

Stocks fall for second day

STAR BUSINESS REPORT

Stocks declined for the second day yesterday as investors adopted a wait-and-see approach fearing political instability.

DSEX, the benchmark index of the Dhaka Stock Exchange, fell 15.06 points or 0.31 percent to close at 4,823.57. DSES, the shariah index of the DSE, went down 4.24 points or 0.37 percent to close at 1,138.69.

The market ended flat because of a selling pressure in frequent intervals, IDLC Investments said.

Investors also remained cautious amid a fear of political volatility, the investment banker said.

Turnover, the most important indicator of the market, fell 5.3 percent to Tk 191 crore from the previous day.

A total of 0.62 lakh trades were executed with 4.86 crore shares and mutual fund units changing hands on the premier bourse. Losers took a strong lead over the gainers as 168 declined, 101 advanced and 40 remained unchanged on the DSE floor.

Among the major sectors: pharma declined 0.6 percent, and fuel and power 0.3 percent. Banks gained 0.1 percent and telecoms 0.8 percent.

Square Pharma featured in the most traded stocks' chart with 3.55 lakh shares worth Tk 9 crore changing hands followed by Grameenphone, Saif Power Tec, Lafarge Surma and Beximco Pharma. ICB AMCL Second Mutual Fund was the highest gainer of the day, posting a rise of 4.44 percent, while Zeal Bangla Sugar Mills was the worst loser, plunging by 9.78 percent.

US jobless claims drop for fifth week in a row

AFP, New York

New claims for US unemployment insurance fell last week for the fifth week in a row, according to government figures published Wednesday.

Initial jobless claims, a sign of the pace of layoffs, totaled 280,000 in the week ending December 20, down 9,000 from the previous week, according to US Department of Labor data.

Analysts had projected 290,000 claims.

The result marked the 14th week in the last 15 in which weekly claims have stood below 300,000. The current count is also the lowest since the first week of November.

The four-week moving average, which smooths out week-over-week volatility, fell by 8,500 to 290,250.

Bharti Airtel to charge for using VoIP services

REUTERS

Bharti Airtel Ltd, India's largest telecommunications carrier by subscribers, will soon start charging users extra money for using services such as Skype as Indian operators look to boost their data network and revenues.

According to the company website, internet or data plans that give customers discounted rates will only be valid for internet browsing and will exclude Voice over IP services (VoIP).

VoIP services include those such as Skype, Line and Viber that typically let users make free calls through the internet.

An Airtel spokeswoman said the charges will only apply to pre-paid customers and will be implemented soon.

In India, telecom carriers make most of their money from pre-paid customers, or those who pay in advance to use their services, instead of being billed at the end of the month.

"We have made some revisions in the composition of our data packs, and will offer VoIP connectivity through an independent pack that will be launched shortly," Airtel said in an emailed statement.

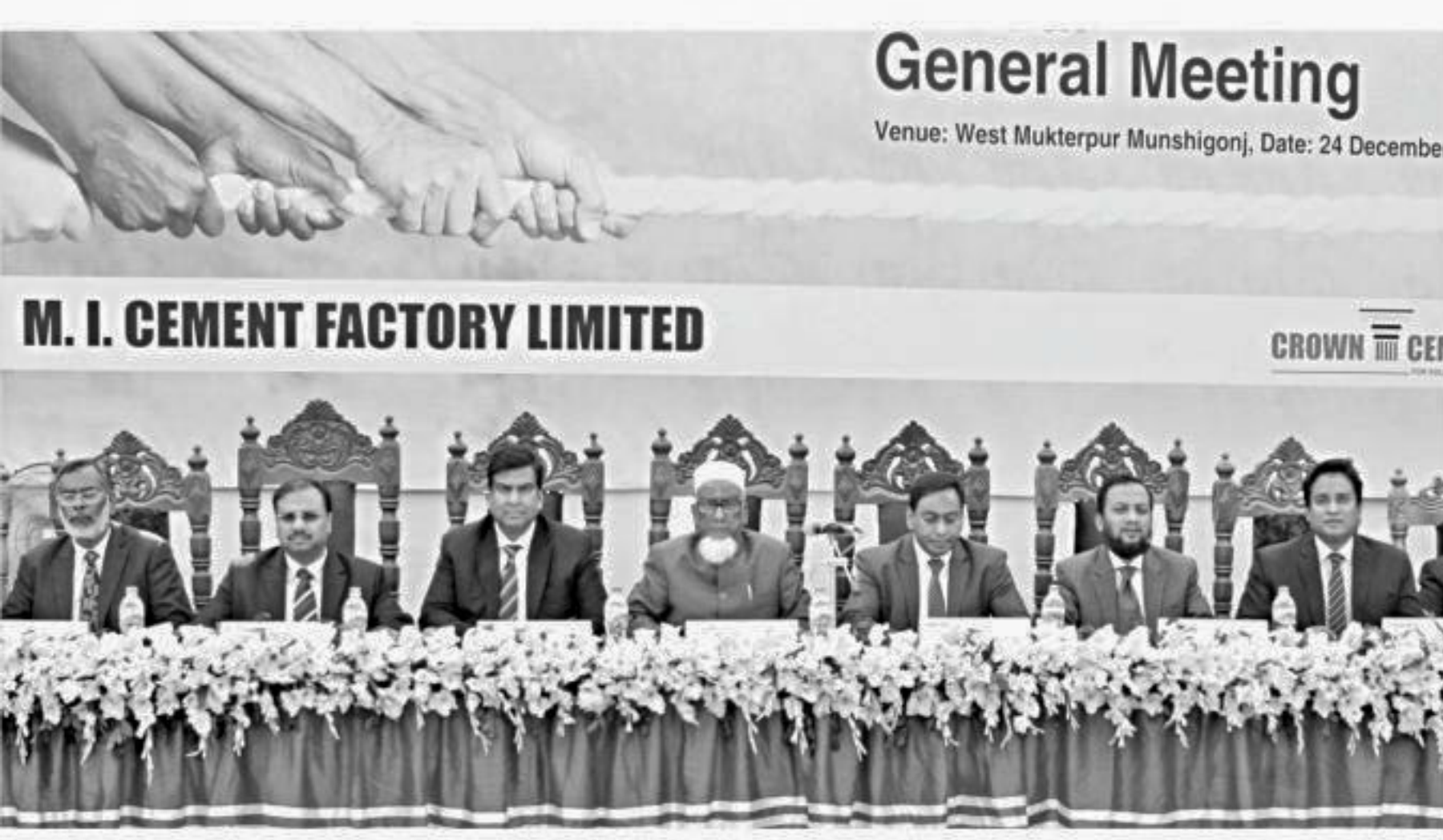
The popularity and business model of services such as Whatsapp, Skype and others, where users can text or make calls without having to pay extra money, has been a bone of contention with telecom carriers for long, who say these services use their infrastructure to make money.



Md Nader Khan, former chairman of Prime Bank, opens the bank's 139th branch at Keranihat Bazar in Satkania, Chittagong on Tuesday. Ahmed Kamal Khan Chowdhury, managing director, was also present.



Md Rezaul Haque, chairman of Social Islami Bank, opens the bank's 99th branch at Mawna Chowrasta in Sripur, Gazipur recently. Md Shafiqur Rahman, managing director, was also present.



General Meeting

Venue: West Mukhtarpur Munshigonj, Date: 24 December

M. I. CEMENT FACTORY LIMITED

Mohammed Jahangir Alam, chairman of MI Cement (Crown Cement), presides over the company's 20th annual general meeting in West Mukhtarpur in Munshigonj yesterday. The company declared 30 percent cash dividends for the year ended in June 2014. Md Khabiruddin Molla, managing director, was also present.

Tea prices mark 7th weekly gain on winter demand

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About 2.3 million kg was offered at the auction centre in Chittagong, of which 17 percent went unsold. In the previous auction, nearly 2.3 million kg was offered, with nearly 15 percent remaining unsold.

Demand was strong from local buyers due to the winter season, boosting prices, the executive said.

Typically, demand for tea rises in Bangladesh during the winter season.

Tea production in Bangladesh rose 1.6 percent in 2013 to a record 63.5 million kg due to favourable weather, but was still short of the domestic consumption of about 65 million kg.

The country has moved from being a net exporter to a net importer of tea due to rising consumption.

In April this year, Bangladesh increased customs duty to 15 percent from 5 percent to discourage imports amid a drop in local prices due to ample supplies.



Maj Gen Abul Kalam Md Humayun Kabir, chairman of Sena Kalyan Sangstha, attends the annual performance review meeting of the organisation's Elephant Brand Cement at Tiger Garden hotel in Khulna on Tuesday.

Rubber farmers in India curb tapping, miss chance in tyre boom

REUTERS, Elamgulam, Kerala

Several rubber farmers in India have put away their tapping knives and switched to planting other crops, as ample global supplies and sinking benchmark prices of the tyre-making raw material squeeze their profit margins.

But this means local rubber farmers are likely to miss out on an expected boom in tyre demand from rising car use in India, paving the way for cheaper imports and supporting Asian prices that have dropped almost 26 percent this year.

"For most Indian farmers it is not viable to continue tapping at current levels," said George Vally, president of the Indian Rubber Dealers' Federation.

India could need to ship in more than 1 million tonnes of rubber by 2020, equivalent to Vietnam's total output, versus estimated imports of 400,000 tonnes this year, he added.

With cheap imports from key suppliers Thailand, Indonesia and Vietnam flooding the market, Indian farmers have stopped replacing aging trees and ceased expanding acreage.

Rubber trees are ready for tapping around six to seven years from planting and yields start declining after 20 years.

India's April-November rubber output fell 5.5 percent, while consumption grew 4.6 percent. Imports rose 15 percent.

The country is expected to become the world's No.3 car market by 2018, up from No.6 now, according to IHS Automotive. But higher car sales will benefit foreign rubber sellers instead of local farmers, with India seen importing 40 percent of its

rubber demand this year, up from 10 percent a decade ago.

"Even after paying 20 percent import duty, Indonesian rubber is nearly 10 percent cheaper than local supplies," a senior official at the Automotive Tyre Manufacturers Association said.

High wages are another problem for Indian rubber farmers.

Average Indian rubber prices quadrupled to 208 rupees (\$3) per kg in eight years to 2011/12, leading to a spike in wages, but while prices have fallen more than half, wages have stayed high, said Jom Jacob, deputy director of state-run Rubber Board.

Also, many young workers from the top rubber producing state of Kerala in southern India, the country's most literate state, move to the Middle East or richer cities for better-paying jobs, creating labour shortage and ensuring wages stay elevated.

"At current prices, tapping rubber trees means losing money on workers' wages. I have stopped tapping since January," said Joy Joseph as workers dug up soil to plant nutmeg outside his house in Kerala.

The 55-year-old Joseph, who has tapped rubber trees for three decades, said he had lost 200,000 rupees this year and that he would not resume tapping unless rubber prices rose to 150 rupees per kg.

Indian rubber prices are currently at 115 rupees per kg.

"Workers have many options, we don't. If we pay them higher wages, our production cost goes up," says VT Thomas, another farmer from Joseph's Elamgulam village, who also suspended tapping in January.

Russian inflation passes 10pc

AFP, Moscow

Russian inflation has climbed into double digits -- hitting 10.4 percent, data released Wednesday showed, indicating that prices could be growing faster than expected due to the depreciating ruble.

Consumer prices rose by 0.9 percent last week alone, the state statistics service said, with pronounced jumps in the cost of some types of produce and sugar, which

rose by 7.5 percent.

Many consumer goods are imported into Russia, meaning the slide in the value of the ruble will eventually feed through onto price tags of products.

The central bank said earlier this month that it expects inflation to hit 10 percent before the end of the year and then peak at 11.5 percent in the first quarter of 2015.

Russia's economy ministry predicted inflation would remain in single digits.

Rescue package on the way for realtors

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The prime minister is scheduled to call in his secretariat on Sunday and he will make the suggestion for the incentive package then.

Nasrul Hamid, state minister for power, energy and mineral resources, also urged the government to extend policy support to the real estate sector without further delay.

He recommended setting up a committee comprising of representatives from realtors to get wind of the sector's most pressing issues.

Meanwhile, the housing minister said the government aims to build around 100,000 units of apartment within the next four years across the country to ensure affordable housing.

The government has tied up with two Malaysian companies to build about 8,400 flats in Uttara, he said, adding that they will also build apartments for slum dwellers.

Hossain also urged the realtors to keep

sewage treatment plants in mind when designing their building plans.

A sewage treatment plant is a must to get approval of any building designs in the metropolitan area, he added.

A total of 145 real estate companies and building material suppliers as well as five financial institutions are participating in the five-day fair at Bangabandhu International Conference Centre in Dhaka.

A team comprising officials from city development authority Rajuk and REHAB will monitor the authenticity of the projects showcased at the premises.

If any illegal project is found, the monitoring cell of Rajuk will remove the stall from the fair venue, REHAB said.

The exhibition, which will remain open from 10am to 9pm, will cost Tk 50 for single entry and Tk 100 for multiple entries.

The real estate sector now contributes around 7 percent to the GDP. It employs around one lakh skilled people and another 35 lakh in the backward linkage industries, according to industry people.

Tax receipts from depositors' interest earnings rise 78pc

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Tax officials feel shaky for giving refunds for fears of being blamed for bias and of coming under increased surveillance, he said. Rahman said the NBR can collect the tax based on the slabs of interest earnings of depositors to avoid levying small savers.

"Currently, interest rates of savings accounts of most of the banks are set below the rate of inflation. It is necessary to protect the small savers."

Rahman suggested the tax authority consider the issue from the macroeconomic perspective, not only for collecting taxes. "Savings are necessary for investment."

A fall in interest rates will affect the investment, which will ultimately slow economic growth, he said.

"Many savers may spend their incomes instead of going for savings if they find their interest incomes are taxed even if it falls below the inflation rate," he said.

In the face of falling interest rates on savings and fixed deposits, many people have started switching to state-sponsored savings certificates.

The NBR can grant a tax waiver to farmers and students, said Towfiqul Islam Khan, research fellow of the Centre for Policy Dialogue.

Finance Minister AMA Muhith has recently asked the NBR to give its view whether such advance tax for the low-income people can be waived. The tax authority has not yet given its opinion.

Bol signs deal with Japan's biggest bank to lure in investment

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Industries Minister Amir Hossain Amu called for all-out efforts to increase bilateral trade and investment and more interactions between the two countries' business communities. "In order to materialise our dream of becoming a middle-income country by 2021 and a developed country by 2041, we have been pursuing a liberal investment and industrial policy for foreign investors with huge attractive incentive package."

GP to share profits with employees

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The beneficiaries will have to give undertakings that they will not claim any interest on the amount, said Masud, also a specialist at the operator's regulatory affairs department.

The Grameenphone employees have been staging protests for the last few weeks for the benefit.



Morshed Alam, chairman of Mercantile Bank, opens the bank's 98th branch at Jhitka Bazar in Horirampur, Manikganj yesterday. M Ehsanul Haque, managing director, was also present.



Sazzadul Hasan, divisional commissioner of Sylhet, opens the 431st branch of Pubali Bank at Mohonganj, Netrokona recently. MA Halim Chowdhury, managing director (current charge) of Pubali Bank, was also present.



Recently after signing a Group Life Insurance agreement Mrs. Adeeba Rahman (ACII, Chartered Insurer-UK), AMD of Delta Life Insurance Company Ltd. and Brig. Gen. Mohammad Maksuduzzaman, awfc, psc (Retd), Chief Executive Officer of Euro-Vigil (Pvt) Ltd. are seen exchanging documents. Among others Mr Zoheb Amin Khan, Director of Euro-Vigil (Pvt) Ltd & Mr. Uttam Kumar Sadhu, FCMA, FCS, Deputy Managing Director, Dr. Ashraf Uddin, ED (Group & HI) of Delta Life Insurance Company Ltd. and high officials of the both organizations were also present on the occasion.