ASIAN MARKETS

TOKYO

Flat

MUMBAI

0.56%



DHAKA SUNDAY DECEMBER 29, 2013, e-mail:business@thedailystar.net

COMMODITIES

Gold 🔺

\$1,211.56

Printing industry in choppy waters

Printing industry' total sales close

to Tk 3,000cr a year

Printers usually get around Tk 150cr work orders

in election-year. It declined by 95 pc this year

Sales of calendars and diaries:

Tk **270**cr a year

Sales of pharma-related printing products

fall by a half

Around **7**,000 printing companies

employ two lakh directly and indirectly

As of Friday

\$99.61

SUMAN SAHA

STOCKS

1.03%

DSEX

Week-on-week

1.04%

CSCX

The printing industry is going through choppy waters as sales of calendars, diaries, greeting cards and election posters have dropped significantly due to the ongoing political unrest.

"We have been passing a very tough time due to the volatile politics," said AFM Shah Alam, general secretary of Bangladesh Mudran Shilpa Samity (BMSS), a platform of printing entrepreneurs.

Sales of printing products, specially posters, calendars

BYTHE NUMBERS especially posters, calendars and diaries, typically shoot up in election years as candidates buy them in bulk to distribute in their constituency to drum up publicity for their campaigns.

"But this year has been exceptional."

Also the proprietor of Darpon Publication and Colour Printing, Alam said the industry usually gets around Tk 150 crore worth of orders during an election year.

But this time, the commissions have declined by as much as 95 percent, due to the main opposition party's refusal to participate in the tenth parlia-

mentary election scheduled for January 5. Around Tk 270 crore worth of calendars and dairies are sold in the country annually, said Nurul Akter, managing director of Helpline Resources Ltd, a leading printing product seller.

The company sold calendars and dairies worth around Tk 33 crore last year, but the amount has plummeted to Tk 13 crore this year, he said.

"We are in panic now," said Abul Kalam Azad, chief executive of Azad Products, a major printing house, adding that November to January is the peak period for printing products such as calendars, diaries and greeting cards. Keeping the election in mind, the company invested around Tk 8 crore this year on calendars and diaries, up from its usual Tk 2-3 crore. But the company's sales have

Md Akram Hossain, managing director of Hossain Printers and Packagers (Pvt) Ltd, also spoke of sluggish business due to the volatile politics. The company sells Tk 10-12 crore worth of calendars annually, but this year it got

> Moreover, the non-stop blockades and shutdowns mean the company is unable to deliver the orders and collect the bills.

"We usually finish the delivery before December 20, but so far we have managed only 40 percent. As a result, we cannot collect our bills from the customers."

ries and calendars, the printing companies also provide letter pads, literatures and prescription pads to various pharmaceutical companies.

Sales of such products have come down by a half from Tk 175 crore during usual time, said Nurul Akter of Helpline

Pharmaceutical companies are not launching new products due to political uncertainties and their distribution

stands at around Tk 3,000 crore a year, according to the BMSS.

medium enterprises, are in operation across the country, employing around two lakh directly and indirectly, according to the BMSS general secretary.

POLITICAL UNREST RMG orders worth \$3.77m cancelled in December

SARWAR A CHOWDHURY

CURRENCIES

BUY TK 77.20

SHANGHAI

1.36%

0.49%

Foreign buyers have cancelled orders worth \$3.77 million so far this month, as garment manufacturers failed to make shipments on time due to repeated strikes and blockades.

.....

A survey of 31 factories conducted by Bangladesh Garment Manufacturers and Exporters Association during December 1-26 found that 20 factories faced order cancellation.

During the period, 24 exporters spent \$1.15 million on air shipment to meet the deadlines, according to the survey.

In addition, 20 factories saw price cuts worth \$1.72 million as foreign buyers did not receive their products on time.

Shipment delays cost 28 exporters \$7.83 million, while vandalism cost 13 factories \$2.3 million during the blockades and strikes.

"Order cancellation is not a good sign," said Shahidullah Azim, acting president of BGMEA.

Forty percent of the orders have either been cancelled or shifted to other countries, he said. "Once the buyers leave the country, they will never come back."

READ MORE ON B3

Garment exporters face tough times as Pakistan gets European GSP

REFAYET ULLAH MIRDHA

Competition is set to intensify for Bangladesh's apparel sector as the European Union has granted trade privileges to Pakistan.

......

The duty waiver scheme, known as generalised system of preferences, will come into effect for Pakistan from January 1 and will apply to 75 products, mostly garments. It ends in 2017.

Bangladeshi garment makers said the duty privilege will boost Pakistan's exports by \$1 billion a year to the EU market, which now consumes 60 percent of Bangladesh's total garment exports. At present, Pakistan exports garments

European bloc, and once the duty benefit takes effect, Bangladesh will have to compete with Pakistan in the market. Under the same scheme, Bangladesh as

worth more than \$6.1 billion to the

a least developed country enjoys complete duty waiver from the EU for all products except arms. Without GSP, Bangladesh would have

to pay 12.5 percent duty on its \$12.57 billion garment exports recorded last year. "A good number of orders, especially

knitwear, have already shifted to Pakistan from Bangladesh as retailers knew about the award to Pakistan from before," said Shahidullah Azim, acting president of Bangladesh Garment Manufacturers and Exporters Association.

The EU started considering the GSP status for Pakistan in October 2012, after the country was affected by devastating floods in 2010.

"Our garment sector is already being affected by the current political deadlock. Eroding competitiveness will only mean trouble for us," Azim said.

BANGLADESH GARMENT EXPORTS TO EU

> \$12.57b in FY13

PAKISTAN GARMENT EXPORTS TO EU

\$7.1_b

\$6.1b EXPECTED TO RISE TO in FY13

in FY14 Retailers do not want to continue work

in a risky environment in Bangladesh; Pakistan will be their next best choice as the South Asian nation has an important raw material, cotton, he added. If Pakistan can impress the retailers, they

will not go to other destinations, he said.

Bangladesh's garment sector is already losing its competitiveness due to the falling Indian rupee and an appreciating taka against the dollar. Normally, such a move by the EU would

not have affected Bangladesh, said Mustafizur Rahman, executive director of Centre for Policy Dialogue. "But timing is a factor, as the garment sector is passing an unstable political situation now." Earlier, Bangladesh urged the EU to set a

cap on the import of Pakistani products, as both the nations produce some common items. But the EU did not set the cap, and awarded the GSP status to Pakistan on December 12.

Bangladesh exported garment products worth \$12.57 billion to the EU in fiscal 2012-13 and \$11.38 billion in fiscal 2011-12, according to data from Export Promotion Bureau.

READ MORE ON B3

15 new faces in stockmarket

Paramount Textile

SARWAR A CHOWDHURY

Fifteen new securities were listed on the Dhaka Stock Exchanges this year that raised over Tk 1,000 crore through initial public offerings.

Of the new securities, 14 were equity stocks that raised Tk 833 crore and two were mutual funds worth Tk 100 crore each, according to DSE statistics.

With the inclusion of the new securities, the total number of listed securities on the DSE currently stands at 529.

In 2012, 14 securities, 10

equity securities and four mutual funds, were listed on the stockmarket, raising Tk 1,570 crore from the public through IPOs. secondary market was better than the

previous year, as the market was in recovery, breaking the previous two years' downward trend from the market crash in early

DSEX, the key index of the Dhaka Stock Exchange, gained 3.5 percent to reach 4,200 points till Thursday.

"The IPOs were oversubscribed manifold, while stock pricing in the secondary market was better this year than the previous year," said Akter H Sannamat, manag-

Opening Today

90 MTB Ashulia Branch

| Securities | Trading debut | IPO size in crores of taka |
|--------------------------------------|------------------|-------------------------------|
| Sunlife Insurance Company | January 31 | 12 |
| Summit Purbanchol Power | February 4 | 120 |
| Argon Denims | February 19 | 105 |
| Premier Cement Mills | March 3 | 26.40 |
| Golden Harvest Agro Industries | March 4 | 75 |
| Global Heavy Chemicals | March 6 | 24 |
| Orion Pharma | March 20 | 240 |
| Bengal Windsor Thermoplastics | April 16 | 40 |
| ICB AMCL Sonali Bank 1st Mutual Fund | June 12 | 100 |
| Familytex (BD) | June 18 | 34 |
| EXIM Bank 1st Mutual Fund | July 16 | 100 |
| Central Pharmaceuticals | August 14 | 14 |
| Fareast Finance & Investment | September 17 | 45 |
| Bangladesh Building Systems | October 8 | 14 |

Pricing of the new securities in the ing director of Union Capital, a merchant bank and non-bank financial institution. One of the main responsibilities of a

November 19

merchant bank is to bring new securities into the market.

Sannamat hopes better days are ahead as many companies are interested in coming to the market to raise working capital. "The number of IPOs will increase in

the coming year," he said. The regulator's ongoing restructuring processes will encourage entrepreneurs to

come to the market.

Unrest mars stockmarket outlook

STAR BUSINESS REPORT

Dhaka stocks fell 1.03 percent last week as investors remained reluctant to buy shares and mutual fund units amid a political deadlock ahead of the tenth parliamentary election.

DSEX, the benchmark general index of the Dhaka Stock Exchange, closed the week at 4,200.96 points, after falling 43.68 points.

Investors are observing the market carefully ahead of the New Year, said Md Moniruzzaman, managing director of IDLC Investments.

"The market is a reflection of the economy. The health of the economy is getting worse in the face of strikes and blockades."

Earnings of listed firms will decline in the upcoming quarter amid political instability, Moniruzzaman said.

READ MORE ON B3

Our journey of excellence has reached three newer destinations

We have recently opened three new branches at Pabna, Araihazar (Narayangonj) & Chandaikona (Sirajganj)



India delays mobile phone spectrum auction

India's planned mobile phone spectrum auction will start on February 3, the government said on Saturday, delaying the bidding by 10 days from the original schedule.

The telecommunications ministry will auction airwaves in the 900 and 1800 megahertz frequency bands in the auction, which is crucial for leading carriers Bharti Airtel Ltd and Vodafone Group Plc's local unit to renew their permits in some key cities.

- REUTERS





(C) 16219 or 09604016219 you can bank on us www.mutualtrustbank.com

Rajobi Plaza, Jamgora, Yearpur, Ashulia, Dhaka 1341

92 MTB Monipur Bazar Branch Sikder Market, Monipur Bazar, Nuhash Palli Road, Gazipur 1700

মিউচুয়াল ট্রাস্ট ব্যাংক লিমিটেড Mutual Trust Bank Ltd.

MTB Kalurghat I/A Branch Wajib Tower, C & B Mor, Chandgaon, Kalurghat, Chittagong 4212

plummeted by 75 percent.

orders for around Tk 8 crore.

Apart from traditional dia-

Resources.

network was disrupted amid strikes and blockades, he said. The market size of printing, including textbooks,

Around 7,000 printing companies, including small and