

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
▼ 0.73%	▼ 0.90%	\$1,543.80	\$65.65	▲ 1.55%	▲ 2.31%	▲ 0.05%	▲ 0.91%	BUY TK	83.95	92.51	109.42
4,197.39	7,735.12	(per ounce)	(per barrel)	41,452.35	23,739.87	3,247.48	3,034.88	SELL TK	84.95	96.31	113.22

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DHAKA FRIDAY JANUARY 10, 2020, POUSSH 26, 1426 BS • starbusiness@thedailystar.net

BB's stimulus for stock market flops

AHSAN HABIB

Only City Bank took up the Bangladesh Bank's package for banks to invest in stocks, as yet another initiative of the government to prop up the flagging bourse falls flat.

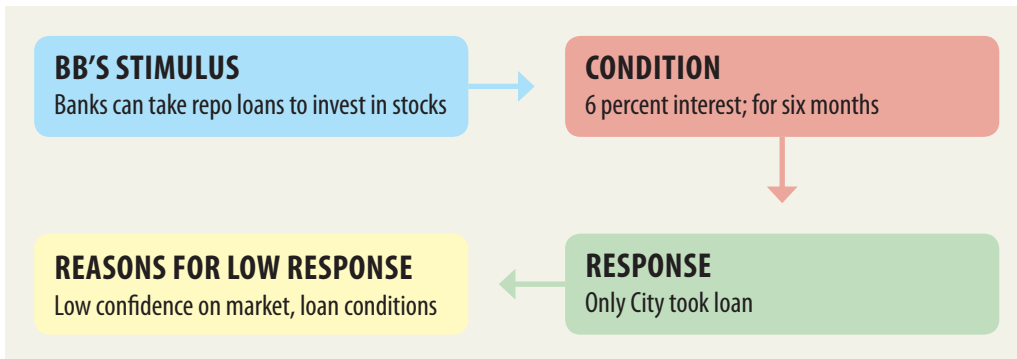
The development suggests that the problems causing the stock market to slide are deep-rooted and cannot be fixed with stop-gap measures.

Earlier on September 22, with the view to shoring up the capital market the central bank announced a package for banks that would let them borrow money through repo for six months at 6 percent interest to invest in stocks.

Repo refers to a system of repurchasing treasury bills from banks to lend money.

The window to avail the package closed on December 22 last year and only City Bank borrowed Tk 50 crore, according to data from the Bangladesh Bank.

"There is no guarantee that there would be profits, so banks did not respond," said Khairul



Bashar Abu Taher Mohammed, chief executive officer of MTB Capital.

Besides, the conditions of the loans dampened the banks' excitement for the loans.

Banks had to keep treasury bonds as collateral to take the loans. The treasury bonds bear interest rate ranging from 7 percent to 9 percent.

"The stock market has been falling for the last few months, so banks evaluated the pros and cons and decided not to take the loan," said Bashar, also the former secretary general of Bangladesh Merchant Bankers' Association (BMBA).

His reasoning was not too far off in case of City Bank. The bank saw unrealised losses of about 9 percent due to the constant slide of the market

in the last few months.

DSEX, the benchmark index of the premier bourse, dropped 1,174.57 points, or 21.74 percent, since last September, according to data from the Dhaka Stock Exchange.

The six-month duration and the capital market uncertainty made banks decide against taking loans from the BB, said a merchant banker who is one of the leaders of the BMBA.

"Either the Bangladesh Bank did not do any research before offering the loan or it wanted to offer the stimulus just for eyewash. They know banks will not take loans for such a short time and that too by keeping their treasury bonds," he said requesting not to be named to speak candidly on the matter.

Besides, it is a complex process, he added.

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WB trims Bangladesh growth forecast

Now projected to grow at 7.2pc this fiscal year

STAR BUSINESS REPORT

The World Bank has cut its economic growth forecast for Bangladesh by 0.2 percentage points to 7.2 percent for the current fiscal year, but the country is still poised to clock in the highest growth in South Asia.

The Washington-based multilateral lender, however, kept the growth outlook unchanged at 7.3 percent for the next fiscal year, according to its semi-annual Global Economic Prospects, which was released yesterday.

The growth forecast -- which are revisions of the projections made in June last year -- still puts Bangladesh as one of the fastest growing nations in the world.

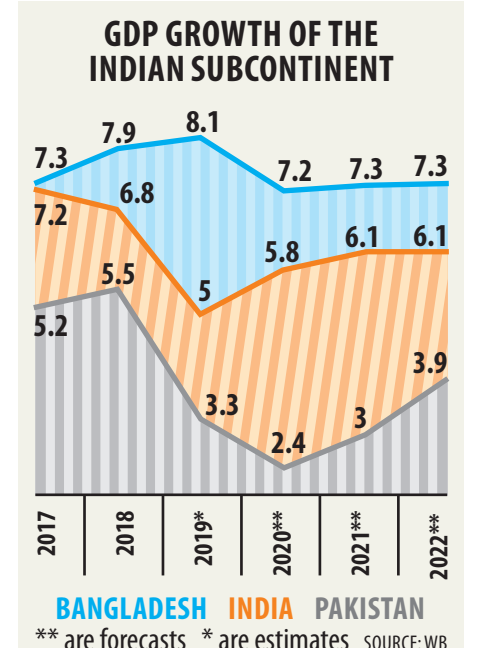
"A solid macroeconomic framework, political stability, implementation of planned public infrastructure projects and ongoing reforms to improve the business environment underlie this projection."

Bangladesh, the third-largest economy in the region, fared better than India and Pakistan, with growth officially estimated at 8.15 percent in fiscal 2018-19.

A moderation in domestic demand was more than offset by a pickup in exports, partly as a result of trade diversion following bilateral tariff increases between China and the US.

According to the report, following its weakest performance since the global financial crisis, the world economy is poised for a modest rebound this year -- if everything goes just right.

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GP maintains it did nothing wrong

STAR BUSINESS REPORT

Grameenphone maintains it has followed the prescribed process to release equipment from customs and did not violate any regulations in its official response yesterday to the show cause notice slapped by the telecom watchdog.

The notice was issued on January 1 after the country's leading mobile operator took delivery of five lots of equipment without obtaining the approval of the regulator.

The Bangladesh Telecommunication Regulatory Commission (BTRC) gave Grameenphone seven days to reply to the show cause notice. Yesterday was the last day for replying.

The tussle began on July 22 last year, when the BTRC decided not to give any kind of approval to Grameenphone and Robi related to roll out of new package or service or import of network equipment as it looked to pile on pressure on the operators to clear their dues.

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Commerce ministry seeks VAT, duty cuts on edible oil, sugar

SOHEL PARVEZ

The commerce ministry has requested the revenue authority to cut the value-added tax on edible oil and slash tariff on raw sugar imports to keep their prices stable during upcoming Ramadan when demand soars.

"We have made the request based on recommendations from a recent meeting among stakeholders, including businesses involved in trading of the commodities," said a senior official of the ministry.

The move comes as soybean, palm oil and sugar became dearer in the local market over the last one month on the back of their escalating prices in the global market.

Bangladesh is dependent on imports for the commodities for want of adequate local production.

The country consumes 20 lakh tonnes and 17.5 lakh tonnes of edible oil and sugar respectively in a year, estimates Bangladesh Tariff Commission (BTC). Roughly 90 percent of the annual requirement of the two items are met through imports.

In Dhaka, the price of sugar was up 8 percent yesterday at Tk 64 a kg from a month earlier, according to data from the Trading Corporation of Bangladesh (TCB).

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FB, Robi drop plan to set up 10,000 Wi-Fi hotspots

Projects fails to pass muster of BTRC

MUHAMMAD ZAHIDUL ISLAM

Facebook and Robi Axiata have recently scrapped a plan to set up about 10,000 Wi-Fi hotspots for educational institutions in remote areas by partnering with local internet service providers (ISPs) as the telecom regulator is stalling on giving the go-ahead to the venture.

At present, the social media giant runs the "Express Wi-Fi" project in underdeveloped regions in Asia, South East Asia, Africa and South America, which offers fast, affordable, reliable and scalable internet access.

Facebook verbally made the proposal to Telecom Minister Mustafa Jabbar at towards the end of 2018 and the minister had welcomed the



access to distribution and retail chain and branding support.

Link3 Technologies, a leading ISP, was their connectivity partner.

"Both Facebook and Robi had tried a lot and the regulator did not allow it. I have no clear idea about the regulator's viewpoint," said FM Rashed Amin, Robi's chief technical officer.

The project would have been beneficial for the country, he added.

The government could have allowed the project to go through as it would have ultimately helped connect a huge number of people who do not have access to the internet at present, said a senior BTRC official.

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Explore new markets, diversify products

PM asks garment makers

UNB, Dhaka

Prime Minister Sheikh Hasina yesterday asked the garment makers to explore new markets and diversify their products to keep pace with the changing fashion and designs of the apparel items in the international markets.

"We've to pay utmost attention to diversification of products in the export basket. In case of apparel, (the demand of)



Sheikh Hasina

everything, including design and colour, is also always changing in the course of time," she said.

The premier spoke while addressing a programme of the National Textile Day-2019 and inauguration of the multipurpose textiles fair at Bangabandhu International Conference Centre in Dhaka.

Although the design and colour of garments depend on the demand of the buyers, Bangladesh should have an own initiative to search new markets and know the demand of fashion and design of apparel items in the markets, she said.

"I think it is essential to diversify our production keeping consistency with these."

She said the manufacturers should have short-, mid- and long-term plans in this regard. "I hope you will prepare and adopt such plans. We'll extend all sorts of cooperation," she went on.

Noting that Bangladesh sells garment items at very low prices, the prime minister urged the businessmen to take initiative so that international buyers increase the prices, at least to some extent.

"If the buyers increase the price of every cloth by \$1, we could develop this sector further," she said adding that she raises the issue of paying more to Bangladeshi garments during her visits to different countries.

The gross domestic product (GDP) has increased to \$302 billion from \$102 billion in 2009, while the export volume reached \$46.53 billion in fiscal 2018-19, three times higher than that of fiscal 2005-06, the PM said.

The per capita income has now increased to \$1,909, she said, adding that the government has been able to increase the GDP growth to 8.15 percent while keeping the inflation rate within 5 percent.

Hasina said her government has been promoting the private sector.

Since 2009, the private investment has grown five times to \$70.8 billion and the foreign currency reserve nine times to \$33 billion.

The minimum wage of garment workers has been raised to Tk 8,000 now, which was only Tk 1,600 in 2009.

She said the government is giving importance to the development handloom industry as the government has undertaken a good number of measures for the development of the weavers.

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Form taskforce to devise export turnaround

BGMEA puts in request to PMO

STAR BUSINESS REPORT

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) on Wednesday called for a special taskforce for quick implementation of different decisions in the sector.

The garment sector has been going through a tough time due to spiralling production costs, price fall of apparel items, a drop in garment shipments and weak infrastructure.

So, the government needs to form a special taskforce to address different challenges so that the sector can rebound soon, the BGMEA said in a letter sent to Ahmad Kaikaus, principal secretary to the prime minister.

The leaders of the apparel makers' platform handed over the letter to Kaikaus during a meeting with him at his office.

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Emirates offers generous discounts

STAR BUSINESS DESK

Emirates airline has offered 20 percent discount on business class and 15 percent discount on economy class fares for travellers from Bangladesh to all destinations.

The special fares are available for booking from January 7 to 20 for travel from January 13 to November 30, the airline said in a statement yesterday.

Emirates currently operates three daily flights from Dhaka, and will launch the fourth on March 29. By making continued investments in refreshing the world's biggest fleet of Airbus A380s and Boeing 777s, passengers travelling with Emirates are able to "Fly Better" on every single flight, the statement added.

With its Dubai hub, Emirates provides travellers with direct connections to more than 150 destinations in 85 countries and territories including 43 destinations in Europe, 17 in the Americas, 23 in Africa, 13 in the Middle East, and 17 in South Asia.

OVERCAST WEEK IN DSE

DSEX, the benchmark index, slid in each of the trading sessions, dragging stocks down to its lowest level since May 2, 2016.

Economic slowdown, tensions in the banking sector regarding single-digit interest rate and Grameenphone's latest run-in with telecom watchdog had a heavy toll on the market. Analysts are not hopeful of the market bouncing back anytime soon.

DSEX 4,197.39

points (fell 261.90

points, or 5.87%)

Turnover Tk 315.42

crore (dropped Tk 10.3

crore or 3.16%)

TOP FIVE GAINERS

Company	Gain (in %)
Emerald Oil	29.10
National Feed Mills	10.42
LafargeHolcim	10.35
Dulamia Cotton	7.72
Bangladesh General Insurance	6.64

TOP FIVE LOSERS

Company	Loss (in %)
Sinobangla Industries	19.54
Northern Jute	17.85
SEML FBLSL Growth Fund	16.19
National Housing Finance	15.05
CAPM IBBL Mutual Fund	15

TOP TURNOVER

Company	Turnover (in crore Tk)
ADN Telecom	18.70
LafargeHolcim	18.19
Khulna Power	15.69
Brac Bank	11.74
Standard Ceramic	8.29

