

Tax revenue short of target

The tax revenue collection target of the current fiscal was fixed at Tk356.52b under the original budget but the National Board of Revenue (NBR) is facing an ascending task to attain it, being behind by Tk37.19b after 10 months. The Tk259.90b collected in July-April period is, however, 12.4% more than the last corresponding period. Revenue collection has failed to reach the target because of higher oil import bills, poor inflow of foreign assistance and a significant fall in the collection of customs duties during the recent months. The government borrowing from banking and non-banking sectors may go further up to make up for the revenue shortfall. Borrowing from the banking sector marked about 19% rise during July-February of FY2005-06 over same period of the last fiscal. The NBR needs more than 40% growth in revenue earning in the remaining two months to achieve the original target, which does not appear feasible. From the available statistics it is revealed that the NBR could achieve a highest 20-25% growth in revenue collection during the last two months of any FY. Last fiscal, NBR was given a revenue target of Tk 305b amending the original target of Tk320b but could finally manage Tk299.02b. The Board is likely to be given yet another ambitious revenue collection target of some Tk400b for FY2006-07. The annual targets for the Value Added Tax (VAT) and the Income Tax wings have been set at Tk110.40b and Tk356.52b respectively. Until April, the Customs department could manage Tk125.02b and was facing a shortfall of nearly Tk20b. The income from the VAT wing until April last was Tk87.48b, some Tk4.5b less than the 10-month target. The Income Tax department is lagging behind the 10-month target by Tk12.00b. It collected Tk45.37b until April.

Privatization of land ports on card

The government has decided to allow development of land ports at border points by the private sector and hand over the operation of four, Sonamasjid, Hilli, Banglabandha and Bibir Bazar out of 13 land ports under Build-Operate-Transfer (BOT) for 25 years. Private sector operators will establish all facilities like administrative building, dormitory, police barrack, security wall, watch tower, warehouse, parking area, cold storage, fork-lifting facility, truck mounted crane, weighing bridge and open stack yards. Four banks and a non-banking financial institution are going to disburse a syndicated loan of Tk265m to finance development works at Sona Masjid and Hilli land ports. Teknaf, Akahura, Tamabil and Burimari would be transferred in the second phase and Darshana, Haluaghat and Bhomra later. Bangladesh Land Port Authority (BLPA) hopes this will increase efficiency and reduce operational cost.

Bangladesh on submarine cable

The country has joined the submarine cable, the information superhighway on May 29, 2006. It will foster the growth of information technology with a 10-gigabyte data-transfer capacity per second; 68 times higher than the existing speed. The South East Asia-Middle East-West Europe (SEAMEWE)-4 project connecting the country with undersea fiber-optic cable passing from Singapore through Malaysia, Thailand, Bangladesh, India, Sri Lanka, Pakistan and a number of Middle-Eastern countries to finally France. Bangladesh turned down an earlier opportunity to get onto the information superhighway by not joining the group when the submarine cable passed through the Bay of Bengal in early 1990.

FBCCI for renegotiating with Asia Energy

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) urged the government to renegotiate the agreement with UK-based Asia Energy on developing the Phulbari coal mine. The existing agreement gives only 6% royalty, which is very low compared to such agreements in other countries, they opined. In Indonesia, the royalty rate is 13%. Asia Energy Corporation (Bangladesh) Pty Ltd, has been working to develop Phulbari coal mine under an agreement signed in 1998. The company recently conducted a feasibility study and submitted plan to extract coal by open-pit mining. The government has appointed an experts committee to examine the Asia Energy's proposal. The company is pursuing approval of development plan on the basis of the existing coal mining policy, which provides for a 6% royalty. But the government is inclined to approve the plan on the basis of a new coal policy recommending about 16% royalty. Meanwhile, concerns have been voiced by environmentalists on the consequences of open pit mining in a densely populated area.

Donors offer conditional funding to power projects

The present power generation and supply situation is getting no better. The country is experiencing continuous and severe load shedding due to demand supply gap, which may reach 1600MW soon. The government has finally sanctioned a Tk1b loan to the Power Development Board (PDB) for maintenance and renovating existing generation units. The fund would be on top of the existing budgetary allocation of about Tk1.1b for the same purpose. Currently, five Remote Area Power Supply System (RAPSS) schemes are being developed by the Power Division. In order to accelerate implementation of all RAPSS schemes, the government should accord immediate approval of the RAPSS policies and arrange to issue the bid packages of both on-grid and off-grid RAPSS to the pre-qualified sponsors, urged the WB. In the last FY, the WB has set aside about US\$1m for creating a RAPSS fund to provide subsidy to the program, channeled from the Private Sector Infrastructure Development Project (PSIDP). A number of multilateral donor agencies including the World Bank (WB), the Asian Development Bank (ADB), the Japan Bank for International Cooperation (JBIC), the Canadian Export Development Center (EDC) and the Islamic Development Bank (IDB) recently have come up with provisional funding of power projects, offering nearly US\$1b for generation of 1900 MW electricity under different projects across the country by 2010. ADB will finance two Shidhhirganj peaking power plants having a capacity of 120 MW each and a 150 MW gas turbine power plant in Sirajganj. The JBIC has intended to finance installation of the 360 MW Haripur combined cycle power plant. The Canadian EDC is set to provide loan for installation of 150 MW combined cycle power plant in Sylhet. IDB has committed to provide loan for installation of 150 MW combined cycle power plant at Bhola. German KfW has planned to provide fund for installation of 450 MW combined cycle power plant at Shikalbaha and extension of two units having the installation capacity of 50 MW each at Karnaphuli hydropower plant. The government has also finalized a Power Sector Master Plan to develop the generation, transmission and distribution of electricity for greater Dhaka. It has also planned to install an Express Electricity Line to provide uninterrupted electricity supply to the industries for ensuring smooth production. However, implementation of these projects will take a few years time, during which public woes would be mounting, impacting economic growth.

This week's data runs from 18 May to 25 May 2006
DGEN & DSE20 Movement

Stock Market Movement



	This Week	Last Week	+/- %
DSE General Index	1370.15336	1395.05	-1.78
Total Turnover, Tk	896,338,418.50	1,085,665,558.95	-17.44
Market Capital, Tk	190,935,143,378	193,858,971,761	-1.51
No of Issue Gain*	93	82	
No of Issue Loss*	128	140	
No of Unchanged Issues*	10	8	

*Issues-gain, Loss Unchanged –are reported on Average price basis.

Top Gainers

Company	Weighted avg.Closing Price (Tk)		Change %	Turnover (000 Tk.)
	Last Week	This Week		
Bangladesh Welding			33.66	4,415.49
Zeal Bangla Sugar	12.78	17.50	31.14	4,790.85
Al Amin Chemical	2.41	3.20	30.29	445.88
Perfume Chemical	38.75	48.50	27.33	3,157.76
Shampur Sugar Mills	7.15	8.70	21.12	1,684.37
Meghna PET Ind.	1.50	1.80	19.33	407.23
Rangamati Food	2.42	2.80	17.77	72.86
German Bangla Food	1.30	1.40	14.62	142.30
Bionic Sea Food	2.29	2.60	13.54	594.10
BCIL	20.50	23.00	12.20	6.21

Top Losers

Company	Weighted avg.Closing Price (Tk)		Change %	Turnover (000 Tk.)
	Last Week	This Week		
Central Insurance	154.95	120.75	-21.99	91.87
Southeast Bank Ltd	486.49	400.00	-18.25	34,260.66
Sonali Ansh Ltd	315.00	275.00	-12.70	15.13
Rangpur Foundry	20.02	17.90	-10.44	179.30
Raspi Data Mgt	4.54	4.00	-10.13	473.28
Rahim Textil Ltd	78.75	71.00	-9.84	0.71
Padma Oil Co	706.67	706.60	-9.43	24.32
Eastern Lubricants	127.32	116.00	-8.89	34.80
Mithun Knitting	88.00	81.00	-7.95	42.12
Daffodil Computers	16.89	15.50	-7.93	8,956.80

Yawer Sayeed, Managing Director & CEO
Wasiq al Azad, Head of Operations
Laila Mahmuda Shilpi, Manager
Sukumar D'Costa, Manager-Accounts
Shahida Akthar, Executive –Research
Mahbuba Ahmed, Executive –Research
Ashrafal Hasan, Executive-Fund Management
Subrata Bhakta, Executive –Fund Management
Nasima Sultana, Executive- Customer Support

Technical Talk

Market continued the bearish trend

The market continued jump down and the index fell by 24.90 points (1.78%) and stated at 1370.15 than the last week. DSE-20 also dropped by -23.78 points (1.75%). The total turnover dropped by 17.44% to 896.33m against 1,085.66m. Besides, market capitalization also went downstairs by 1.51% to close at 190.93b (\$2.80b) at the weekend.

During the week, the DSE General Price Index below both the 18-day and 9-day moving average line. The RSI indicator displayed in a downward trend. Currently RSI is 39.99 point against 45.85 point.

Top 20 Market Capital

			In million
Lafarge Surma Cement	19,327	Beximco Pharma	4,771
Islami Bank BD Ltd	11,785	Export Import Bank	4,333
Square Pharma	11,400	Southeast Bank Ltd	4,201
Prime Bank Ltd	6,801	City Bank	4,118
Rupali Bank Ltd	6,578	BATBCL	4,036
Eastern Bank Ltd	6,540	Dutch Bangla Bank	3,692
National Bank	6,381	Bank Asia Ltd	3,641
Pubali Bank Ltd	6,350	Mercnatile Bank	3,182
UCBL	6,335	Padma Oil Company	3,136
Dhaka Bank Ltd	4,900	Uttara Bank Ltd	2,888

Turnover Companies

Company	Volume	Value(000)Tk.	% of total
IFIC Bank Ltd	233,277	116,657	12.94
National Bank Ltd	96,590	76,524	8.49
Jamuna Bank Ltd	228,283	62,002	6.88
Export Import Bank	119,965	59,142	6.56
S. Alam C R Steels	292,900	41,993	4.66
Southeast Bank Ltd	86,147	34,261	3.80
Beximco Pharma	681,182	33,882	3.76
Summit Power Ltd	92,830	33,785	3.75
Dhaka Bank	61,253	23,277	2.58
Bangladesh Online	411,930	22,899	2.54

Exchange Rate

	This Week		Last Week		Change %	
	T.T./O.D	BC	T.T./O.D	BC	T.T./O.D	BC
USD	69.6200	69.6500	69.5200	69.5500	0.14	0.14
EUR	89.7611	89.7997	90.3690	90.4080	-0.67	-0.67
GBP	130.9274	130.9838	132.1436	132.2006	-0.92	-0.92
AUD	53.4125	53.4355	54.4342	54.4577	-1.88	-1.88
JPY	0.6253	0.6256	0.6438	0.6440	-2.87	-2.86
CHF	57.8624	57.8873	58.3075	58.3326	-0.76	-0.76
CAD	62.6586	62.6856	63.4886	63.5160	-1.31	-1.31
HKD	8.9970	9.0009	8.9862	8.9901	0.12	0.12
SGD	44.8554	44.8747	45.2663	45.2858	-0.91	-0.91
AED	19.1138	19.1220	19.0832	19.0914	0.16	0.16
SAR	18.7130	18.7211	18.6882	18.6962	0.13	0.13

Based on Standard Chartered selling rates to public in Taka. Notes: USD-US dollar, GBP-Great Britain Pound, AUD-Australian Dollar, JPY-Japanese Yen, CHF-Swiss Franc, CAD-Canadian Dollar, HKD-Hong Kong Dollar, SGD-Singapore Dollar, AED-UAE Dirham, SAR-Saudi Riyal.

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