

# Stocks return to the black

STAR BUSINESS REPORT

Stocks returned to the black last week with sharp gain in index amid investors' increased confidence.

DSEX, the benchmark general index of the Dhaka Stock Exchange, closed the week at 4,270.43 points, after edging up 2.92 percent or 121.26 points.

The week featured four trading sessions like the previous week as trading remained suspended on Monday on account of bank holiday. Two of the sessions gained sharply while the rest saw mild correction.

"Participation started to rebound in the last week over investors' increased confidence as the investors were relieved over the generalised system of preferences (GSP) concern in Europe," commented IDLC Investments in its weekly market analysis.

The week observed the impact of investors' response over different issues relating to capital market like GSP, foreign portfolio investments and other macroeconomic issues, the investment banker said.

Over the week, repositioning and fresh positioning among the fundamentally strong scrips as well as profit booking were widely observed, according to IDLC Investments.

The increased turnover in the week indicates strength of positive movement, stated LankaBangla Securities in its analysis.

"After the fiscal year ending, investors seemed to try recovering their lost position during last week."

Daily average turnover advanced 17.12 percent to Tk 762 crore than the previous day.

Gainers took a strong lead over the losers as out of 294 issues traded during the week at DSE, 226 advanced, 60 declined and eight remained unchanged.

All the major sectors posted hefty gains except banks, as the heavyweight sector continued its losing streak with a loss of 1.36 percent.

Non-bank financial institutions rose 5.45 percent, pharma 4.51 percent and power 4.40 percent. The power sector accounted for the highest turnover on 24.71 percent of the total turnover.

Bangladesh Submarine Cable Company featured in the most traded stocks chart with 56.58 lakh shares worth Tk 144 crore changing hands.

JMI Syringes and Medical Devices was the week's highest gainer, posting a rise of 45.87 percent, while Samata Leather Complex was the worst loser, plunging by 10.87 percent.

## New firm to offer legal advice on IP rights

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A non-profit organisation, The IP Plus Law Clinic, was formed yesterday to provide legal advice on intellectual property rights and relevant business law matters free of cost.

"Businesspeople, entrepreneurs and artists have no knowledge of the intellectual property rules and regulations and hence are deprived of their just remuneration," Barrister ABM Hamidul Mishbah, chief executive officer of The IP Plus Law Clinic, said at the launching ceremony.

He cited the US as an example, where a significant amount is earned every year by exercising intellectual property rights.

The firm, to be managed by Bangladesh Copyright and Industrial Property Forum (BCIPF), would counsel on copyright, trademark and patent, and offer legal tips for technology transfer and formation of new company or business, said Kazi Zahin Hasan, chairman of BCIPF.

Mishbah said software developers are particularly in need of their service as they do not sign a non-disclosure agreement before pitching their ideas to corporates.

Regarding the cases on piracy, he said: "They were filed according to criminal laws and not the IP act, and hence did not get proper judgement."

"We once seized pirated books worth Tk 1 crore and even filed a case. In the end, we had to return the books as per the court verdict," Manjurul Rahman, former registrar of the copyright office, said.

If some precedent is set, book or music piracy would have come down, he added.

"Nowadays, songs are uploaded on the internet within half an hour of the launch of the album. This causes financial loss to the artists," Maksudul Haque, a singer, said, while calling for legal support to curb piracy.

## Khulna Hardboard Mill starts production by July

OUR CORRESPONDENT, Khulna

Khulna Hardboard Mill plans to start commercial production of hardboard by the last week of July after remaining closed since July 16, 2010 due to financial crisis.

The authorities have so far completed around 90 percent work related to overhauling, repairing and maintenance to run the country's lonely hardboard mill.

The industries ministry directed Bangladesh Chemical Industries Corporation (BCIC) to take immediate steps to resume production with the finance ministry's fund of Tk 10 crore given on November 2012 for maintenance and production cost.

"We have received Tk 10 crore from the BCIC in three instalments," said Shahidul Islam, production manager of Khulna Hardboard Mill.

## MANAGERS' CONFERENCE



AAM Zakaria, managing director of First Security Islami Bank, attends the managers' conference of the bank at Radisson Blu Water Garden Hotel in Dhaka on Thursday. Md Abdul Ouddus, deputy managing director, was also present.

## Spanish shipyard faces uncertain future

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The company had up to 2,500 employees at one time. Now it has only 80 who work for a few hours each day.

The situation is just as bleak at the neighbouring Armon shipyard. "We have not had a contract, or almost nothing, in three years," said Carlos Lopez, 56, who has worked at the shipyard for nearly four decades.

Hundreds of shipyard workers, most in their blue overalls and holding their helmets in their hands, marched Thursday from the shipyard in Vigo to the centre of the city in defence of the sector. "Listen Europe the naval sector is struggling," they chanted.

"We can start building boats again, that is the only thing that we know how to do and we do it well," said Sarnieto.

Unions have called for a day of protest and strikes on July 11 when European Union's commissioner for competition, Joaquín Almunia, will meet with representatives of Spanish shipbuilders in Brussels.

Almunia, himself a Spaniard, has argued that those who should be made to pay are the investors who funded projects which also received state aid and the shipping companies that bought the resulting vessels.

But shipbuilders fear they in turn will face legal action from those penalised to compensate them.

## Govt on a licence spree

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Meanwhile, the applicant said the general insurance market, which has 43 companies at present, has no room for a new entrant. "But the government still decided to give two licences, making the sector vulnerable to risks."

Shefaque Ahmed, chairman of Insurance Development and Regulatory Authority (IDRA), could not be reached for his comments at the time of writing.

The licences awarded last week are for: Sonali Life Insurance, Mercantile Islami Life Insurance, Taiyo Summit Life Insurance, NRB Global Life Insurance, Protective Life Insurance, Guardian Life Insurance, Chartered Life Insurance, Best Life Insurance, Zenith Islami Life Insurance, Sikder General Insurance Company and Sena Kalyan General Insurance Company.

## Biggest solar power plant on BBS rooftop

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The BBS building has now turned up as one of the largest prestigious green power buildings in Bangladesh, he added.

The government-run 57-kilowatt plant at Kaliakoir Hightech Park, a 50 kilowatt plant on the rooftop of Bangladesh Bank's main building and the privately owned 100-kilowatt one in Sandwip are the three other big solar power plants. The country produces 6,000-6,500 megawatts of electricity against a daily demand for 7,000MW on average, according to official estimates.

Seventy megawatts of power is already being generated from renewable energy sources with plans to produce an additional 49 megawatts from solar power, according to the budget document of the government.

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## Stock tax receipts hit 9-month high

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The government earned lower tax from sales of sponsor and placement shares in June than the last month.

It bagged only Tk 3.19 crore in tax from share sales by sponsor shareholders last month, down from Tk 3.54 crore a month ago.

From January to June this year, the government earned Tk 36.88 crore in tax through brokerage commission and Tk 9.7 crore in tax from share sales by sponsor shareholders and placement holders.



Jim McCabe, chief executive officer of Standard Chartered Bangladesh, opens the Priority Financial Kiosk of the bank exclusively for its priority banking customers at The Westin Dhaka recently. Sandeep Bose, head of consumer banking, was also present.



Jahir Uddin Ahmed, chairman of Bangladesh Agricultural Development Corporation, attends a programme to award 12 farmers of Sunamganj district for their outstanding performance in producing boro paddy under the 'Boro Land Revitalisation Project' of Lafarge Surma Cement, at its office at Chhatak in Sunamganj on Wednesday. Masud Khan, finance director of Lafarge Surma, was also present.

## Governments to target tech giants' tax avoidance

REUTERS, Berlin/London

Western governments are set to target a range of tax loopholes used by technology giants including Apple, Amazon as part of an international drive to tackle corporate tax avoidance, a draft action plan seen by Reuters said.

The Organisation for Economic Co-operation and Development (OECD), which advises its mainly rich nation members on economic and tax policies, has been charged by the G20 group of countries with formulating measures to stop big companies shifting profits into tax havens.

Corporate tax avoidance has become a hot political issue following public outrage over revelations in the past year that companies such as Apple and Google had used structures U.S. and European politicians said were designed to minimise the amount of taxes paid.

The OECD is now due to present an "action plan" highlighting broad areas where changes will be discussed to a G20 meeting later in July.

A preliminary draft of the plan, dated May 27, seen by Reuters, shows the organisation has already identified a number of specific profit shifting schemes.

"Domestic and international tax rules should be modified in order to more closely align the allocation of income with the economic activity that generates that income," the draft said, echoing comments from politicians in the United States and Europe in the past year.

Business lobby groups have questioned whether companies do engage in activities to shift profits to units in tax havens and whether there is a need for rule changes.

But as governments struggle with large deficits following the financial crisis, lawmakers have said enough is enough.

The draft plan aims for OECD members and non-OECD G20 members to agree on

specific changes to international tax rules in one to two years -- fast by the standards of international tax diplomacy.

Among the areas the draft said the OECD would seek to address are situations where companies avoid creating a taxable residence in a market where they have major activities.

British lawmakers have accused Google of using certain arrangements to avoid creating a tax residence in the UK.

Its low tax bill is a result of channelling revenues through Ireland, from where most revenue is sent to Bermuda, with next to taxes being paid anywhere in the chain.

The action plan said the OECD would also examine the avoidance of tax residence, or permanent establishment (PE) "through the use of commissionaire arrangements" -- a mechanism used by companies including Dell to avoid reporting revenues in markets where they have major sales.

Also up for possible revision are long-standing "specific activity exemptions" which have been used by Amazon to enable it operate major retail businesses in countries like Britain and Germany without creating tax residences for these businesses.

The OECD draft also said it would target arrangements where treaties designed to avoid double taxation of corporate profits are abused through the use of "dual resident entities" to ensure no taxation whatsoever is paid.

A U.S. Senate Committee in May said Apple had created companies which were registered in Ireland and managed from the United States, and thereby qualified as being tax resident nowhere, enabling the company to shelter billions of dollars income from tax.

The OECD also has its sights set on arrangements where companies allocate profits to tax haven units on the basis these units funded research or bore business risks related to transactions elsewhere in the group.

## Banks slammed for high interest rate

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In response, Nurul Fazal Bulbul, a director of EXIM Bank, blamed the government for higher bank borrowing costs. He said, while the government offers 12 percent interests for savings certificates, they will not get deposits at lesser price.

Muhiith said he is not in favour of offering 12 percent although his subordinates want to offer more to lure people to buy savings instruments.

He said the problem is that there is no bank rate in Bangladesh based on which rate of interests on deposit should be determined.

The minister also said land for three special economic zones would be acquired this year to promote investment.

The minister stressed the need for framing anti-trust law apart from enforcement of competition law to encourage competition and prevent oligopoly and syndication among business.

"There is monopoly in sugar market. It is important to contain them."

Four young entrepreneurs were awarded at the programme. They were selected through a competition in two categories.

## Buet team finds two risky factory buildings

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The panel comprising officials of Rajdhani Unnayan Kartripakkha, Buet and Bangladesh Garment Manufacturers and Exporters Association started inspecting the buildings in Dhaka and its adjacent areas on May 2.

"So far, we received nearly 300 applications from garment factories, residential buildings, banks, hospitals and some private institutions for inspection," Ali said.

According to BGMEA, of the 3,600 garment factories in operation, 60 percent are housed in shared buildings, 20 percent in converted buildings and 20 percent in purpose-made buildings.

In the shared buildings,

there are other offices with the garment units, while converted buildings are residential buildings transformed into factory units. Purpose-made buildings are constructed for garment factories, according to the BGMEA.

The central bank has also instructed commercial banks to assess the risks of the buildings where they have set up their offices, said Helal Ahmed Chowdhury, managing director of Pubali Bank.

Bangladesh Bank also asked the commercial banks to verify the building and safety codes of various business houses before giving them any loan, Chowdhury said.



Singer Managing Director Hamim Rahmatullah, Huawei Bangladesh Head of Device Morgan Liu, Singer Marketing Communication Manager Raziur Rahman attend the launch of Huawei SmartPhone Experience Booth, at Bashundhara City in Dhaka on Friday.

HUAWEI

**Food and Agriculture Organization of the United Nations**  
Emergency 2007 Cyclone Recovery and Restoration Project, Bangladesh (Component A)

**Invitation for Bids for the Procurement of Power Tillers, Low Lift Pump and Barbed Wire**  
Credit No. 4507 – BD, Project ID No. UTF /BGD/ 040 /BGD, Bid Packages No 6G1.C and 1G38.L

The People's Republic of Bangladesh has received financing from the World Bank toward the cost of the Emergency 2007 Cyclone Recovery and Restoration Project, and it intends to apply part of the proceeds toward payments under the contract for the Procurement of Power Tillers, Low Lift Pumps and Barbed Wire. The Food and Agriculture Organization of the United Nations (FAO) now invites sealed bids from eligible bidders for the supply of 110 Nos. of Power Tillers under Package 6G1.C, 50 Nos. of Low Lift Pumps against Lot 1 and 50 Coils of Barbed Wire against Lot 2 under Package No. 1G38.L to be received by FAO Representation, House No. 37, Road No. 8, Dhanmondi, Dhaka. Bidders having a minimum of 3 (three) years of experience in the supply of the tendered items are only encouraged to participate. The delivery period is 6 (six) weeks from the date of the Notification of the Award.

Bidding will be conducted through the national competitive bidding procedures as specified in the World Bank's *Guidelines: Procurement under IBRD Loans and IDA Credits*, (current edition), and is open to all eligible bidders as defined in the guidelines.

Interested eligible bidders may obtain further information from and inspect the bidding documents from the ECRRP office of FAO (Hs. # 27, Rd. # 9A, Apt. # A1, Dhanmondi R/A, Dhaka-1209, Tel. 813 07 58/104) during office hours. A complete set of bidding documents for each package in English may be purchased by interested bidders on the submission of a written application to the address below and upon payment of a non-refundable fee for an amount mentioned below. The method of payment for the tender documents will be in cash against a written receipt. All bids must be accompanied by a bid security for an amount mentioned below.

Package No.	Lot No.	Item	Bid Security Amount (Tk.)	Price of Bid documents (Tk.)
6G1.C	N/A	Power Tillers	Tk. 400,000.00	2,000
	Lot No.1	Low Lift Pumps	Tk. 30,000.00	1,000
1G38.L	Lot No.2	Barbed Wire	Tk. 7,000.00	

Bids shall be delivered to the address below by 2:00 Hrs. on **04 August 2013**. They will be opened immediately thereafter, in the presence of bidders' representatives, who choose to attend, at the address below. Late bids will be rejected.

**FAO Representation in Bangladesh**  
Hs. # 37, Rd. # 8  
Dhanmondi R/A, Dhaka-1205  
Tel: 880-2-8118015  
Fax: 8802-2-811 3446

The publishing of this notice and the receipt of bids does not commit FAO in any way to any party.