

# Political turmoil dampens stocks for fourth day

STAR BUSINESS REPORT

Stocks extended their losing streak to the fourth day yesterday as the market sentiment was choked by ongoing political turbulence across the country.

The market started the day on a flying note as the key index, DSEX, rose 20 points in the first 45 minutes of trading, but finally closed the day on the falling note.

The market gauge closed the day at 1,468.46 points, after shedding 30.46 points or 0.71 percent.

The consolidation in market continued for the fourth trading session as investors eyed the recent economic slowdown, said LankaBangla Securities in its regular market analysis.

"Market sentiment has been gripped by ongoing political unrest that is narrowing the investment in manufacturing sectors and affecting the export-import of the country," said the stockbroker.

Another dull session passed over the bourse amid directionless trading behaviour of investors, IDLC Investments, a leading investment banker, said in its market analysis.

Turnover, the most important indicator of the market, declined 18.70 percent to Tk 483 crore, compared to the previous day.

A total of 1.19 lakh trades were executed with 12.35 crore share and mutual fund units changing hands on the Dhaka bourse.

The losers took a strong lead over the gainers as of the 296 issues traded, 209 declined, 56 advanced and 31 remained unchanged.

All the sectors ended in red: power lost 0.38 percent, pharma 0.34 percent, non-bank financial institutions 0.19 percent and telecoms 0.10 percent. Banks closed almost flat with 0.04 percent loss.

Generation Next Fashion continued to dominate the top turnover chart with 98.29 lakh shares worth Tk 36 crore changing hands.

The textile sector saw the highest liquidity, accounting for 27.5 percent of total market turnover, with five of its issues featuring in the top ten traded shares.

Sinobangla Industries was the highest gainer of the day, posting a rise of 8.39 percent, while Rahima Food was the worst loser, slumping by 10 percent.

The Chittagong Stock Exchange also ended lower, with its selective categories index, CSCX, losing 70.32 points, to close at 8,326.97 points.

Losers beat gainers 162 to 37, with 20 issues remaining unchanged on the port city bourse that traded 1.6 crore shares and mutual fund

## Bitcoin value slumps after China bank measures

AFP, Shanghai

Bitcoins were trading Wednesday at less than half their value at the end of last month after Chinese authorities took steps to rein in transactions in virtual currency, which had soared in recent months.

Prices on BTCChina, the country's biggest Bitcoin trading platform, stood at 3,060 yuan (\$504) each, down almost 60 percent from their high of 7,588 yuan in November.

Bitcoin, invented in the wake of the global financial crisis, is a form of cryptography-based e-money that offers a largely anonymous payment system.

Chinese speculators have poured money into it this year, driving the BTCChina price up 9,122 percent from January 1 to November 30 and making the country at times the world's biggest Bitcoin market.

But two weeks ago China's central bank ordered financial institutions not to provide Bitcoin-related services and products and cautioned against its potential use in money-laundering.

On Monday, it banned domestic third-party payment companies from providing clearing services for virtual currency trading platforms, according to a report in the China Business News.

Citing an unnamed source, it said the instruction was issued at a closed-door meeting.

A notice posted Wednesday on BTCChina's website to its "valued customers" said: "Due to

## Robi comes up with first digital flag of Bangladesh

STAR BUSINESS DESK

Robi Axiata has recently made the first digital flag of Bangladesh through a microsite: www.bdworldrecord.com.

The mobile operator took the initiative to compensate those who could not attend the event of building world's biggest human national flag in the capital on December 16.

The operator created the microsite on December 11 and started the digital flag campaign two days later. People were requested to visit the site and click on a specific point to build the flag.

Over 16,000 people take part in the campaign in two days and it took 2,103,630 clicks to complete the flag, the telecom operator said in a statement yesterday.

Around 660 viewers shared their opinion through the site on why they want to be a part of this record breaking attempt.

Anyone can now visit the microsite and see the human flag.



BANK ASIA

A Rouf Chowdhury, chairman of Bank Asia, inaugurates the new premises of the bank's internal control and compliance department at the bank's training and development institute in Tejgaon, Dhaka yesterday. Aminul Islam, managing director (in-charge), was also present.

## Brussels opens probe into UK state aid for new nuclear plant

AFP, Brussels

The European Commission on Wednesday said it had opened "an in-depth investigation" to see whether plans by the British government to subsidise a new nuclear plant comply with EU state aid rules.

"The Commission has doubts that the project suffers from a genuine market failure," it said in a statement.

Britain's coalition government in October signed a £16-billion (\$26-billion, 18.9-billion-euro) deal with French energy giant EDF to build two reactors at Hinkley Point C, southwestern England, to meet future energy needs.

Also involved in the contract are French group Areva -- the world's leading nuclear power company -- and Chinese nuclear firms CGN and CNNC.

Under the accord for Britain's first nuclear plant in a generation, the plant operator is guaranteed a fixed price for the electricity over 35 years, "despite the volatility of the wholesale electricity price", the Commission said.

## Banks come to bail businesses out of political shocks

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Factories are operating well below capacities and sitting on huge stocks of goods at the same time, rendering them unable to take out cash from the market to pay salaries and wages for the month.

Businesses have now resorted to their banks for a bailout; otherwise, their factories will shut down and the workers will be laid off. Ehsan Khasru, managing director of Prime Bank, said manufacturers and exporters are in deep waters with the goods produced in the last two weeks. "Helping our clients is a win-win game for us. Banks cannot benefit from the collapse of their clients (factories)," said Khasru.

Helal Ahmed Chowdhury, managing director of Pubali Bank, said the business of many of their clients was obstructed by the ongoing blockades.

"We can help our clients by giving them loans at a sustainable rate," Chowdhury said. "Allowing the clients to open LCs despite shipment failure can be useful for them."

However, the facility is not for all, he said. Clients, who were in difficulties before the recent political turmoil, will not be entertained, he added.

Factories in Chittagong may not need this bailout from the banks as export and import activities are relatively easier for them, Khasru of Prime Bank said.

Businesspeople said the volatile nature of politics has made doing business critical, squeezing cash flow to the market. As a result, businesses were forced to take help from their respective banks to meet emergency needs, including payment to workers.

"Our sales have dropped to 20 percent of capacity. We are borrowing from banks to pay employees' salaries," said Bidhan Sarker, general manager of Uttara Group of Companies, a manufacturer of garments and jute fabrics. Akij Group, a conglomerate, is also not immune to the impacts of the ongoing strikes and blockades.

"Business community needs more than a credit facility. If there are no economic activities, what will be the use of this credit?" said Sk Bashir Uddin, managing director of Akij Group of Industries that employs more than 32,000 people.

Early this week, the central bank has lowered the cost of loans from Export Development Fund to help the troubled manufacturers and exporters get cheap credit.



GATEWAY HOTELS & RESORTS

Officials pose at the launch of The Gateway Hotel EM Bypass in Kolkata recently.

## Taj launches Gateway hotel in Kolkata

STAR BUSINESS DESK

The Gateway Hotels & Resorts, part of the Taj Group, announced the launch of The Gateway Hotel EM Bypass Kolkata.

This will be the first Gateway-branded hotel in Kolkata and the second Taj hotel, 24 years after the establishment of Taj Bengal in 1989, the company said in a

statement yesterday.

"We are confident that the Gateway Hotel will not only maintain but strengthen our leadership position in the state," said Raymond Bickson, managing director and chief executive of Taj Group of Hotels.

"The launch of the Gateway Hotel in Kolkata will mark our 107th property in the country and 124th globally," he said.

## Unpaid workers in Qatar running low on food: Amnesty

AFP, Doha

Migrants who have worked for nearly a year without pay on a Qatar skyscraper are facing "severe food shortages" and cannot leave or seek other employment, Amnesty International said Wednesday.

Qatar has come under mounting criticism from rights groups, particularly after being chosen to host the 2022 World Cup, which has spotlighted the conditions of migrant workers in the gas-rich monarchy's booming construction industry.

Amnesty urged Qatari authorities to address the plight of 80 migrant workers, mostly from Nepal, who are working for the Lee Trading and Contracting (LTC) company, saying they are "working in conditions that may amount to forced labour."

"They have not been paid for nearly a year and can't even buy food to sustain themselves on a day-to-day basis. They also can't afford to send money back home to their families or to pay off debts," said Salil Shetty, secretary general of Amnesty International.

The group includes around 60 Nepalese workers as well as others from Sri Lanka, the Philippines, Nigeria, China and Bangladesh.

## BB approves low-cost loans for leather, ceramics exporters

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With the move, commercial banks will now charge exporters LIBOR (London Interbank Offered Rate) plus 1.5 percent interest, meaning the cost of loans will remain within 2 percent as the six-month LIBOR rate is 0.35 percent at present.

LIBOR is the rate that banks charge each other for short-term loans in the London interbank market. The BB follows the LIBOR as the loans are given out in foreign currency.

Due to the ongoing political deadlock, manufacturers and exporters are facing challenges in maintaining competitiveness in overseas trade.

The central bank formed the EDF in 1989 with \$31.2 million to provide foreign exchange to meet the import requirements of non-traditional manufactured items. Over the years, the facility was extended to apparel and other exporters.

The BB has enhanced the fund in different phases and the present



GROW N EXCEL

M Zulfikar Hussain, chief executive of Grow n Excel, attends the launch of the company's recruitment process outsourcing, including role profiling, sourcing, database management, screening, written test, assessment centre, psychometric test, interview and background checking, to meet specific talent acquisition needs of its clients recently.

## New top brass for DCCI

STAR BUSINESS REPORT

M o h a m m a d Shahjahan Khan was elected president and Osama Taseer as senior vice president of Dhaka Chamber of Commerce and Industry yesterday for 2014.

They were elected, as the new Board of Directors took over charge at the 52nd annual general meeting of the chamber at its auditorium.

A former general manager of Bangladesh Shipping Corporation, Khan is the managing director of SS Shipping and Trading Ltd and chairman of SS Builders Ltd.

Taseer is a garment exporter and owns Four Wings Ltd, Tiffany's Wear Ltd and Saville Row Ltd.

Kh Shahidul Islam, former vice-president of Bangladesh Hardware and Machinery Merchants Association, was elected as vice president of the chamber, the trade body said in a statement.

The newly elected directors for 2014-16 are Sameer Sattar, AKD Khair Mohammad Khan, KG Karim, Mukter Hossain Chowdhury and S Rumi Saifullah.

## Ogilvy awarded for 'creative ideas, digital marketing'

STAR BUSINESS DESK

Ogilvy and Mather Bangladesh won a bronze in the Rest of South Asia Creative Agency of the Year category at Campaign Asia-Pacific's Agency of the Year award.

The award recognised Ogilvy's excellence in all four sectors of creative ideas, digital marketing, talent management and business growth, the company said in a statement.

The Agency of the Year award was announced in Mumbai on Dec 9, 2013. The Award was celebrated at three gala events in China, India and Singapore through the month of December.

Within the international advertising and marketing industry, Campaign Asia-Pacific's is a globally recognised brand of prominent and credible publication in Asia-Pacific serving the marketing and communications industry, the statement said.

It is the only agency performance awards in the region with results tabulated by PricewaterhouseCoopers for the last nine years.

Campaign is rewarding companies and individuals that have not only contributed to raising industry standards but have also excelled in business performance since 1994.

## Food stock drops

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Zahid Hussain, lead economist at the World Bank's Dhaka office, said boro production may be hampered if the agricultural inputs cannot reach farmers on time and at fair prices.

Hussain also said food is still available in both public and private channels as a result of which there is no immediate risk on food security.

However, if the prevailing political turmoil lingers, the food security may be jeopardised, he said.

The WB economist also said, though the country's stock is satisfactory due to a good aman harvest, food prices may go up if the distribution is hampered.

In such an uncertain situation, food import also increased by about 46 percent in the first five months of the current fiscal year.

Wheat import was 11.55 lakh tonnes during July-November, up from 7.9 lakh tonnes in the same period last year, according to the food ministry.

Food ministry officials said the government increased wheat import to build up stock as the price was low in the international market.

However, rice import did not increase due to a good aman harvest. During July-November, rice import was only 988 tonnes against 13,400 tonnes in the same period last year.

According to a report of the International Monetary Fund, commodity prices fell by around 1.6 percent in the world market in November compared to the same month last year. Wheat prices dropped by about 6 percent.



FINANCE MINISTRY

Officials and participants pose at the inaugural session of the fifth budget management specialist course at the Public Finance Foundation in Dhaka yesterday.



KOHINOOR CHEMICALS

Md Ebadul Karim, director of Kohinoor Chemical Co (BD) Ltd, presides over the company's 26th annual general meeting at Officers' Club in Dhaka on Tuesday. The company announced 25 percent stock dividend for fiscal 2012-13. Md Rezaul Karim, managing director, was also present.



EMIRATES

Andre Viljoen, chief executive of Air Mauritius, and Thierry Antinori, chief commercial officer of Emirates Airline, attend the signing of an agreement to expand the commercial cooperation Emirates, at a programme on Monday.