

Stocks pass second week in the red

STAR BUSINESS REPORT

Stocks plunged for the second week as investors felt shaky amid political protests and uncertainty around the hearing of writ petitions. The petitions are set for a hearing at the High Court today.

The benchmark General Index of Dhaka Stock Exchange closed the week at 4,991 points, after falling 84.84 points or 1.67 percent.

"The DSE dropped for the third consecutive week as nervous investors could not find any conclusive direction about the market," LankaBangla Securities said in its weekly market commentary.

"At the end of the week, the market broke the psychological barrier of

5,000 points."

Political disturbance and uncertainty over the writ petitions caused the turnover to decline, it said.

Daily average turnover lost 7.17 percent to Tk 357 crore, compared to the previous week.

The market analysts said the market plunged as the investors were uncertain about the stalemate over sponsor-directors' mandatory 2 percent shareholding.

The week witnessed five trading sessions as usual. Among those, four sessions lost 139 points while only one session gained 55 points.

A total of 0.08 lakh daily average trades were executed with 7.1 crore shares and mutual fund units changing hands on the Dhaka

bourse last week.

Of 276 issues that traded in the week, 204 declined, 67 advanced and five remained unchanged.

Most sectors recorded losses last week. Fuel and power went down 6.2 percent, services and real estate 5.6 percent, textile 4.2 percent and non-bank financial institutions 3.3 percent.

On the other hand cement gained 3.14 percent, insurance 2.5 percent and banks 0.3 percent.

LankaBangla Finance was the turnover leader with 82.9 lakh shares worth Tk 82 crore changing hands.

Republic Insurance Company was the biggest gainer of the day as it rose 17.86 percent. ACI Formulations was the worst loser that slumped 33.90 percent.

Herbal medicine market to cross Tk 2,500cr by 2020

Herbalists see high growth ahead

UNB, Dhaka

The herbal medicine market, which has been expanding gradually since 1980, will exceed Tk 2,500 crore by 2020, herbalists said yesterday.

The sales volume of herbal medicines jumped to Tk 1,000 crore in 2010 against Tk 1 crore in 1980. Bangladesh can earn valuable foreign exchange and create jobs through further expansion of the industry, they said at a workshop.

Bangladesh Ayurvedic Aushad Shilpa Samity (BAASS) with the support of Medicinal Plants and Herbal Products Business Promotion Council arranged the workshop at the Diploma Engineers Institute auditorium.

Industries Minister Dilip Barua was the chief guest at the workshop, chaired by Samity's founding President Selim Mohammad Shahjahan.

Bangladesh Unani Association Chairman and Hamdard Managing Director Hakim M Yusuf Harun Bhuiyan; AP Group Chairman AFM Fakhru Islam Munshi and former BAASS president DS Sarkar also spoke.



CS Moon, managing director of Samsung Electronics Bangladesh; Mamtaj Uddin, president of Bogura Chamber of Commerce, and Sheikh Abdullah Akbar, general manager of Transcom Mobiles, inaugurate a sales centre, Samsung Smartphone Café, in Bogra yesterday.



Head of the European Union Delegation to Bangladesh William Hanna; German Ambassador Holger Michael; FBCCI President AK Azad, and President of Bangladesh German Chamber of Commerce and Industry Sakhawat Abu Khair attend a programme to celebrate the occasion of registering 300 members of BGCCI in Dhaka recently.

'Grassroots' women entrepreneurs demand budget allocation, loan

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The Association of Grassroots Women Entrepreneurs urged the government to set aside a budgetary allocation of Tk 100 crore in low-interest business loans in the next budget to be accessed by the entrepreneurs, the association said in a statement.

The entrepreneurs recommend the business loan be made easily accessible, collateral-free, of low interest and receivable at all commercial banks.

Noting that the commercial banks do not follow Bangladesh Bank's directives in this regard, the association hopes the issue will be addressed in this year's budget.

The association anticipates that the government will ensure grassroots women entrepreneurs' participation in mainstream economic growth.

The association believes the allocation for women's welfare of Tk 987.16 crore in the last year's budget was not properly utilised.

"Although women were to receive training in computer and English in 34 districts as stated in the last year's budget, it was not implemented in all the 34 districts," the association said.

The association leaders demanded implementation of the training programme in all 64 districts.

RMG accessory makers' assoc wants more authority

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Garment accessory and packaging manufacturers have urged the government to empower their trade body to issue utilisation permission certificates in the next fiscal year to help them cut extra costs and avoid harassment.

At present, the customs authorities issue UP certificates to 1,050 members of the association. As a result, exporters face problems, including waste of time and spending, Refez Alam Chowdhury, president of Bangladesh Garments Accessories and Packaging Manufacturers and Exporters Association, said yesterday.

"The authority of the Bond Commissionerate will not be curbed if the government gives the association the authority to issue the UP certificates," Chowdhury told The Daily Star.

When empowered, the association will be able to issue the UP while importing raw materials and capital machinery at a concessional rate (after tax waiver).

Chowdhury said the government has already allowed the Bangladesh Garments Manufacturers and Exporters Association (BGMEA) and the Bangladesh Knitwear Manufacturers and

Exporters Association (BKMEA) to issue utilisation declaration, which is similar to UP.

"The issue has been dragging on for years for us although the BGMEA and the BKMEA are enjoying such facilities," he said. "A memorandum of understanding has also been signed with the Bond Commissionerate. But we are not getting the approval," he said.

A member of the association alleged that they have to pay Tk 3,000 to the offices of the Bond Commissionerate for every UP, although there is no government processing fee for availing the service.

The association said the members of the BGMEA and the BKMEA enjoy bonded facility even if they operate from more than one places. The members of BGAPMEA do not enjoy such facility.

"As a result, some companies are not being able to expand their business. The government should allow the association the same facility as it has given to the BGMEA and the BKMEA for the sake of exports," said Chowdhury.

The association also demanded the government withdraws 0.50 percent tax at source for the export-oriented packaging and garment accessories sector, or at least make it half.

Leaders of the association also said the government should withdraw 15 percent value added tax on the rent of the factories, as the rent has increased abnormally in Dhaka and its adjacent areas.

"The exporters are under tremendous pressure due to the ongoing financial crisis in the west. Besides, the expenditure of the bonders is also going up due to the VAT on the factory rent," said Chowdhury.

The government should bring the packaging and accessories industries under its stimulus package, although most of the industries in the sector are 100 percent export-oriented, said the association.

"We have received no incentives so far from the government," said Chowdhury.

Bangladesh is almost self-sufficient in manufacturing garments accessories and packaging. Local industries produce up to 35 types of accessories and packaging including carton, polybag, hanger, buttons, price tags, label and zippers for the garment makers.

These products are exported to the overseas market as backward linkage industries of the garments, leather and pharmaceuticals exports.

Obama turns to private sector to feed world's poor

AFP, Washington

US President Barack Obama on Friday reached out to the private sector in hopes of lifting 50 million people in the developing world from poverty, as wealthy nations grapple with a budget crunch.

Ahead of talks of the Group of Eight major industrial nations, Obama pledged that the United States will keep providing emergency aid to feed the world's hungry but said that firms had committed \$3 billion to improve agriculture.

"As president, I consider this a moral imperative. As the wealthiest nation on earth, I believe the United States has a moral obligation to lead the fight against hunger and malnutrition and to partner with others," Obama said.

"We'll stay focused on clear goals -- boosting farmers' incomes and over the next decade helping 50 million men, women and children lift themselves out of poverty," Obama told a symposium in Washington.

Some 45 firms, from major corporations to African cooperatives, pledged investments on efforts, mostly in Africa, from providing better seeds and storage and helping farmers better predict climate patterns.

The initiative comes as pledges expire from 2009 in L'Aquila, Italy, where the Group of Eight promised more than \$20 billion over three years to improve food access to Africans and others hit by

Banglalink's 3G appetite spoilt

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Doma also criticised the recently published guideline for value added services of the mobile operators where the regulator made it mandatory for the content developers to have licences.

"I don't see such a guideline in the world."

About profitability, he said high spectrum price, SIM tax and other taxes and VAT have barred the company from reaching the break-even point yet.

He added, 51 percent of gross revenue goes to the government exchequer as various taxes, and from the rest Tk 49 out of Tk 100 they provide services, invest and purchase equipment, which is not enough.

Over the last few years Banglalink has invested \$2 billion in Bangladesh and strengthened its network across the country, he said.

Stating various upcoming guidelines by the regulator, he said, "We don't feel great to invest in Bangladesh." The guidelines are not helpful for business, he said.

He suggested the regulator should consider the operators' views before taking any decision.

"The government asks for too much upfront money rather than long-term revenue," he said.

The operators want to be the partners in the 'Digital Bangladesh' vision of the government, Doma said.

"The regulator should consider us as partners instead of thinking that the operators only want to

ADB: It needs a new agenda for change

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As a development institution, the bank can organically reinvent itself from its bureaucratic torpor by having development professionals with actual development experience at its helm.

The bank may consider introducing a 'double majority' system to select its president, whereby a candidate for the president will have to earn the majority from both donors and borrowers. A similar double majority system, which preserves the interests of both groups, has been in vogue in other regional development banks.

Third, the bank needs to strengthen its role as a knowledge center. Asia offers an interesting narrative of development -- its successful Asian economies have not always followed the playbook of orthodox economics.

This heterodox, pragmatic approach to economic development requires careful review and analysis, which the bank is at a vantage position to offer.

In the past, the bank's research and analysis work has been both fragmented and deficient -- it has been more of an aggregator than a generator of research.

Through revamping research, the bank should contribute to a sophisticated understanding of the development process in Asia, something from which the global development community can benefit.

Finally, discussion of foreign aid has become increasingly contentious -- much of it has to do with the relative scarcity of aid resources and the murky evaluation issues surrounding the assessment of aid.

In recent years, to garner an aura of objectivity, most international development institutions have gone on to create in-house, 'independent' evaluation departments.

Truth be told, the idea of in-house, independent evaluation is essentially an oxymoron.

To overcome the cloud of suspicion on the objectivity of evaluation, truly independent, external evaluation entities -- akin to independent credit rating agencies -- would be desirable.

As a premier development bank, perhaps the bank can take a lead in this initiative.

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Uttara Motors has started a five-day servicing programme, Suzuki Service Clinic, in Dhaka. KI Hossain, executive director of Uttara Motors, inaugurated the programme.



Hafizul Islam Mian, director of Islami Bank Bangladesh Ltd, opens the 137th ATM booth of the bank at Sejan Point in Dhaka recently.