

Overcast sentiment hits stock prices

STAR BUSINESS REPORT

Stocks yesterday registered the highest single day fall in two weeks, driven by investors' sellingspree.

DSEX, the benchmark general index of the Dhaka Stock Exchange, closed at 3,454.52 points, after falling 1.39 percent, or 49.03 points.

Turnover came down to a two-month low, dropping 0.44 percent from the previous day to Tk 112 crore.

"Pessimism continued to take its toll on the bourse, with participation progressively thinning out over persistently dismal market sentiment," IDLC Investments said in its regular market commentary.

"With eyes focused on the Savar

tragedy and its potential aftermath on businesses, investors hardly had any motive to increase exposure."

The disappointing earnings announcement of a few stocks, especially in the textile and insurance sector, added to the gloomy outlook, the merchant bank noted.

"Given the prevailing sentimental, political and economic uncertainty, the market tracking indices showed nothing but a heightened discounting tendency by investors throughout the day," LankaBangla Securities said.

A total of 0.52 lakh trades were executed, with 3.57 crore shares and mutual fund units changing hands on the Dhaka bourse.

Of the 271 issues that traded on the premier bourse, 52 advanced, 194 declined and 25 remained unchanged.

All big sectors lost in value except non-bank financial institutions, which posted a gain of 2.13 percent.

The pharmaceutical sector shed 1.67 percent, banks 1.17 percent, telecoms 0.98 percent and power 0.86 percent.

RN Spinning Mills topped the charts with its transaction of 17.30 lakh shares worth Tk 5.04 crore.

Kohinoor Chemicals was the biggest gainer of the day, posting a rise of 10 percent, while Global Heavy Chemicals lost the most, of 13.77 percent.



Seated left, Salehuddin Ahmed, managing editor of The Daily Star, exchanges documents of a deal with Masum Reza, director of Allegro Holiday Suites, at The Daily Star Centre in Dhaka yesterday. The hotel based in Cox's Bazar joined The Daily Star Partner Hotels Programme, an initiative to promote the hospitality sector.

STAR



Abedur Rashid Khan, chairman of Dutch-Bangla Bank, attends the bank's 17th annual general meeting at Sonargaon Hotel in Dhaka yesterday. KS Tabrez, managing director, was also present. The bank declared 40 percent cash dividend for 2012.

DBBL



EJ Mac Ewan, general manager of Sonargaon Hotel, poses with the hotel's officials during a blood donation programme yesterday at the hotel jointly organised by Sonargaon and Bangladesh Red Crescent Society for the victims of Savar tragedy.

SONARGAON HOTEL

New CAG takes oath

STAR BUSINESS REPORT

Masud Ahmed took his oath as the new Comptroller and Auditor General at a swearing-in ceremony yesterday.

Chief Justice Md Muzammel Hossain administered the oath at the Judges' Lounge of the Supreme Court.

The Finance Division named Ahmed as the eleventh comptroller and auditor general on April 24.

Ahmed served the Planning Commission as a member prior to being appointed as the new CAG.

He also wrote numerous stories and received various awards, including the Sher-e-Bangla AK Fazlul Huq Literary Award and Natyasava Literary Award.



Masud Ahmed

Never again

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Ensuring factory safety in this context is not an easy task. Yet it must be remembered that the situation in developed countries were essentially the same in the early phases of mass industrialisation. The Triangle Shirtwaist factory fire in New York in 1911 essentially bears the same hallmark of the Tazreen fire. However, what made a difference over the next decade was the activism of the civil society and the good intentions of reformist lawmakers, politicians, human rights activists and journalists.

The situation in Bangladesh is compounded by the fatalistic nature of the simple minded masses, all too convenient for the ruling elites and owners.

But all is conspicuously not well now. The system is crushing under its own weight. This is not business as usual. This industry is bursting at its seams with dissent. The goose with the golden eggs appears to be quite ill.

On some suggestions for change, there should be a body of workers and owners to ensure safety in each factory. The team could monitor the situation; perform fire safety drills and evacuation procedures once a month, in the presence of responsible agencies.

All building permits, fire permits, factory permits with plans should be made available online on the agency websites and in the building for public display.

All stakeholders, especially the users and tenants, may see the original number of stories, intended purposed road widths, setbacks, and fire exits. Such transparency will ensure accountability of all parties.

Engineers and architects, especially safety experts, must voluntarily check the fire safety and structural integrity in the post-construction phase of buildings that were not designed as factories.

Equipment to test structural integrity is available at BUET and PWD. Such testing equipment may also be provided by the professional trade bodies.

The government planning agencies must devise plans to shift a bulk of the industry into designated industrial zones.

The success of any such measure will depend on how far public awareness and a sense of collective justice challenge the prevailing culture of asymmetric impunity.

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CONCORD

Madurapochana Ittarong, Thai ambassador to Bangladesh, visits Fantasy Kingdom theme park in Ashulia recently. SM Kamaluddin, chairman of Concord Group, was also present.

Char people need special fund for development

STAR BUSINESS REPORT

Government should make a special allocation for the development of the living standard of the extreme poor in char areas in the upcoming budget, analysts said yesterday.

Special allocation is needed to ensure food safety, employment, education and better health services to the under privileged people of char areas, they said.

"We should concentrate on resource allocation in the poverty pocket," said MM Akash, an economics professor at Dhaka University.

Around 50 lakh people live in the char areas of the country, he said. "So the government should allocate a separate fund for them according to the proportion of the population."

Akash spoke at a discussion on special fund allocation for char areas, co-organised by the Unnayan Shamannay and Concern Worldwide, at Dhaka Reporters' Unity in the city.

The government allocated Tk 181.75 crore in 2009-10 and Tk 3,546 crore in 2010-11 in the national budget for the char areas, said Zahid Rahman, coordinator (research and advocacy) of Unnayan Shamannay.

But, the government did not allocate any special fund for the char areas in the last two years, he said.

People of char areas are the worst victims of national calamities, as they have to face frequent river erosion, cyclones and drought due to adverse impact of climate change, he said.

Around 70 percent people of the

char areas do not have the ownership of the land, Rahman said.

Inhabitants of char areas face several challenges in the field of healthcare and education due to being disconnected from the plain land, said Khondokar Ibrahim Khaled, a former deputy governor of Bangladesh Bank.

"So it is necessary to arrange special fund for them."

Shah Jikrul Ahmed, a member of the parliamentary standing committee on the agriculture ministry, stressed the need for ensuring security of the char areas.

Shahriar Alam, a member of the parliamentary standing committee on the information ministry, emphasised setting up of rest houses in the char areas to encourage government officials to stay there.

ICT policy reforms come into focus

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A holistic approach is required to spread internet, he said, adding that the internet price is still very high in the sub-urban and rural areas.

The internet service providers will have to work more on minimising the costs, he said.

Rakesh Saha, a partner of Ahmed Mashuque and Co, a chartered accountants partnership firm, said people need to take permission from the central bank and the National Board of Revenue to import software, which takes around 70-80 days.

This discourages foreign companies from exporting software; it takes 2-3 days in India to get such approvals, he added.

An organisation can be floated to certify software import, he said.

MD Ahsan Ullah, executive director of Bangladesh Bank, said the central bank does not have any benchmark to examine software imports that may cause over invoicing. So the process takes time, he added.

A coordination committee among the officials of the commerce ministry, central bank and the NBR can be formed to ease the process, he said.

Abdul Mueed Chowdhury, a former adviser to the caretaker government, said the central bank should approve the money for software imports while the NBR can examine whether the purchase is okay. This process will take less time, he added.

Dr Rokonuzzaman, an associate professor at Independent Univer-

sity of Bangladesh, said the bandwidth price for the end users is not coming down in line with the fall in wholesale prices.

"The ISPs are charging additional fees over the bulk bandwidth price."

The state-owned Bangladesh Submarine Cable Company Ltd was supposed to be the most flexible entity but it could not create a competitive market.

Now the ITCs (international terrestrial cable) have made the market competitive, he said.

As the transmission and operational costs have not been reduced, the ISPs cannot offer lower prices for internet.

The bandwidth charge is just 25 percent of the total cost of an ISP, said Sayed Mohammad Tarikul Islam, joint secretary of ISP Association of Bangladesh.

Mannan Khan, chairman of Mango Teleservices, an internet gateway, said since his company started business five years ago, the country never faced massive internet disruption as the company always managed a backup for the Dhaka-Cox's Bazar route.

Mango is preparing a transmission backbone throughout the country, connecting 24 districts, which will reduce transmission costs. The bandwidth price in Dhaka and local areas will be the same after it starts working, Khan said.

Russell T Ahmed, secretary general of BASIS, said bandwidth prices were reduced drastically in the last couple of years. The ISPs did not cut internet prices but they

are offering more speed with more capacity, he added.

The large internet using countries, such as South Korea, China, Russia and the USA have developed huge local content, Ahmed said. "The Bangladesh government should encourage it."

Sabir Ahmed Sumon, adviser to Fiber@Home, a national transmission company, said the ISPs purchase bandwidth for Tk 3,500 to Tk 4,000 per Mbps but sells it for Tk 6,000 to Tk 12,000 due to high quality or redundant (backup) facilities.

Bulk bandwidth prices in Bangladesh are low, even less than in India, said Sumon. But the people are not getting the benefit due to higher transmission costs. The government should offer easy loans for infrastructure development, he added.

Nafiul Hasan, deputy secretary of the telecom ministry, said the ministry is in a position to reduce 15 percent duty over internet use, which will encourage the sector to use more bandwidth.

Speakers also urged for tax and revenue sharing waivers for e-commerce and outsourcing for the next 15 years.

AFM Fahim Mashroor, president of BASIS, said there are around 800 BASIS-approved software companies in the country, while 1,500 more companies are in operations.

He said 200 companies are engaged in exporting software or IT-enabled services and the size of the industry is \$200 million. This year, exports will cross \$100 million, he added.

Plastic goods makers' assoc re-elects president

STAR BUSINESS DESK

Md Jashim Uddin has recently been re-elected as the president of Bangladesh Plastic Goods Manufacturers and Exporters Association for 2013-14, the association said in a statement yesterday.

The association also elected Gias Uddin Ahmed as senior vice president, Quazi Anwarul Haque as vice president and KM Iqbal Hossain as general secretary.

The newly elected 21-member executive committee will run the association for the next one year. The poll results



Md Jashim Uddin

Muhith plans drive to sniff out faulty factories

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The finance minister went on to laud the participation of locals in the search-and-rescue operation, terming their contribution "fantastic".

He also touched upon the topic of Padma bridge, which received a fresh proposal for its construction from Russia yesterday. "An international tender and a sound design are two of our criteria for the project. Since the proposal [from Russia] would not float an international tender, we have decided to reject it."

Muhith, once again, reiterated the government's commitment to building the bridge with its own funds.

Muhith, who was interacting with the media for the first time since returning from Washington after attending the World Bank-IMF spring meetings, said the WB would release the funds it allocated for the Padma Bridge

Insurers won't pay RMG units of Rana Plaza

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The factories will not be able to file claims for the building collapse against their fire insurance coverage," said Rafiqul Islam, an insurance veteran who has served the industry for more than five decades.

"Insurance coverage is very specific. The factories will not be able to file claims for the building collapse against their fire insurance coverage," said Rafiqul Islam, an insurance veteran who has served the industry for more than five decades.

If the factories had considered 10 more hazards, including building collapse, in their insurance policy, then the question of claims would have come, Islam said.

"These factories will not be paid claims as these were housed in a faulty building," he said.

However, Humayun Kabir, manager of Green Delta's Nawabpur branch where New Wave has insurance for its two factories, said it cannot be concluded now that these companies would not qualify for claims.

"It depends on the government's final report on the building," Kabir said.

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