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DGEN	▼ 0.82%	2,960.96
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## Currencies

	Buy Tk	Sell Tk
USD	68.42	69.42
EUR	95.85	101.55
GBP	110.12	116.03
JPY	0.72	0.81

SOURCE: STANDARD CHARTERED BANK

## Commodities

Gold	▲	\$989.14	(per ounce)
Oil	▼	\$67.91	(per barrel)

SOURCE: AFP (As of Friday)

## DSE opens market for junk shares

STAR BUSINESS REPORT

A separate trading floor -- over-the-counter (OTC) market -- for trading junk shares was introduced on Dhaka Stock Exchange (DSE) yesterday.

In the first phase, shares of companies that were already removed from the premier bourse will be placed on the OTC market, formally inaugurated by Ziaul Haque Khondker, chairman of Securities and Exchange Commission (SEC).

In the next phase, shares of non-performing or non-operational companies that will be removed from the main board will be traded on the new floor.

"Although the OTC market is being introduced late, it is better than never," the SEC chief said at the inaugural function.

He said introduction of OTC market will increase integration between Dhaka market and other international capital markets, most of which have separate OTC market.

The DSE introduced the market in line with the directives of the SEC on opening of a separate trading floor for junk shares.

Out of more than 90 companies now listed under the 'Z' category, traces of many are not found, while some have gone out of operations. But trading of shares of those companies were taking place, as many retail investors are unaware of the companies' present status.

Under the OTC system, interested buyers and sellers of shares of non-performing and under-performing companies will announce prices and numbers of shares to be traded.

Transaction will take place if the announced prices of buyers and sellers match.

Referring to the OTC market of Chittagong Stock Exchange, where no trading was held since its inception in 2004, DSE President Rakibur Rahman said the Dhaka OTC market will not be like the CSE's.

SEC Member Mansur Alam, DSE Senior Vice President Saiful Islam and acting chief executive officer Satipati Moitra also spoke at the function.

## Contact Us

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# BKMEA demands stimulus

## RMG sector not in bad shape: Minister

STAR BUSINESS REPORT

Garment sector problems and demands will come up for discussion at the second meeting of the taskforce on recession, due on September 15-16, Finance Minister AMA Muhith told knit exporters yesterday.

A delegation from Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), led by its President Fazlul Hoque, met the minister at his secretariat office in Dhaka.

Later, at a press conference, knitwear exporters raised the demand for a 5 percent stimulus on FOB (free on board) value of exported items to weather out fallout from the global recession. Bank interest on the money borrowed by knit makers should not cross 10 percent, they said.

"We urge the government to allow 70 percent advanced cash withdrawal from the banking system against our export claim certificates, popularly known as PRC or proof of reimbursement certificate," Hoque said.

He said he has already instructed the owners affiliated with BKMEA to provide arrear salary and bonuses to workers before Eid. "I hope owners will pay their workers regularly and no labour unrest will occur in the knitwear sector," he said.

Presently, the garment sector enjoys 5 percent cash incentive against its export performance.

The BKMEA chief complained that banks do not go by the government directive on re-scheduling facilities.

Ensuring such facilities can help



Garment workers busy at a manufacturing unit. Bangladesh Knitwear Manufacturers and Exporters Association yesterday demanded a stimulus package to shake off the global recession fallout.

tap global knitwear export market potentials, Hoque said.

Hoque will lead a business team for the second time to Japan in the next three months to explore a knit export market there.

"If the government offers bank re-scheduling facilities to the local garment makers, we are hopeful of \$18-\$20 billion knit exports by 2017," he said.

On the issues discussed with the finance minister in the morning, Hoque said the minister had

appreciated them of the release of the Tk 111 crore arrear cash incentive against export performance.

During the meeting, BKMEA demanded a waiver of minimum gas bill payment because many factories had to suspend production facing acute gas crisis.

Moreover, the banking sector recently became cautious in providing loans for manufacturers due to the recession, a bad signal to the growth of the industrial sector, Hoque pointed out.

"Recently, I have noticed that the banking system has been showing a no-confidence towards the businessmen as some businessmen failed to repay bank loans on time because of the losses they incurred due to recession," Hoque said.

According to a UNB report, the finance minister said, "The garments sector is not in a state that they cannot pay the salaries and bonuses of their workers."

His remarks came after the meeting with the BKMEA leaders.

# Maize seed sellers upbeat

SOHEL PARVEZ

Maize seed sellers foresee good sales in the coming sowing season, hoping that a section of farmers will shift to maize cultivation from rice because of receiving low price for paddy.

"The seed market was dull last year due to low price of maize. But a relatively better price of the grain as well as low price of paddy has opened up scope for a rebound in maize seed sales and cultivation," said Md Farruk Hossain, head of seed business of Syngenta Bangladesh.

"We expect maize seed sales will rise by 25-30 percent this year," he said, citing that Syngenta sold 600 tonnes of seed last year.

Hopes for increased sales of maize seed heighten as sowing season comes at a time when farmers are receiving relatively better price due to a slump in maize production this year.

The sowing season begins from October. In the last two seasons (October-April) farmers did not get expected price for their produce because of a poor demand from its main consumer poultry industry.

A restriction on export also dampened the price expectation and acted as disincentive for farmers to grow maize last season.

"It was a blow to the farmers. Many of them failed to get reasonable price last year for the restriction on export," said Mostafa Kamal, regional sales coordinator of Monsanto, India, which markets maize seed in Bangladesh.

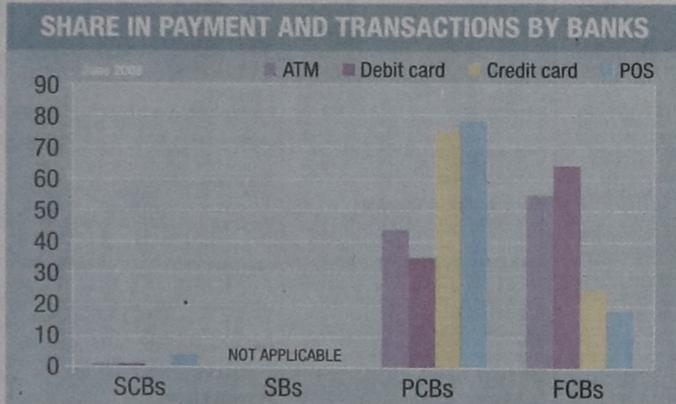
Such a disincentive along with high cost of non-urea fertilisers led many farmers to switch to cultivation of paddy last year which in turn contributed to a fall in maize acreage and yield this year.

The drop in output pulled the maize price up, bringing a boon for those who dared cultivate maize even after receiving low price last year.

"Those who cultivated maize last year are getting higher price this year," said Sudhir Chandra Nath, programme manager of Agro Marketing division of Brac. Now price of fine quality maize stands over Tk 600 a maund, up from Tk 500 for the same amount last year, market insiders said.

"Farmers who shifted to paddy cultivation last year will be back this year and increase the demand for seed," said Sudhir. "We were able to sell about 600 tonnes of maize seeds last year. This year our target is above 1,000 tonnes." [sohel@thedailystar.net](mailto:sohel@thedailystar.net)

# Tech products drive bank profitability



SAJJADUR RAHMAN

Technology-driven business models are helping banks increase profitability by reducing capital mobilisation costs.

Almost 90 percent of all private commercial bank (PCB) branches have become tech-savvy in the past few years. State-owned commercial banks have also joined the bandwagon.

Technology driven products include automated teller machines (ATM), credit cards, debit cards, point of sales (POS), phone banking, internet banking and SWIFT (an international network for the banking community for faster international business).

Banks are increasingly dependent on these alternative business models and a major portion of bank payments and transactions take place via these models.

"Sixty percent of all transactions now take place through alternative banking channels," said a senior official of BRAC Bank, a third generation PCB.

Dutch-Bangla Bank Limited (DBBL), which has the largest ATM network in the country with 573 booths, now transacts an average of Tk 700 crore a month that has doubled from last year, said Deputy Managing Director Abul Kashem Md Shirin.

"The cost of a transaction through the technology driven channel is a 10th of the cost of the transaction through the manual channel," said Syed Masoudul Bari, head of IT of Al-Arafah Islami Bank.

A recent Bangladesh Bank (BB) study on "Innovative Technology and Bank Profitability: The Bangladesh Experience", also shows banks that adopt technology are more profitable and reduce risks as they gain maturity in offering such services.

The use of technology-driven products by local banks does not date back long. In 1998, one PCB had credit card facilities, while there were no debit card facilities, ATMs or POS. Another foreign bank operated credit cards and ATM service at the time.

In 2006, 14 out of 30 PCBs launched credit card services, 17 launched debit

cards, 17 had ATM services, 7 had POS, 3 had internet while 22 had online banking. Three out of the four state-owned banks introduced debit cards in 2006.

Now, almost all private banks have the technology-driven business model to give better and faster services to their clients. Nearly 100 percent of all the 3,500 private bank branches are computerised, which was 46 percent a decade ago, the BB study shows.

Two private banks, one local and another foreign, introduced credit and debit cards first in 1999 in Bangladesh. At the end of that year, the number of debit card customers stood at 2,014 and credit card customers stood at 1,607, the BB statistics show.

The number of debit and credit card users jumped to 6 lakh and 2.25 lakh respectively at the end of 2006.

The use of debit cards continues to rise rapidly and the number reached 12 lakh in August 2009, according to data collected from several banks.

In the market for debit cards, BRAC Bank rules over nearly a third, followed by DBBL with 2.5 lakh, Q-Cash with nearly 2 lakh and Standard Chartered Bank with 1 lakh customers. Other major players in this market are -- Eastern Bank, The City Bank and Prime Bank.

There are about four lakh credit-card holders in the market. Bankers said credit-card growth is slower than debit cards. A beneficiary has to be a taxpayer to obtain a credit card.

According to the latest BB data, payments and transactions by credit card were nearly Tk 1,100 crore in June 2008, which was Tk 2,000 crore for debit card, 4,060 crore for ATMs and 180 crore for POS.

The transactions were almost half in December 2007, just six months ago, BB data shows.

"Establishment of the Bangladesh Automated Cheque Processing System by this year will boost payment and transactions through technology-driven products," a senior BB official said. [sajjad@thedailystar.net](mailto:sajjad@thedailystar.net)

# Sales go brisk on longer shopping time



A salesman displays a sari to customers at a shopping mall in Dhaka. The government move to extend shopping hours up to 10pm has come as a boon for shopkeepers, giving a relaxed environment to shoppers.

SAYEDA AKTER

The government's move to extend shopping hours up to 10 at night for Ramadan, which came into effect last week, has made shoppers happy, as they get the chance to buy items after iftar.

It came as a boon for shopkeepers as well.

Traders expect sales of saris worth Tk 100 crore for this shopping season, as Eid and Durga Puja, two major religious festivals, will be observed back to back.

"The new shopping time has benefited businessmen. Post-iftar sales have almost doubled. Now most working people plan their shopping in the evening," said Amir Hossain Khan, chairman of Bangladesh Dokan Malik Samity (association of shop owners).

To many, the daytime means just browsing through shops. They purchase the items of their choice in the evening, which drives turnover from post-iftar sales, Khan said.

According to market surveys, sales of sari, footwear and jewellery almost double in the post-iftar hours. But furniture and gift items are yet

to see a momentum in sales.

The association chief expects a further rise in sales after the 15th of Ramadan, a period when most working people are usually awarded festival bonus.

Boutiques, malls and the city's other popular markets were found crowded on Saturday.

Many customers choose New Market to buy jamdani saris at comparatively low prices.

Mohammad Shajahan Ali, manager of Jamdani Sari Ghar at New Market, said: "What we see is that most women, the majority customers of our products, have come in the daytime and choose, but buy in the evening. This is because they buy items with their partners."

For Ali, saris bring around Tk 1 lakh in daily sales turnover, which was only half the figure before Ramadan started. Customers also flock to Baily Road, famous for traditional saris that include silk, handloom and jamdani.

Boutiques such as Aarong, Onnomela, Nipun, Kay Kraft, OG, Anjans, Deshal, Fit Elegance, Rang and Jatra have also experienced sales on a large scale in the evening.

Sumaiya, a sales executive at Aarong (Asad Gate outlet), said about 100 punjabis at varying prices are being sold a day, which she expects will increase in the days to come.

She said cotton punjabis are most popular among shoppers, while the prices range from Tk 1,500 to Tk 4,500 each.

Sumaiya said the sales of sari, salwar-kameez and footwear items are high, as these items are essential for festivals.

Apart from clothing items and footwear, sales in kitchen utensils have also increased manifold, said sellers at New Market and Gulshan market.

However, the sales of furniture and gift items, including cards and flowers, are yet to get the advantage of extended shopping hours.

Habibur Rahman, owner of Nur Furniture at Panthapath, said people take least interest in buying furniture for Eid, which leads to low sales.

Echoing Rahman's view, Tania Akter, manager of Archies Gallery in Banani, said the sales might increase in the week before Eid. [sayeda@thedailystar.net](mailto:sayeda@thedailystar.net)