

# Textile shares rise on export growth

STAR BUSINESS REPORT

Most of the textile companies listed on the Dhaka Stock Exchange gained prices yesterday due to 26 percent growth in exports in July.

A total of nine export oriented companies out of 30 gained by more than 5 percent in terms of price, according to DSE.

Investors feel encouraged to see ready-made garments export growing at a robust 26 percent in the month of July, commented LankaBangla Securities in its daily market analysis.

However, stocks ended flat on the day, as investors went for selling shares to pocket profits.

DSEX, the benchmark general index of the Dhaka Stock Exchange, closed the day at 4,068.72 points, after gaining 13.94 points or 0.34 percent.

Cyclical downturn due to a natural correction created a vibration in neutralising the hype of the last few sessions, said IDLC Investments.

Investors' shaky confidence fostered by turnaround phenomenon further pulled down the market into negative territory, the merchant banks said.

Lack of fresh positioning kept the participation sluggish with total turnover declining by 20.05 percent to Tk 565 crore from the previous day, it said.

Meanwhile, investors were upholding their judgment to be careful in respect of their day-to-day trading as they observed the future direction of the capital market, it added.

After flirting with the 4100 points level for the whole day, DSEX slipped below the mark at the end, said LankaBangla Securities in its analysis.

Investors consider 4,100 pints level as a strong resistance area, the stockbroker said.

A total of 1.15 lakh trades were executed with 10.22 crore shares and mutual fund units changing hands on the Dhaka bourse.

Of the 287 issued that traded on the DSE floor, 107 advanced, 148 declined and 32 remained unchanged.

Bangladesh Submarine Cable Company topped the most traded stocks chart with 13.52 lakh shares worth Tk 40.65 crore changing hands.

Among the major sectors, tannery gained 7.96 percent, textile 2.44 percent and non-bank financial institutions 2.25 percent.

However, travel and leisure declined 1.64 percent, non life insurance 1.59 percent, and engineering 1 percent.

Apex Tannery was the day's bigger gainer, as it posted 9.97 percent gain, while Eighth ICB Mutual Fund was the worst loser, plunging by 9.90 percent.

## Emirates, Qantas join networks

STAR BUSINESS DESK

Dubai's Emirates airline and Australia's Qantas have opened their joint network between New Zealand and Australia, a statement said yesterday.

Among a suite of enhancements aimed at providing more convenience and better connections for travellers to and from New Zealand, Qantas has retimed its existing Christchurch-Sydney service enabling more international connections from Sydney and will launch a new Perth-Auckland service.

Emirates will continue to operate 28 flights a week to New Zealand, with daily flights to Auckland from Sydney, Melbourne and Brisbane; and the daily flight between Sydney and Christchurch.

From October 1, all Emirates flights to Auckland will be operated by an Airbus A380. Qantas operates double daily A380 services from Dubai to Australia with connections to over 100 flights per week to New Zealand.

Through the partnership, the Emirates network has now been opened up to include Queenstown and Wellington in New Zealand in addition to the 55 destinations in Australia already on offer to our customers.

The new Qantas and Emirates schedule offers around 130 services per week from Auckland, Christchurch, Wellington and Queenstown across the Tasman Sea to a joint network covering more than 175 destinations in Australia, Asia, the Middle East, North Africa, the UK and Europe.

## Malaysia Airlines in the red again

AFP, Kuala Lumpur

Struggling flag carrier Malaysia Airlines said Tuesday it has recorded a second consecutive quarterly loss after failing to overcome drag from earlier borrowings.

The airline said it made an operating profit of 7.9 million ringgit (\$2.4 million) in the second quarter ending June 30 but still ended up with a net loss of 175.2 million mainly due to unrealised foreign exchange losses.

This improved on the 348.7 million ringgit loss in the same period a year ago, before the carrier moved into the black for the second half of 2012.

But in a statement the airline said it was confident it would repeat last year's pattern as "traditionally the second half of the year is better compared to the first half".

"We are pleased that we have been able to bring in an operating profit in Q2 this year. Previously in 2012, we only saw an operating profit in Q3 and Q4," said chief executive Ahmad Jauhari Yahya.



Abul Bashar Khan, director for purchase at Bangladesh Power Development Board, and Nur Hosain, general manager for sales at Cross World Power Ltd, exchange documents of a deal to install a two-megawatt power plant at Sandwip in Chittagong yesterday.

## Onion prices start falling

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The government's initiative to import onion through the TCB is underway, said Monoj Kumar Roy, additional secretary (import) of the commerce ministry.

He said the ministry will sit with onion importers and wholesalers in Chittagong in a couple of days to facilitate import from Myanmar. The Indian traders stopped exporting and were taking back shipments from their land ports when their government reset the minimum export price at \$650 per tonne on Wednesday last.

India raised the prices thrice in the last 15 days.

But before India set the new price, Bangladeshi importers had opened letters of credit (LCs) at between \$330 and \$350.

Meanwhile, onion imports through Hili land port resumed yesterday, as Bangladeshi traders agreed to pay high for the onion they booked before the price hike.

Harun Ur Rashid, an importer at Hili port in Dinajpur, said they were sending the extra price to the Indian traders and taking delivery of the produce as around 100 onion-laden trucks got stranded on the Indian side in the last two days.

The onion prices also started falling in the wholesale and retail markets in Dinajpur yesterday.

The prices came down by Tk 8-Tk 10 a kg in 24 hours, retailers said.

Onion imports through Bhomra land port in Satkhira also resumed yesterday, officials said.

## DSE, CSE to set up clearing company

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Swapan Kumar Bala, chief executive officer of Dhaka Stock Exchange, and Syed Sajid Hossain, chief executive officer of Chittagong Stock Exchange, inked the deal.

DSE President Ahasanul Islam Titu and CSE President Al Maruf Khan were also present.

The twin bourses will now apply to the Bangladesh Securities and Exchange Commission for registration of the clearing company.

"It will be cost-effective and benefitting for stock-brokers, dealers and investors. Trading efficiency and management efficiency will also be increased once with the launch of the clearing company," said Khan.

"It is also necessary as our stock exchanges are going to be demutualised within this year," he said, adding that such clearing companies are there in neighbouring India and Pakistan.

The Asian Development Bank as part of its Bangladesh capital market development programme has been advising the government and the stock market regulator for the last five years for setting up a separate clearing corporation.

## Stick to action plan to win back GSP

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He said they "felt a sense of guilt or some responsibility" due to the tragic events as many of the garment products being produced in Bangladesh go to the US and Europe.

"We need to participate in the efforts in Bangladesh to change conditions so these tragic events don't occur again."

The Congressman also recognised the steps Bangladesh has taken on fire safety and construction issues since the twin tragedies. The International Labour Organisation is also participating with the brands and the government.

"Efforts are also beginning to ensure whether the workers would have a voice in the workplace, to choose representatives and to be able to bargain collectively."

About the new labour law, which was passed recently, Liven thinks there was some improvement.

"But I think there remain some serious issues that need to be looked at. It is important that workers select their representatives and talk things over and work out working conditions."

He also called for a pay rise for the workers to give them a living wage.

About the reforms, the US politician said it has to be a collaborative process led by the government.

"I think we have to have an honest discussion where the reforms are strong and where they need improvement."

He particularly mentioned that the reforms were not effective at export processing zones and the workers there did not have effective rights to trade unions.

The recent progress on trade unions has to be continued, he said, adding that the ILO was planning to initiate Better Works Programme in Bangladesh.

"But the programme is not a magic wand. In a country there has to be an environment where employers are open to employees having a union."

He said the US brands and retailers, which have signed a non-binding agreement aimed at garment industry unlike their 85 European peers, should engage in Bangladesh.

"The more they do it together, the better. In order to be effective in implementation there has to be employers and workers at the table with brands."

The country could be a pioneer in the effort to build standards into the way companies and countries compete. This is really a major opportunity. "We don't want a free market to operate and being predator."



Naimuzzaman Mukta, peoples perspective specialist at Access to Information; M Mozammel Hoq, additional secretary of the local government division; Md Kabir Bin Anwar, director general (admin) at the Prime Minister's Office (PMO); and Rubaba Dowla, head of m-commerce at Airtel Bangladesh, attend the signing of a deal allowing information and service centres at union, pourashava and city corporation areas to become Airtel retailers, at the PMO yesterday.



Eastern Bank Managing Director Ali Reza Iftekhar receives a recognition plaque from Bangladesh Bank Governor Atiur Rahman at a programme -- Recognition of NRBs and supportive organisations in Bangladesh -- at Sonargaon Hotel in Dhaka on Saturday.

## Reject GB panel's proposals

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"The government has already destroyed the state-banks and is now plotting to loot money from Grameen Bank," said Abedin, also a former president of Supreme Court Bar Association.

The commission's suggestion to split the bank into 19 pieces is illogical, said Abu Hena, a former member of parliament. "The government wants to split the Grameen Bank in a way to accommodate more party men."

Forty global luminaries and 32 members of the US Congress have urged Prime Minister Sheikh Hasina to reject the commission's recommendations recently.

Grameen Bank has played a pivotal role in women's empowerment and socioeconomic development of the country, said Salma Khan, a former economics professor at Chittagong University.

Some 52,887 of the borrowers' children are studying at the postgraduate level and 17 of them are now pursuing higher studies in the US, she said.

With borrowings from the bank around 6.99 lakh homes were built across the country, according to Khan, also a former ambassador.

Rashed Ahmed Chowdhury, a former ambassador, termed the government move to amend the ordinance undemocratic. "I hope good senses will prevail and the government takes heed of the people's opinion."

Grown out of savings from 84 lakh borrower-members, the bank now lends over Tk 1,000 crore a month and holds Tk 8,000 crore as deposits.

"Grameen Bank is functioning perfectly -- there is absolutely no need for restructuring. It should be allowed to run as it is," said Sadek Khan, a senior journalist.

# A chance for Bangladesh to make its mark

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Against this backdrop, the stated intention of this workshop is to assist the Asian countries to clarify, take stock and devise future actions to enhance development cooperation particularly in the context of transitioning from the Millennium Development Goals to the Post-2015 Development Agenda.

In addition, the workshop is expected to yield a common plan of action for Asia in support of the principles embedded in the Busan Partnership at regional level.

To this end, the workshop would discuss the formalisation of a consultative and inclusive regional peer support facility to strengthen mutual collaboration and knowledge transfer between the countries of the Asian region.

The findings of this regional workshop will also be presented in the upcoming Global Partnership Ministerial Meeting to be held in Mexico next year. Thus, these findings would provide also feedback from the Asian region to influence the post-MDG agenda.

As such, Bangladesh is going to take an anchoring role through this event in moving towards greater development cooperation and knowledge sharing within the Asian region through a formal framework.

Again, this workshop would go a long way in incorporating the common development concerns of the Asian region in

Post-2015 Development Agenda, which is going to be the tenet of the future development goals of the world in the years to come.

This workshop could also be an opportunity for Bangladesh to showcase its development success to the Asian region and to validate its image as the next Asian Tiger at the regional and global stage.

Because, despite its numerous constraints and challenges, Bangladesh is a success case in various development paradigms, which often remains unnoticed in the global development arena.

This country has already met several MDG parameters, including reduction of poverty gap ratio, attaining of gender parity in education, reduction of child mortality and combating of HIV and Malaria.

It has also made remarkable strides in poverty reduction, primary school enrolment, lowering the infant mortality rate and maternal mortality ratio and in improving immunisation coverage.

Bangladesh has also been quite successful in meeting the international commitments on aid effectiveness agenda.

This country is one of the pioneers in the Asian region to chalk out its own development result framework, which would enable it to effectively evaluate its sixth Five Year Plan outcomes as well as

the future national development plans.

Bangladesh's gradual decrease in the reliance of foreign aid can be another point to showcase, as over the last few decades the country has considerably reduced its dependence on foreign aid, driven by rapidly growing private sector, including RMG, foreign remittance and greater yield in agriculture sector.

In today's world, international development cooperation is no more a concern of mere government parties and development agencies. Since the 2011 Busan conference, the roles of civil society organisations and even private sector have been recognised.

To that end, the workshop is emphasising the involvement of a wide range of stakeholders.

For decades, Bangladesh's role in international development cooperation has largely been defined from the perspective of being an aid recipient nation.

However, in the context of the country's vision 2020, this particular occasion could be seen as a stepping stone in redefining that role where Bangladesh as part of the global emerging nations' club would make its mark in the global development dialogue and policymaking in the world beyond 2015.

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## BB powerless over independent directors of banks

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Many former BB governors said the government made significant compromises in several areas with the amendment of the act.

Take, for instance, the section in the act which gives the central bank the power to remove the managing director of a state-run bank but not the board.

Khaled, also a former chairman of Krishi Bank, said the central bank should have been given adequate power in controlling the board of the state-owned banks.

Former BB governor Salehuddin Ahmed said it would have been better if the maximum number of bank directors had been fewer than 20.

"That is why the central bank had recommended making the number 13. It is only logical to take consent of the central bank

in appointing the directors to protect the interest of the depositors."

Both the former central bankers, however, agreed that a number of amended clauses were good.

Bringing down a bank's exposure to the share market to 20 percent of their capital and increasing the banks' paid-up capital amount to Tk 400 crore, were some examples cited.

"If the provision had been in force earlier, the share market crash in 2010 would not have happened," said Khaled, who led the stock market probe committee.

Copies of the amended act were distributed among the banks' managing directors on Monday, who were instructed to relay it to their respective boards and notify BB after implementation.



Tapan Chowdhury, president of Bangladesh Employers' Federation, speaks at a training workshop on workplace cooperation in the Bangladesh industrial relations context, organised jointly by the federation and the International Labour Organisation, at the BEF Conference Hall in Dhaka yesterday. Srinivas B Reddy, country director of ILO in Bangladesh, was also present.