

# Investor optimism buoys stocks

STAR BUSINESS REPORT

Stocks gained for the second day yesterday as investors took fresh position on the market.

DSEX, the benchmark general index of the Dhaka bourse, closed the day at 4,345.45 points, after gaining 24.14 points or 0.56 percent.

"Positive political frontier and favourable macroeconomic phenomenon especially, better export growth with RMG's export being \$20 billion, highest ever, further pushed investors' sentiment positively," said IDLC Investments in its analysis.

Investors' lofty confidence over continuation of bull-run made turnover satisfactory, the investment banker said.

Last few days' rally in power sector took a halt on the day due to profit selling pressure, which was also observed in the textile sector, it said.

"Market continued to surge ahead with heavy volume. Strong buying pressure on specific securities continued to push the index with vigour," stated LankaBangla Securities in its analysis.

In the morning session, market reached

its day-high as the banking sector turned positive strongly after a long period of silence, the stockbroker said.

The second session was marked by sceptical profit-booking and abatement of banks' rally, LankaBangla said.

The large cap Grameenphone and Bangladesh Submarine Cable Company helped the market and the telecom sector to generate healthy return, it said.

Among the major sectors, banks saw 2.32 percent increase in market cap, while power declined 1.1 percent and insurance 0.66 percent.

A total of 2.03 lakh trades were executed with 18.58 crore shares and mutual fund units changing hands on the Dhaka bourse.

Of the 291 issues that traded on the DSE, 118 advanced, 158 declined and 14 remained unchanged.

Grameenphone featured in the most traded stocks chart with 41.96 lakh shares worth Tk 92 crore changing hands.

Apex Tannery was the day's highest gainer, posting a rise of 9.96 percent, while Imam Button was the worst loser, plunging by 8.86 percent.

# KOICA comes up with capacity building programme for BBS

DIPLOMATIC CORRESPONDENT

The Korea International Cooperation Agency (KOICA) has developed a three-year programme on capacity building and empowerment for Bangladesh Bureau of Statistics (BBS).

The training aims to share and strengthen statistical capacity of BBS to establish accurate economic and social development strategy through improved national statistical policy.

Kim Bok-Hee, resident representative of KOICA Bangladesh Office, and Azizur Rahman, additional secretary of the Statistics and Informatics Division, yesterday signed the minutes of the meeting in Dhaka, the agency said in a statement.

A total of 45 participants will join the training programme starting in October this year. The programme will focus on agricultural and fishery census, survey methodology and data processing and environmental statistics.

Among others, Golam Mostafa Kamal, director general of BBS; Md Abdul Jalil, joint secretary; Aminul Bor Chowdhury, joint secretary of the Statistics and Informatics Division, and Mizanur Rahman, deputy director general of BBS, were also present.

Earlier, KOICA implemented a \$1.58 million project at BBS in 2008 to upgrade its statistics production and analytical capacity by introducing a modern database system.

KOICA was recognised for its continuous support to Bangladesh and for sharing best practices, technical know-how and good experiences under the project.

The programme will further strengthen the mutual cooperation and friendly relation between Korea and Bangladesh in the coming days in diverse sectors of knowledge sharing, culture, trade and economy, according to the statement.



AKM Shafiqur Rahman, additional managing director of National Bank, inaugurates the bank's 168th branch at Pangsha in Rajbari yesterday. Abdul Hamid Mia, deputy managing director, was also present.

# Ruposhi Bangla Hotel offers special iftar

STAR BUSINESS HOTEL

Ruposhi Bangla Hotel will offer Shahi Iftar during Ramadan, the month of fasting, at its Bithika restaurant.

The Shahi iftar includes traditional iftar items like jadukori halim, tangri kabab, shami kabab, kofta kabab, nehari, keema chop along with different international iftar treats like mahlabia, basbusa, hamus, balasam, Um'Ali, Arabian honey cake, Arabian date's pie, kunafa, baklava.

Fresh juices and nourishing sorbets will also be available, the hotel said in a statement yesterday.

"Our Shahi Iftar features live tempura station, shwarma show cooking and boro baper pola."

Shahi iftar with dinner will be available for Tk 2,400 per person.

# UK-based publication awards LR Global

STAR BUSINESS REPORT

LR Global Bangladesh Asset Management Company has recently been awarded the best investment management company in Bangladesh.

The company received the "Investment Management Award 2013" from World Finance, a leading financial publication of World News Media based in the United Kingdom.

This is the first year World Finance is extending the award in the category of investment management company in Bangladesh, according to a statement of the publication yesterday.

The company was evaluated based on its performance in the past year, its financial statures, investment policies and visions, long-term strategies and risk management techniques, according to the statement.

Established in 2009 as one of the first multinational asset management company in Bangladesh, LR Global Bangladesh was founded by Reaz Islam chief executive officer of LR Global and LR Global Partners.

LR Global Bangladesh has become the second largest asset management firm in Bangladesh and manages six mutual funds with portfolio of approximately \$120 million invested across public and private equity and fixed income securities.

# LPG prices go up

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Market players said despite the price hike of raw materials in the international market, retail prices of gas should in no way exceed Tk 1,400 a cylinder.

Local companies Bashundhara and Jamuna Spacetech produce cylinders and market gas. TK Group only makes cylinders and French Total and Australian Kleenheat sell LPG by importing gas and cylinders.

"Yes, we have raised the gas price by Tk 40 a cylinder," said Belayet Hossain, managing director of Jamuna Spacetech. However, he could not instantly share the price at which Jamuna sells a cylinder of gas.

Retailers blamed the market players for charging higher prices than what they say.

"We cannot buy a cylinder of gas for less than Tk 1,400. So, we sell it at Tk 1,500, including delivery costs," said Zakir Hossain, a retailer in the city's Kalabagan area.

Presently, Bangladesh consumes one lakh tonnes of LPG a year, 80 percent of which is imported and the rest is produced by state-run Bangladesh Petroleum Corporation. However, users do not get the BPC-produced LPG in the market.

Industry people said the market for LPG grew 18 percent in 2012. But growth could drop this year due to the government's decision to resume natural gas connections to households.

# VAT cuts by 2015: Muhith

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The NBR aims to collect Tk 136,090 crore in revenue from income tax, VAT and customs duty during the current fiscal year.

Of the amount, the VAT target has been fixed at Tk 51,000 crore, which is 28 percent higher than the amount collected in the just concluded fiscal year.

Md Farid Uddin, NBR member in charge of Customs Policy, Statistics & Research, said the total revenue collection target is not high considering the size of the economy and its potential.



Jamilur Reza Chowdhury, vice chancellor of the University of Asia Pacific, and Ahmed Al-Kabir, chairman of Rupali Bank, attend a press meet to announce the launch of a nationwide competition -- EATL-Prothom Alo Apps Contest 2014 -- at Sonargaon Hotel in Dhaka recently. MA Mubin Khan, chairman of Ethics Advanced Technology Ltd (EATL), Matiuur Rahman, editor of Prothom Alo, and Faridur Reza Sagor, managing director of Impress Telefilm, were also present.



Second from right, Md Fazlul Hoque, president of Bangladesh Employers' Federation, attends a seminar on Skills for Development at the headquarters of the World Trade Organisation (WTO) in Geneva on Tuesday. Pascal Lamy, director general of the WTO, was also present.

# India grain subsidy may only outsource hunger

REUTERS BREAKINGVIEWS, Singapore

India's battle against hunger might end up breaking the rice bowl for the world's poorest. New Delhi has decreed that 67 percent of India's population, or 800 million people, will have the right to buy up to 5 kilos of rice, wheat and other cereals from the state each month, or receive cash compensation.

The expansion of the food subsidy, already substantial at 0.8 percent of GDP, will hurt wobbly public finances. To see how, start with the 13 rupees New Delhi currently pays farmers for a kilo of their rice paddy.

Add storage, processing, transportation and distribution costs, and incentives to farmers to grow bigger crops, and the economic cost shoots up to 26

rupees a kilo of rice. The burden on the exchequer - after recouping a mere 3 rupees from the consumer - could translate into a staggering \$15 billion a year, assuming 40 million tons of demand. After including wheat, the subsidy bill balloons to an estimated \$25 billion.

When the domestic Indian crop is insufficient, the programme may destabilize a thin global rice market, which trades only about 5 percent of the world's production. Once the bulk of Indian consumption bypasses the local open market - where prices can and do rise in years of bad harvest - the full brunt of the country's demand will have to be met by supply from Thailand, Vietnam, Pakistan and the United States.

That will in turn cause prices to surge for countries dependent on imports, such as Nigeria, Senegal, Bangladesh, Indonesia and the Philippines.

# Nokia to bet on Lumia's camera upgrade

REUTERS, Helsinki

Nokia is expected to unveil a new smartphone with a 41-megapixel camera on Thursday, banking on advanced optics to make up for meagre marketing resources and limited phone apps.

Analysts, however, are sceptical that a new camera for the flagship Lumia smartphone will be enough for the Finnish company to regain market share from rivals Samsung and Apple.

Several said that Nokia needs to market the handsets more aggressively - a tough challenge in the face of its dwindling cash reserves after years of poor sales and the decision this month to buy Siemens' stake in their equipment joint venture.

"What I'm expecting to see is a powerful device that will differentiate it from competitors' high-end handsets. But whether this will be enough to compete with Samsung and Apple? I doubt it," said Francisco Jeronimo, of research firm IDC.

"They need to raise the level of awareness. They may have the best camera, the best maps, but if consumers don't really know what they can do, that's not enough."

Nokia Chief Executive Stephen Elop, hired in 2010 to revive the former leader in mobile phones, has bet the company's future in smartphones on Microsoft's Windows Phone operating system.

While simpler feature phones still account for the majority of Nokia's handset sales, smartphones are viewed as crucial for its survival because of their higher margins and the increasing demand for Internet access and consumers' growing tendency to switch to cheaper models made by Asian manufacturers.

While existing Lumias have won positive

reviews from critics and technology blogs, they have struggled against Samsung's handsets, which use Google's Android operating system, and Apple's iPhones, which run on iOS.

IDC estimates that Android and iOS accounted for 92.3 percent of all smartphone shipments in the first quarter of this year.

Windows Phone, meanwhile, accounted for 3.2 percent, with a shortage of apps proving a major handicap. It has only 160,000 apps in store, while rivals offer about five times as many because developers prefer to make them for the higher-volume operating systems.

The new phone to be unveiled on Thursday is expected to be the most advanced of the Lumia range. Nokia already has a 41-megapixel camera on its 808 PureView phone, but that model runs on the Symbian platform, which is being phased out.

Nokia has not given details, but a source confirmed that the camera technology would be its main selling point and the company's own website promises "41 million reasons" to tune into the event in New York.

While tech industry analysts say it is crucial for Nokia to boost marketing and promotions through its carrier partners, the company is likely to keep a wary eye on its marketing expenses.

Nokia said last week that its net cash position at the end of the second quarter was between 3.7 billion euros and 4.2 billion euros, indicating that cash burn may have been as high as 800 million euros in the quarter.

It also said that net cash would have been 2 billion euros to 2.5 billion euros had its deal to buy Siemens' 50 percent stake in Nokia Siemens Network closed in the quarter.

# China auto sales up 11.2pc year-on-year in June

AFP, Beijing

Auto sales in China, the world's largest car market, increased by 11.2 percent year-on-year in June, an industry group said Wednesday.

A total of 1.75 million vehicles were sold nationwide last month, marginally lower than 1.76 million in May, data from the China Association of Automobile Manufacturers showed.

In the first half of the year, car sales rose 12.3 percent year-on-year to 10.78 million, it said.

China's auto sales rose only 4.3 per-

cent annually to 19.31 million in 2012, hit by limits on vehicle licence plate numbers imposed by some cities to ease traffic congestion and tackle pollution.

China's economic rise has been accompanied by a surge in demand for vehicles, including luxury ones, as the country's increasing wealth gives consumers more money to spend.

China became the world's largest auto market in 2009. Of the more than 19 million vehicles sold last year, 15.5 million were passenger cars.

US automaker General Motors announced last month it would invest \$11 billion in China through 2016 as the US car giant broke ground on a plant to produce luxury Cadillacs.



Md Rezaul Haque, chairman of Social Islami Bank, inaugurates the half yearly business conference-2013 of the bank at a local hotel recently. Md Shafiqur Rahman, managing director, was also present.



Railways Minister Md Mazibul Hoque attends a programme to mark the silver jubilee of Rupali Insurance Ltd, at Sonargaon Hotel in Dhaka recently. Rupali Insurance Chairman Mostafa Golam Quddus and Managing Director PK Roy were also present.



Azmal Hossain, vice-chairman of Eastern Insurance Company Ltd, attends the 27th annual general meeting of the company at Spectra Convention Centre in Dhaka recently. The company announced 18 percent cash dividends for 2012. Mohammad Haroon Patwary, managing director, was also present.