

Implement Jute Packaging Act to offset sluggish exports

STAR BUSINESS REPORT

The government should implement the Jute Packaging Act immediately to create internal demand for jute products, analysts said.

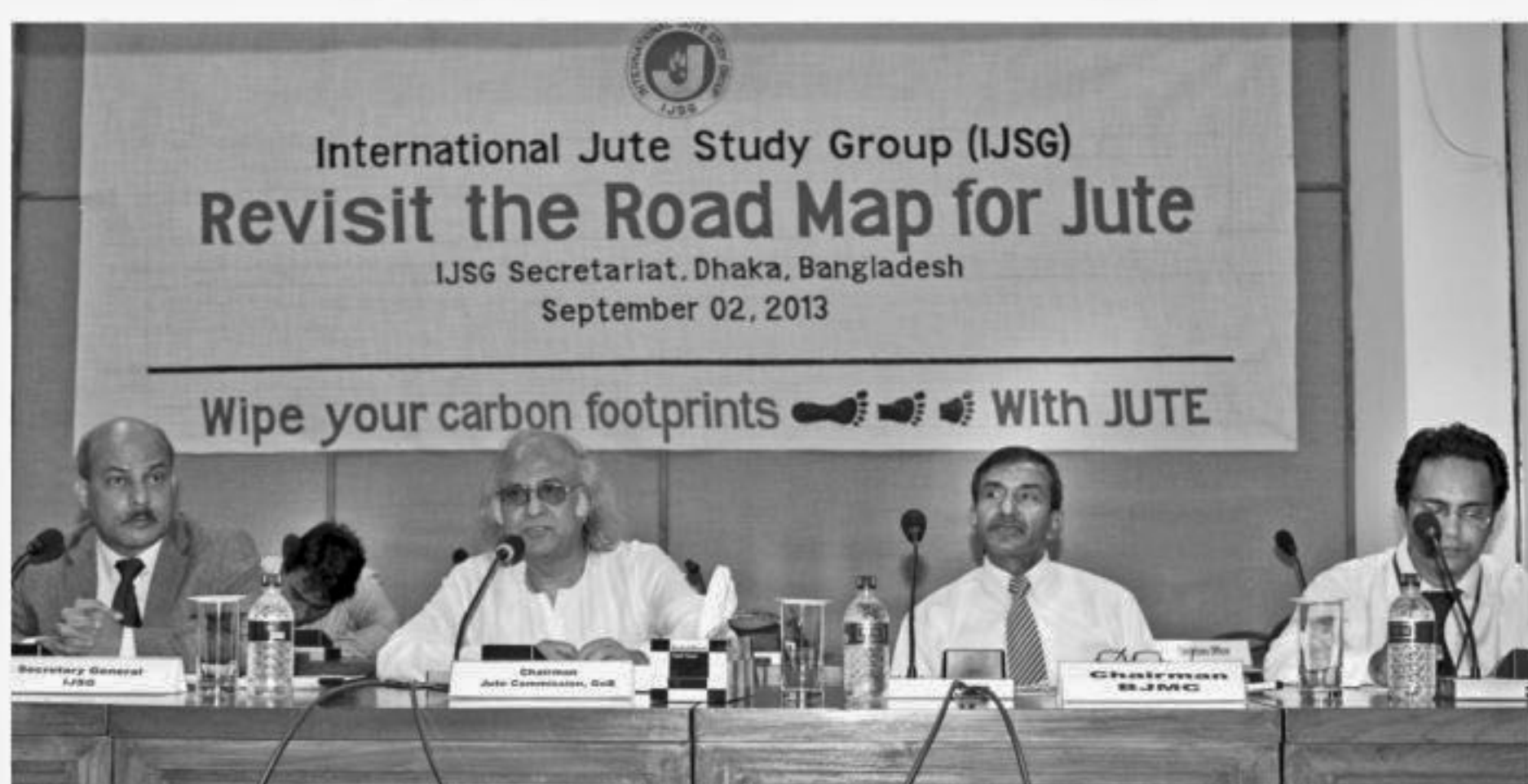
"Export demand for jute goods has plummeted following the depreciation of the Indian rupee and a crisis across the Middle East," said Kamran T Rahman, former chairman of Bangladesh Jute Mills Association (BJMA).

Last week, the rupee slumped to a record low of 68.75 to the dollar to cap a 25 percent fall in value since the start of the year, while taka has appreciated around 15-20 percent over the last one year, he said.

"We are losing the competitiveness over the India exporters, so to offset the sluggish demand we need to urgently implement the law," he said at a discussion titled "Revisit the Roadmap for Jute", organised by International Jute Study Group at its office in Dhaka.

The government in June framed new rules to enforce the compulsory use of jute sacks to pack food grains and other items, although the law was passed in October 2010.

"It is our bad luck that the law has still not been implemented," said Md Kamal



Qazi Kholiqzaman Ahmad, chairman of Jute Commission, attends an event on "Revisit the roadmap for jute" organised by the International Jute Study Group at its office in Dhaka yesterday. Md Kamal Uddin, director general of Bangladesh Jute Research Institute, was also present.

Uddin, director general of Bangladesh Jute Research Institute.

Jute is a bio-degradable and environment-friendly product, so Bangladesh as a leading producer should encourage its use.

Mangal Chandra Chanda, project director of "high-yield jute and its seeds production and retting" under the jute ministry, said farmers are not getting adequate jute seeds in country, which is hampering cultivation of the crop.

At present, the country supplies around 2,000 tonnes of jute seeds against the annual demand of nearly 4,500 tonnes, he added.

Fazlul Haque Hanna, representative of the National Jute Farmer Association, urged the government to ensure fair prices for their produce by setting a minimum price.

"Jute has a bright prospect due to its environment friendliness, and time has come to take joint efforts to promote the jute sector," Humayun Khaled, chairman of Bangladesh Jute Mills Corporation (BJMC), said, while urging the BJMA to organise fairs for jute goods to create domestic demand.

Bhupendra Singh, secretary general of International Jute Study Group, said decoding of the genome sequence of local variety of jute by Bangladeshi scientists is a great achievement for the world, while calling for an action plan so that the breakthrough can be put to use.

He also recommended the state-owned BJMC to initiate contract farming scheme on a test basis as it will help jute farmers get a fair price for their produce.

Qazi Kholiqzaman Ahmad, chairman of Jute Commission, called for storage facilities and easy loan support for jute cultivators.



Shakhawat Hossain, managing director of Paramount Textile, and Mohammed Habibus Samad, managing director of Central Depository of Bangladesh Ltd (CDBL), exchange documents of a deal at a programme on Sunday. CDBL will transform the paper shares of Paramount Textile into electronic ones.

Insights into the proposed Financial Reporting Act

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Adoption of reporting and auditing standards -- clause 14: The FRC, not being a professional body, cannot undertake such technical responsibilities. These are highly technical issues and cannot be handled by non-experts body like the proposed FRC. Further, there is no complaint or allegation against the ICAB concerning the adoption of financial reporting and auditing standards in Bangladesh. In view of this, setting the standards should be the sole responsibility of the ICAB when it is already a regulatory body with affiliation with international bodies like International Federation of Accountants (IFAC) and International Accounting Standard Board (IASB).

Offence and penalty -- chapter 59: The Act has kept a provision of imprisonment for five years or Tk 1 lakh fine or both, but it has not mentioned where the punishments will be applicable. Further, it must be considered that negligence of professional responsibilities and noncompliance of professional ethics are the civil offence and for these lapses, criminal penalty cannot be imposed. If an auditor commits a criminal offence, s/he can be tried as per the existing laws -- why is it necessary to enact new law inserting penal actions against auditors? Further, misuse of this clause and harassment of the practising chartered accountants cannot be ruled out.

There are many other mismatches, inappropriate and unjustified clauses in the proposed Act and these need to be revisited for assessing its gravity and consequences.

It is necessary for the concerned authorities to have in-depth knowledge about this profession and review the entire matter before they enact such a law. Without taking chartered accountants into confidence, no law or regulations relating to accounting and auditing profession will achieve its desired goals.

The writer is a practising chartered accountant and a partner of Hoda Vasi Chowdhury & Co, an affiliated firm of Deloitte.

Remarks against Yunus motivated: GB directors

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The directors recently protested the government's attempt to change the rules of electing the directors to Grameen Bank.

They defended the current rules saying that they have served well for more than two decades and helped build an effective, responsible and corruption-free administration in the bank. The election rules that the government wants to introduce will politicise and, eventually, destroy the institution, the directors said.

They urged the ministers and other leaders not to belittle the nation. They also urged them to pay attention to solving the real problems of the country and otherwise the people will not forgive them.

Wage board fails to reach consensus

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"We will sit with the international retailers and brands before finalising the salaries, as their opinion is also necessary in the salary hiking process," Rony said without mentioning the date of the meetings.

The government announced the wage board for garment workers in May in the wake of labour unrest and two major industrial disasters—Tazreen Fashions fire in November last year and Rana Plaza collapse on April 24.

Earlier, the government raised the minimum monthly wage to Tk 3,000 in November 2010 from Tk 1,662.5.

Net imports go negative after 11 years

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Petroleum imports last fiscal year stood at \$4.39 billion, down from fiscal 2011-12's \$4.48 billion.

Bangladesh's major import items include petroleum products, chemicals, cotton, yarn, textiles and articles, capital machineries and edible oil.

The decline in imports has sent the country's current account balance \$2.5 billion in the surplus last fiscal year, which were \$447 million and \$1.68 billion in the negative in fiscal 2011-12 and 2010-11 respectively.

Regulator seeks info on DSE's fixed assets

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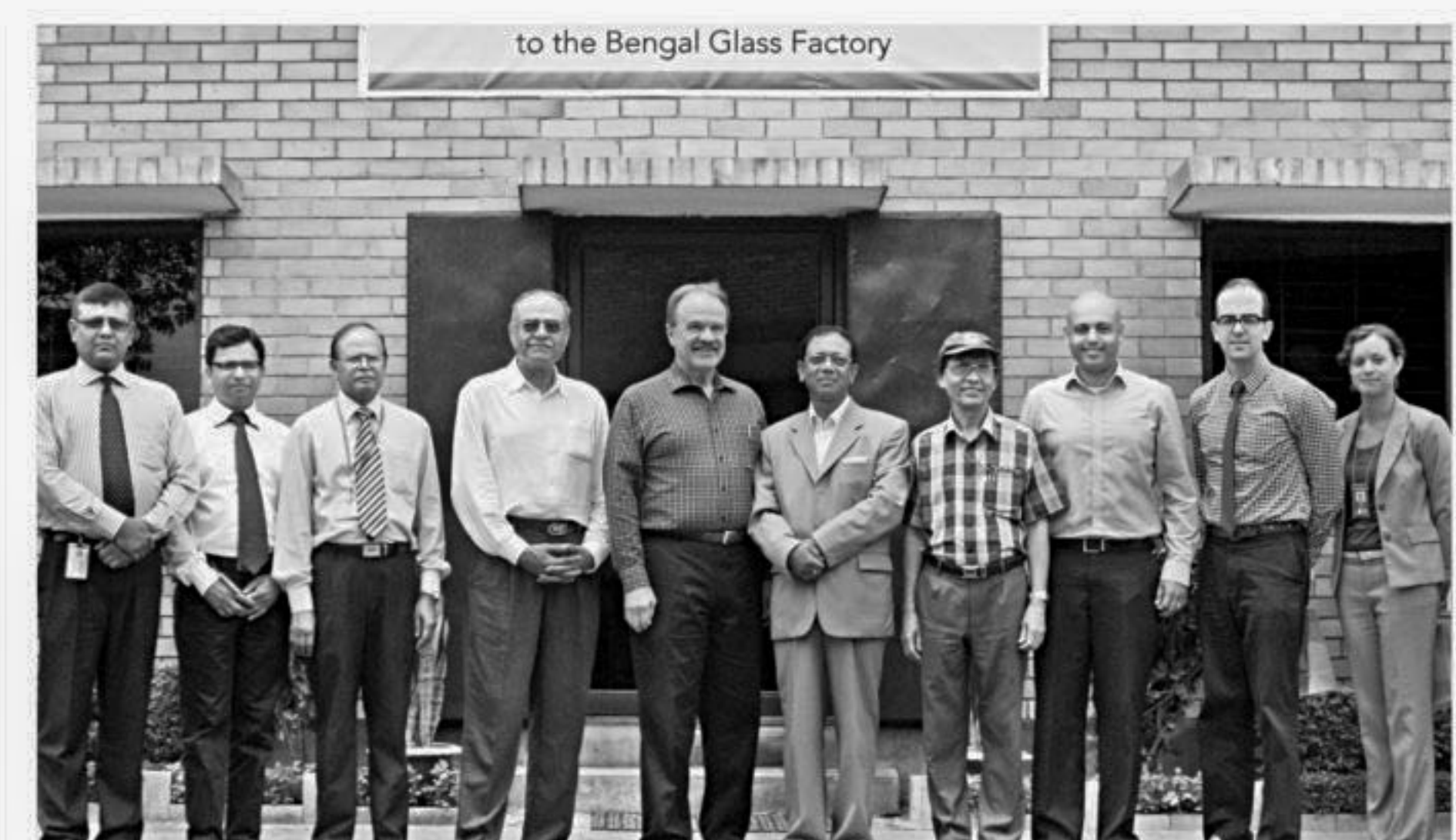
A BSEC official said they would decide on the issue after receiving an explanation and the documentary evidences from the DSE.

In the last week's letter, the BSEC also asked the Dhaka bourse to justify its position on the proposed changes in its Memorandum and Articles of Association.

The DSE will also have to explain the reasons for capitalisation of development fund, fair value reserve, revaluation reserve and building construction fund, and the plan for investors' protection fund and investors' education fund.



Helal Ahmed Chowdhury, managing director of Pubali Bank, poses at the launch of the bank's own MasterCard Debit Card at a ceremony yesterday. Ari Sarkar, division president for South Asia at MasterCard Worldwide, was also present.



US Ambassador Dan Mozena poses during a visit to the factory of Bengal Glass Works recently. Senior officials of the company were also present.

Stocks wane as investors pocket profits

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Share prices on the Dhaka Stock Exchange declined yesterday as investors went on a selling spree to pocket profits.

DSEX, the benchmark general index of the DSE, closed the day at 4,100.35 points, after falling 39.64 points or 0.96 percent.

"News of a decline in foreign investment in national dailies triggered this waning tone," IDLC Investments said in its market analysis.

A decrease in fresh positioning and re-positioning kept the participation sluggish, which dragged down turnover below Tk 500 crore, the merchant bank said.

Turnover declined 11.52 percent to Tk 479 crore, compared to the previous day.

Meanwhile, investors remained careful instead of continuing their day-to-day trading, it added.

A total of 1.03 lakh trades were executed with 8.33 crore shares and mutual fund units changing hands on the Dhaka bourse.

Of the 289 issues that traded on the DSE floor, 89 advanced,

169 declined and 31 remained unchanged.

Among the major sectors, non-bank financial institutions declined 2.30 percent and life insurance 0.68 percent.

However, cement declined 3.99 percent, tannery 3.57 percent and food and allied 3.33 percent.

Grameenphone found its spot on the most-traded stocks chart with 16.45 lakh worth Tk 35.78 crore changing hands.

Modern Dyeing and Screen Printing was the biggest gainer of the day, as it posted 9.8 percent gain, while ICB AMCL NRB First Mutual fund was the worst loser, slumping by 9.97 percent.

The Chittagong Stock Exchange also declined with its selective category index, CSCX, going down 57.74 points or 0.72 percent, to close at 8,005.62 points.

Losers beat gainers 132 to 53, with 17 issues remaining unchanged on the port city bourse that traded 75.15 lakh shares and mutual fund units with turnover of Tk 34.43 crore.

Panel formed to oversee stockmarket refinance scheme

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A five-member inspection panel has been formed to monitor the implementation of the Tk 900 crore refinancing scheme for retail investors who lost money in the 2011 stock market crash.

The panel, led by Saifur Rahman, executive director of Bangladesh Securities and Exchange Commission (BSEC), will monitor the scheme's operation and make quarterly reports to the finance ministry.

The Investment Corporation of Bangladesh (ICB) on August 26

received the first instalment of Tk 300 crore at 5 percent interest rate from the Bangladesh Bank (BB), which it will lend to merchant banks and stockbrokers at 7 percent interest rate.

The merchant banks and the stockbrokers, in turn, will disburse the fund to retail investors at an interest rate of 9 percent. The borrowers will have to repay the loans every three months to ICB, who would then deposit the received amount to the refinance fund.

The BB would release the remaining Tk 600 crore in two equal instal-

ments at a later date.

The government in March 2012 had announced a compensation package that also included an interest waiver on margin loans for the investors who suffered losses during the 2011 price crash.

The panel's other members include: Anwarul Islam, deputy general manager of Bangladesh Bank; Nasiruddin Ahmed, general manager of Investment Corporation of Bangladesh (ICB); Jahangir Alam, director of BSEC; and Tarek Nizmuddin Ahmed, deputy general manager of ICB.

Mozena: No blood-stained shirts, please

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Mozena spoke at the inauguration of "Help Desk and US Product and Services Information Centre" at Dhaka Chamber of Commerce and Industry. He said time has come to transform the apparel sector of Bangladesh.

"All of us ... owners, workers, government, buyers, international organisations, friends and partners of Bangladesh ... must work together to ensure that the horrors of Tazreen Fashions and Rana Plaza are never repeated." "Indeed, working together, we can transform Bangladesh's apparel sector."

The US envoy said greed, corruption and ignorance were the reasons behind the two disasters that snuffed out the lives of 1,243 innocent Bangladeshi women and men

who had sought nothing more than to provide a decent living for themselves and their families.

"But from the ashes and crumbled concrete of these disasters arises a great hope ... a hope that these tragedies will mark an end to disasters in Bangladesh's apparel sector."

He believed these disasters will in fact bring about fundamental transformation of Bangladesh's apparel sector.

Mozena said Bangladesh and its two biggest apparel markets—the US and the EU—have adopted a sustainability compact, which identifies critical steps for addressing the issues of labour rights, fire safety and factory structural soundness.

He said these steps include development of an effective inspection

regimen to ensure compliance on these issues, creation of a publicly accessible database that posts inspection findings and required remedial actions, labour law reform to improve the rights of workers, increased registration of independent trade unions, and extension of national labour law to the export processing zones, including the prohibition on blacklisting workers.

When US President Obama announced his decision to suspend GSP, he provided an action plan, a road map for reinstating these privileges, Mozena said.

"The GSP Action Plan, much like the sustainability compact, charts a course of concrete actions to help Bangladesh prevent any future disastrous fires and building collapses."



Mercantile Bank Managing Director M Ehsanul Haque opens the new premises of the bank's Mymensingh branch in Choto Bazar in Mymensingh on Sunday. Ekramul Haque Titu, mayor of Mymensingh Pouroshova, was also present.



Dr Md Rezaul Haque, chairman of Social Islami Bank, checks the eyes of an underprivileged woman as part of an eye cataract treatment camp, at Bisnupur Union in Chandpur on Friday. Md Shafiqur Rahman, managing director, was also present.