

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
Week-on-week		As of Friday		Friday Closings				As on Thursday			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 1.12%	▲ 1.16%	\$1,942.60	\$42.66	▼ 1.63%	▼ 1.11%	▼ 0.87%	▼ 0.87%	83.95	98.13	110.92	12.06
4,927.82	8,482.95	(per ounce)	(per barrel)	38,357.18	23,205.43	2,509.64	3,355.37	BUY TK	101.93	114.72	12.69
								SELL TK	84.95	114.72	12.69

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## Brighter days ahead for Indo-Bangla river trade

SOHEL PARVEZ

If you happen to be on the Padma or Meghna rivers for a cruise or are travelling to the country's southern part, you will in no way miss a sporadic presence of numerous slow-moving small and large vessels alongside their sudden blasts of horns.

Most are engaged in transporting cargo from one part of the country to another. But sure to be among them are some going beyond the border ferrying goods between Bangladesh and India.

And the frequency of their trips between the two neighbouring nations is increasing gradually; so is the quantity of cargo being hauled.

Plaudits should be given to the increased use of the 4,000 to 6,000 kilometres of waterways by businesses to transport their import cargoes that has opened up opportunities for local cargo vessel operators.

Cargo transport through inland waterways between Bangladesh and India has just nearly doubled to 27.80 lakh tonnes in fiscal 2019-20 from 14.37 lakh tonnes a decade ago, showed data from Bangladesh Inland Water Transport Authority (BIWTA).

Expansion of cement production to feed the rising number of public and private construction projects was helping the cargo transport through waterways, said vessel operators and BIWTA officials.

This was being facilitated by a Protocol on Inland Water Transit & Trade between Bangladesh and India as fly ash, one of the key ingredients of cement, was mainly imported through waterways from the neighbouring country.

And opportunities for more freight transport business are arising.

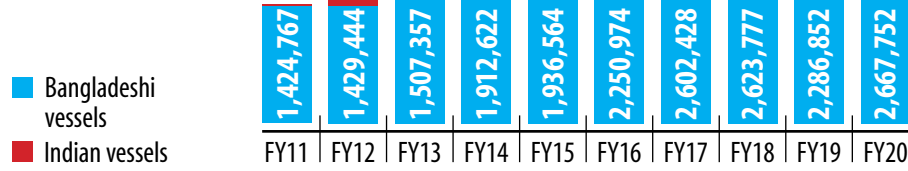
This is resulting from increasing bilateral trade between the two neighbours, opening of new river routes and prospects of an increase in the shipment of goods by India under transit arrangements in the days to come, said operators.

"We see a very good prospect for business," said Syed Bashir Ahmed, managing director of Winship Logistics, one of the leading cargo vessel operators between India and Bangladesh's inland waterways.

### CARGOES TRANSPORTED BY VESSELS

in tonnes; per year

SOURCE: BIWTA



### NUMBER OF TRIPS BY VESSELS

SOURCE: BIWTA



More than 300 vessels operate on inland waterways per month between the two nations, annually generating around Tk 300 crore in revenue as freight charge for operators, sector insiders said.

Even one and a half decades ago Indian vessels dominated the protocol routes, said cargo vessel owners.

Local operators gradually entered and made gains on the market share. Today, local operators grab 99 per cent share of the cargo freight market, according to the BIWTA data.

The number of trips of local vessels increased after 2005 and the frequency went up in the subsequent years as demand for fly ash to produce more cement rose, said Ahmed.

In 2019-20, fly ash accounted for 98 per cent of the total cargo transported on the waterways mainly between Narayanganj and Kolkata. Steel products, stone chips and containers made up the rest. Though the amount of transit cargo increased in recent years, it still accounts for an insignificant portion.

Only 13,000 tonnes of transit cargo were transported through inland waterways last fiscal year. The amount was 7,300 tonnes in fiscal 2010-11, according to BIWTA data.

Transit and transshipment will increase and local logistics companies will reap its benefits, said Ahmed.

"Our business opportunity will expand. There is not enough vessels in India. Our vessels will be used," he said, expecting the volume of cargo transport over waterways to touch one crore tonnes in the next five years.

Business prospects look good, subject to maintenance of navigability of the rivers, said K Saiful Alam Miru, proprietor of Nexus Corporation.

"One of the shortcomings is that this is one-way traffic. We cannot take anything from here as export," said Miru, also managing partner of the Gazaria Builders and Engineers.

"It would be economical if we could transport cargoes both ways. Scope to carry assorted cargoes will enable us to make the business viable," he said.

The two firms together have a fleet of 50 vessels.

"We are trying to ship cement to India. There



### MAJOR CARGOES

- ▶ Fly ash
- ▶ Steel products
- ▶ Stone chips
- ▶ Containers

### OTHER KEY POINTS

- ▶ Nearly 300 vessels ply between Bangladesh and India monthly
- ▶ Goods are transported through 6 routes
- ▶ Two new routes are opening

is a good market for local cement in Northeast India. We will be able to take a higher quantity at a cheaper rate there," said Ahmed.

"We are also trying to ship garment items through containers," he added.

Indian exporters of yarn, motor vehicles and parts are willing to ship their export through waterways, he said.

"We can do that if the National Board of Revenue allows us and creates the facility," he said, urging the NBR to allow movement of more goods through waterways to reduce business costs and facilitate flourishing of the sector.

Trade between Bangladesh and India stands at around \$9.21 billion with the scales heavily tilted towards India as Bangladesh's export amounts to around \$1 billion.

Truckers and cargo vehicle operators transport a large portion of the import-export goods. Transport through waterways will increase revenue generation if the authority allows more products to pass over the rivers instead of roads, said Nazmul Hossain Hamdu, vice president of Bangladesh Cargo Vessel Owners' Association.

This will reduce the pressure on roads, he said. Cost of freight will also reduce largely for use of waterways, said operators.

Two routes -- Daudkandi-Sonamura and Rajshahi-Godagari-Dhulia, India -- were added as protocol routes in December last year, said BIWTA Director (traffic) Mohammad Rafiqul Islam.

"Prospects of water transport between Bangladesh and India are bright."

## Now northeast India connected via new river route

JAGARAN CHAKMA

Premier Cement, a cement manufacturer in Bangladesh, became the maiden exporter to India's north-eastern state of Tripura through a new river route in a development that is expected to boost cross-border trade and connectivity.

The consignment of 50 tonnes of the key construction material loaded onto MV Premier left Daudkandi on Thursday night. This was the first-ever export consignment from Bangladesh to Tripura through the inland waterways.

The consignment reached Tripura at around 11pm on Friday. The vessel crossed the border from Daudkandi in Comilla via Bibirbazar in the same district through the Gumti river.

The goods will be unloaded in Sonamura in Sepahijala district, 60 kilometres from Agartala, the capital of Tripura.

The export came after the 93-kilometre stretch inland waterways on the Sonamura-Daudkandi route that connects Tripura to Bangladesh was included in the list of India-Bangla protocol (IBP) routes in May.

"This is a proud moment as Premier Cement became the first exporter to use the riverine route," said Mohammed Amirul Haque, managing director of Premier Cement.

Shipping Secretary Mohammed Mezbah Uddin Chowdhury told The Daily Star that through the trial shipment, new opportunities for Bangladesh to do business with India will open.

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## Stock price odd one out? Gambling likely

AHSAN HABIB

How does a stock join the ranks of its priciest peers in a bourse? Undoubtedly pegging on the company's earnings, assets, potentiality and brand value.

However, a glaring exception takes place at Dhaka Stock Exchange (DSE).

That's because many stocks with low paid-up capital can be found in the toppers' club, not because of the aforementioned qualities but rather for conniving investors engaging in gambling.

The most common form of gambling occurs whenever scamsters are able to get their hands on nearly all of a company's stocks.

A company having low paid-up capital means the number of shares it has in the market is relatively small. Gamblers target these stocks as it is easier to carry out the manipulation.

They strategically time purchases and sales so that the stocks change hands just among themselves. This causes the price to rise even if the company's dividend payout keeps very low while the brand value stays limited.

Once the high prices start attracting investors with poor judgement and analytical skills, the fraudsters dump all that they own and exit the market with the loot.

Renwick Jaineswar is the best example of this in the DSE's trading board. The state-run entity is primarily engaged in the manufacture and trade of sugar products in Bangladesh and abroad.

Its presence among the likes of top performing companies such as Reckitt Benckiser, GlaxoSmithKline, Marico and Berger Paints has become quite a

common sight.

Last Thursday Renwick's stock price stood at Tk 1,590 while that of the four were Tk 3,801, Tk 2,331, Tk 1,975 and Tk 1,464 respectively.

"The stock price of Renwick is bouncing all the time depending on the gamble," said a stock broker preferring anonymity.

Just two years ago Renwick's stock was priced at Tk 800. Within six months it had more than doubled to Tk 1,650.

It then dropped to Tk 850 within one year and then again skyrocketed to Tk 1,650 in the span of the past six months, the DSE data shows.

Gambling with the stock is easy as it has a very limited number of shares, said the stock broker.

to the four it sits with, so it should be a no-brainer that its positioning was not normal, the stock broker pointed out.

Renwick has been annually providing just 12 per cent cash dividend since fiscal 2014-15. Moreover it failed to give any in 2018-19.

In contrast the renowned four provided dividends of 1,250 per cent, 530 per cent, 950 per cent and 295 per cent respectively last year. And the figures are on a rising trend.

Another eye opener is the net asset value per share.

For Renwick, it was Tk 30.66 on July 31 of 2019. For the four it was Tk 142, Tk 132, Tk 44 and Tk 204 respectively last year.

### Top value stocks in DSE

COMPANY NAME	STOCK PRICE (TK)	DIVIDEND (2019)
Reckitt Benckiser	3,801	1250%
GlaxoSmithKline	2,312	530%
Marico	1,975	950%
Renwick	1,590	12%
Berger	1,464	295%

Paid-up capital of the state-run company is Tk 2 crore and the number of shares 20 lakh, according to the DSE data.

Of the 20 lakh shares, 9.80 lakh, or 51 per cent, are owned by the government. This means only 10.20 lakh shares are available in the market. The company's earnings, assets, and brand value are much lower compared

Renwick is not the lone stock being toyed with. Gamblers have targeted every company with low paid-up capital, said a merchant bank's top official.

Among the victims is Eastern Lubricant, the stock price of which stood at Tk 1,130 on Thursday although its paid-up capital was merely Tk 99 lakh.

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## Onion prices shoot up in Ctg markets

DWAIPIYAN BARUA, Ctg

Onion prices marked a sharp rise in the kitchen markets of the port city in the last two days following a sudden hike in the wholesale market at Khatunganj where traders are citing the excuse of it being a ripple effect from neighbouring India.

Consumers had been happy over the last couple of months with the low prices of onion thanks to an apparent stability in the market.

Now that has turned to worries, with apprehensions of a repeat of last year's ordeals when prices skyrocketed.

Meanwhile, sales at different shops in the wholesale markets of Khatunganj witnessed a remarkable drop yesterday afternoon, with poor demand stemming from the upward trend of wholesale prices in the past three days.

Imported onion from India is the main choice for consumption in Chattogram while demand for the locally produced ones remained poor.

Retail prices of both types rose by Tk 10 to Tk 15 per kilogramme in different kitchen markets within the 24 hours of Friday.

Mohi Uddin, a service holder, bought a kilogramme of the Indian variety at Tk 35 from Karnaphuli CDA Market on Thursday.

"On the following day when I went to the same grocery shop for monthly shopping, the retailer demanded Tk 45 a kg for the same onion," said the frustrated shopper.

Mohammad Suman, the retailer, said they were forced to charge higher as the prices had been hiked at the wholesale market.

At Khatunganj's wholesale markets, prices of Indian onion suddenly rose



RAJIB RAIHAN

Arrival of such stocks of onion at the Khatunganj wholesale market yesterday did little to appease customers of Chattogram. A sharp price rise in the past three days is stoking fears of a repeat of last year's record highs. Traders say it was a ripple effect of what was happening on the other side of the border in India.

by Tk 7 to 8 to reach Tk 37-38 per kg on Thursday from what was just the day before.

Faruk Ahmed, a commission agent, said the market was witnessing this upward trend in the past three days as prices hovered between Tk 40-41 a kg on Friday and then Tk 42-43 yesterday.

The wholesalers blamed a recent price hike in India.

Claiming that onion prices in India recently rose by Rs 13 to reach Rs 27 a kg, Ahmed said.

Wholesale price of locally grown onion also went up by Tk 10-12 a kg during the period.

Confirming this, Muhammad Idris, general secretary of Hamidullah Mia Market Traders Association of Khatunganj, said traders at different land ports hiked the prices on Thursday prompting wholesalers to do the same.

After spiralling for three days at different wholesale shops and commission agent firms, the prices made a remarkable dive yesterday.

Ahmed, the commission agent, said his shop usually sells 100 to 150 sacks of onion every day but yesterday they were able to sell only 40.

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