

Turnover on Dhaka bourse crosses Tk 200cr

STAR BUSINESS REPORT

Turnover on the Dhaka Stock Exchange crossed Tk 200 crore for the first time this year riding an investors' buying spree in anticipation of a bullish market.

Turnover, which is a major factor for investors, advanced 30.48 percent to Tk 211 crore, compared to the previous day's Tk 162 crore.

DGEN, the benchmark general index of the premier bourse, finished the week at 4,167.69 points, after surging 13.60 points or 0.33 percent.

"For the first time in 2013, turnover has crossed Tk 200 crore. The market is showing signs of recovery after a period of consolidation," LankaBangla Securities said in its regular market analysis.

"The trading pattern indicates that investors are yet to gain confidence over the market direction."

Good quarterly earnings declared by Alhaj Textile Mills Ltd have generated a pleasant surprise for the textile sector, the stockbrokers said.

The company has reported net profits of Tk 1.6 crore with basic earnings of Tk 1.72 a share in the first quarter to December 31, 2012, compared to the same period a year ago.

"Seven textile companies were among the top 20 traded companies. Most economic indicators are showing positive signs except for the radical increase of bad debt in the banking sector," it said.

A total of 0.67 lakh trades were executed with 6.01 crore shares and mutual fund units changing hands on the Dhaka bourse.

Of the 269 issues that traded on the DSE, 190 advanced, 55 declined and 24 remained unchanged.

Among the major sectors, non-bank financial institutions rose 1.02 percent, followed by banks 0.44

percent and power 0.33 percent.

Telecoms gained 0.11 percent, while the pharma sector lost 0.23 percent.

United Airways appeared among the most-traded stocks with 62.02 lakh shares worth Tk 13.21 crore changing hands. Bangladesh Submarine Cable Company and Unique Hotel and Resorts were the next popular stocks of the day.

Purabi General Insurance was the biggest gainer of the day, as it accelerated 9.87 percent gain, while Northern Jute Manufacturing Company was the worst loser, slumping 6.25 percent.

CSCX, the selective categories index of Chittagong Stock Exchange, closed the day at 8,085 points, surging 26.82 points or 0.33 percent.

The port city bourse traded 88.15 lakh shares and mutual fund units, with a turnover of Tk 26.21 crore.

Merkel expresses concern over Japan's economic policy

AFP, Davos, Switzerland

German Chancellor Angela Merkel on Thursday expressed concern about Japan's foreign exchange policy, after the central bank bowed to political pressure and loosened monetary policy.

"I will admit I am not without some concern about Japan right now," Merkel told top business and political leaders at the World Economic Forum in Davos.

She said there was an increasing awareness of what she called "political influences or manipulations of the exchange rate" due to debates on the issue within the G20 club of leading industrial nations.

"The Chinese government actually reacted quite favourably and responded to our demand

with a certain policy change," said Merkel.

Japan's new administration led by Shinzo Abe called for the Bank of Japan (BoJ) to become more active in economic policy making, raising concerns about central bank independence, a cherished concept in Germany.

On Tuesday, the BoJ responded by adopting a two-percent inflation target and setting out plans for indefinite monetary easing in a policy shift that led to accusations the central bank had succumbed to political pressure.

Germany has been quite strident in its opposition to the move, with its own central bank chief, Bundesbank president Jens Weidmann talking of "disturbing abuses" and accusing the government of "interfering massively."



Mamun Rashid, vice chairman of FinExcel, poses with participants of a workshop for executives on treasury management in banks organised by FinExcel recently. Shafique-Ul- Azam, director, was also present.



Devi Prasad Dahal, project manager of Skills for Unemployed and Underemployed Labour (SkillFUL), attends a panel discussion on skill testing and certification methods organised by SkillFUL, a project jointly funded by the European Union and Swiss Agency for Development and Cooperation, at Spectra Convention Centre in Dhaka yesterday.

Better supply chain boosts global trade World Bank says in report

STAR BUSINESS DESK

Reducing supply chain barriers could increase global GDP and world trade much more than reducing all import tariffs, the World Economic Forum in collaboration with Bain & Company and the World Bank said in a report yesterday.

"Enabling Trade: Valuing Growth Opportunities" finds that if all countries reduce supply chain barriers halfway to global best practice, global GDP could increase by 4.7 percent and world trade by 14.5 percent, far outweighing benefits from elimination of all import tariffs, according to a statement.

Completely elimination of tariffs could increase global GDP by 0.7 percent and world trade by 10.1 percent.

Even a less ambitious reform that moves countries halfway to regional best practice could increase global GDP by 2.6 percent and world trade by 9.4 percent, according to the statement.

Economic gains from reducing supply chain barriers are also more evenly distributed across countries than the gains associated with tariff elimination.

Regions that stand to benefit in particular under these scenarios are

sub-Saharan Africa and South East Asia. Such large increases in GDP would be associated with positive effects on unemployment, potentially adding millions of jobs to the global workforce.

According to the report, lowering supply chain barriers is effective because it eliminates resource waste and reduces costs to trading firms and, by extension, lowers prices to consumers and businesses.

Supply chain barriers can result from inefficient customs and administrative procedures, complex regulation and weaknesses in infrastructure services.

A supply chain is the network of activities involved in producing and getting a product to consumers, and spans the manufacturing process as well as transport and distribution services.

The report, based on analyses of 18 case studies, recommends that governments create a focal point to coordinate and oversee all regulation that directly impacts supply chains to reduce inefficiencies.

Public-private partnerships to undertake regular data collection, monitoring and analysis of factors affecting supply chain performance are also recommended along with supply-chain-centred approach to

international trade negotiations.

The report was initiated by the Forum's Global Agenda Councils on Logistics and Supply Chains and Global Trade & FDI.

"The Forum's Enabling Trade programme has endeavoured to highlight the fundamental attributes that enable a country to facilitate trade," said Borge Brende, managing director of World Economic Forum.

"The case studies show that countries can lose their competitive advantage in terms of factor costs, if the costs associated with their supply chain barriers are high," said Mark Gottfredson, partner at Bain & Company.

"The lesson for companies is the importance of understanding supply chain barriers and how the associated costs and delays can erode other sourcing advantages."

"Supply chain barriers are more significant impediments to trade than import tariffs," said Bernard Hoekman, director of the World Bank's International Trade Department and chair of the forum's Global Agenda Council on Logistics and Supply Chains.

"Lowering these barriers will reduce costs for businesses, and help generate more jobs and economic opportunities for people."

Plastic tools to farmers' rescue

FROM PAGE B1

"The packaging and transportation system that are currently employed are often characterised by weak forms and shapes, low durability, inappropriate materials, rough and patchy surfaces," Rouf said.

Farmers and intermediaries are unaware of the benefits of using improved packaging and rely heavily on traditional methods of packaging, such as bamboo baskets and gunny sacks, which account for 80 percent of the packaging used by the sector, he said.

The annual demands for packaging materials by the sector, according to the Katalyst-GMark study, are: gunny sacks 7.26 million pieces, worth Tk 145 million; plastic sacks 15.77 million pieces, worth Tk 78.2 million; and bamboo baskets 6.32 million pieces, worth Tk 253 million.

A farmer can save up to 35 percent transport wastage cost for tomatoes and 15 percent for fishes by using plastic crates, Rouf said.

"But the share of plastic

crates in the agricultural packaging market is only 1.5 percent," he added.

Typically, a farmer has to bear a 10 percent waste cost due to transporting vegetables in bamboo crates, while it is only 0.01 percent for plastic crates, he said.

The official also said that fishermen and traders can minimise fish wastage significantly if they use improved packaging solutions like leak- and heat-proof plastic crates and cork sheet boxes.

Nearly 9 percent fish wastage occurs during transportation and nearly 10 percent during trading.

The total wastage annually is approximately 244,001 tonnes, worth TK 21.30 billion, said the Katalyst-GMark Study.

Currently, GMark is implementing the project in 29 districts in collaboration with two plastic companies -- Bengal Polymer Wares Ltd and Nilkamal Padma Plastic Pvt Ltd.

The agro-packaging project has directly benefited around 18,000 farmers in the past year, Rouf said.

"But the share of plastic



People visit the pavilion of Rich, ready-to-cook foods maker, at the ongoing Dhaka International Trade Fair 2013, in the capital yesterday. Rich displays over 200 different agro-based value-added food products at the annual fair.

Muhith turns 80 today

STAR BUSINESS REPORT

Finance Minister AMA Muhith turns 80 today.

Cabinet Secretary M Musharraf Hossain Bhuiyan broke the news to reporters yesterday after a meeting of the cabinet committee on public purchases.

Journalists were treated to sweets as part of the celebrations. The finance minister was also present there.

Born in Sylhet, Muhith obtained his BA honours in English Literature in 1954 and MA from Dhaka

Wal-Mart studying India's investment conditions

REUTERS, New Delhi

US retailer Wal-Mart Stores Inc is studying the conditions attached to India's decision to open its supermarket sector to foreign investors before finalising a decision to invest, a government state-

Prices of cooking oil to fall soon: official

FROM PAGE B1

On January 20, stock of crude cooking oil stood at 95,821 tonnes at the bonded warehouse of Chittagong Customs, Bangladesh Tariff Commission (BTC) said in a report sent to the commerce ministry earlier.

But the volume of crude palm oil delivery taken by refiners was lower in December than in any other month, BTC said. "As a result, overall supply of cooking oil declined in the market. It may have impacted the market prices," it said.

Refiners, however, did not increase the prices of cooking oil at their mill gate, it said.

Mostafa Kamal, chairman and managing director of Meghna Group of Industries, said the company faced delays in receiving its shipment of imported crude soybeans and palm at the port.

Kamal, also the vice-president of the association of refiners, however, did not give any reason for the reduced withdrawal of palm oil from bonded warehouse.

He said the prices of loose soybean oil rose because of its increased demand in the cold weather.

Traders used to pass off a mixture of palm oil and soybean oil as pure soybean cooking oil, but that has been thwarted by the cold weather as the palm oil thickens fast, he said.

"The dense fog also caused a disruption in the

Dhaka bourse set for new indices

FROM PAGE B1

The call for a fresh index came in October 2010 from the media when it was found that the Dhaka bourse did not follow the correct method of index calculation while incorporating new securities. Later, the matter was acknowledged by the SEC as well.

The Dhaka bourse considered the total shares of a company in computing the impact of price movement -- up or down -- on the index, which yielded an inflated scenario. Although the DSE has made some corrections in the index calculation methodology, the previous errors still remain.

Now, the Dhaka Stock Exchange takes into account the free float or tradable shares of a listed company

Germany's Olymp to increase RMG purchase from Bangladesh

FROM PAGE B1

To increase purchase from Bangladesh by a brand like Olymp is good news for the country, said KM Rezaul Hasanat, chairman and CEO of Viyellatex Group.

Bezner yesterday inaugurated a school in Tongi which will be operated by Viyellatex Group in partnership with Olymp for the underprivileged and physically-challenged children. A total of 200 children will be able to study at the school.



Shagufa Anwar, general manager of Apollo Hospitals, and Darry Lau, Singaporean consul to Bangladesh, sign a deal recently under which Apollo will provide priority corporate benefits and medical services for the employees and their dependents of the consulate.



Mohammed Shoeb, chairman of Phoenix Insurance Co Ltd, attends the company's annual branch managers' conference in Dhaka yesterday. Md Jamirul Islam, managing director, was also present.



Md Anisul Hoque, chairman of Social Islami Bank, presents blankets for the cold-stricken poor to SK Sur Chowdhury, deputy governor of Bangladesh Bank, at a ceremony held in Dhaka recently.