

Monetary policy sends stocks back to black

STAR BUSINESS REPORT

Stocks returned to the black last week to end two consecutive weeks' losing streak, upon news of the central bank's 'market-friendly' monetary policy.

DGEN, the benchmark General Index of Dhaka Stock Exchange, finished the week at 4,166.54 points, after adding 1.58 points or 0.04 percent.

"Investors were apprehensive of the upcoming monetary policy, but speculation in the later part of the week which suggested the monetary policy would not be as bad as expected, calmed them down," LankaBangla Securities said.

"Primary reaction of the investors was vastly positive, as reflected in the robust gain of the index on Wednesday. But the forthcoming Ramadan may keep the investors in a subdued mode," it added.

According to IDLC Investments, it was a lackluster start to the week owing to continuing lack of confidence among retail investors, institutional participation and liquidity.

The DGEN tumbled below the psychological 4,000 point-mark on Monday, for the third time this year.

However, post Tuesday, the market picked up as investors went on a buying

spree expecting a 'market friendly' monetary policy statement (MPS), which actually turned out to be more or less the same as the one preceding it, added IDLC.

In the five trading sessions of the week, two of them saw a rise of 189.24 points, while the other three lost 187.66 points.

Daily average turnover rose by 1.85 percent from previous week to Tk 173 crore.

Of the 277 issues traded in the week, 121 advanced, 139 declined and 17 remained unchanged.

Among the major sectors, fuel and power gained the most, by 1.58 percent each.

Telecommunications and pharmaceuticals, correspondingly with 1.20 percent and 0.48 percent gains, were the next most popular sectors.

Non-bank financial institutions and banks, however, lost by 1.58 percent and 1.55 percent respectively.

Grameenphone was the top gainer of the week thanks to its transaction of 24.88 lakh shares worth Tk 49.26 crore, followed by Bangladesh Submarine Cable Company and Meghna Petroleum.

Sonarbangla Insurance was the biggest gainer of the week, which went up by 19.85 percent, while GBB Power, by dropping 22.38 percent, lost the most.

16 Japanese volunteers join development effort

JICA will have 1,136 volunteers

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A group of 16 volunteers of Japan International Cooperation Agency (JICA) arrived in Bangladesh for different development assignments.

With this new batch, the number of Japanese volunteers sent to Bangladesh rose to 1,136, JICA said in a statement yesterday.

Among the 16 members, three volunteers will have special short-term assignments.

Of them, one volunteer will work as a social worker in Bangladesh Protibandhi Kallyan Samity for a month, one senior volunteer will work as a management expert in Karupalli, under the LGRD and Cooperatives ministry for six months, and another volunteer will work for a year as a programme officer in EPI programme under the health and family welfare ministry.

The rest 13 members will be assigned for two years in their respective workstations.

Of them, one member will work at infection control at Chittagong Civil

Surgeon office. Five others will work on primary education at Primary Training Institutes in Khulna, Barisal, Sylhet, Tangail and Kushtia.

Six more will work on rural community development. Of them, one will work with Satkhira Civil Surgeon Office for community clinic project and another as a nurse, one with Chittagong Civil Surgeon Office for school health programme and the three other will work at Titas, Comilla and two other at Kalihati, Tangail BRDB offices.

The last one will work at Savar BKSP as a basketball coach.

These 16 members met with Takao Toda, JICA chief representative to Bangladesh, and described their target activities.

Since 1973, the volunteers have been working in Bangladesh to support its effort to improve the lives of people with diversified fields of expertise.

The volunteers reach out to the needs of local communities and try to find ways to solve their problems together with their local counterparts.



SYMPHONY

Aminur Rashid, chairman of Edison Group, attends the launch of two android cell phones of Symphony brand recently. Jakaria Shahid, managing director, was also present.

New boss for BIFC

STAR BUSINESS DESK



Inamur Rahman has been promoted to managing director of Bangladesh Industrial Finance Company Ltd (BIFC) and joined as such on July 17, 2012, said a statement yesterday.

He was serving as the company's deputy managing director since 2005.

Rahman majored in finance from Institute of Business Administration, University of Dhaka. He initially worked at Investment Corporation of Bangladesh from 1979 and served different positions for 14 years. He later served as corporate secretary of Tamijuddin Textile Mills Ltd.

Korean envoy leaves Bangladesh

DIPLOMATIC CORRESPONDENT

Korean Ambassador to Bangladesh Taiyoung Cho left Dhaka on Friday night to take up his new position as the spokesperson for the Ministry of Foreign Affairs and Trade.

Taiyoung Cho's tenure to Bangladesh, as the ambassador, lasted two years and four months, during which relations between the two countries were further enhanced.

Korean embassy sources said Cho has been elevated to the position of spokesperson, a rank held in

IMF accused of suppressing information

REUTERS, Washington

A veteran economist at the International Monetary Fund has accused the global lender of suppressing information on difficulties in dealing with the global financial meltdown and euro zone crisis.

In a resignation letter to the IMF's board and senior staff, dated June 18, Peter Doyle said the IMF's failures in issuing timely warnings for both the 2007-2009 global financial crisis and the euro zone crisis were a "failing in the first order" and "are



Yaw Seng Heng, managing director of Nippon Paint (Bangladesh) Pvt Ltd, and Md Delwar Hossain, managing director of Jalalabad Steel, attend a programme where the companies signed a deal recently. Nippon, a Japanese paint manufacturer, entered the Bangladesh market through the partnership.

India's Maruti locks out workers at riot-hit plant

APF, New Delhi

India's top carmaker Maruti Suzuki said Saturday it was locking out workers at one of its plants hit by a riot in which a manager burned to death and nearly 100 other executives were injured.

The lockout at Japanese-owned Maruti's Manesar plant near New Delhi that produces 550,000 vehicles a year -- one-third of the company's annual output -- would continue until employee safety was guaranteed, the firm said.

"What's more important is the safety of my colleagues than producing some cars to make some money," Maruti Suzuki India chairman R.C. Bhargava told reporters.

Workers chased Maruti executives with iron bars, wooden sticks and car parts, smashed machinery and torched offices in Wednesday's riot, witnesses said, marking India's worst industrial violence in recent memory.

Bhargava said "never in his wildest dreams" had he imagined such mob violence in which a senior manager

would be "burned alive."

"Many companies have strikes, have labour issues -- how many companies have this kind of rioting?" asked an emotional Bhargava.

The charred body of the plant's human resources manager was found in a burned-out conference room. Police said he was unable to flee the flames because attackers broke his legs.

Two dozen managers remained in hospital, mainly with broken limbs, out of 96 admitted right after the riot, Bhargava said.

The plant -- one of two operated by Maruti in the area that makes some of the firm's top-selling cars -- employs 3,000 workers. It has been closed since the riot.

The company is majority owned by Japan's Suzuki Motor. Shares of both Maruti and its parent have slid since the riot.

Bhargava said production would not restart until completion of an investigation and action was taken to guarantee a peaceful industrial climate. Any worker judged a risk would not be allowed back.

Indian businesses push for special economic zone in Bangladesh

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The Sunamganj-based industrial park, meant for Indian entrepreneurs only, was opened when another Indian business delegation last year demanded a separate industrial zone for them.

"Now they are demanding a separate SEZ because a large number of Indian entrepreneurs want to invest in Bangladesh," he said.

If the government gives a go-ahead to an SEZ for Indian entrepreneurs, Bangladesh may receive Indian investment worth \$2-3 billion, he added.

The delegation will also meet the finance minister, foreign minister, chief of Board of Investment (BoI), Bangladesh Bank governor and industries minister to discuss various bilateral trade issues.

India and Bangladesh opened up bilateral trade after Indian Prime Minister Manmohan Singh and his Bangladeshi counterpart Sheikh Hasina signed a joint communiqué in January, 2010 in New Delhi.

The bilateral trade, which is heavily in

favour of India, got a boost when India gave Bangladesh a zero-duty benefit for almost all products, including garment items, in November last year after Manmohan Singh's visit to Bangladesh in September.

However, 25 Bangladeshi products, most of which are alcoholic beverages and drugs, do not fall in the zero-duty category.

According to data from the commerce ministry, Bangladesh imported goods worth \$3.26 billion during the July-February period of the immediate past fiscal year. However, it is estimated that goods worth \$3 billion are imported through informal channels every year.

Exports to India were worth \$512 million in fiscal 2010-11, 68 percent higher than those in 2009-10.

Bangladesh exported garments worth \$30.61 million during the September-March period of fiscal 2011-12, registering a 77.92 percent growth over the same period in the previous fiscal year.

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Stock revenues fall on downturn

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Since January last year, when the market witnessed a debacle in share prices after an abnormal rise before, a downturn has been continuing in the market.

Last year, the benchmark index of the prime bourse, DGEN, came down by 26 percent, while the value and volume dropped by 74 percent and 59 percent respectively.

On June 28 this year, the last trading day of fiscal 2011-12, the DGEN came down to 4,572 points from 6,157 points a year ago. The daily transaction value dropped to Tk 300 crore from Tk 1,139 crore, while the volume came down to six crore shares from 14.69 crore during the period.

Usually, the DSE management first collects the tax from stockbrokers on sell-buy commission and then submits the total amount to the National Board of Revenue at a rate of 0.05 percent.

The stockbrokers' contribution to the state coffers saw the decline due mainly to a massive fall in share transactions, both in value and volume, said Shuvra Kanti Choudhury, chief financial officer of the DSE.

"It is obvious that tax collection from the stockbrokers will fall if share transaction volume and value decline," he said.

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Consumer rights group opposes further power price hike

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The Power Development Board has recently suggested BERC increase the bulk rate to Tk 6.03 a unit (a kilowatt-hour) from the current Tk 4.02 to minimise its reliance on subsidies to buy power from oil-fired rental plants.

The state-run power distribution companies also urged BERC to increase retail electricity tariffs by at least 50 percent.

At a public hearing at BERC, all other stakeholders except PDB placed their arguments on the hike, he said. "A further power price hike is not acceptable," Alam said.

The association will take the matter to court if steps are taken to hike power tariffs irrationally, said Quazi Faruque, CAB president. It also urged the government to bring all power generation projects under the public sector.

Power tariff for bulk buyers was last increased in March by 7.49 percent from Tk 3.74 a unit to Tk 4.02, and for retail users by 6.25 percent, from Tk 5.02 a



Masud Khan, finance director of Lafarge Surma Cement, poses recently with participants of a workshop on concrete for durable construction, organised by the company under its collaborative learning programme, Creators Who Dream Large.



SAM Yousuf, executive director of Gallerie Apex, attends the launch of an Eid campaign of the company -- Sole Style -- at Spectra Convention Centre in Dhaka on Wednesday. Swapan Sharif, general manager for marketing of Apex Adelchi Footwear Ltd, was also present.