

Stocks end flat

Political jitters influence markets

STAR BUSINESS REPORT

Stocks closed flat yesterday as investors sold shares and mutual fund units amid volatile political environment over the next national election.

DSEX, the benchmark general index of the Dhaka Stock Exchange, closed the day at 4,289 points, after falling 12.75 points or 0.29 percent.

"The market started with strong bullishness on the day but lost the pace at the end," LankaBangla Securities said in its analysis.

Economic indicators seem to be favourable but investors are still not confident enough to test the depth of the market with their both feet due to the political uncertainty, the stockbroker said.

The market was heavily influenced by the dire strait of economic activities in the country with no solid promise of turnaround, commented IDLC Investments in its daily market analysis.

An aggregate of 1.44 lakh trades were executed with 15.51 crore shares and mutual fund units changing hands on the Dhaka bourse.

Turnover, the most important indica-

tor for the investors, advanced 22.93 percent to Tk 647 crore from the previous day.

Despite the negative movement of the market, non-bank financial institutions gained 1.53 percent and pharma 0.37 percent.

The other major sectors which retraced are: telecoms 1.24 percent and banks 0.61 percent and power 0.44 percent.

Of the 291 issues that traded on the DSE floor, 132 declined, 130 declined and 29 remained unchanged.

Generation Next Fashion featured in the most traded stocks chart with 93.70 lakh shares worth Tk 33 crore changing hands.

Rahima Food was the biggest gainer of the day, as it posted a 9.84 percent rise, while Libra Infusions was the worst loser, plunging by 7.81 percent.

The Chittagong Stock Exchange also declined yesterday. CSCX, the selective categories index of the port city bourse, closed the day at 8,413 points, after falling 16 points.

Losers beat gainers 93 to 102 with 23 issues remaining unchanged on the CSE floor that traded 1.9 crore shares and mutual fund units with Tk 76 crore in turnover.

Pangaon-Ctg river route starts carrying cargo amid blockade

STAFF CORRESPONDENT, Ctg

Cargo transportation on the inland river route from Chittagong port to Pangaon in Narayanganj started yesterday, one month after the inauguration of the container terminal.

A vessel, named MV Pangaon Success carrying 70 TEUs (twenty-foot equivalent units) containers, including 20 TEUs containers loaded with import goods of Walton Group, left Chittagong around 11.40am, an official of the prime port said.

Chittagong Port Authority Secretary Syed Farhad Uddin Ahmad said the transportation of goods-laden containers on an inland river route took place for the first time in the country.

The vessel will bring export containers to the Chittagong port from Pangaon after unloading the import containers there, he said.

Prime Minister Sheikh Hasina inaugurated the terminal on the Buriganga river on November 7.

A CPA official said the authorities introduced the container transportation as businessmen demanded it amid disruptions in overland supply chain due to blockades and shutdowns.

Samsung may need to offer more to settle patent dispute

REUTERS, Brussels

Samsung Electronics will likely need to improve its offer to the European Union regulator to address patent issues with rivals such as Apple Inc, the European Competition Commissioner said on Monday.

"Samsung may have to improve concessions offered two months ago to end an antitrust investigation into its patent dispute with rival Apple," the European Union's antitrust chief told a business conference.

Almunia said the EU's executive arm has market-tested Samsung's commitments and will take account of the feedback when debating possible improvements to the electronics giant's commitments in the coming weeks.

Samsung and Apple are battling each other in courts in more than 10 countries as they vie for control of the lucrative mobile market. Samsung's mobile devices unit accounts for about two-thirds of the group's total profit.

SC finds BTRC's telco audit move illegal

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However, BTRC's Reza-E-Raquib said the Appellate Division's observation will be clear when the certified copy of the verdict will be available. The BTRC did not follow public procurement rules of 2008 in appointing the auditors, according to the HC verdict.

The regulator did not go by the decision of a review panel -- Central Procurement Technical Unit (CPTU) -- of the government that looks after public procurement-related matters.

At the request of an aggrieved audit firm that did not get the job, the review panel gave its decision to cancel the appointment of auditors, but the regulator did not comply with the instruction. The aggrieved firm then took the matter to the HC.

The review panel had questioned the BTRC's terms of reference and the methodology of work. It also said the BTRC did not include any outside expert in the evaluation committee. The panel asked BTRC to cancel the bidding and go for a fresh one, but the regulator had pressed on with its earlier plan.

The firm that audited Grameenphone has already received more than Tk 3 crore from the regulator.

The verdict of the review panel:

In March 2011, the regulator appointed two chartered accountant (CA) firms to audit the two mobile operators after short-listing six audit firms.

Later, KM Alam and Co, one of the short-listed firms that did not get the job, challenged the bidding process to the CPTU, saying there was anomaly.

The review panel of the CPTU cancelled the bidding process, saying, "All the process adopted by the BTRC to select the CA firms seemed to be not justified so far."

The panel also said the advertisement given in the newspapers was not 'self-explanatory', which is a violation of the procurement rules.

"The BTRC had no pre-preparation regarding tender documents, no details of TORs (terms of reference), period of audit, how many mobile companies to be audited and no pragmatic methodology drawn to accomplish the work," said the verdict of the panel.

The regulator also did not ask for any security deposit from the bidders.

Besides, the tender evaluation committee comprised of 14 officials of the BTRC was not formed complying with the procurement rules, the panel said.

The panel also found the evaluation method in the tendering process faulty.

The BTRC's audit move was aimed to look into the financials of all domestic telecom service providers and check if there was any irregularity, especially in sharing revenue of the operators with the government.

Retailers' alliance beefs up factory safety effort

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The group was formed five months ago in response to pressures on international buyers sourcing from Bangladesh to step up and help improve working conditions in the apparel industry.

Krilla said tragic events such as the Rana Plaza building collapse are unacceptable and led to formation of the alliance. "No one -- no matter where they live or what their job is -- should have to put their life at risk in order to make a living."

"This is an unprecedented effort to dramatically improve garments factory safety conditions in Bangladesh."

Under the alliance, which includes companies such as Wal-Mart and Gap, the brands have pledged \$50 million towards inspection and worker safety initiatives for the next five years.

Another \$100 million will also be available in loans and access to capital to assist factory owners in making safety improvements, said Krilla.

The initiative includes an aggressive timetable for inspection of the 100 percent alliance member factories within the first year, the public release of inspection results, approval of a common set of factory safety standards, safety training for factory managers and worker empowerment initiatives.

The alliance plans to set up a hotline to help workers to report safety concerns anonymously.

"We will use the power of the alliance to find other sources of funds to support additional infrastructure improvements."

The alliance would use third-party experts to verify the activities of its members under the initiative, he added.

The alliance has already conducted safety inspections at more than 50 percent of about 700 factories used by its members, with the remaining inspections to be completed by July next year.

"We have developed a safety training curriculum for factory managers and employees and 25 percent of the alliance factories have undergone fire safety training."

The alliance will host an international exposition on building and fire safety in Dhaka in February next year.

Development partners, garment factory leaders and government officials welcomed the opening of the office.

"This is an important step in fulfilling the alliance's commitment and mandate to improve safe working conditions in Bangladesh's garment sector," said Heather Cruden, high commissioner of Canada to Bangladesh.

"With an operation base in Dhaka, the alliance will be better positioned to undertake and monitor its factory inspections and ensure appropriate follow-up."

She said the garment sector in Bangladesh has reached a defining moment. "The sector is in the spotlight and under international scrutiny more than ever before. The opportunity is before us all to change the negative storyline of Bangladesh's garment sector to an inspiring one."

Labour Secretary Mikail Shipar said the new office would help ensure transparency and accountability at the garment factories on the issue of safety.

He also detailed the recent developments aimed at improving building and fire safety in the sector, including amending the labour laws, providing registration to 72 trade unions since January and launching factory inspection by the government in association with International Labour Organisation.

ILO Country Director Srinivas Reddy said: "We have to ensure the rights of the workers in the interest of everybody. All factories in Bangladesh will have to be safe for the workers."

Atiqul Islam, president of Bangladesh Garment Manufacturers and Exporters Association, pleaded with the alliance to help Bangladeshi suppliers get higher prices for garment exports.

Mohammad Hatem, acting president of Bangladesh Knitwear Manufacturers and Exporters Association, and Ali Ahmed Khan, director general of Fire Service and Civil Defence, and M Rabin, managing director of the alliance country office, also spoke.



BANK ASIA

Humaira Azam, deputy managing director of Bank Asia, poses with the participants of a training on business English and writing skills, at Bank Asia Institute for Training and Development in Tejaon, Dhaka on Saturday. Md Azharul Islam, head of training, was also present.



MIDLAND BANK

Sukamal Sinha Chowdhury, general manager of SME and special programmes department of Bangladesh Bank, and AKM Shahidul Haque, managing director of Midland Bank, attend the signing of an agreement for refinancing scheme facility of the central bank, at a programme in Dhaka on Thursday.

HSBC considering listing UK banking arm

REUTERS, London

HSBC Holdings Plc is considering floating up to 30 percent of its British retail and commercial banking arm to help meet UK regulation and unlock value for shareholders, the Financial Times said on Monday.

British banks now have to ring-fence their retail banking units from riskier investment banking under new rules designed to give more protection to depositors and taxpayers should any more bail-outs be needed. A listing would be a logical move to meet that requirement.

The FT, citing three people familiar with the project, said the plan was at an early stage but the matter had been discussed with investors and informally at board level.

HSBC declined to comment.

HSBC is Europe's biggest bank with a market value of \$200 billion and its UK arm is estimated to be worth about 20 billion pounds (\$32.7 billion).

"Such a move would crystallize a higher rating for the whole group, especially in the light of buoyant investor sentiment on the UK economy," said Shailesh Raikundlia, analyst at Espirito Santo.

By 0930 GMT HSBC shares were up 0.2 percent 660.9 pence, in line with a slightly firmer European banking index.

If HSBC listed its UK arm it would partially reverse its takeover of UK bank Midland more than 20 years ago, which resulted in it moving its stock market listing to London from Hong Kong.

There is frequent speculation the bank could move its headquarters back to Asia, and spinning off its retail business into a

separate UK listing may make that prospect more likely, analysts said.

HSBC is structured as a collection of country based subsidiaries, and the holding company wholly owns its businesses around the world. The main exception is its 62 percent holding in Hong Kong bank HangSeng.

The bank has been cleaning up its structure and selling minority holdings such as its stake in Chinese insurer Ping An as part of a far reaching restructuring by Chief Executive Stuart Gulliver since he took the helm at the start of 2011.

Gulliver has stressed in recent results that Hong Kong and Britain are its twin "home markets", together accounting for more than half of profits so far this year. Profits in Britain have rebounded after several difficult years when the domestic economy slowed.

Britain is forcing banks to safeguard their retail and commercial operations after recommendations in the Vickers report, an independent review on the structure of banking, although the changes are not due to come into force until 2019.

Investors could be attracted by a new listing to rival Lloyds Banking Group, which is currently seen as the only listed bank almost purely focused on UK banking.

But that space is set to get more crowded with other UK banks earmarked to list in the coming years, including TSB and Williams & Glyn's - which are respectively being spun out from Lloyds and Royal Bank of Scotland - Santander UK, Virgin Money and other smaller lenders.

Commerce secretary hails WTO's Bali package

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The LDC package stipulates that the developed countries that do not yet provide duty- and quota-free market access for at least 97 percent of LDC products will improve their coverage before the tenth ministerial conference, Ahmed said.

It simplified the rules of origin for LDCs, making it easier for the 49 countries to identify products as their own and qualify for preferential treatment in importing countries.

The package also allows LDCs' preferential access to richer countries' services markets, and improved market access for cotton products from LDCs and development assistance for production in those countries.

But the keystone of the Bali package is trade facilitation, meaning measures will be taken to cut red tape and streamline customs

and port procedures to ease the movement of goods through national frontiers.

Ahmed said the feature, once implemented, will be beneficial to Bangladesh as well. "However, to put the feature into practice, immense technical and financial resources are needed, which, Bangladesh does not have at present. But, there is a provision for LDCs to get special assistance in its implementation."

On the sidelines of the conference, Ahmed held bilateral meetings with the United States Trade Representative, the European trade commissioner, Oman, Chile, Korea, Paraguay, China, Morocco, Solomon Island among others, where he discussed the trade issues dogging the country.

Following the positive development on the cotton issue, the commerce secretary held meetings with cotton-producing

Apartment sales drop by a half on political unrest

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They had logged orders worth more than Tk 600 crore from such a show last year.

The realtors also called upon the two main political parties to reach a consensus immediately to put an end to the ongoing crisis.

"We are counting losses everyday due to the unrest," Mukarram Hussain, senior vice president of the association, said, adding that the delivery of future projects may be delayed. "We have suspended our projects on one hand, and sales have halved on the other," he said.

There are around 20,000 unsold flats, mainly in Dhaka and Chittagong, according to REHAB. The realtors said the prices of construction materials have also soared due to the blockades. Hussain said the price of MS rod has increased by Tk 6,000 each

tonne in the last two weeks.

"If the political uncertainty prolongs, it will bring a disaster to the sector," he said.

Realtors along with customers who bought property with bank loans owe more than Tk 18,000 crore to the banking sector. "Most realtors will not be able to pay the bank interest if the situation does not improve," Hussain said.

REHAB also expressed solidarity with the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), which will hold a rally on December 15 to demand a solution to the ongoing political deadlock.

The entire business community has been affected by the blockades and shutdowns, said FBCCI Vice President Helal Uddin, who joined the press conference at the invitation of REHAB.

"We will announce tougher

Supply chain battered

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"We don't want to risk lives and financial losses to deliver goods," said Biswajit Saha, the company's general manager.

The group tried to supply goods through the river route but an attack on vessels in Munshiganj on Saturday closed off that channel too, he added.

"Our supply has vastly been reduced because of the blockade," said Mujibur Rahman, general manager of marketing for Totalgaz that imports and markets liquefied petroleum (LP) gas, a cooking fuel.

Hundreds of gas-loaded cylinders were set on fire in Barisal by picketers last week, prompting LP gas suppliers to cut back their supplies.

Bidhan Sarker, general manager of Uttara Group of Industries that supplies yarns to the garment sector, said his office was open

on Friday to deliver eight trucks of goods. He could manage only two trucks, despite offering three times the higher fares.

It is the same story over at MI Cement. The cement maker planned to deliver at least 700 tonnes of cement on Friday. It was able to supply only 200 tonnes, said its chairman Jahangir Alam.

Iqbal Hossain, a garment exporter, was desperate to transfer goods to Chittagong port before another spell of blockade started on Saturday. Unfortunately, he did not get any truck or covered van, even after offering Tk 100,000, five times the higher fare. He now risks losing the export order.

"Both of our production and supply have gone down in recent days," said a senior official of Beximco Pharma, whose medicine-loaded vehicle was set on fire at the capital's Shantinagar area.



RFL BEST BUY

RN Paul, director of RFL, inaugurates an RFL Best Buy outlet on CK Ghosh Road in Mymensingh on Friday. Nabanur Islam Khan, chief operating officer of Best Buy, was also present.