

# Call money market hit by political uncertainty

STAR BUSINESS REPORT

Political uncertainty and slower economic growth have affected the call money market like many other sectors, Bangladesh Bank data shows.

The call money rate, which banks and non-banks borrow and lend for short-term needs, went as low as 5.5 percent. To cash in on the situation, some banks have stepped in to raise funds. Total turnover for the last seven working days stood at Tk 54,770 crore, averaging Tk 7,824 crore a day.

BB statistics show state-owned banks (SoBs), foreign and new banks were lenders in the call money market and private commercial banks and non-bank financial institutes the borrowers.

"Call money rate of this level shows lean economic activities and the market is liquid enough," said Monzur Hossain, research fellow of Bangladesh Institute of Development Studies.

He said SoBs take the chance of earning quick profits as they are generally inefficient in quality lending.

Meanwhile, the slow demand for short-term money has become a boon for non-bank financial institutions as they are getting low-cost money from the market instead of the banks, from where they borrowed at 12 percent interest rates.

## New markets and export items essential

STAFF CORRESPONDENT, Chittagong

Exploration of new export destinations and development of new export items have become a necessity, speakers at a seminar said.

The four markets of USA, European Union, Canada and Japan account for 80 percent of the country's total exports, according to Alamgir Siddique, regional director of Export Promotion Bureau (EPB).

"It is imperative to find alternative destinations," he said, while calling for diversification of the export basket as well. At present, eight items fetch 94 percent of total export earnings, he added.

Siddique's comments came at a seminar yesterday on duty- and quota-free access for various Bangladeshi products to different countries, organised by EPB at its Chittagong office.

Mahfuzul Haque Shah, director of Chittagong Chamber of Commerce and Industry, and M Abdur Rahman, deputy chief of Metropolitan Chamber of Commerce and Industries, Dhaka, were present along with 68 representatives from different government, autonomous and private organisations.

## HP may have yet another problem: China

REUTERS, San Francisco

Signs of rapidly worsening Chinese demand for IT giants IBM and Cisco Systems Inc are starting to spook Hewlett-Packard investors.

HP's year-long stock rally sputtered last week amid fears a faster-than-anticipated slowdown in emerging markets, above all China, may dash the computing giant's hopes for a return to growth in 2014 or beyond.

Cisco has warned about crumbling Chinese demand. IBM last month reported a sales drop of over 20 percent in the world's No. 2 economy.

Both also reported weakness in other emerging markets as well, but it was China and concerns about sales declines in that market that has grabbed headlines.

HP is already grappling with expectations of slowing US federal spending, a fundamental erosion of PC demand and unrelenting competition from Lenovo and Dell. So it can ill afford a steeper-than-expected dropoff in China, which is estimated to account for a fifth of HP's revenue and is one of its most crucial growth markets.

Investors are looking to the computing giant, which reports quarterly results on Tuesday, to shed more light on goings-on in the world's largest PC market.

"All the giant tech companies are somewhat at risk now. You have to worry if the other companies are going to report the same kind of thing in their fourth quarter," said Peter Tuz, President of Chase Investment Counsel Corp in Virginia.

Shares in HP, up 77 percent so far this year, have lost almost 5 percent in the week since Cisco blamed a dismal business outlook on deepening fallout from the Snowden revelations. Some analysts also blame competition from networking giant Huawei and the government's increasing tendency to buy local.

Mizuho Securities analyst Abhey Lamba cited another culprit: a slowdown in spending by Chinese state enterprises awaiting policy signals from a new government.

Microsoft said China was the company's weakest performing market during the September quarter. The picture is far from clear, however. Juniper Networks said last week its business continues to grow in Asia, including China.

Weaker Chinese demand could throw up a new obstacle to HP's efforts to reverse years of revenue declines. Whitman told investors last month she expects revenue to stabilise in 2014 with "some areas of growth", before the business accelerates again in 2015.

Immediate challenges include soft consumer PC demand and pricing pressure from a newly private Dell, which is aggressively marketing its servers and PCs. HP is also losing market share to Asian rival Lenovo, which is focusing on traditional HP strongholds like North America and Europe.

Investors hope improvements in execution and better-than-expected demand for Hewlett-Packard's big data, security and cloud offerings can eventually prop up the top line.

Goldman Sachs Group recently advised clients to buy December \$24 strike put options on HP as a hedge against poor earnings.



SHAHJALAL BANK

Akkas Uddin Mollah, director of Shahjalal Islami Bank, opens the bank's 87th branch in Bandura in Nawabganj, Dhaka yesterday. Md Abdur Rahman Sarker, managing director, was also present.

## StanChart's regional chief arrives today

STAR BUSINESS DESK

Sunil Kaushal, regional chief executive for South Asia of Standard Chartered Bank, will arrive in Dhaka today, the bank said in a statement.

He will meet senior officials of the central bank and interact with the bank's staff and clients.

Kaushal has more than 25 years of banking experience and has held several senior roles within the bank across diverse markets, including that of president and chief executive officer for Standard Chartered Bank (Taiwan), global head of small and medium enterprises and new ventures based in Singapore, head of originations and client coverage, corporate and institutional banking in Singapore, as well as head of corporate banking in UAE.

Prior to joining Standard Chartered in 1998, Kaushal held various positions in investment banking, corporate finance and commercial banking and foreign exchange at National Westminster Bank, SocGen-Crosby, and American Express Bank in Mumbai.



ROBI

Matiul Islam Nowshad, chief human resources officer of Robi Axiata, and Mohua Rashid, country head of ACCA Bangladesh, sign an agreement providing internship opportunities for ACCA students with Robi at the Westin hotel in Dhaka on Sunday.



IFIC BANK

Mati-ul Hasan, SM Abdul Hamid and Muhammad Mustafa Haikal Hashmi, deputy managing directors of IFIC Bank, inaugurate the 110th branch of the bank at Meghola Bazar in Dohar recently.

## Swiss voting no to capping bosses' pay at 12 times poorest paid

BBC

Early results suggest Swiss voters are saying "no" to a proposal to bring in a law that would limit executive pay to 12 times that of the lowest paid.

Our correspondent in the country says the big business cantons, Zurich and St Gallen, are showing clear majorities against.

There are many more votes still to count, but it is clear the initiative cannot pass now.

The Young Socialists, who proposed it, have admitted defeat.

The new rules would have given Switzerland the world's toughest pay rules and some of the lowest executive salaries - which business leaders said would limit foreign investment.

The government was also opposed to the move.

## Garment exports rise despite odds

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If the current export trend continues, fiscal 2013-14's export target of \$30.5 billion would be easily achievable, according to Bose.

"Exports might drop in the odd month or two, but the trend is very much in the positive territory," he said, while citing the case of October.

In October, exports dropped 18.19 percent from the preceding month to \$2.12 billion. The figure, although an improvement of 2.03 percent over October of 2012, missed the month's export target by 6.23 percent.

## Aman prices cheer up farmers

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"The supply of newly-harvested paddy is yet to start coming in full swing. Once that happens, the prices of paddy are bound to come down," he said, while tipping the prices of rice, which has been showing an upward trend, to fall next month as well.

Over the last one month, the retail price of coarse rice rose 3 percent to Tk 33-35 per kilogram at city markets, while that of medium coarse rice increased 8.33 percent to Tk 38-40 and fine-quality rice 7 percent to Tk 38-54, according to Trading Corporation of Bangladesh.

## Tazreen victims slam govt, owner for delay in compensation

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Some of them said they had not received any compensation from neither the owners nor the government.

The fire brought a double blow in the lives of many of the injured workers. Firstly, they had to lose jobs having sustained long-term injuries, and then they are forced to rent houses in Dhaka for better treatment and a hope to get compensation.

Around 112 workers died and 150 sustained different injuries from the fire. One of the injured, Mahfuza Aktar, 20, said she could not manage a job since she injured her right hand on the fateful day.

Seeing fire in the building at around 6:45pm, she jumped from the second floor and broke her hand.

"Doctors placed a titanium plate in the hand and asked not to do heavy work until the plate is removed," she said.

"I couldn't think about leaving the place as better treatment is available here," said Mahfuza, who came from Tangail and has been living in Nishchintapur of Ashulia.

Describing how she managed

to escape the horrifying event, Mahfuza said it was around 6:45pm when her colleagues informed her about the blaze.

"I had to close my eyes because of heavy smoke all over the floor. Someone broke a window and I only could manage to escape through it," she said.

Another victim, Rehana, 21, who sustained injuries on her waist and left leg, said she has to spend around Tk 5,000 to Tk 7,000 every month to buy medicines.

"For seven months, I wasn't able to leave the bed," said Rehana, who jumped from the third floor. Halfway through the leap, another colleague who had jumped as well collided with her mid-air and both crashed to the ground, with Rehana on the bottom receiving the blow of the impact.

Still using a crutch, Rehana said she hails from Kurigram and has been living in Ashulia as she had to visit doctors frequently.

Both Mahfuza and Rehana said, while compensation is required for a living, it is more important to get well soon to earn a job again to help their families.

The survivors of both the incidents also expressed concern

about the fact that eight of the accused of the Rana Plaza incident received bail.

Three garment workers' associations -- Bangladesh Garment Sramik Sanghati, Garment Sramik Trade Union Kendra and Garment Sramik Front -- separately organised the human chains on the first anniversary of the tragedy of Tazreen Fashions fire and seven months of Rana Plaza tragedy.

The nine-storey Rana Plaza caved in on April 24 killing 1,132 people, who were mostly garment workers.

Leaders of the organisations slammed the government for not taking stern actions against the responsible persons of the two factories and warned tougher agitations if the government would fail to bring the culprits under trial.

They also demanded that the government should complete the DNA tests of the rest soon and ensure proper compensations for the victims.

DNA tests at a government laboratory so far identified only 157 persons out of 322 unidentified victims of the Rana Plaza tragedy last May.

Government of the People's Republic of Bangladesh

Department of Public Health Engineering  
Office of the Superintending Engineer  
Sylhet Circle, Tophkana, Sylhet

Memo No: 278 DPHE/Sylhet

Date: 14/11/2013

Invitation for Enlistment & Renewal of Enlistment

Government of the People's Republic of Bangladesh			
1.	Ministry/Division	Local Government Division.	
2.	Agency	Department of Public Health Engineering.	
3.	Procuring entity name	Superintending Engineer, Sylhet Circle.	
4.	Procuring entity district	Sylhet.	
5.	Invitation for	Enlistment & Renewal of Enlistment.	
6.	Invitation Ref No.	CE, DPHE Office Memo No.1100	
7.	Date	18/09/2013	
KEY INFORMATION			
8.	Procurement Method	Limited tendering method.	
PARTICULAR INFORMATION			
		Date	Time
9.	Application closing date and time	18/12/2013	5:00pm
10.	Name & address of the office(s)		
	- Application form availability	Office of the Executive Engineers, DPHE, Sylhet, Sunamganj, Hobiganj and Moulvibazar.	
	- Receiving application form	Superintending Engineer, DPHE, Sylhet Circle, Tophkana, Sylhet.	
INFORMATION FOR APPLICANT			
11.	Eligibility of applicant	a. Must have valid trade licence b. Must have TIN c. Must have Bank Solvency Certificate d. Others as mentioned in Application Form.	
12.	Price of Application Form (Tk)	500.00 (non-refundable).	
13.	Enlistment/Renewal Fee (Tk)	5000.00/2000.00 plus 15% VAT. Must be submitted in the form of Pay Order/Demand Draft in favour of Executive Engineer, DPHE, Sylhet Division. Two separate POs/DDs to be submitted -one for Enlistment/Renewal Fee and another for 15% VAT of Tk 750.00/300.00 respectively. If application is not accepted, the PO/DD will be refunded.	
PROCURING ENTITY DETAILS			
14.	Name of official inviting application	Md. Anowar Hossain.	
15.	Designation of official inviting application	Superintending Engineer, DPHE.	
16.	Address of official inviting application	Tophkana, Sylhet.	
17.	Contact details of official inviting application	0821727461	0821716863 engr.anowarhossain@gmail.com
18.	The procuring entity reserves the right to reject all applications.		
GD-4451		Md Anowar Hossain SE, DPHE, Sylhet Circle	

## Hasina stresses awareness for stock investors

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Referring to the importance and increasing contribution of the capital market in enhancing investment, production and trade, Hasina said the government has taken various measures to restructure the stocks regulator and accelerate progress.

"The commission has already been reshuffled. It has been given financial autonomy. Infrastructure development has also been done. The Securities Exchange Commission Act and Securities and Exchange Ordinance have been revised."

Steps have been taken and an act has been formulated to demutualise the stock exchanges by separating

management from ownership to bring transparency and accountability in stock trading, she said.

A special tribunal has been formed for speedy disposal of capital market related cases, she added.

"A special package is being implemented to protect the retail investors' interest. Twenty percent IPO quota has been kept for them. Steps have been taken to waive interest."

Citing the Tk 5,000-crore Bangladesh Fund, uniform face value of shares at Tk 10 each and mandatory disbursement of dividends within 30 days of board approval, Hasina said: "Stability returns to the capital market for all these steps."

Commenting on BSEC's 10-yearly master plan, she said if the master plan is implemented properly, it would be possible to avert problems in future.

Hasina also cited the government's achievements in various areas, especially in power, education and the macro economy during her tenure.

She said the country's economy has gotten a firm footing in the last five years due to relentless efforts by the government.

Finance Minister AMA Muhith said although the BSEC was set up in 1991, there was no real regulator till 2009 due to weak rules and regulations.

"After 2009, the market saw a big rally due to some wrong decisions, but it crashed in late 2010. However, the restructuring of the regulator started then," he said.

With the restructuring activities, the market is completely in a stable position for the last two years, he added.

In his welcome speech, BSEC Chairman M Khairul Hossain said the market capitalisation to GDP ratio in Bangladesh is 25 percent, which is 70 percent in India, 119 percent in the US and 150 percent in Singapore.

"It shows that we have the opportunity to develop our stockmarket further."