

# DCCI calls for solution to political turmoil

Exporters Association concerned over disruptions to export activities

STAR BUSINESS DESK

The business community and senior citizens of the country should come forward to help resolve the recent political crisis to safeguard the country's image and prevent extensive economic loss, said the country's largest trade body yesterday.

The Dhaka Chamber of Commerce and Industry (DCCI) released a statement where it expressed its deep concern over the political unrest, frequent calls of hartals complete with violence and vandalism.

"Such confrontational politics is seriously affecting the businesses and development activities. And if the situation persists, we may lose

foreign direct investment as well as local investments," said DCCI.

It added: "Bangladesh's economy has achieved enough strength and succeeded in keeping its pace through its entrepreneurship, young and energetic workforce despite of having global meltdown, huge competitions and various limitations."

But the unsavoury situation created by the political parties would take off the momentum, and perhaps bring "socio-economic disorder" in the country, said DCCI.

"The political parties should take responsibility if any crisis happens," said DCCI, while urging all parties to have dialogue to resolve their issues.

Separately, the Exporters Associa-

tion Bangladesh (EAB) expressed grave concern over the disruptions to export activities due to the ongoing turmoil.

The transport of goods has almost ground to a halt due to the pulling out of railway sleepers and arson on carriages by the picketers.

The foreign currency earned through export is vital to any economy, so the EAB requests all vested quarters to allow safe passage of export delivery vehicles."

The export industry of Bangladesh directly employs more than one crore people and indirectly affects the lives of people four times more.

"Hence, it is important to help sustain the industry," the association said.

## Stocks rebound after year-low

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Stocks gained 2.41 percent yesterday, the highest single day surge this year, as investors went on a buying spree to take advantage of the low prices of shares after Sunday's 5.21 percent fall.

The DSE Broad Index (DSEX), the benchmark index of the Dhaka Stock Exchange, finished the day at 3,982.49 points, after gaining 128 points.

"After hitting the year's lowest, the market rebounded as opportunistic investors came forward to take advantage of the lucrative prices," said IDLC Investments, a leading investment banker.

"Meanwhile, the political scenario continued to push investor confidence down, putting a drag over participation."

In addition, the market remained watchful over ongoing developments regarding Demutualisation and Bank Company Act, the investment banker said.

Turnover on the DSE floor advanced 3.9 percent to Tk 273 crore, compared to the previous day.

A total of 0.94 lakh trades were executed with 5.87 crore shares and mutual fund units changing hands on the Dhaka bourse.

Of the total 269 companies and mutual fund units that were traded on the DSE, 244 advanced, 19 declined and six remained unchanged.

All major sectors ended in green. The telecom sector was the biggest market mover, as it accelerated 4.84 percent driven by a 5.11 percent jump of Grameenphone.



CITYSCAPE

Nahid Sarwar, managing director of Cityscape International Ltd, receives a certificate from Guido Dori, RCE for South Asia Region and Bureau Veritas, at a local hotel recently. Cityscape was awarded for integrated management system.

## New top brass for frozen foods exporters' body

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Md Amin Ullah, managing director of Ark Sea Foods Ltd, has recently been elected as the president of Bangladesh Frozen Foods Exporters Association for 2013-14.

The election took place at the association's 28th annual general meeting, the association said in a statement yesterday.

Kazi Belayet Hossain, managing director of Sobi Fish Processing Industries Ltd, was elected as

## NBR preparing for next budget

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The National Board of Revenue is seeking proposals and suggestions from various stakeholders, including trade bodies, as part of its efforts to prepare a budget for the upcoming 2013-14 fiscal year.

"The board will soon sit with different chambers and associations to frame a participatory budget," the tax administrator said in a statement on Sunday.

The administrator asked the chambers and associations to submit their proposals to the Federation of Bangladesh Chambers of Commerce and Industry.

The NBR also requested the organisations who are not member of any chamber and association to email their proposals to pramanik.alamin@yahoo.com, according to the statement.

Of the target of Tk 112,259 crore in revenue for fiscal 2012-13, the NBR logged Tk 53,739 crore in the July-January period, up 15 percent from Tk 46,675 crore in the same period a year ago.

## Pharma growth slows over sluggish domestic demand

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At present, the sector exports to 87-odd countries -- after meeting 98 percent of local demand.

The sector generated \$1.7 billion in sales in 2012, showed data from IMS.

"But, our industry has a huge potential to raise exports to a higher level in the next three or four years," added Muktadir.

Technologically, the sector is the most developed manufacturing industry in the country and the third largest in terms of contribution to the state coffers, BRAC-EPL Stock Brokerage Ltd said in an analysis.

Increased life expectancy, wide medical coverage of population, private healthcare services, people's growing income and wellness drugs, are the drivers of growth for the industry, added the stockbroker.

At present, 20 companies are listed on the stock exchanges.

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## BB may consider raising bank loans to stock dealers

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The ongoing shutdown programmes took a heavy toll on the stockmarket, as prices plunged 5.21 percent on Sunday, the highest single-day fall in the last 13 months. The market was, however, up by 3.41 percent yesterday.

Earlier on January 29, the DSE formed the eight-member coordination committee to solve the problems identified by the bourse. Yesterday's meeting was part of a series of consultation with various stakeholders.

The panel called upon the central bank to allow banks to increase their exposure to the stockmarket, which is now suffering from a liquidity dearth.

"Most of the banks, which are considered as major institutional investors, remain either on the sidelines or inactive from making fresh investment in the secondary market," said Ahmed.

He said the committee also requested the central bank to raise the credit limit of stock dealers/brokers up to Tk 20 crore from existing Tk 1 crore.

The panel asked for considering the loans of the stock brokers, merchant banks and financial institutions as exposure to the stockmarket if the loans are backed by securities.

It also demanded reducing the amount of check processing fee and cuts in interest rate and electronic fund transfer charges.

The panel requested the central bank to take steps so that the stockbrokers and merchant bankers can get loans at a concessional rate.

Mohammed Nurul Amin, chairman of Association of Bankers Bangladesh, Rakibur Rahman, president of the DSE, and Mohammed A Hafiz, president of Bangladesh Merchant Bankers' Association,



Prime Minister Sheikh Hasina hands a cheque for Tk 4.80 lakh contributed by Social Islami Bank for 2013 to a family of a martyr of BDR carnage at a ceremony at the Prime Minister's Office in Dhaka recently. Md Anisul Hoque, chairman of the bank, was also present.

## Hartal takes toll on Khatunganj trade

SHAHNOOR AKHTER URMI, Chittagong

About 70 percent of the business outlets in Khatunganj market, one of the major wholesale commodity markets in Chittagong, remained closed in the last two days due to the countrywide hartal enforced by Jamaat-e-Islami.

The Khatunganj-Chakta market, covering a large area along the banks of the Chakta canal and the Karnaphuli river, deals with a large bulk of the nation's trade in commodities.

"The two-day shutdown cuts the market's daily average turnover by around 15 percent from Tk 1,200 crore," said Syed Sagir Ahmed, general secretary of Khatunganj Trade and Industries Association.

"Many truck owners refused to operate their vehicles fearing the anarchy across the country, which also severely affected supply of commodities."

He said political parties have the right to call hartal, but transportation of essential commodities should be kept outside of the scope of the political programme.

Around 70 percent of the 54 lakh

tonnes of commodities imported by the private sector last year were supplied across the country by road, according to Chittagong Port officials.

At present, 16 smaller ships carry consumer goods to 16 inland ports across the country.

However, hartals halted all offloading and uploading of goods from ships to trucks.

"All my consumer goods are now in warehouses, as I failed to supply those to my buyers due to the hartal," said Noor Alam, importer and owner of Jaman and Brothers.

"Hartals have become a real curse for businesses, and to make up our losses we will be compelled to increase the prices of the goods."

Mohammed Sikander, importer and owner of Sikander Store, said he failed to make any profit since last week as hartals restricted many of his regular buyers to come to the market.

"From the beginning of the year, business has been lower than last year. If hartals continue like this, we will not be able to continue with our trading sustaining so huge losses."

He said political parties have the right to call hartal, but transportation of essential commodities should be kept outside of the scope of the political programme.

Around 70 percent of the 54 lakh

## Banks' boards to stay big as govt gives in

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The finance ministry had earlier proposed that only the full-fledged Islamic banks will be allowed to offer the shariah-based services to uphold the main spirit of Islamic banking.

But the cabinet rejected the proposal, saying the move would give the Islamic banks a monopoly.

After the meeting, Cabinet Secretary Musharraf Hossain Bhuiyan told reporters that there have been many changes in the domestic and international context since the last amendment to the Act was made in 2003.

The cross-border banking has expanded much, he added.

The Act is being amended after consultation with all the parties concerned, he said, adding that the International Monetary Fund also wanted changes to the Act.

Bhuiyan, however, said, "Not because of the IMF advice, the government itself feels the amendment is necessary."

The amendment will bring stringent measures to curb frauds in fund collection from people in the name of deposits.

The existing Act says the BB

If any non-bank organisation collects deposits from the public, it will have to take approval from the central bank, according to the proposed amendment.

Bangladesh Bank will also monitor the activities of these organisations and take punitive measures against them if any irregularity is detected.

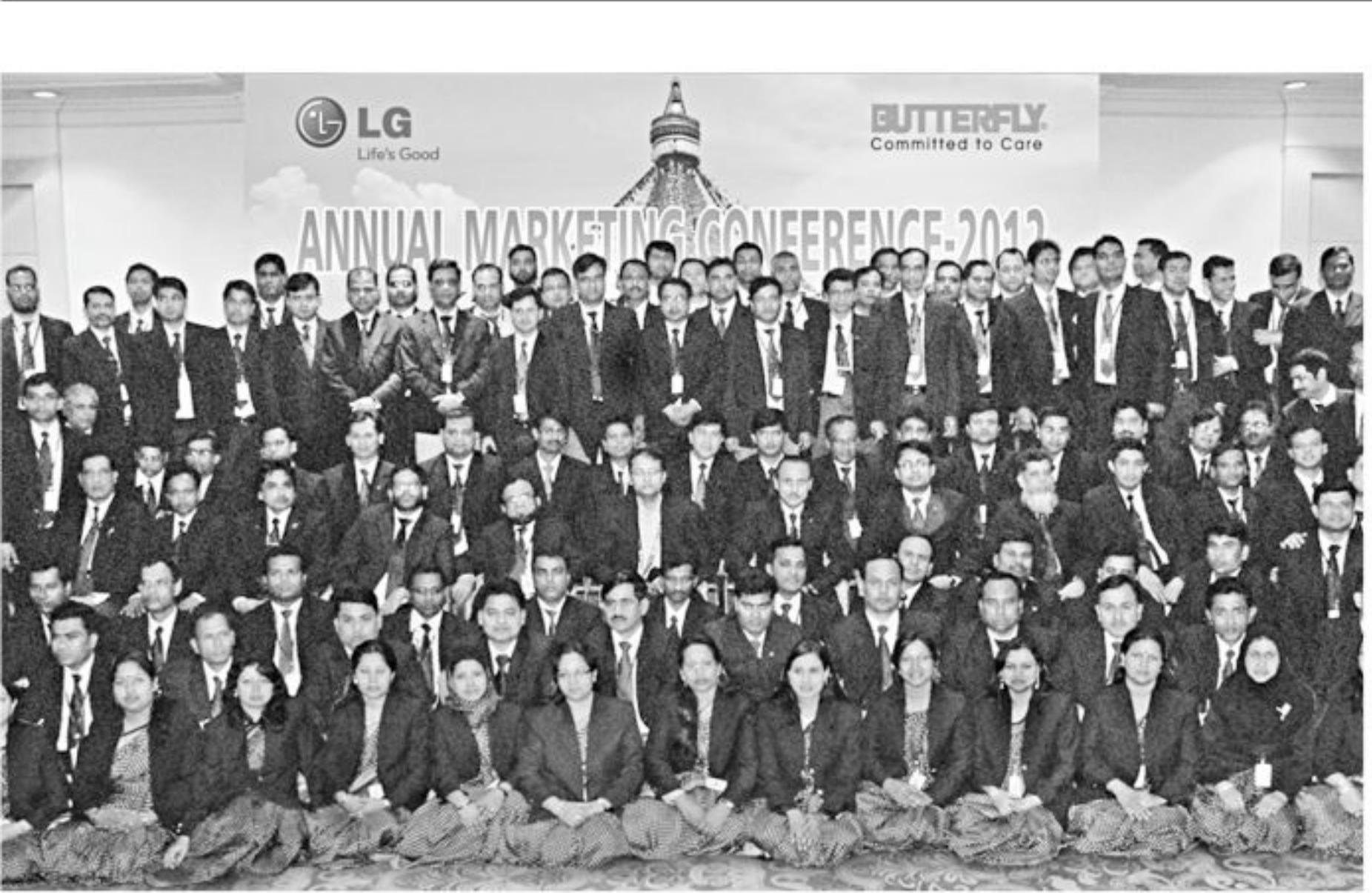
The ministry official said the changes will be included in the amendment as different organisations, including Destiny, collected deposits from their members and later embezzled the funds.

The cabinet secretary said a protective clause has been incorporated in the amended Act to bar the cooperatives from using the name 'bank' in illegal ways.

The proposed amendment also empowers the BB to remove any chief executive officer of the state banks.

Under the existing Act, the power of removing the chairmen, directors and other high officials, including the managing directors of state-run and specialised banks, remains with the government.

However, in exercising the power, the central bank will consult the government. In line with the amendment, the central bank will decide on what the capital of the commercial banks will be.



M A Mannan, chairman of Butterfly Marketing Ltd, attends the company's annual marketing conference at Kathmandu in Nepal recently. Mustafizur Rahman Shazid, director for sales and marketing, was also present.



Nasir A Choudhury, managing director of Green Delta Insurance Company (GDIC), and John D' Cruz, senior manager of Maa Takaful, a Malaysian insurer, exchange documents of a deal at the GDIC head office in Dhaka recently. GDIC will be the claim settlement agency for Bangladeshis workers in Malaysia insured by Maa Takaful.