

Stocks bullish on corporate results

STAR BUSINESS REPORT

Stocks gained yesterday as investors bought large cap stocks in anticipation of good corporate results.

DSEX, the benchmark general index of Dhaka Stock Exchange, closed the day at 4,295.83 points, after gaining 20.33 points or 0.48 percent.

"Investors were optimistic, targeting stocks with imminent corporate declarations," IDLC Investments said in its daily market analysis.

Consequently, fresh positioning and stock shuffling kept market vibrant throughout the session, the merchant bank added.

Stronger optimism was reflected in sharp movements, as 50 out of 284 stocks climbed by more than 5 percent in terms of price, it said.

The day started with a strong bullish trend, while profit booking and netting effect re-emerged during the afternoon session, LankaBangla Securities said in its analysis.

"However, the day ended in the green with triumph of the bulls."

Turnover, the most important indicator of the market, advanced 23.03 percent from the previous day to Tk 1024 crore.

A total of 1.79 lakh trades were executed, with 15.53 crore shares and mutual fund units changing hands on the Dhaka bourse.

Of the 285 issues that traded on the DSE, 152 advanced, 104 declined and 28 remained unchanged.

All the major sectors finished positive except pharma and banks, which fell 1.53 percent and 0.63 percent respectively.

Like previous session, telecoms achieved the highest sectoral gain of 4.07 percent, followed by power 1.32 percent and non-bank financial institutions 0.28 percent.

Meghna Petroleum topped the trading chart, thanks to its transaction of 24.78 lakh shares worth Tk 76 crore.

Exim Bank First Mutual Fund was the biggest gainer of the day, posting a 10 percent rise, while Zeal Bangla Sugar Mills was the worst loser, plunging by 10 percent.

Labour law attracts mixed responses

STAR BUSINESS REPORT

The latest labour law, passed in parliament on Monday, was met with mixed responses from industry and worker leaders.

Bangladesh Garment Manufacturers and Exporters Association hailed the passage of the law, describing it as a timely move. "The amended law puts in place some provisions that will ensure worker rights."

Although the garment sector's apex trade body lauded the simplification of rules to form trade unions, it urged all to refrain from misusing it. "The law will also help foster a good relationship between the owners and workers as it has increased workers' benefits."

In a statement, Bangladesh Labour Rights Forum said the new law would only serve the interests of the owners.

"Although the new law allows trade unions in the factories, it does not allow so in factories located inside the export processing zones."

The platform also bemoaned the fact that workers from the informal sector were disregarded, while urging the government to seek public opinions on the amended labour law.

The government passed the new labour law on Monday in a bid to appease the Obama administration to regain the duty benefits suspended on June 27 on grounds of poor labour rights and working conditions.

Regent takes off to Malaysia

STAR BUSINESS DESK

Regent Airways started flights to Kuala Lumpur from Dhaka on Monday with 62 passengers aboard, the airline said in a statement.

Mashruf Habib, managing director of Regent, and Imran Asif, chief executive officer, were among the passengers on the inaugural flight.

Regent will operate four weekly flights to Kuala Lumpur, amid growing demand from the passengers.

Regent flew a Boeing 737 aircraft to Kuala Lumpur. Another B737-700 that is expected to join the fleet soon will fly to Singapore, Bangkok and Hong Kong, according to the statement.

Regent stepped into international arena after two and a half years of domestic operations.



Officials of Rahimafrooz Renewable Energy Ltd and Bangladesh Power Development Board (BPDB) attend the signing of an agreement to set up 400KW solar photo voltaic power plant for BPDB at its office in Dhaka on Sunday.

E Europe probably past the worst of crisis: IMF

AFP, Bucharest

International Monetary Fund chief Christine Lagarde on Tuesday praised Eastern Europe for its "courage" in addressing economic crises since 2008, stressing that "the worst is most likely behind" it.

"Five years after the start of the crisis the worst is most likely behind you, most countries have returned to positive growth," Lagarde told Romanian bankers and journalists.

"We expect only two countries of the region to be in recession in 2013 -- Croatia and Slovenia -- compared to eight last year," she added during a speech on "Eastern Europe and Romania: The Road Ahead."

First-quarter average growth in the region was positive. The top performers were Latvia, growing 1.4 percent and Lithuania 1.3 percent.

Meanwhile the economy of the entire European Union shrank by 0.1 percent.

Earlier this month, the IMF cut its global economic growth forecast, citing new downside risks in key emerging-market economies and a deeper recession in the eurozone.

The IMF projected that the global economy would grow 3.1 percent in 2013, down from its April estimate of 3.3 percent.

Lagarde urged Eastern European countries to continue macroeconomic stability, fairly share the burden of adjustment and spur growth to fully capitalise on progress made since the collapse of communism.

NBR asks telcos to resolve disputes out of court

FROM PAGE B1

He also said the finance minister gave his commitment to the operators to waive the late fees, but NBR did not want to waive the amount, he added.

However, an NBR official said the late fees will be applicable over any charges, as the operators earned revenue after selling the SIMs to subscribers.

The NBR also denied another commitment made by the finance minister to the operators on considering the Tk 300 SIM tax as an 'allowable expenditure'.

If the SIM tax is considered an allowable expenditure, it can be added to the companies' operational costs, and the operators will have to pay reduced corporate taxes.

The tax administrator said the SIM tax will be considered an 'investment' rather than an allowable expenditure, as they expend the amount to acquire subscribers to earn revenue.

The operators and the NBR will sit again next week to address the issues.

Sunil Kanti Bose, chairman of Bangladesh Telecommunication Regulatory Commission, urged the NBR to consider the SIM tax as an allowable expenditure as the finance minister committed to it.

Globally, there is no provision for SIM tax, except for in Bangladesh and Pakistan, he said. "It should not exist in Bangladesh."

The operators expect the dispute to be cleared before the 3G auction to be held on September 2 Kabir said.

Deposits pile up as demand for credit goes down

FROM PAGE B1

Islami Bank's deposit growth was 14.26 percent, while the deposit in the commercial banks' Islamic banking wings rose as high as 376 percent, according to Bangladesh Bank statistics.

The banks cannot give loans keeping pace with the rise in deposits due to a dull investment climate and the banks' cautious stance in the wake of various scams and political unrest.

As a result, banks' excess liquidity reached around Tk 72,000 crore at the end of May.

Credit in state-owned banks grew by 7.20 percent on average, while such growth was below 6 percent in some banks.

Many of the private banks saw a credit growth at 1 percent to 5 percent.

In two private banks, credit growth was negative. Credit in three top ranking foreign banks fell by 4 percent to 14 percent on June 13, compared to the same day a year ago.

Regulator rejects Brac and IFIC banks' rights proposals

FROM PAGE B1

In such a case, the underwriter will guarantee a certain price for a certain number of securities to the party that is issuing the security in exchange for a fee. The issuer is secure that they will raise a certain minimum from the issue, while the underwriter bears the risk of the issue.

Brac Bank in April this year proposed one rights share against two existing shares at an offer price of Tk 20 each which includes Tk 10 in premium.

IFIC Bank in April last year proposed three rights shares against four existing shares at an offer price of Tk 20 each, including a premium of Tk 10.

At yesterday's meeting, the BSEC also imposed Tk 3 lakh fine on Jalalabad Securities for breaching securities rules.



Faruk Khan, civil aviation and tourism minister, poses with children of different orphanages and children welfare institutions at an Iftar party organised by Sonargaon hotel in Dhaka on Monday. ASM Mustafa Kamal Khan, managing director of Hotels International Ltd, was also present.



Helal Ahmed Chowdhury, managing director of Pubali Bank, attends a workshop on money laundering prevention and internal control and compliance held at the bank's Baridhara branch organised by Dhaka North Region recently. MA Halim Chowdhury, additional managing director, was also present.

Bangladeshi cotton importers still top default list

FROM PAGE B1

The Liverpool-based ICA prepares the list on receiving complaints from the cotton supplying companies worldwide.

The companies became defaulters, as the importing companies did not receive shipments for an abnormal price hike of the item in 2010-2011.

Companies from Austria, Belgium, Brazil, China, Greece, Egypt, Hong Kong, Indonesia, Italy, Mexico, Portugal, Switzerland, Tanzania, Turkey, USA and Vietnam are also on the list.

The number of Bangladeshi companies on the list is increasing after a hearing at the

Liverpool based arbitrators, said Jahangir Alamin, president of Bangladesh Textile Mills Association, the cotton importers' and spinners' platform.

"I have already told the ICA for appointing arbitrators in Bangladesh to resolve the disputes in payment as it is very expensive to attend the hearing going to the UK," he said.

Since, the Bangladeshi owners do not attend the hearings, those become one-sided, he said.

"The settlements of the payment disputes largely depend on the willingness of both the parties," the BTMA chief said.

Three-day e-commerce fair in London

STAR BUSINESS REPORT

Bangladesh will organise a three-day e-commerce fair at Gloucester Millennium Hotel in London in September, to encourage the diasporas to purchase local goods online.

The fair will be organised jointly by the ICT ministry, Bangladesh High Commission in London and ICT magazine Computer Jagat.

Around 12,000 restaurants mostly owned by Bangladeshis in London purchase Papadam worth Tk 3,000 crore a year from Madras, India, Mahboob Zaman, an ICT trade-body leader, said at a media briefing at Sonargaon Hotel in Dhaka yesterday.

There are many other products that can be purchased from Bangladesh as the expatriates have a good purchasing ability, he said.

Zaman, also a former president of

Bangladesh Association Software and Information Services, said e-commerce is the only way to reach consumers in Europe.

"People now want to purchase products online and so the new facility should be introduced; the fair will be a break-through for Bangladesh's export."

The fair will be held on September 7-9 with a display of different products including leather, garments, medicine, health, education, food, industrial machinery, plastics, handicrafts, tourism, banks and money transfer.

Nazrul Islam Khan, ICT secretary, said the growth of e-commerce in Bangladesh is currently only 5 percent, which is 30 percent in India and 28 percent in Pakistan.

Bangladesh's target is to take e-commerce growth to 30 percent within

a few years, and so, similar fairs will be organised in the US, Khan said.

After the fair, new entrepreneurs will rise and online purchases between London and Bangladesh will increase, he said.

There are around 250 e-commerce sites in Bangladesh for online purchases, so the payment system should be reformed, said Nazneen Sultana, deputy governor of Bangladesh Bank.

The central bank will liberalise its policy to encourage foreign investment in the ICT sector, she added.

Hasanul Haq Inu, information minister, said Bangladesh would not be able to connect with the rest of the world, without the development of the ICT sector.

Online purchases provide an opportunity for local producers to sell rural products in global markets, he said.

Court again asks Tarique, Koko to reply to money suits

FROM PAGE B1

However, only Mamun and Nasrin appeared before the court through their lawyers to contest the claim. The rest, including Tarique and Koko, did not comply with the court order.

Judge Md Rabiuzzaman of the Artharin Adalat-1 passed the order after lawyers of Mamun and Nasrin submitted separate petitions, seeking time to file written statements.

On October 2, Nazrul Islam, senior executive officer of the bank's principal office, filed the case for the recovery of the loan.

The company had borrowed Tk 12.16 crore from the bank's principal office in Dhaka on October 16, 2001, said the case statement.

As the company failed to pay it off, the principal loan plus interest accumulated over the last 11 years has reached Tk 45.49 crore.

Barclays ends ties with exchange houses of 10 Bangladeshi banks

FROM PAGE B1

Amin, however, is happy that the British bank has given them one month time to get the services from other banks.

A dozen of Bangladeshi banks have opened their exchange houses in the UK in the past few years to help Bangladeshi expatriates send money home. These exchange houses are fully owned subsidiaries of the local banks, which have invested a good sum to set up infrastructure and hire people.

"We are ready to comply with more stringent policies to be set by Barclays," said Chowdhury of Pubali

Bank, adding that the closure of business ties would facilitate remittance flow through informal channels.

He said his bank is frantically trying to open accounts with other banks to continue their exchange house business.

Anis A Khan, managing director and CEO of Mutual Trust Bank, said they are trying to open an account with Habib Bank to continue their business there.

Mahfuzur Rahman, executive director and spokesperson of Bangladesh Bank, said they are aware of the Barclays decision.

"The central bank of Bangladesh

has nothing to do in this regard. It doesn't come under our jurisdiction," Rahman said.

He, however, said the BB governor and the Bangladesh high commissioner in London are trying to persuade Barclays to change its decision.

With more than 300 years of history and expertise in banking, Barclays operates in more than 50 countries and employs 140,000 people. The bank is engaged in personal banking, credit cards, corporate and investment banking and wealth and investment management with an extensive international presence in Europe, the Americas, Africa and Asia.



Shaikh Md Wahid-uz-Zaman, principal secretary to the Prime Minister's Office, speaks at a three-day training and workshop on tools and techniques related to the application of basics of competition law and policy jointly organised by Institute for Policy, Advocacy and Governance (IPAG) and Organisation for Islamic Conference (OIC) in Dhaka recently. Syed Munir Khasru, chairman of IPAG, was also present.



SM Ibrahim Hossain, acting director of Bangladesh Insurance Academy, attends a seminar on lead generation in life insurance organised by the academy at the Jiban Bima Corporation in Dhaka recently. Parikshit Datta Choudhury, managing director of Jiban Bima Corporation, was also present.