

DSE turnover hits four-month low

STAR BUSINESS REPORT

Turnover at the Dhaka Stock Exchange fell below Tk 200 crore, lowest in the last four months, as investors lost confidence to make fresh investment in the market.

The turnover reached Tk 166 crore, registering a 19.09 percent fall from the previous day. DGEN, the benchmark General Index of the DSE, finished the day at 4,027.75 points, after falling 23.22 points or 0.57 percent.

"A lack of investor participation is causing the dearth of liquidity in the market," said LankaBangla Securities in its daily market commentary.

The stockbroker said the recent lack-lustre earnings disclosures also contributed to the fall.

Small investors are shying away from the secondary market for a continuous fall in index as they find comfort in participating in initial public offerings, it said.

IDLC Investments in its regular market commentary said: "Investors' patience was tested over another session of fall where they were mostly inactive resulting in the four-month low in turnover."

In total, the bourse lost another 338 points over the last seven sessions, a more rapid disposition, compared to a fall of total 351 points over previous ten sessions' dive, the merchant bank said.

A total of 0.59 lakh trades were executed with 4.98 crore shares and mutual fund units changing hands on the Dhaka bourse.

Of the 265 issues traded on the DSE, only 64 advanced, 176 declined and 25 remained unchanged.

Almost all the sectors closed in the red, including the major ones: non-bank financial institutions 1.19 percent followed by banks 0.72 percent, telecom 0.39 percent, power 0.32 percent and pharma 0.29 percent.

United Airways featured in the most traded stocks' chart with 73.74 lakh shares worth Tk 15.71 crore changing hands. Jamuna Oil and RN Spinning Mills were the next popular stocks of the day.

Reliance Insurance was the biggest gainer of the day, as it posted a 6.11 percent rise, while BANGAS was the worst loser, slumping by 34.38 percent.



WESTERN MARINE

Albrecht Conze, German ambassador to Bangladesh, poses with the officials of Western Marine Shipyard after visiting the shipyard on Sunday. Saiful Islam, chairman of Western Marine, was also present.

Steel tycoon Mittal tackles French nationalisation threat

AFP, Paris

Steel tycoon Lakshmi Mittal was to tackle a French nationalisation threat in talks with President Francois Hollande on Tuesday as the finance minister defended the country's credentials as a safe investment location.

Forty lawmakers from Hollande's Socialist party said they were in favour of temporarily nationalising ArcelorMittal's plant in Florange just before a key meeting between the president and the India-born billionaire.

"Mittal does not respect our country," a joint statement by the parliamentarians said, adding that his interests "were clearly not that of France, of its industrial fabric and its workers."

"We think that protecting 2,500 jobs in a profitable site in a region that has sadly been affected for a long time by the crisis must be a priority," the statement added.

Mittal, who ranks 21st on the Forbes list of the world's richest people, is locked in a battle with France over the future of the Florange site in the traditional, but declining, heartland of the French steel industry in the eastern Lorraine region.

He is due to meet Hollande at 1700 GMT.

Hollande's government has made a priority of protecting jobs as it seeks to revive France's struggling economy.



Nine companies get green light to borrow \$292.3m from overseas

STAR BUSINESS REPORT

Bangladesh Bank gave the green light to nine private sector projects to take loans worth \$292.3 million from foreign sources, the regulator said in a statement yesterday.

The loans include \$190 million for Summit Meghnaghat Power Company, \$42 million for Robi Axiata, \$39 million for Augere Wireless Broadband and \$7 million for Nipro JMI Company.

The rest of the projects are \$6 million for Vintage Studio, \$2 million for American and Efrid (BD) Ltd, \$3 million for Amtranet, \$2.2 million for Trims International (BD) Ltd and \$1.1 million for Barkat Accessories.

The highest interest rate of the projects is three-month LIBOR, plus 4.5 percent a year.

"This type of foreign financing will be helpful in keeping the foreign exchange rate stable and will impact positively on the balance of payments of the country."



AIR INDIA

R Dayal, executive director of Air India, announces the resumption of the operations of the airline's Dhaka-Delhi flights from December 3, at a press meet at Sonargaon Hotel in Dhaka yesterday. D Kishore, general manager, and D Sanyal, country manager for Bangladesh, were also present.

Govt spends 15pc of budget in three months

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The areas of optimism, according to the minister, are expenditure in annual development programme, and remittance and foreign exchange reserve.

However, Muhiith expressed some concerns.

"We are cautious about the apprehension of fuel price hike in the backdrop of the recent uncertainty in geo-political situation centring Iran and a probable ban on exports of food commodities by different countries," he said.

According to the finance minister's presentation, the size of the total budget in the current fiscal year was Tk 191,731 crore of which Tk 28,638 crore was spent in the first three months.

In non-development sectors, Tk 23,591 crore was spent out of the total allocation of Tk 136,731 crore.

Development expenditure was Tk 5,046 crore, while the allocation was Tk 55,000 crore.

The finance minister also provided information about the actual expenditure in the last fiscal year, when the total expenditure was Tk 149,917 crore against the revised allocation of Tk 161,207 crore.

Of the amount, non-development expenditure was Tk 113,648 crore against the revised allocation of Tk 120,127 crore.

Development expenditure was Tk 36,269 crore, while the revised allocation was Tk 41,080 crore.

In the current fiscal year, budget allocation for subsidy was around Tk 37,000 crore but Tk 1,760 crore was released in the first quarter.

Among 10 big ministries and departments, the education ministry spent the highest at 20.8 percent of its allocation, followed by the agriculture ministry at 18.8 percent, and primary and mass education ministry at 16.5 percent.

The ministries and divisions which spent from 13 percent to 14 percent of their allocation are the Local Government Division, Power Division and Roads Division.

The total revenue earnings increased by 34.9 percent and stood at Tk 34,310 crore in the first quarter.

The earnings of the National Board of Revenue soared by 19.5 percent to Tk 22,776 crore.

Non-tax revenue rose by 89.9 percent to Tk 10,622 crore.

The minister said non-tax revenue went up as the government received Tk 4,664 crore from the Bangladesh Telecommunication Regulatory Authority.

Before making the presentation in parliament, Muhiith focused on the banking sector, the overall economy and other issues.

Besides the state-owned banks, the minister said serious irregularities were detected in the recent times in giving loans by some other banks.

Concerned authorities have taken various steps, the finance minister said, adding that the Anti-Corruption Commission has also been continuing its efforts to unearth such scams.

He said the concerned banks have taken steps to realise the loans. He said the Sonali Bank scams also put an impact on other banks.

The authorities have taken multi-pronged measures to restore the confidence in the banking sys-

Fire highlights harsh lives of workers

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The industry fell under more pressure after a labour leader was killed in April, his body found in a roadside ditch. US Secretary of State Hillary Clinton raised concern about the killing, and workers' rights issues overall, during a visit to Bangladesh the following month.

Aminul Islam had complained before his death about police harassment, wiretapping and even being abducted and tortured, allegedly by a domestic intelligence agency. Authorities are investigating his death but have revealed nothing about their progress.

Even as it fends off criticism, Bangladesh is seeking more business from the West, including pressuring the United States for quota-free

and duty-free access for its garment products to the US market.

Earlier this month, senior executives from more than two dozen global brands and retailers visited Bangladesh in a bid to forge long-term agreements to source garments from its factories.

In September, Karl-Johan Persson, chief executive of the Swedish retail chain H&M, visited Bangladesh and said his 2,600-store group would increase its business relationship with the country.

Mustafizur Rahman, executive director of Bangladesh's leading independent think tank, said there is "hypocrisy" among buyers who talk about ethical buying and ethical sourcing, but when it comes to price they refuse to offer a good rate. They often go to less compliant

factories for cheaper rate. Being compliant is not cheap."

At the same time, Rahman said Saturday's fire "highlights inner weaknesses of a giant industry very essential for the country's survival."

"This has come as a strong warning," he said. "But it was too costly."

Phil Robertson, deputy director of Human Rights Watch's Asia division, blames a "nexus of influence" between senior government officials and factory owners that "allows impunity to flourish." Until that changes, he said, government vows to improve safety should be treated with scepticism.

"Six months or eight months down the road, if history is any indication, we will have another factory fire, and more workers will be killed," he said.

Path cleared for tribunals to try stock-related cases

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An amendment to the ordinance also imposed restriction on disclosure of information. According to it, the existing and former chairmen, members and employees of the Securities and Exchange Commission will not disclose or communicate to any person any information.

The disclosure of any information in contravention of this law for the purpose of making profit through insider trading will be an offence, says the new provision.

An individual may be punished with imprisonment for a term up to five years or with fine not exceeding Tk 5 lakh or with both, it added.

After the amendments to the Securities and Exchange Ordinance 1969, one will be able to file legal proceedings with the court challenging an order of penalty imposed by the Commission after depositing an amount of 15 percent of such penalty in the SEC.

As per the changes to the Securities and Exchange Commission Act, the stockmarket regulator will also have authority to appoint the necessary number of advisers for performing its functions.

Meanwhile the House passed another bill making provisions for improving renewable energy in a planned way.

State Minister for Power, Energy and Mineral Resources Enamul Haque proposed for passage of the bill.

The House also passed another bill, enacting a new law with provisions for expansion of the tax base and scope for collection of more tax.

The new law empowers the government to set up a VAT (value added tax) authority consisting more than one VAT directorate and other VAT officials.

All VAT officials will perform their functions under the control and supervision of high-level authorities. The new law was made by repealing the existing VAT Act of 1991.

Some provisions of the law will take immediate effect, while the government will decide the effect of other provisions by gazette notification.

Costly 3G licence to hurt data business

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Shatara with a vast experience in data business at Wind telecom in Italy will take charges of Banglalink in January, Lunder said.

An absence of local contents in Bangla is an opportunity for business in the country, he said, adding that his company will work to produce contents in Bangla engaging local developers.

Local content developers will not feel encouraged to bring new contents if a good broadband penetration does not exist, he said.

At the same time, internet pene-

tration depends on affordability, Lunder said. "So the government will have to decide on how it wants to facilitate its people."

Criticising the SIM tax in Bangladesh, the VimpelCom CEO said there are a very few countries in the world that charge so high as SIM tax. "It is hindering the sector's growth."

"Our target is to provide state-of-the-art data services in Bangladesh," said Ahmed Abou Doma, group executive vice president and head of the Asia-Africa business unit of VimpelCom.

There had been no CEO in

Banglalink since May 2011 when Doma left the operator and joined Orascom as its group CEO.

On Banglalink's merger plans with Grameenphone, Lunder said there is no such plan. Doma said the telecom regulator will not allow such a merger of the market's two top operators.

"I have prioritised the development of the company and its employees as my primary goal," said Banglalink's new CEO, Ziad Shatara, who has more than 17 years of regional and international experience.

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lator will have to organise a discussion with the representatives from buyers, garment manufacturers, apparel workers, ILO [International Labour Organisation] and government soon for reviving buyers' confidence by ensuring workplace safety."

A fire devastated a New York garment factory 100 years ago, but it prompted the US to develop an efficient fire safety system, he said.

Fazlul Hoque, the BEF president, stressed the need for a stakeholder meeting immediately to reassure the international buyers.

"International apparel buyers are duly concerned with workplace safety due to the loss of so many workers' lives," Hoque said.

"We have to organise a discussion with the representatives from buyers, garment manufacturers, apparel workers, ILO [International Labour Organisation] and government soon for reviving buyers' confidence by ensuring workplace safety."

Apparel makers will have to be more conscious of workplace safety, while adding that many garment manufacturers are not doing enough to prevent fire at the factories, he said.

"I personally feel that the steps we have undertaken to prevent fire at the factory -- are not enough," said Hoque, also a former president of Bangladesh Knitwear Manufacturers and Exporters Association. "We need to do more."



Md Abu Noman Haolader, managing director of BBS Cables, attends the dealer conference of the company at Bangabandhu International Conference Centre in Dhaka recently. AKM Ahsanul Haque, executive director, was also present.

Important lessons to learn from Tazreen fire: Mozena

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"Some ideas are relatively simple like training, drilling, installing fire escape, dedicated water supply and engaging employers find ways to improve safety at workplaces," added the US envoy.

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IMF stresses changes in Banking Companies Act

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Another former BB governor, Mohammed Farashuddin, told a discussion recently that the central bank must have operational autonomy, but the bank has to earn that.

AB Mirzaz Azizul Islam, former finance adviser to a caretaker government, told The Daily Star that there is a duality in the central bank's supervisory authority.

The BB enjoys the authority in case of private banks but does not have such powers when it comes to state-owned banks. The central bank must be given this autonomy, he said.