

Stocks close in the red on price corrections

STAR BUSINESS REPORT

The two major indices of Dhaka Stock Exchange closed in the red for the second day due to price corrections yesterday.

DSEX, the benchmark general index of the Dhaka Stock Exchange, closed the day at 4,223.63 points, after shedding 60.51 points or 1.41 percent.

A heavy shed-off of large-cap stocks put the bourse into the red zone on the day, IDLC Investments said in its daily market analysis.

"In addition, the news that the government may offload stocks hit the market sentiment negatively, particularly hurting prices of most government-owned companies and further dragged down the market," it said.

The earnings drop in the half-yearly declaration of Grameenphone created heavy disappointments amid investors, the merchant bank said.

"Huge provisioning requirement for tax expenses and deferred tax liability has pulled down the second quarter earnings per share of GP from 3.31 to 0.43," LankaBangla Securities said in its analysis.

The stock closed 16.95 percent lower. Turnover, the most important indicator for the market, declined 13.66 percent to Tk 852 crore, compared to the previous day.

A total of 1.49 lakh trades were executed with 13.02 crore shares and mutual fund units changing hands on the Dhaka bourse. Of the 285 issues that traded on the DSE, 163 advanced, 103 declined and 19 remained unchanged.

Amid the major sector, textile and bank gained 2.35 percent and 0.63 percent, while telecoms declined 16.10 percent, power 3.78 percent and food and allied 3.54 percent.

Meghna Petroleum topped the turnover leader with 27.09 lakh shares worth Tk 81.53 crore changing hands. Familytex was the biggest gainer of the day, posting a 10 percent rise.

The Chittagong Stock Exchange also declined with its selective categories index, CSCX, closing the day at 8,319.60 points, after falling 134.65 points or 1.59 percent.

Gainers beat losers 93 to 90 with 26 securities remaining unchanged on the port city bourse with Tk 66.90 crore in turnover.

Chamber launched in UK to help women entrepreneurs

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The British Bangladesh Chamber of Women Entrepreneurs (BBCWE) has been launched recently at the House of Lords in Westminster to support women entrepreneurs.

The not-for-profit organisation will provide support and guidance at all levels for British-Bangladeshi women who want to start businesses or need additional or specialist expertise to develop their current enterprise.

BBCWE aims to facilitate skills training, financial and business knowledge development and best practice sharing to business women and entrepreneurs, according to a statement.

Another key objective of the organisation is to be a strong campaigning body for female entrepreneurs and an effective policy-influencing organisation. The Board also aims to share and celebrate success stories of female entrepreneurs and engage with them and their communities to learn and share their talent.

In order to deliver these aims and objectives, the BBCWE will work in partnership with local, national and global organisations to enhance, empower and advocate on issues affecting female entrepreneurs. The organisation has already managed to secure support at the highest levels.

The event was hosted by Baroness Pola Manzila Uddin, who is also a patron of BBCWE.

The mayor of London, Boris Johnson; Lutfur Rahman, executive mayor of London Borough of Tower Hamlets; Rushanara Ali MP, Syed Kamall MEP, Anne Main MP, former British High Commissioner to Bangladesh Anwar Choudhury and Dilara Khan, president of BBCWE, were also present.

Rain suspends limestone import through Tamabil

STAFF CORRESPONDENT, Sylhet

Limestone import through Tamabil land custom station from the Indian state of Meghalaya has remained suspended for over a month and a half.

The Indian authorities stopped its extraction, as the locals in Meghalaya protested such extraction fearing severe landslides due to excessive rains in the region, said Mohsin Bhuiyan, superintendent of customs and station in charge at Tamabil.

Imports came to a halt on June 8, he said.

Around 15 lakh tonnes of limestone were imported through Tamabil and three other custom stations in the Sylhet region in the last fiscal year.

In the last fiscal year, the government earned Tk 23 crore in revenue from Bholaganj custom station, up from its target of Tk 13 crore, said Mujibur Rahman Mintu, general secretary of Limestone Importers Group of Bholaganj.



Md Abdul Hakim, chairman of Myone Energy Ltd, attends a dealers' seminar of the company at the company's head office recently.

Premier Leasing reappoints managing director

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SM Shamsul Alam has recently been reappointed as managing director of Premier Leasing and Finance Ltd.

Before joining Premier Leasing in 2010, he was the deputy managing director of NCC Bank and Premier Bank, the company said in a statement yesterday.

He started his banking career in 1977 as deputy chief accountant in Sonali Bank. Alam also worked for Islami Bank Bangladesh, National Bank, Prime Bank, Bank Asia, NCC Bank and Premier Bank in different capacities.

He has been the chief representative of National Bank in Myanmar. Alam completed his BSc and BE under Dhaka University and later did his post graduation in finance and banking from Rajshahi University.

He is also a Diplomaed Associate of the Institute of Bankers Bangladesh, according to the statement.

He is a distinguished external member of committee of courses of finance and banking department of Rajshahi University.



Grameenphone struck by tax provisioning

FROM PAGE B1

The figure takes the company's net profit in the first half of 2013 to Tk 510 crore, down 47.2 percent year-on-year. The company, however, reported a rise in revenue during the period, by 2.2 percent to Tk 4,740 crore.

"We managed to deliver this growth amid intense market competition, political unrest and inclement weather across the country."

Rusten attributed the growth to attractive campaign driven usage, continued increase in non-voice revenues, higher device sales, adjacent business and one-time recognition of deferred SIM replacement revenue.

"We now have regained the strong foothold and are positioned to stay competitive in coming periods," Vivek Sood, chief executive officer of Grameenphone, said.

Between April and June, Grameenphone added 22 lakh subscriptions to take the tally to 4.39 crore, which is approximately 42 percent of the market share.

The company also invested Tk 330 crore for network upgrades in the first six months of the year.

Grameen Bank employees to protest commission report

FROM PAGE B1

Some of the suggestions earlier made by the commission in its interim report and later in letters to the guests of a workshop, which never took place, caused uproar.

The board and employees association of Grameen bank as well as the supporters of the microcredit organisation from home and abroad protested the commission's plan to restructure the bank in a way that gives the government controlling stake in the bank.

The commission even suggested the government suspend licence of Grameenphone, which is owned by Norwegian telecommunication company Telenor and Bangladesh's Grameen Telecom.



Major General Ashraf Abdullah Yussuf, adjutant general of Bangladesh Army and vice chairman of Trust Bank, inaugurates a branch of the bank at Mohakhali in Dhaka on Tuesday. Ishtiaque Ahmed Chowdhury, managing director, was also present.



Zafar Uddin Siddiqui, director of sales and marketing at City Group; M Shamsul Huda, adviser for sales and marketing at ATN Bangla; and Geeteara Safiya Choudhury, chairman of Adcomm Ltd, attend a programme recently when the companies signed an advertising agreement.

IMF's Lagarde sees 'bright future' for eurozone

AFP, Vilnius

IMF chief Christine Lagarde said Thursday she was optimistic the eurozone would overcome its debt crisis and recession, but that structural reforms and a planned banking union were key.

"I think that there is a bright future for Europe, and there is a bright future for the eurozone and for the euro," Lagarde said during a visit to the Lithuanian capital Vilnius.

The International Monetary Fund tips 0.9 percent growth for the 17-member eurozone next year, after a 0.6 percent contraction in 2013.

"This is predicated on continuation of the structural reforms, the strengthening of the European architecture, particularly with the European banking union project," Lagarde said.

The future EU-wide regulatory system

for banks is meant to prevent failing lenders from damaging the wider economy, as they have done in several EU nations during the debt crisis.

"We should not forget that most currency zones took a lot of time to reach not just currency union, not just banking union but fiscal union," she said, speaking at a panel discussion at Vilnius University.

Lagarde's comments echoed EU Economic Affairs Commissioner Olli Rehn who on Tuesday said the eurozone's battered economies are slowly emerging from a crippling recession with growth expected to return by the second half of 2013.

A former French finance minister, Lagarde also praised 2004 EU entrant Lithuania for introducing a series of biting austerity measures in 2009 that saw its output sink by 14.8 percent.

Tax break for coal power plants

FROM PAGE B1

Coal in the rest of the mines is yet to be extracted, in the absence of a coal policy and opposition from left organisations and environmentalists over the coal extraction method. Last year, a government-formed expert committee submitted a draft of the coal policy.

The tax incentives have been given in advance to encourage private investors to establish coal-fired power plants after finalisation of the coal policy, an NBR official said.

For using other fuels for electricity generation, companies will receive a 15-year tax break for starting production by December 31, 2014. Foreign employees of these firms will get a tax break for three years from the day they arrive in Bangladesh.

These companies will also not be required to pay taxes on the interest payment on foreign loans, royalties, fees on technical know-how and technical assistance.

Private companies will get five-year tax exemption if they start power generation after December 31, 2014.

Half-hearted labour reform in Bangladesh

FROM PAGE B1

Government officials say the law should be enough to dissuade the Obama administration and the European Union from suspending trade preferences for Bangladesh. But, on close inspection, the law provides little comfort that the four million people employed in Bangladeshi clothing factories will be protected from dangerous working conditions. America and Europe must press for more.

The power of organising

PRAMILA JAYAPAL for REUTERS

Two separate agreements by European and American retailers around fire safety in Bangladesh mark an important step forward in protecting the lives of Bangladeshi garment factory workers. Because they were signed months after the Rana Plaza collapse, in which 1,127 workers died, it's tempting to link the two events: a horrifying tragedy, followed by policy change.

But that thinking misses a critical fact about garment manufacturing in Bangladesh, where for decades factory workers -- often without formalised power -- put themselves at great risk by speaking out against abuses, building worker solidarity, and educating the public. It's this worker-led organising that has set the stage for real political and legislative change, and made a final massive tragedy impossible to ignore.

The clear -- almost eerie -- American parallel is the Triangle Shirtwaist Factory fire in New York City, which also generated new labour laws and corporate accountability. In 1911, 146 mostly young Jewish and Italian immigrant women were asphyxiated or jumped to their deaths to escape a fire at the Triangle factory. They had been locked in the factory so that they wouldn't steal clothes, working 60-hour weeks in sweatshop conditions.

Other fires before the Triangle disaster generated no such government response. In 1909 Clare Lemlich, a garment worker and leader of the International Ladies' Garment Workers Union, called for a mass strike in response to the terrible wages and working conditions of thousands of women garment workers in New York City. The "Uprising of 20,000," as it was called, resulted in a 14-week work stoppage and an agreement from



Garment workers wear headbands and cover their faces during a protest to demand capital punishment for those responsible for the Rana Plaza collapse in Savar on May 1.

companies to increase wages and working conditions, though they did not allow workers to unionise. Triangle refused to sign the agreement. When the Triangle fire broke out two years later, it was the final straw that pushed New York State to modernise its labour laws to some of the most progressive in the country. Frances Perkins, President Roosevelt's Labour Secretary, watched and was deeply moved by the Triangle fire; she later used the New York State laws as a model for the New

Deal's labour legislation. Like the Triangle factory fire, the Rana Plaza building collapse was also preceded by a number of other fires and almost a decade of worker-led organising for better wages and conditions. In 2006, garment workers filled the streets of Dhaka in the first and largest public protest since the garment market boom in the 1970s. Demanding better wages, workers protested for a month, pushing the government to

finally establish a wage commission. Four years later, the minimum wage was raised to \$38 a month, an 80 percent increase, but still the lowest wage for garment workers in the world.

Factory fires and worker abuses did not stop. In 2012, in an internationally publicised incident, a vocal organiser named Aminul Islam was tortured and killed, holes drilled into his leg and toenails and teeth extracted. Many believe that the government was involved in killing Aminul because of his organising efforts.

Six months after Aminul's death, a fire broke out at the Tazreen Fashions factory in Bangladesh. 112 young women died in the same way as the workers who perished during the Triangle fire -- from asphyxiation or by jumping to their deaths. As the worst fire in Bangladesh's history, Tazreen helped to build outrage around the lack of accountability by international retailers who used these factories as part of their supply chains. The Rana Plaza collapse, less than six months after Tazreen, was the final injury in a string of tragedies, with so many casualties it could not be ignored.

After over 30 years manufacturing in Bangladesh, European and American retailers finally took action. On May 14, 2013, over 70 European retailers signed on to a plan for building safety and worker protections, backed by the International Labour Rights Forum and the Bangladeshi Centre for Worker Solidarity. The European agreement is legally binding, includes a plan to inspect all factories used by participating retailers, and obligates them to provide sufficient funds to upgrade subpar factories. On July 10, American retailers unveiled their own agreement, which was immediately criticised for not being legally binding or including a substan-

tive role for worker representatives, and for committing an insufficient amount of money to fix deficient factories.

The fact that these retailers signed or developed agreements -- flaws in the American agreement notwithstanding -- represents the first step toward long-term change. Another equally significant victory occurred in May, when the Bangladeshi government announced that it would again raise the minimum wage, and no longer require workers to get approval from factory owners to form a union.

Like the changes that occurred after the Triangle fire in the US, these steps shift the dynamic of power away from management and toward workers. They establish a new floor for acceptable minimum wages and working conditions, and require corporations to take responsibility for tragedies that occur in manufacturing their products.

However, the battle in Bangladesh -- and indeed in whatever country might be the next centre of garment production -- is far from over. Ultimately, consumers must recognise that \$3 T-shirts have a human cost. Retailers who make money on the backs of dead and injured workers must value the rights of their employees and agree to be held accountable for tragedies that occur in their supply chains. Instead of vilifying unions, corporations must recognise them as a legitimate way for employees to protect their rights. Through it all, workers who rise up for a collective vision of dignity and justice are the lynchpin that supports any long-lasting change.

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