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Star BUSINESS

DHAKA THURSDAY JULY 25, 2013, e-mail:business@thedailystar.net

BB rolls out monetary policy today

STAR BUSINESS REPORT

Bangladesh Bank, fresh from its success of achieving the major targets for fiscal 2012-13, is set to announce this fiscal year's first monetary policy today.

The last monetary policy, announced in January, set about containing inflation within 7.5 percent and ensuring that GDP growth is higher than the average of previous ten years' figures.

Both the average inflation rate and GDP growth last fiscal year stood nearer the projections, at 7.7 percent and 6.03 percent respectively.

Observers say the central bank's main agenda in the next monetary policy would be to increase investment, after the dismal private sector credit growth during last fiscal year.

The BB's target was to achieve 18.5 percent private-sector credit growth by June; in May, it stood at 11.43 percent. At present, the banking sector is sitting with around Tk 72,000 crore of idle money.

Given the political unrest that is bound to ensue in the lead-up to the parliamentary election, the analysts are sceptical of BB's success in boosting investment this year.

The monetary policy will be announced at 11am by Governor Atiur Rahman at the BB headquarters.

Rana Plaza compensation: a botched disbursement

REFAYET ULLAH MIRDHA

Every month, Firoz Hossain, a worker at New Wave Bottoms Ltd, a garment factory that was housed at ill-fated Rana Plaza, would send a good portion of his monthly salary of Tk 11,000 back home in Rajbari.

Now jobless, after the collapse of Rana Plaza on April 24, Hossain is left wondering how he would be able to support his wife and two children through Eid-ul-Fitr, the country's biggest religious festival.

"I'm desperately looking for a job. Had I received something from the government, I might have gotten by. A miserable Eid now awaits us," he told The Daily Star yesterday.

So far, he received Tk 42,000 from the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) as salary, Tk 16,000 from British retailer Primark and Tk 3,000 as individual donations, most of which have already been exhausted. "I am the lone bread earner of my family."

Hossain's is not an isolated story. Like him, many of the victims of Rana Plaza collapse are yet to receive their due compensation, three months after the tragic incident.

"I did not get any money from the Prime Minister's Office yet," said Emdadul Islam, who used to iron clothes at Phantom Apparels Ltd that was located on the fourth floor of the complex. As of yesterday, Islam only received Tk 10,000 as salary from the BGMEA.

Some workers received as much as Tk 15 lakh, while others got as little as their salaries from the BGMEA, according to Khairul Mamun Mintoo, general secretary of Garment Sramik Trade Union Kendro, a workers' platform based in Savar-Ashulia area.

Many say the faulty data collection is to blame for the botched disbursement of compensation. The local administration compiled a list of victims of the building collapse from hospital registrations. As a result, the ones who received minor injuries and therefore needed little medical atten-



Firoz Hossain

tion, like Hossain and Islam, were most definitely left off the list of beneficiaries.

Reaz-Bin-Mahmood, vice-president of BGMEA, said the trade body asked all its members to donate at least Tk 25,000 each towards the disaster fund.

So far, it has disbursed Tk 7 crore in salaries, spent Tk 2.5 crore on treatment of wounded workers and deposited Tk 3 crore to the prime minister's relief fund.

"Although many international retailers promised to donate money to the disaster fund for the Rana Plaza victims, they did not contribute finally."

Other than the proceeds from the BGMEA, many individuals, companies and institutions, too, donated money towards the government's relief fund.

To date, some 777 families were compensated from the Prime Minister's Office, with each family receiving either of Tk 5 lakh, Tk 10 lakh or 15 lakh.

Moreover, a total of 100 workers received Tk 1 crore from group insurance of the five garment factories that were housed in Rana Plaza; 20 workers from each factory received Tk 1 lakh each.

Regulator opens probe into recent fall in stock prices

STAR BUSINESS REPORT

The stockmarket regulator has launched an investigation into the last few days' massive decline in share prices that broke a gaining streak of one and a half months.

"The surveillance department has already started investigating the matter," Bangladesh Securities and Exchange Commission (BSEC) said in a statement after a meeting yesterday.

The regulator will take necessary actions based on the findings of the investigation, the statement added.

From July 17 to 23, DSEX, the benchmark index of Dhaka Stock Exchange, plunged by 352 points, shedding almost all of the 366 points gained in the previous one and a half months.

The BSEC also said they have identified some instances of "short-selling", which is the sale of a stock that an investor does not own, in 18 stock brokerage or dealer houses.

Notices have already been served on 13 houses seeking explanation, while hearings of the rest have been completed, the BSEC said.

At yesterday's meeting chaired by BSEC Chairman M Khairul Hossain, the regulator clarified that all listed mutual funds can give stock dividends to their unit holders. The present cash dividend payout structure will also remain effective, the statement said.

Confusion had arisen regarding stock dividend when the regulator amended the mutual fund rules in January allowing the fund managers to declare stock dividends.

The confusion was that whether the previously listed funds can announce stock dividends.

The BSEC has now made it clear that the regulation is applicable for all listed mutual funds.

Asset management companies and/or the managers of close-end mutual funds will have to pay out at least 70 percent of their profits as dividends, while the ratio will be 50 percent for open-end mutual funds, according to the modified rules.

Stock dividends, popularly known as bonus dividends, are a payment made in the form of additional shares in place of a cash payout.

Firms allowed to publish stock research reports for investors

STAR BUSINESS REPORT

Research firms will now be able to publish and sell equity research reports to investors advising them on the prices at which they will buy or sell stocks, a regulatory initiative to develop a rumour-free market and reduce risks.

Bangladesh Securities and Exchange Commission (BSEC) unveiled the service, which was prohibited earlier, at a meeting yesterday.

A gazette will be published soon on the new regulation styled Bangladesh Securities and Exchange Commission (Research Analysis) Rules, 2013, the regulator said in a statement.

Merchant banks, stockbrokers, stock dealers, asset management companies, investment advisers and independent research firms will be eligible for publishing research reports on listed securities, according to the rule.

But the institutions must have a separate research team comprising at least three members, including a head of research, to do the job.

Investment advisers and independent research firms will have to obtain registration certificates from the regulator.

Any person seeking to become a research analyst must have relevant academic or professional qualification with three years of experience in the capital market or financial market related organisation.

However, the head of research must have five years of experience, according to the rule.

Besides, anybody having a master's degree in other discipline along with foreign training and five years of working experience in a capital market or financial market related organisation can also be an analyst.

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