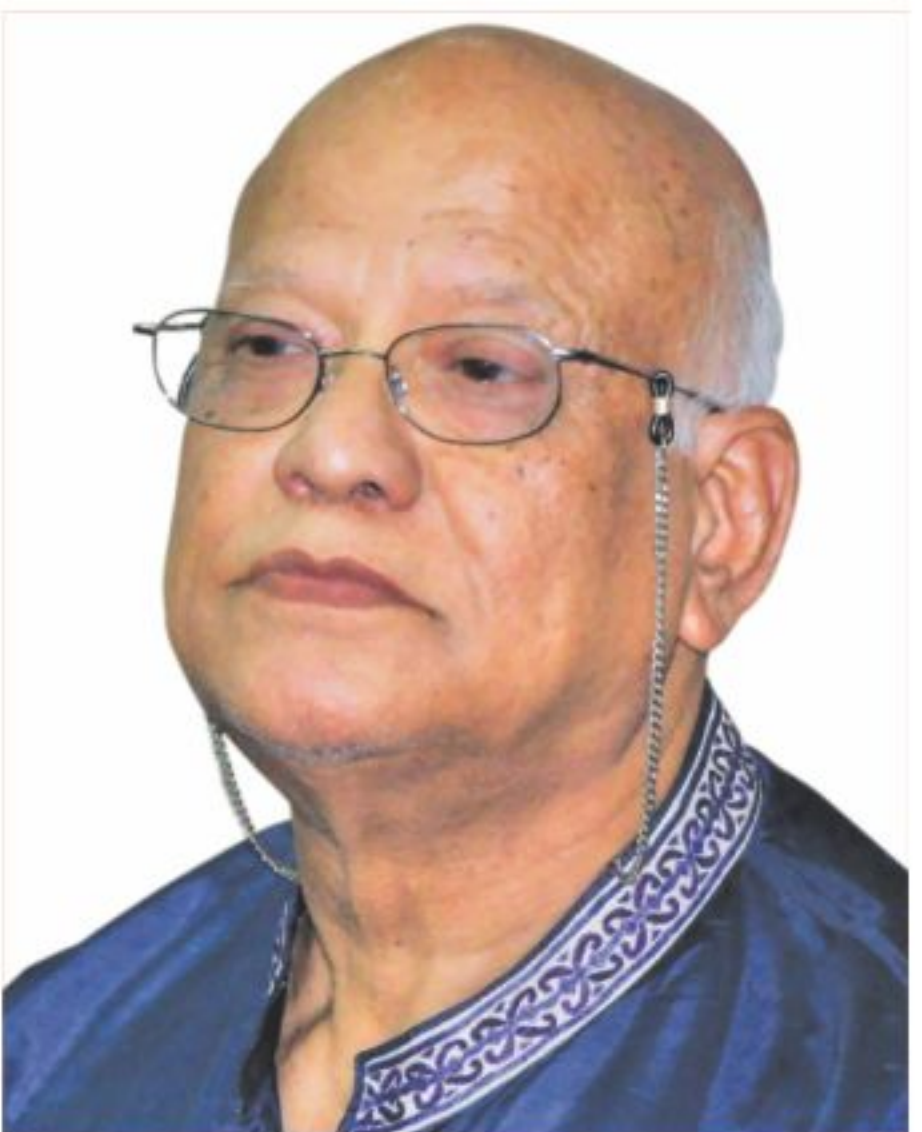
However, achieving 7.2 percent growth would be difficult without addressing issues like boosting investment to 30 percent of GDP from 26 percent now and containing high bank interest rates, Ahmed said.

The FBCCI president also demanded cancelling black money amnesty in real estate. Rather, he said, the facility should be given to the capital market, industries and other productive sectors for the sake of economic growth.

Muhith refuted the allegation that the proposed budget, including the revenue target, is ambitious and would be difficult to implement. He claimed the Awami League is a people's party and it always proposes an ambitious budget for the sake of the people.

"Revenue collection has almost doubled in four years. So, 21 percent growth set for the new budget is quite achievable."

But one thing -- the political climate --



will matter the most to implement the budget, he added.

Responding to demands by businesses, the minister hinted that he might consider reduction of the supplementary duty on imported biscuits in the budget. The proposed VAT on plastic and furniture might also be considered, he said.

Hussain of NBR urged the political parties to help the revenue department and business community work free from any pressure and anarchism.

"Please ensure a business and tax-friendly environment and we'll give you [government] Tk 150,000 crore in tax revenue instead of the Tk 136,000 crore target set in the proposed budget," Hussain added.

According to the NBR chairman, the proposed budget, especially the revenue target, is quite achievable provided that businesses get a congenial environment.

Fix disputes before 3G auction

Ahmed Abou Doma speaks on VAT issues

STAR BUSINESS REPORT

Banglalink is observing the government's position on resolving the VAT issues, before taking a decision on whether to participate in the 3G auction, a top official said yesterday.

"I told my board members that the Bangladesh government is considering resolving the disputed issues and the company will get returns for the amount they invested," said Ahmed Abou Doma, head of Asia Africa business unit of Vimpelcom, the majority shareholder of Banglalink.

Grameenphone, Banglalink, Robi and Citycell have urged the government to resolve various disputes, including 15 percent value added tax over 2G spectrum and SIM replacement charges claimed by the tax administrator.

"We need the government to consider the issues seriously," Doma said.

The company is interested in participating in the 3G auction,



From left, Ahmed Abou Doma, head of Asia Africa business unit of Vimpelcom, the majority shareholder of Banglalink, and Ziad Shatara, CEO of Banglalink, attend a press briefing at Radisson Hotel in Dhaka yesterday.

Doma said.

"We are committed to our customers and this market deserves 3G. We owe it to the people of Bangladesh," Doma told reporters at Radisson Hotel in Dhaka.

Doma came to Dhaka on Tuesday on a two-day visit and met the chairman of Bangladesh Telecommunication Regulatory Commission yesterday.

He served as the chief executive

of Banglalink and left Bangladesh in May 2011.

The current cycle of investment in Bangladesh is to end in 2015 and the company needs to plan further investment in the market, but Banglalink is still paying 2G renewal spectrum charges, he said.

"It is hard for the investors to put more money here in Banglalink as we have not given them any return in the last eight years."

Banglalink, the nation's second largest mobile operator after Grameenphone, is ready to provide 3G services but the company will have to import equipment.

The auction for the 2100 megahertz range for 3G services is supposed to take place on September 2, while its deadline was extended twice earlier.

Ziad Shatara, CEO of Banglalink, Shihab Ahmad, chief commercial officer, and Zakiul Islam, senior director, were also present.

Hunt for power shares boosts markets

GAZI TOWHID AHMED

Investors yesterday hunted power company shares on the Dhaka Stock Exchange, a day after Bangladesh Bank approved foreign loans for three power projects, analysts said.

The sector has grabbed a fifth of total market turnover and witnessed the single-day highest gain of 4.53 percent. Two power sector scrips dominated the gainers' list -- Power Grid and Desco -- gaining more than 8 percent for the day.

The central bank approved Tk 3 crore in foreign loans for Summit Meghnaghat Power Company Ltd, Tk 2.11 crore for Midland Power Company Ltd and Tk 50 lakh for Summit Bibiyana Power Company Ltd.

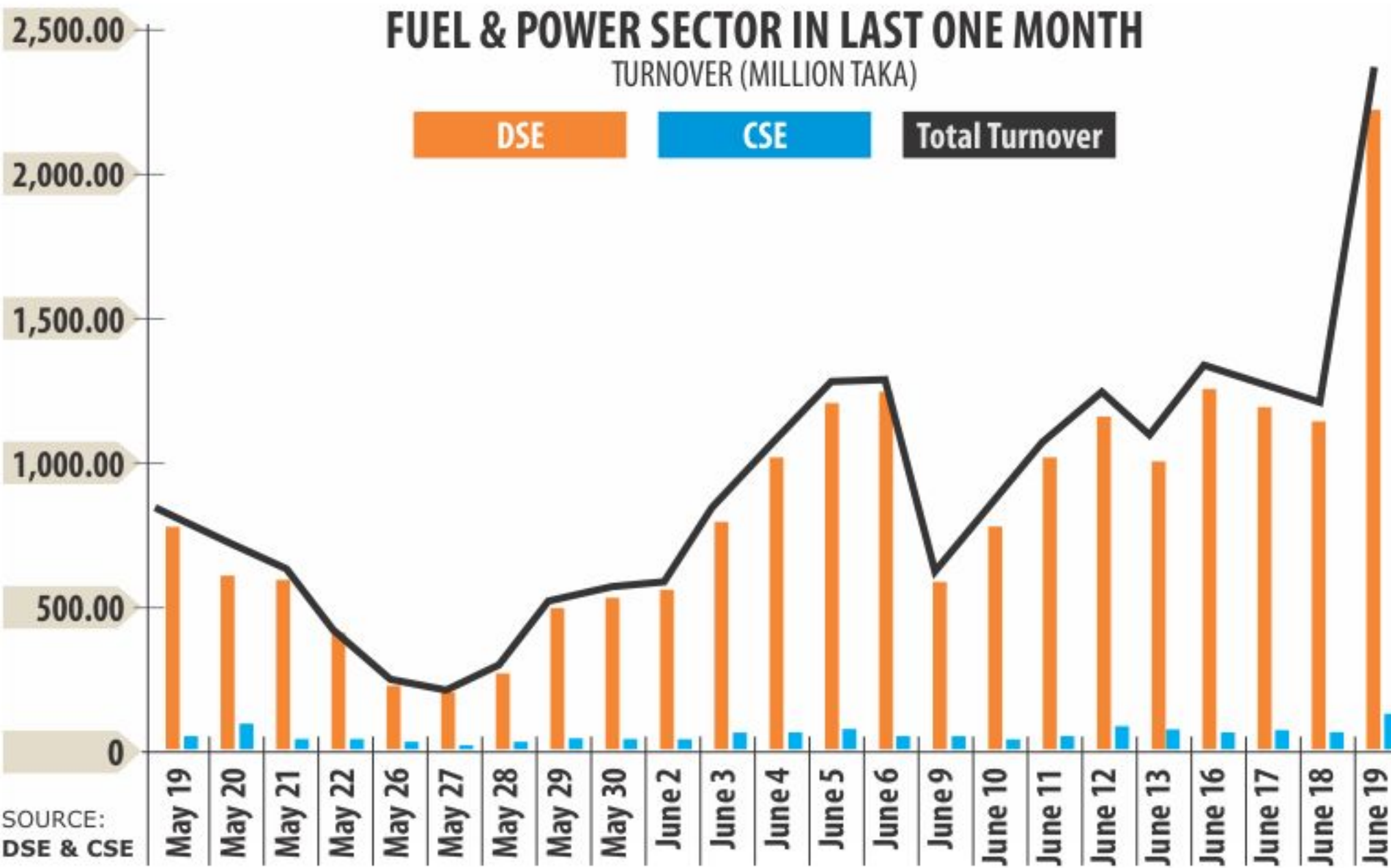
The sector registered notable gains following BB's loan approval, said Maruf Matin, managing director of Alliance Capital Asset Management Company. "It is a good boost for the power sector."

The power sector is getting more foreign investments, Matin said. "Cash flow in the sector is rising and it is normal for the sector."

A three-member team from JP Morgan, a top US-based commercial and investment bank, visited the Dhaka bourse on Tuesday to review the market's investment prospects, which also cheered investors, he added.

The investment bank was keen to know about corporate governance, demutualisation and the monitoring system of DSE, he said.

The market as a whole gained sharply follow-



ing approval of the Tk 900 crore refinancing fund, said Mohammed Rahmat Pasha, managing director and chief executive of BRAC-EPL, a leading stockbrokerage.

The government decided to offer a refinancing scheme of Tk 900 crore to merchant banks and stockbrokers in a bid to revive the ailing capital market.

Optimism gained on the long-awaited news that stimulated investors from the start of the day, IDLC Investments said in its market analysis.

The power sector rallied significantly more than other sectors mainly because of the fact that sector valuation is cheaper than the market, Pasha said.

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Facebook's one million active advertisers

REUTERS, New York

Facebook Inc said on Tuesday it now has 1 million active advertisers globally who used the platform in the last 28 days, a milestone for the company that is seeking to revive its revenue growth.



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