

# Stocks fall for third day

STAR BUSINESS REPORT

Stocks declined for the third day yesterday due to investors' reluctance to make fresh investment amid a nationwide shutdown call by the Jamaat-e-Islami.

DSEX, the benchmark general index of the Dhaka Stock Exchange, closed the day at 4,097.71 points, after falling 18.45 points or 0.45 percent.

Turnover, the most important indicator for judging the market situation, declined 25.69 percent to Tk 485 crore from the previous day, which was the lowest in the last week.

Investors crowded the brokerage houses in Motijheel from the beginning of trading session defying the strike.

Ahead of the weekend, participants were watching carefully the ongoing developments of the market, IDLC Investments said in its analysis.

"Amid slower participation and apparent lack of market directions, investors mostly opted for short-term profit booking."

Overall, market outlook seemed volatile in line with shaky market sentiments, the investment banker said.

A total of 1.28 lakh trades were executed

with 10.78 crore shares and mutual fund units changing hands on the premier bourse.

Of the 288 issues that traded on DSE, 123 advanced, 139 declined and 26 remained unchanged.

Among the major sectors, non-bank financial institutions gained 0.43 percent and life insurance 0.24 percent.

However, food declined 2.48 percent, non-life insurance 1.23 percent and cement 0.80 percent.

CMC topped the most traded stocks chart with 68.27 lakh shares worth Tk 22 crore changing hands.

Legacy Footwear was the biggest gainer of the day, as it posted a 10 percent rise, while Modern Dying and Screen Printing was the worst loser, plunging by 16.32 percent.

The Chittagong Stock Exchange also declined on the day with its selective category index, CSCX, lost 46.86 points, to close at 7,983.08 points.

Gainers beat losers to 78 to 126, with 15 issues remaining unchanged on the port city bourse that traded 1.14 crore shares and mutual fund units with a turnover of Tk 37.34 crore.

## GIZ launches solar lantern campaign for off-grid children

STAR BUSINESS DESK

The German Development Cooperation (GIZ) and ATN News yesterday launched an initiative for solar lanterns for school-children in the non-grid rural areas.

Nurul Islam Nahid, education minister, inaugurated the campaign, known as "Improve your life with solar light".

Erich Otto Comm, coordinator of the Programme Sustainable Energy for Development (SED) of GIZ, and Munni Saha, head of news at ATN News, were also present.

GIZ is working on behalf of the German government with Bangladesh's Power Division for the promotion of renewable energy and energy efficient technologies.

GIZ is also promoting solar-pumped drinking water supply systems, improved rice parboiling systems, biogas plants, solar home systems and solar lanterns.

Between 2011 and 2013, GIZ provided 3,000 solar lanterns to schoolchildren in coastal areas, GIZ said in a statement.

The lanterns enable the children to study in the evening hours which results in a better performance. Encouraged by this experience, GIZ has teamed up with ATN News.

## Apple won't go down 'junk' road: Tim Cook

AFP, Washington

Apple has no intention of competing in the "junk" segment of the electronics market, chief executive Tim Cook says.

In an interview published Thursday as Apple prepared to launch sales of two new iPhones, Cook said he remains unfazed by Apple's eroding share of the smartphone market.

"There's always a large junk part of the market. We're not in the junk business," he said in the interview with Bloomberg Businessweek.

"There's a segment of the market that really wants a product that does a lot for them, and I want to compete like crazy for those customers."

The comments come with Apple facing criticism for maintaining a comparatively high price for its new iPhone 5C, which had been seen as a smartphone for emerging markets and budget-conscious consumers.

The iPhone 5C will sell for \$549 in the United States, and higher in China and other markets, where carrier subsidies are rare.

"We never had an objective to sell a low-cost phone," Cook told the magazine. "Our primary objective is to sell a great phone and provide a great experience, and we figured out a way to do it at a lower cost."



**Dilip Barua, industries minister, hands an ISO 22000:2005 certificate to Humayun Kabir, owner of Mark Icecream, at an event in the auditorium of Bangladesh Council of Scientific and Industrial Research in the capital yesterday. Prof Ahmad Ismail Mustafa, chairman of BCSIR, Mujibur Rahman, acting managing director of SME Foundation, and Syed Nurul Islam, president of Bangladesh Malaysia Chamber of Commerce and Industry, are also seen.**



**Nurul Islam Nahid, education minister, launches a campaign styled 'Improve your life with solar light' to provide solar lanterns to schoolchildren in the off-grid rural areas of Bangladesh by the German Development Cooperation (GIZ) and ATN News, at a press conference in Dhaka yesterday.**

## Singapore Airlines, India's Tata to establish new carrier

AFP, Singapore

Singapore Airlines and India's Tata conglomerate announced Thursday they would set up a new full-service airline based in New Delhi.

Singapore Airlines (SIA) and Tata Sons have signed a memorandum of understanding and applied for government approval for the new carrier, a joint statement said.

Its establishment "will help further stimulate demand for air travel", it said, adding the plan would be subject to regulatory approvals including from India's foreign investment promotion board.

The new carrier "will be based in New Delhi and will operate under the full-service model", the statement said.

Tata Sons will own 51 percent of the carrier and SIA 49 percent.

"We have always been a strong believer in the growth potential of India's aviation sector and are excited about the opportunity to partner Tata Sons in contributing to the future expansion of the market," said SIA chief executive Goh Choon Phong.

"Tata Sons is one of the most established and respected names in India. With the recent liberalisation, the time is right to jointly bring consumers a fresh new option for full-service air travel."

Prasad Menon, chairman of the proposed new carrier, said Tata believes civil aviation in India has sustainable growth potential.

"We now have the opportunity to launch a world-class full-service airline in India."

A spokesman for SIA told AFP the new airline will begin with domestic services.

"We would like the airline to operate international services but that will depend on obtaining further regulatory approvals," the spokesman said.

Details of the new carrier's branding, management team and products and services will be announced later.

## India forces companies to start charitable giving

AFP, New Delhi

India's government still struggles to provide reliable basic services to a majority of its citizens, trapping hundreds of millions of them in poverty. Now the country's richest firms have been told they must help.

Under the new amended Companies Act passed last month by parliament, large businesses have been asked to spend 2.0 percent of their profits each year on "Corporate Social Responsibility" (CSR).

"The idea is that if we could divert some corporate energy and the corporate way of doing business into our development sector, for a country like India it could help enormously," the head of the Indian Institute of Corporate Affairs (IICA), Bhaskar Chatterjee, explained to AFP.

CSR is broadly—some say vaguely—defined in the law to mean funding programmes for education, poverty alleviation, protecting the environment or tackling disease, among others.

It's one of the first such laws of its kind in the world, promising a cash bonanza for charities and non-government organisations (NGOs) while raising serious concerns the funds could worsen India's endemic corruption.

CSR has been imposed across much of corporate India. Any busi-

ness with sales of more than 10 billion rupees (\$156 million), a net worth of 5.0 billion rupees, or bottom-line profits of 50 million rupees is liable.

They must set up a board to implement and report on the company's CSR policy, in theory ensuring that an average of 2.0 percent of the net profits of the previous three years is spent annually.

Failure to report on this spending, as with other financial disclosure requirements, will result in fines and possibly imprisonment for a company's directors.

IICA, a business group established by the ministry of corporate affairs, calculates that 7,000 companies qualify, creating a possible annual pool of funds estimated at 120-150 billion rupees (\$1.9-2.4 billion).

Sidharth Birla, president-elect of business group FICCI, says that corporate India lobbied hard against previous drafts of the law that would have forced companies to spend their profits.

"If they had made it mandatory then what would have stopped any other authority from imposing a burden on the company?" he told AFP, reprising one of the arguments against mandatory spending.

The final law says companies should set aside 2.0 percent of profits for CSR and must report on their activities, but it also gives them an

easy get-out by claiming there is nothing suitable to spend the money on.

"We have been given to understand that you could well report that I have seen everything and I can't spend it," Birla said.

Good intentions, horrible consequences

The success of the CSR revolution will therefore depend on how companies approach the new rules, says Samir Saran from the New Delhi-based think-tank Observer Research Foundation.

The money could become a sort of "slush fund" channelled into charities and NGOs run by politicians—"a legal way of bribing," says Saran—or into foundations run as pet projects by the family members of business owners.

"We have to be sure that this is not another policy with good intentions and horrible consequences," he told AFP. "It is how it is implemented that will decide its success."

One early alarm bell was the government in the central state of Chhattisgarh asking companies to deposit their CSR funds with the chief minister's Community Development Fund earlier this week.

Saran favours mandatory CSR overall as a way of forcing good corporate behaviour. The Indian private sector "is notorious for not having participated in the social agenda," he says.



**Sirajul Islam, programme head of Brac Agriculture and Food Security Programme, Md Abdul Aziz, deputy director of Department of Agriculture Extension Khulna, and Craig A Mesiner, country director of WorldFish of Bangladesh, attend a workshop on increasing resilience of agriculture and aquaculture organised by Brac in Khulna on Wednesday.**

## Bleak hopes for getting back GSP in December

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The government will publish an advertisement in newspapers in November to appoint the rest of the inspectors, Labour Secretary Mikail Shipar said.

"The process is unlikely to complete within December," he added.

"The process should be expedited," said the commerce ministry report, which was shared with reporters after the second meeting of a GSP review committee yesterday.

However, Commerce Secretary Mahbub Ahmed, who chaired the meeting, said: "We are making progress gradually. We have time until December. I hope we will be able to make good progress [before that]."

The government will soon upgrade the Office of the Chief Inspector of Factories and Establishment to appoint the inspectors, Ahmed said.

The report said the government has progressed much in arresting the killers of labour leader Aminul Islam and withdrawing the cases against two other leaders -- Kalpona Akter and Babul Akter, another requirement in the US action plan.

The labour and employment ministry in collaboration with the International Labour Organisation is preparing a workers database, the report said.

In another meeting of the cabinet committee on readymade garment, Textiles and Jute Minister Abdul Latif Siddique placed his recommendations for more fire and building safety measures in the garment sector.

## TCB to start onion sales next week

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Onion prices in Bangladesh increased manifold after bad weather in India, the country's main source of the vegetable, created a supply crunch, compelling the neighbouring country to hike the export price of the vegetable to \$650 per tonne from \$250.

After a meeting with the onion importers and traders, Monoj Kumar Roy, additional secretary to the commerce ministry (import), said normalcy in onion prices will be restored in the next 10 days as the government has taken a host of measures.

Roy also said the director general of WTO cell under the commerce ministry and TCB Chairman Sarwar Jahan Talukdar have gone to Teknaf to negotiate with onion traders of Myanmar.

## BB to ease rules for foreign banks

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The amount of portfolio investment of the foreign financial institutions through Standard Chartered Bank, Citibank NA, HSBC and the Commercial Bank of Ceylon is more than \$1.2 billion.

"As these banks account for the lion's share of the external portfolio investment in the country, the problem caused by the recently amended law should be resolved," said the central bank letter.

"Otherwise, the stability of the stockmarket might be hampered," it added.

The central bank in consultation with the government can exempt any bank from setting up the subsidiary.

## Complaints pile against three state banks

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"We are trying to let the customers know about this facility of the central bank. People are increasingly becoming aware and we are seeing a rise in complaints," said a senior BB official.

BB, which is a regulatory body for the banks and non-bank financial institutions, also receives complaints through its nine branch offices across the country.

## JPMorgan fined \$920m

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The penalties include \$300 million to be paid to the US Office of the Comptroller of the Currency, \$200 million to the Federal Reserve, \$200 million to the US Securities and Exchange Commission and 137.6 million pounds (\$219.74 million) to the UK's Financial Conduct Authority.

JPMorgan called the settlements of the civil probes "a major step in the firm's ongoing efforts to put these issues behind it."

But the deals leave unresolved a criminal probe by US prosecutors into the debacle that cost the bank \$6.2 billion in losses on trades in credit derivatives last year.

Even as JPMorgan was hailing the settlements, it said it had received a legal notice that the staff of another regulator, the US Commodity Futures Trading Commission, intends to recommend an enforcement action against the bank for its derivatives trading.

Bruno Iksil, the trader whose big bets earned him the nickname London Whale, has signed a cooperation agreement with prosecutors and has not been charged with any wrongdoing. Two other traders who worked with him in London, Javier Martin-Artajo and Julien Grout, have been criminally charged by US prosecutors over their role in the scandal, accused of trying to hide the mounting losses.



**SK Sur Chowdhury, deputy governor of Bangladesh Bank, inaugurates a BB and Dutch-Bangla Bank Ltd (DBBL) co-branded ATM at the central bank's Chittagong branch recently. KS Tabrez, managing director of DBBL, was also present.**



**Reshadur Rahman, director of Dhaka Bank, presents a pay order of Tk 50 lakh for an auditorium complex of Banani Bidyaniketan School & College to HM Ershad, chairman of the organising committee, recently.**