

Stocks end in the red

STAR BUSINESS REPORT

Stocks returned to the red yesterday, with turnover still remaining upbeat as cautious investors' booked marginal profit.

DSEX, the benchmark general index of the Dhaka Stock Exchange, closed the day at 4,116.71 points, after falling 13.97 points or 0.33 percent.

Turnover, the most important indicator of the market, advanced 0.82 percent to Tk 822 crore, compared to the previous day.

Despite increased participation, frequent scrip wise movement and profit booking behaviour pushed down the market, stated IDLC Investments in its regular market analysis.

"Investors' activity was slightly higher than previous session."

Eventually, turnover increased as investors' confidence got momentum due to recent political stability, the investment bankers said.

"Market saw sufficient supply of shares as the index reached to the level that prevailed during the month of February," LankaBangla Securities said in its analysis.

Liquid money market continued to support the case for market bullishness, the stockbroker said.

A total of 1.86 lakh trades were executed with 21.69 crore shares and mutual fund units changing hands on the Dhaka bourse. Out of 289 issues traded, 127 advanced, 142 declined and 20 remained unchanged.

Mixed performance was seen among the major sectors. Non-bank financial institutions gained 2.22 percent, telecoms 0.39 percent and banks 0.10 percent.

However, pharma lost 0.97 percent and power 0.79 percent.

Bangladesh Submarine Cable Company was the day's most traded stocks with 13.26 lakh shares worth Tk 44 crore changing hands, accounting for 5.4 percent of the total market turnover.

Mutual funds dominated the top gainers chart as six of them featured in the list while First Bangladesh Shilpa Rin Sangstha Mutual Fund was the day's highest gainer, posting a rise of 9.15 percent.

National Housing Finance and Investments was the worst loser, slumping by 6.74 percent.

Govt's growth target achievable: BEA

FROM PAGE B1

The economic think-tank, however, said the ultimate success depends on political stability, overall improvement in the law and order situation, effective handling of graft-related issues and improvement in the energy sector.

"It won't be difficult to achieve the proposed growth target if there is political stability in the country in the coming days," Abul Barkat, president of the association, said at a post-budget press conference.

He said the amount of undisclosed money in the economy is about Tk 5 lakh to 7 lakh crore. "It's true -- the money should be recovered."

Since the size of black money is huge, it should be put to use in infrastructure and industrial sector, with a set of tough conditions, he said. "The government can publish a whitepaper, and it can also form a commission. We hope there will be directives on this in the final budget."

He said the finance minister's recommendation of allowing investment of black money in the housing sector to the crisis in the sector "is not a good prescription".

Regarding the stock market, the association said reviving the confidence of general investors still remains a big challenge for the government.

They called for wholesale punishment on a priority basis for the stock manipulators involved in the 2010 market crash. "The government needs to take necessary steps to stop the recurrence of such manipulation in the future and to keep investors' confidence unhurt."

On construction of Padma Bride, Barkat said this is surely possible with own financing, adding that those in opposition to the prospect are World Bank agents.

He also sharply criticised those who claimed that going ahead the project with own financing will shrink allocation for the social sector, particularly education and health.

Fresh worker protests over unmet demands

FROM PAGE B1

As the workers became rowdy and hurled brick chips, police fired several rounds of teargas shells and rubber bullets, said Mosharraf Hossain, assistant superintendent of police in Gazipur.

Around 9 am, road communications became normal.

The apparel workers on Saturday observed a work abstention to press home several demands, including an attendance bonus hike from Tk 400 to Tk 600.

The authority kept the factory shut from Saturday afternoon to Sunday to discuss the matter with the managing director of the factory, said Md Selim Khan, sub-inspector of the Gazipur Industrial Police.

As the matter remained unresolved till yesterday morning, workers began demonstrating again, he added.

UCB gets vice chairman

STAR BUSINESS DESK

Sharif Zahir has recently been elected as the vice chairman of United Commercial Bank Ltd, the bank said in a statement yesterday.

Zahir is also the current managing director of Ananta Group Ltd, according to the statement.

He is also serving Vanguard Asset Management Ltd as chairman and National Finance Ltd as vice chairman.

Zahir is an economics and finance graduate from the University of Texas at Austin.



London summit highlights Bangladesh's potential

FROM PAGE B1

"Political strikes and demonstrations ahead of this year's elections could damage investor sentiment and economic growth."

"The Rana Plaza building collapse disaster in April where hundreds of people died underscores the need for more stringent enforcement of standards related to worker welfare."

In the financial sector, the fraud at a state-owned commercial bank should lead to a tighter focus on financial sector oversight, which will be helped by compliance with the terms of the IMF's \$1 billion extended credit facility agreed in April 2012, the report said.

The conference was organised by FinanceAsia and AsianInvestor to explore the trade and investment opportunities in Bangladesh for Asia's sovereign wealth funds, long-term foreign direct investors, public and private pension funds and other financial investors.

Standard Chartered Bank Bangladesh was the main sponsor of the daylong event, which attracted over 300 investors, fund managers and executives from multinational companies.

Mahfuz Anam, editor and publisher of The Daily Star, and Nirukt Sapru, head of growth markets for South East Asia and South Asia at Standard Chartered Bank, delivered plenary addresses and participated in panel discussions.

Jim McCabe, chief executive of Standard Chartered Bangladesh, said the story of Bangladesh has remained untold to a large extent.

"I hope our attempts will raise the interest of key decision makers in the financial sector to join the exciting journey that is the development of Bangladesh."

Rules for jute sacks

FROM PAGE 1B

Formation of the rules has cleared ways to enforce the law, the secretary said.

"The increased domestic use of jute will prevent prices from falling amid reduced demand in international market. So it will protect farmers' interest to grow jute."

"We will be able to bargain more with the buyers with the enforcement of the law," said Huq.

The BJMA, however, said the industry can not take full advantage of the compulsory packaging act, as there is shortage of sacks.

Of the 30 crore pieces of jute sacks produced by public and private jute mills a year, 10 crore pieces are exported, said Huq.

So far, three state agencies -- Bangladesh Agricultural Development Corporation, Directorate General of Food, Bangladesh Sugar and Food Industries Corporation -- have started using the sacks.

But private sector businesses, including rice millers, flour processors and sugar refiners, have not yet started using the sacks due to its higher prices than the polypropylene bags.

A polypropylene sack costs Tk 13-15, but a jute bag requires Tk 50-55, said Layek Ali, convener of Bangladesh Auto Major and Husking Mill Owners Association.

"We have no problem in using jute sacks to pack rice. But such use of sacks will increase prices of rice at consumer level."

"We sell rice in bags. So it is difficult for us to use the sack again."

Rice prices would also go up by Tk 1 a kilogram due to the use of jute bags, he said. "Jute sacks may have higher prices, but these could be used two times more than the polypropylene ones."

Ali said millers use jute sacks for paddy, not for rice.

Govt seeks amnesty for Bangladeshis in Kuwait

FROM PAGE B1

Reza said the Gulf state launched the crackdown to deport expatriates staying illegally after a problem with the ratio of foreigners to Kuwaitis.

"Now, the migration of foreign workers to Kuwait remains closed as the number of foreigners, which is around two-thirds of the total population, has exceeded the number of Kuwaitis," he added.

The oil-rich country relies heavily on foreign workers to perform low-paying, strenuous jobs in sectors such as construction and services; foreigners make up about 69 percent of Kuwait's 3.8 million population, reports Reuters.

The Kuwait government has decided to cut the number of expatriates to 100,000 a year, reports Arab News.



BANK ASIA

Md Mehmood Husain, managing director of Bank Asia, inaugurates a month-long 'SALAMAH' Islamic Service for Dhaka Zone at a programme at the bank's Palltan branch on Sunday. Aminul Islam, deputy managing director, was also present.



GP

General Mainul Islam, acting chief of Bangladesh Army, poses at the signing of an agreement to establish a Tier III Data Centre for Bangladesh Army by GPIT, at Dhaka cantonment on Sunday. Brigadier General Imamuzzaman, director of IT for Bangladesh Army, and Raihan Shamsi, chief executive officer of GPIT, were also present.

Ticfa raises mixed reactions

FROM PAGE B1

"The government is already in a weak position in the eye of the global community due to internal political turmoil and its ideological stance regarding Grameen Bank," he said, adding that the Ticfa might not be enough to improve that image.

However, even if Ticfa is signed in this tenure of the government, the full potential might not be realised within the short span of time.

"The success of the agreement depends on the diplomatic competence and strong negotiations from the people concerned. With the general elections looming, this move might be perceived by the people of the country as a way to retain vote banks."

However, Salehuddin Ahmed, former governor of Bangladesh Bank, is sceptical over the bilateral deal.

"Multilateral agreements are better than such bilateral agreements for LDCs like Bangladesh. I would say, Bangladesh has agreed to sign it under pressure."

He, too, thinks that the country would not do well in bargaining with its US counterpart because of "weak negotiation capacities and skills" of its officials.

On adequate and effective protection and enforcement of intellectual property rights issue, Ahmed said: "If the US wants to mediate it under Ticfa, it

will be problematic for Bangladesh. Prices of many products will rise."

Nazneen Ahmed, senior research fellow of Bangladesh Institute of Development Studies, said the signing of the agreement will provide another platform for Bangladesh other than the WTO.

"Bangladesh can also raise its demands for duty-free and quota-free market access for its products to the US market. Our products are facing various types of taxes in the USA. We also raise these issues at the forum."

Kazi Akram Uddin Ahmed, president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), said the Ticfa will increase trade with the US.

"I now hope the US will not scrap the GSP benefit for Bangladesh. We are waiting for a positive signal from the US."

Manzur Ahmed, adviser to the FBCCI, said it is too late to sign the Ticfa with the US. "We would have signed it a lot earlier -- there is no room for argument."

Sabur Khan, president of Dhaka Chamber of Commerce and Industry, echoed the views of the FBCCI president.

Atiqul Islam, president of Bangladesh Garment Manufacturers and Exporters Association, the garment makers' platform, also welcomed the move, saying the agreement would help towards the retention of GSP.

Bangladesh disaster crushes owner's ideal

FROM PAGE B4

Eventually the "heart" boutique closed. A plan to massively expand the training projects was dropped, Cattaneo said.

Instead Phantom TAC began to focus on large export deals.

In the days before the disaster, it was working flat out to complete a sample order for Spanish retailer Mango in the hope it would lead to a bigger, lucrative supply contract with the company, one of the world's top buyers.

Mango, which has over 2,600 outlets in 107 countries, said it had not finalised the order found in the rubble. The company, based in Barcelona, said that it would have gone ahead only had a trial sample been found to be up to standard and had Phantom TAC passed Mango's checks on its labour practices and safety.

Under pressure to meet mounting orders, line managers drove staff harder, sometimes making them work through the night, some workers said. Reuters was not able to speak to any line managers from the company.

The increasing tensions on the factory floor were kept from Mayor, 20-year-old seamstress Runi Akhter said.

"When he came there was an announcement by loudspeaker," said single mother Akhter, speaking in the two-room house she shares with eight people, including her parents and two young children. "We were told by the managers that if we complained to him we'd lose our jobs."

On the morning of April 24, managers ordered staff into work at the five factories in Rana Plaza, even though the building had been evacuated the day before after a crack

appeared in a pillar.

Minutes after they sat down the power went out in the building and heavy generators on the upper floors kicked in with a shudder. The building shook hard and crashed to the ground.

Amarat Hossain, a merchandiser who had worked for Mayor since 2007 coordinating with buyers, said he was late to work that day, and by the time he arrived Rana Plaza had collapsed into a mound of broken concrete.

As he frantically tried to contact colleagues his mobile phone rang. It was his boss, asking why he couldn't reach Phantom TAC chairman Islam.

When Hossain told him the news he said Mayor broke down, screaming "oh God, oh God", into the phone and asking: "Are they all dead?"

Industry officials said some 200 workers and managers died at Phantom TAC, with dozens more severely injured. Reuters spoke to several survivors.

All the workers spoken to remembered Mayor as a benevolent figure, who always had a kind word and was opposed to forced overtime. Two said he had touched their heads -- a sign of respectful affection in Bangladesh.

But labour activist Babul Akhter said he believed Mayor could have found out about the worsening conditions from factory log books that document the hours being clocked.

"Instead of touching the heads of workers, he should have looked at the documents, the service books," said Akhter.

Mayor was last seen in Bangladesh in March. Two people who know Mayor, and the Bangladesh consulate in Barcelona, said he was in Spain, but Reuters was unable to locate him.



SONY RANGS

Stanley Tan, country representative for Sony South East Asia, and J Ekram Hussain, deputy managing director of Rangs Electronics, attend the launch of eight models of Sony Vaio laptops for Bangladesh market at Bangabandhu International Conference Centre in Dhaka on Saturday. The models are priced between Tk 49,900 to Tk 185,000.



PHOENIX FINANCE

Deen Mohammad, chairman of Phoenix Finance and Investments Ltd, attends the company's 18th annual general meeting at the Institution of Diploma Engineers in Dhaka on Thursday. Phoenix announced 20 percent stock dividends for 2012. SM Intekhab Alam, managing director, was also present.



CITY BANK

Rubel Aziz, chairman of City Bank, attends the bank's 30th annual general meeting in Gazipur on Sunday. City approved 10 percent stock dividends for 2012. K Mahmood Sattar, managing director, was also present.