

star BUSINESS

DHAKA MONDAY JANUARY 7, 2013, e-mail: business@thedailystar.net



A crowd swells at the Dhaka International Trade Fair after dusk yesterday. The hartal called by the opposition kept visitors away from the exposition earlier in the day.

MCCI sees political feud as serious setback to economy

STAR BUSINESS DESK

The Metropolitan Chamber of Commerce and Industry (MCCI) yesterday pointed out the deepening dispute between the ruling and the opposition parties over next general elections as the most serious setback to the economy.

"The most important challenge for the economy is to solve the present political uncertainty generated by the continuing feud between the government and the opposition political parties," the MCCI said in a statement.

The comments from the country's oldest chamber came when MCCI President Rokia Afzal Rahman led a delegation to a meeting with Finance Minister AMA Muhith in his office in Dhaka.

The chamber appreciated some successes of the government, including enhanced food security, improvement in tax revenue collection, export growth-supportive measures and combating inflation.

"Despite several challenges, the economy has done fairly well," the chamber said.

"Although the economy has achieved reasonable success in some areas, there is also weakness in certain areas of the economy. Some of which are quite serious. The business community is concerned about them."

The business leaders were concerned about deteriorating law and order and urged the government to come down hard on extortions, illegal toll collections, robberies and miscreants posing as political activists.

Junk stocks mark a rise in trading

SARWAR A CHOWDHURY

Transactions in over-the-counter (OTC) market were much higher in the just concluded year than the previous year, both in terms of volume and value.

More than 50 lakh shares of 21 firms were traded on a value of around Tk 3.50 crore at the OTC market last year, according to the Dhaka Stock Exchange.

Around two lakh shares of 22 firms were traded in 2011 on a value of Tk 73.13 lakh on the market, which is a platform for junk companies.

Higher transactions in 2012 mean the offer prices of buyers matched the sellers' expectations at a higher rate in the year.

The premier bourse in September 2009 introduced the OTC market for the delisted companies that are removed from the main trading board for non-performance and non-operation.

The companies that failed to convert their paper shares into electronic ones, as per a regulatory instruction, were also removed from the main trading board and were listed on the OTC market.

Earlier, the Bangladesh Securities and Exchange Commission directed the prime bourse to open a separate trading floor for the transaction of junk shares.

The aim was to enhance discipline, transparency and efficiency and preserve the interest of the retail investors.

Before the introduction of the OTC market, the prices of many weak companies had increased abnormally, although they did not declare dividends and even some could not be traced physically by the exchange man-

SHARES SOLD ON OTC MARKET

COMPANY	QUANTITY	AMOUNT IN TAKA
Al-Amin Chemical Industries	1,000	4,000
Apex Weaving and Finishing Mills	87,500	5,49,810
Arbee Textile Mills	15,46,380	1,15,97,850
Ashraf Textile Mills	3,91,550	27,95,687.50
Bengal Biscuits	10,000	8,00,000
Bengal Fine Ceramics	36,926	27,68,775
Dhaka Fisheries	250	83,700
Excelsior Shoes	1,250	27,500
Gulf Foods	41,500	4,26,500
Himadri	12,666	1,01,328
Lexco	1,31,500	15,86,550
Maq Paper Industries	5,500	2,74,300
Meghna Shrimp Culture	4,300	1,90,960
Monno Fabrics	25,75,000	1,28,51,800
Niloy Cement Industries	150	3,900
Padma Cement	1,61,000	7,17,700
Quasem Silk Mills	7,000	46,500
Quasem Textile Mills	500	4,050
The Engineers	200	22,000
Wonderland Toys	1,000	16,800
Yousuf Flour Mills	1,500	35,700

agement. But trading of such stocks had been going on, as many retail investors were unaware of the companies' latest status.

Investors buy this type of stocks expecting returns at the time of possible liquidation of a company.

However, these companies can rejoin the main trading floor when they become operational.

Presently, 68 companies are listed on the OTC market, where interested buyers and sellers through their brokerage houses announce prices and the number of stocks to be traded.

sarwar@thedailystar.net

Banks' stock exposure to be 40pc of their capital for now

STAR BUSINESS REPORT

Banks' exposure to the stockmarket will be 40 percent of their capital for now, Finance Minister AMA Muhith said yesterday.

The new rules will take effect after the government puts in place the amended Banking Companies Act in a month or two.

But within three years, the banks will have to reduce their stock exposure to 25 percent of their capital, Muhith said. "There will be difficulties in

Investors are coming to the market, but gamblers are creating some troubles, says the finance minister

the market if 25 percent is imposed right away."

Currently, the exposure ceiling is 10 percent of banks' deposits.

The next cabinet meeting will decide on the amendment to the Act along with the banks' stock exposure limits, he added.

The minister said he does not think donors will have any objection to the government's plan on the stock exposure limits. "I talked to them earlier."

Muhith was talking to reporters at his ministry after a review meeting on the implementation of the ADB conditions tagged with its credit for Bangladesh's capital market reforms.

READ MORE ON B3

Bangladesh, Mexico to sign deal to curb smuggling

NBR team to visit Mexico in March

STAR BUSINESS REPORT

The National Board of Revenue (NBR) looks to sign an agreement with its Mexican counterpart on customs matters in a bid to curb smuggling and misdeclaration and boost trade between Bangladesh and Mexico.

The plan coincides with the government's focus on finding new markets for exports and narrowing Bangladesh's dependence on the two major destinations: Europe and the USA.

"The agreement will deepen communications between the two countries," an official of NBR said, asking not to be named.

The foreign ministry has already opened an office in Brazil, aiming to boost trade with the Latin American countries. The ministry also plans to open another office in Mexico.

Two-way trade between Bangladesh and Mexico rose to \$96 million in fiscal 2010-11 from \$80 million the previous year, according to data from Bangladesh

Tariff Commission.

The balance favours Bangladesh that mainly exports clothing items to Mexico. Major exports from Bangladesh were cotton, carboxylic acids and textile carding machines.

"One of our main goals is to facilitate export growth in the Mexican market, which remains largely untapped," he said.

A three-member team from the NBR is likely to visit the North American country in March to finalise the deal, known as Agreement on Mutual Administrative Assistance in Customs Matters.

The NBR took the decision two years after its Mexican counterpart offered to sign the agreement.

Currently, Bangladesh gets customs-related assistance from the other member countries under the Saarc and D-8. Apart from the two groupings, the country has signed a similar deal with Turkey, Mexico will be the second country after Turkey. Our talks with Qatar, Iran and European Union are on to sign such agreements," the official said.

Panel soon to decide on labour charges in ICDs

STAFF CORRESPONDENT, Ctg

A high-level committee will be formed soon to resolve the differences over a recent hike in labour charges for handling export cartons in inland container depots (ICDs).

The decision was taken yesterday at a meeting between the leaders of different trade bodies and the Chairman of National Board of Revenue Md Ghulam Hussain.

Shipping Secretary (in-charge) Syed Monjurul Islam was also present at the meeting at the conference room of Chittagong Customs House.

After the meeting, the NBR chairman said the committee with representatives from different stakeholders would take a

decision within ten days.

Hussain also said the ICDs have already been asked to maintain the previous labour charge of Tk 1.60 per carton until a further decision is taken.

Bangladesh Inland Container Depot Association recently hiked the labour charges from Tk 1.60 to Tk 3, effective from January 1.

At a press conference on January 2, garment exporters opposed the hike and blamed the association for increasing the charges without talking to them.

However, Nasiruddin Chowdhury, first vice-president of Bangladesh Garment Manufacturers and Exporters Association, said they were trying to form the committee by today.

সাফল্যের ৪ বছর

দেশের সংখ্যাগরিষ্ঠ মানুষের আস্থার ঠিকানা দেশরত্ন বঙ্গবন্ধু কন্যা ডিজিটাল বাংলাদেশের রূপকার প্রধানমন্ত্রী শেখ হাসিনা।

দুঃশাসন, দুর্নীতি, জঙ্গিবাদ, সন্ত্রাস ও অকার্যকর রাষ্ট্রের কলঙ্কমোচন করে প্রত্যন্ত ইউনিয়ন পর্যায়ে তথ্যসেবা প্রতিষ্ঠা, ডিজিটলাইজেশন, ৩-জি প্রযুক্তি প্রচলন ও অবাধ তথ্যপ্রবাহ নিশ্চিত করে বিশ্বসভায় বাংলাদেশকে মর্যাদার আসনে প্রতিষ্ঠা করায় মাননীয় প্রধানমন্ত্রী- শেখ হাসিনাকে অভিনন্দন।

এসেনসিয়াল ড্রাগস কোম্পানী লিমিটেড, ঢাকা
এসেনসিয়াল ড্রাগস কোম্পানী লিমিটেড, বগুড়া
এসেনসিয়াল ড্রাগস কোম্পানী লিমিটেড, গোপালগঞ্জ
সেফালোস্পোরিন ড্রাই ভায়াল প্রজেক্ট, বগুড়া
খুলনা এসেনসিয়াল ল্যাটেক্স প্লান্ট, খুলনা
এসেনসিয়াল ল্যাটেক্স প্রসেসিং প্লান্ট, টাঙ্গাইল