

Stocks maintain gaining streak

STAR BUSINESS REPORT

Stocks continued to gain for the second consecutive session yesterday, as the investors' tension over a political crisis eased.

DSEX, the benchmark general index of Dhaka Stock Exchange, rose 69 points, or 1.81 percent, finishing the day at 3,883 points.

Expected imminent discussion between the two major political parties knocked the investors' sentiment very positively during the trading session, IDLC Investments said in its market analysis.

News in different national dailies centering political issues assisted creation of optimism amid the investors, the merchant bank said.

The rising investors' confidence also pushed up turnover by 57 percent to Tk 296 crore from the previous day's Tk 189 crore, it added.

LankaBangla Securities, a leading stockbroker, said the uncertainties over macro factors were seemed fading and a short term buying spree led the rally in stock prices.

Throughout yesterday's session, activities were mostly centralised in textile sector that accounted 27.64 percent of the day's total turnover with banks contributing 13.69 percent and pharmaceutical 12.88 percent.

In spite of some gloomy reviews and news on the banking sector in most of the newspapers, the sector conversely topped in sectoral performance with a 4.48 percent rise. Besides, pharmaceutical increased 1.86 percent, textile 1.48 percent and fuel and power 1.14 percent.

However, life insurance that lost 1.63 percent and food and allied that declined 0.46 percent disappointed the investors most. A total of 0.84 lakh trades were

executed, with 8.21 crore shares and mutual fund units changing hands on the premier bourse.

Of the 289 issues that traded on the DSE floor, 153 advanced, 109 declined and 27 remained unchanged.

Envoy Textile, which transacted 48.84 lakh shares worth Tk 28.96 crore, was the day's top traded stock.

Rahim Textile was the biggest gainer of the day, posting a 13 percent rise, while Zeal Bangla was the worst loser, plunging by 6.66 percent.

Chittagong stocks also rose yesterday with the bourse's selective category index, CSCX, increasing by 134.69 points to close at 7,598 points.

Gainers beat losers by 113 to 82, with 20 securities remained unchanged on the port city bourse that traded 86.70 lakh shares and mutual fund units at a turnover of Tk 24.14 crore.

Bourses' existing boards to continue until elections

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The existing boards of the stock exchanges, under the leadership of incumbent presidents, will continue until the fresh boards are formed through elections, in line with the demutualisation scheme.

Bangladesh Securities and Exchange Commission (BSEC) made this clear as complexities were arising over the bourses' boards for the interim period during the demutualisation processes.

The stockmarket regulator, after getting the finance minister's opinion on the issue, sent separate letters yesterday to the Dhaka and Chittagong bourses, enclosing the minister's observation.

The finance minister in a letter to the BSEC on Monday said: "The existing board will continue until formation of the new board. The new board's chairman will be an independent director."

Earlier, complexities were seen after the stock exchanges requested the regulator to allow them to continue with the existing boards until a new board was formed.

According to the demutualisation scheme, the stock exchanges at the extra-ordinary general meeting are supposed to adopt the scheme, which suggested a 13-member board of directors for each bourse.

The Chittagong bourse will hold the EGM tomorrow and the Dhaka bourse on October 29. The bourses will be considered demutualised after the EGM.

According to laws, an election would be held within ninety days from demutualisation.

Demutualisation is a way of separating management of the bourses from ownership. It transforms a stock exchange into a profit oriented company owned by shareholders and ensures alternative business models and operational efficiency.



Noryate Bte Abdul Rahman, Emirates cargo manager in Singapore, accepts the 'Overall Carrier of The Year' award on behalf of Emirates SkyCargo from Willie van Heusden, chairman of Federation of Asia Pacific Air Cargo Associations, at the Payload Asia Awards 2013 recently.

Aid for trade: how to improve its effectiveness

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This cell will keep a database of AfT flows and monitor its implementation in close collaboration with the commerce ministry and donors. The commerce ministry and the ERD have to identify projects under AfT based on their own criteria.

Third, trade policies have implications for several ministries, and international trade rules and agreements can have direct and indirect links to those ministries. Therefore, trade should be mainstreamed at all relevant ministries, and all trade-related policies and strategies need to be discussed with and reviewed by concerned ministries.

Inter-ministerial and inter-agency coordination should be strengthened in implementing and monitoring AfT projects. Awareness on AfT has to be raised in various ministries. Awareness building among the private sector and NGOs is also necessary so they can monitor AfT projects to ensure accountability and transparency.

Fourth, one of the reasons for insignificant impact of AfT on export promotion is that the amount of AfT flow is still lower than the requirement of the country. There has been substantial growth in AfT flows for trade regulation and policy. However, AfT flows should be increased in the category of economic infrastructure in order to have any meaningful impact on export promotion in the medium to long run.

Fifth, AfT projects have so far been mostly supply-driven and the involvement of government officials in project formulation has been very low. The government should conceive and formulate AfT projects in consultation with the private sector, NGOs and experts. To establish shared ownership of projects all relevant stakeholders should be involved right from the conceptualisation of the project till the implementation phase. Stakeholders should be made clear of the potential benefits and challenges of understanding of AfT projects.

Finally, capable and competent human resources are essential for formulating and implementing AfT projects effectively. The absorptive capacity of the ministries and departments should be improved through improving skills of relevant officials. The private sector also needs to improve its capacity to design and implement AfT projects.

The writer is research director at the Centre for Policy Dialogue.

Muhith finally proposes winding up WB's integrity wing

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The finance minister further said that an excessive number of offices are undertaking evaluation, monitoring and progressing of projects and programmes in the bank such as the Independent Evaluation Office, the Panel of Inspectors, Ombudsman, Entity of Ethics and Business and the Integrity Vice-Presidency.

"In the name of ensuring quality of work, prevention of irregularities and corruption and redress of injustice, is not it too many and too much?"

Asked if he received any response to his proposal, Muhith answered in the negative.

"I have made the proposal and I will follow it up, he told reporters after a purchase committee meeting in the cabinet division yesterday.

"The Integrity unit has done a great harm for Bangladesh. It is a worthless organisation - its evidences are all rubbish."

After the cancellation of the Padma Bridge financing last year, Muhith on various occasions made allegations against the WB unit, and even pledged to make a proposal to wind it up.

Palmal Group compensates families of fire victims

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"Timely action saved many lives and just one employee got injured."

He said the company has also reached out to the families of the deceased and offered them support along with open offers for jobs in the group.

Sikder claimed that their factories are well compliant with state-of-the-art firefighting equipment and modern water hydrant systems.



Md Mehmood Husain, managing director of Bank Asia, poses with the participants of a workshop on prevention of money laundering and combat financing on terrorism, at the bank's institute for training and development at Karwan Bazar in Dhaka yesterday. Md Azharul Islam, head of training, was also present.



Ariful Haque Chowdhury, mayor of Sylhet City Corporation, inaugurates Airtel's 3G trial service in Sylhet through a video call to Chris Tobit, Airtel's managing director, at a programme in Sylhet on Tuesday.

Twitter obtains \$1b credit line on road for IPO

REUTERS, San Francisco

Twitter Inc has obtained a \$1 billion credit line ahead of its initial public offering, the company disclosed Tuesday in an amended investor prospectus.

Goldman Sachs, Morgan Stanley, JP Morgan, Bank of America Merrill Lynch and Deutsche Bank were involved in arranging the credit deal, Thomson Reuters LPC reported earlier this month. The banks are also underwriters of Twitter's IPO.

No amounts have been drawn under the credit facility, Twitter said.

The micro-blogging company, the most closely watched social media IPO prospect since Facebook went public last year, is expected to begin trading on the New York Stock Exchange by mid-November.

Twitter also disclosed that MoPub Inc, a digital advertising exchange it acquired in September, had lost \$2.8 million in the first six months of the year on \$6.5 million in revenue.

Twitter paid \$350 million in stock for MoPub, its largest acquisition to date. The deal is expected to close in November, according to the filing.

Conference on WTO meeting begins tomorrow

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Recent developments in the negotiations in Geneva suggest that efforts are being made to deliver an 'LDC package' in Bali, the CPD said in a statement.

In this context, the private think-tank said the Dhaka conference endeavours to articulate a common stance concerning key deliverables of this package.

Sessions of the conference will discuss state of play of current negotiations in Geneva and LDC interests, and possible stance as regards negotiations on trade facilitation, agriculture issues, including food security and cotton, duty-, quota-free market access for the LDCs, and LDC waiver in the services sector.

Discussion will also focus on systemic issues and the way forward. Based on the discussions and suggestions at the event, an outcome document will be prepared articulating the LDC deliverables.

The document will be shared with LDC governments and will be used as advocacy document to highlight LDC concerns and interest.

CPD's co-organisers for the conference include The Commonwealth, London; Friedrich-Ebert-Stiftung, Bangladesh Office; International Centre for Trade and Sustainable Development, Geneva; IDEAS Centre, Geneva; South Asia Watch on Trade, Economics and Environment, Kathmandu; and Think Tank Initiative Network.

The event will bring together 15 overseas participants, including WTO negotiators and ambassadors, officials from WTO secretariat, academics and trade policy experts and activists.

New hotels to get duty benefit for importing equipment

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The duty cut is also applicable to swimming accessories, camping and hiking tents, mountain climbing materials, hot air balloons, surfing boats, water bikes, jet skis, house boats, bowling items and pool tables.

The number of foreign tourists visiting Bangladesh is rising and it is becoming important to create amenities for them by increasing investment in the sector, said the NBR official.

However, investors in luxury hotels will be able to enjoy a concessionary duty benefit only once for importing fire detection and protection equipment, items for health club, kitchen and cooking, building security systems, machinery for electric sub-station and pre-fabricated building structures, said officials.

To enjoy the facility, investors will have to apply to NBR along with certificates from the tourism ministry to ensure that the hotels are built meeting international standards.

Copies of agreements with global hotel chains will also be required if the duty benefit seeking hotel is a franchisee, according to officials.

Over the years, tourism has expanded on the back of a burgeoning middle-class, who frequently travel to tourist spots at home and abroad. Investment in the sector, including establishment of hotels and resorts, has also increased.

The travel and tourism sector in Bangladesh accounted for 2.1 percent of GDP, according to a report by World Travel and Tourism Council.

Act before EU cancels GSP

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The European and American buyers' consortiums have already announced separate initiatives to improve compliance over the next five years, while the EU and Bangladesh have agreed to a time bound "Sustainability Compact" which is broadly consistent with the action plan provided by the US.

"Effective implementation of planned actions through coordinated efforts is the need of the hour," the report said, adding that the cost of inaction could be high.

Withdrawal of trade benefits to the US market under the Generalised System of Preferences (GSP) programme "may not hurt the country's garment industry unduly", as the benefits to the industry were non-existent.

"But if the EU were to suspend Bangladesh's favoured access to its markets, the country could see its total exports fall by as much as 4.1 to 8 percent," Zahid Hussain, lead economist of WB Bangladesh, said.

The EU is the destination for 58.1 percent of the country's apparel products, thanks to duty-free and quota-free access

under the GSP and the 'Everything But Arms' scheme.

If the EU, the bloc of 27 countries, withdraws the GSP facilities on garment imports from Bangladesh, the exporters will have to pay 12.50 percent duty on apparel items.

Meanwhile, Zutt said many development partners and private companies that are sourcing from Bangladesh want to see the country's RMG industry triumph.

China will be shedding about 80 million jobs over the next ten years and some of the jobs will be from the RMG sector, according to the WB country director. "Bangladesh is in a terrific position to capture some of these jobs that will shift from China."

"But it will only be possible if the buyers in other countries are confident that the industry in Bangladesh is operating at acceptable international standards," he added.

Between the July-June period of fiscal 2012-13, the country exported knitwear products worth \$10.47 billion and woven garments of \$11.03 billion, according to Export Promotion Bureau.



Mohammed Nurul Amin, managing director of NCC Bank, opens an ATM booth of the bank at Ganginarpar Panir Tank in Mymensingh on Tuesday. Golam Hafiz Ahmed, additional managing director, was also present.



MM Niazuddin, health and family welfare secretary; SK Sur Chowdhury, deputy governor of Bangladesh Bank; and AAM Zakaria, managing director of First Security Islami Bank Ltd (FSIBL), attend a programme to mark FSIBL's 14th anniversary at Ruposhi Bangla Hotel in Dhaka yesterday. FSIBL donated an ambulance to Birdem hospital as part of its corporate social responsibility.



HN Ashequr Rahman, chairman of Meghna Bank, inaugurates the bank's fourth branch at Motijheel in Dhaka on Tuesday. Md Mohashin Miah, managing director (current charge), was also present.