

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
As on Monday								As on Monday				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY	
▲ 0.42%	▲ 0.13%	\$1,515.23	\$68.44	▼ 0.73%	Closed	▲ 0.01%	▲ 0.33%	83.95	93.19	109.46	0.75	
4,452.93	8,187.91	(per ounce)	(per barrel)	41,253.74		3,222.83	3,050.12	BUY TK	84.95	96.99	113.26	0.79

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Depositors up in arms over 6pc interest

AKM ZAMIR UDDIN

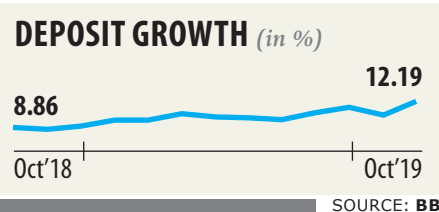
Anxiety gripped Ahmed Kabir the instant he learnt from the morning paper yesterday that the government has decided to fix a uniform interest rate for all types of deposits from April 1.

Kabir had parked all his retirement benefits as fixed deposit receipts in banks after leaving his job as a teacher in a government school three years ago. The Cox's Bazar native got 9-9.5 percent interest against them, enough to live a comfortable life in his senior years.

"No bank will be allowed to take deposits beyond 6 percent as per the prime minister's instruction," Finance Minister AHM Mustafa Kamal told reporters on Monday after a meeting with private banks' sponsors and managing directors, where the decision was made.

The development is a brutal blow for pensioners like Kabir. "I am now feeling uneasy. Will I have to adjust my lifestyle?"

If the new rate is implemented, savers will not get any benefit from banks given the ratio of inflation and service charge imposed by banks, said Khondkar Ibrahim Khaled, a former deputy governor of the



central bank.

Inflation leapt 45 basis points in November to 6.2 percent, a 25-month high.

The new decision, which was taken to facilitate single-digit interest rate for lending with a view to spurring private investment, will not just affect pensioners but also the fixed income group, who usually keep a portion of their income every month in deposit pension schemes (DPS).

Banks too will have to count losses because of the latest decision as they will have to continue their existing fixed deposit receipts (FDRs) and DPSs while giving out loans at 9 percent, said the managing director of a private bank, wishing not to be named.

"Our woes may be softened a bit if the government actually keeps its fund in private banks."

The government has deposited Tk 200,002 crore in the banking sector, but the majority of the sum is with state-run banks, he added.

People will simply stay away from banks when it comes to depositing their money, possibly triggering a liquidity crunch for lenders, according to Khaled.

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New Year's Day boosts flower sales and earnings of growers, especially those of Jhikargacha in Jashore. The photo was taken at the Shahbag flower market yesterday.



RASHED SHUMON

New Year cheer for flower farmers

SOHEL PARVEZ

With great excitement Mohammad Sher Ali and fellow farmers in Panisara of southwestern upazila Jhikargacha began plucking rose, gladiolus, tuberose and gerbera in abundance from earlier this week.

The reason for their excitement was the New Year's Day, an occasion that almost always brings them bonanzas -- and accounts for 10 percent of total annual flower sales.

And this year was no different for Ali and his fellow flower farmers.

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Borrowers jump for joy at 9pc interest

AKM ZAMIR UDDIN

Sadrul Hasan Ripon's dream of building his own home on a piece of land he purchased in Keraniganj six years ago is set to materialise now thanks to the slash in interest rate to single-digit for borrowing from April 1.

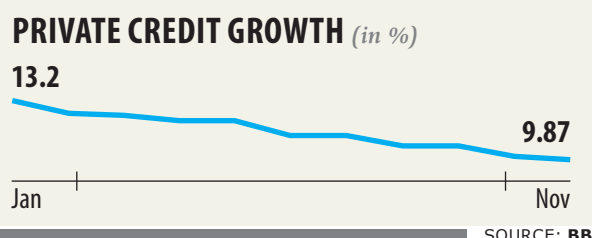
"I am pleasantly surprised," said the mid-level executive at an insurance company, who until now thought a house on his land was unfeasible given his low savings and the high bank interest rates that go up to 15 percent.

But thanks to Prime Minister Sheikh Hasina that house-building plan no longer seems unworkable.

Initially, Finance Minister AHM Mustafa Kamal negotiated with banks to extend 9 percent interest on loans to the manufacturing sector from today.

But the prime minister demanded single-digit interest rates for all loans.

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We are pleased to announce that,

Mr. Sadman Shahrier Hassan recently joined our company as Director.

He has completed his Bachelor's (B.Sc.) in Chemistry with Management & Master's (M.Sc.) in Drug Discovery and Development from Imperial College London, one of the top ranked universities in the world.

We feel proud to have Mr. Sadman in our Aristopharma family. We are confident that his knowledge, experience and expertise would help to reach new heights for our company.

We wish him every success in life.

On Behalf of Board of Directors & Employees

ARISTOPHARMA LTD.

Rupali to issue Tk 1,000cr bond

STAR BUSINESS DESK

Rupali Bank's board of directors has decided to raise fund through issuing coupon bearing non-convertible perpetual bond worth Tk 1,000 crore through private placement.

The fund will be raised to meet additional Tier-I revised regulatory capital framework for bank in line with Basel-III subject to the approval from authorities concerned.

Happy New Year

PADMA BANK TOGETHER IN EVERY STEP

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