

# DSE turnover hits two-month high

*Hopes of market-friendly policy fuels growth*

STAR BUSINESS REPORT

Turnover on Dhaka Stock Exchange hit a two-month high of Tk 859 crore yesterday and advanced 3.5 percent from the previous day.

Investors went on a buying spree amid hopes for a stockmarket-friendly monetary policy to be announced by Bangladesh Bank today for the second half of this fiscal year.

DSEX, the benchmark general index of the DSE, closed the day at 4,758.38 points, after gaining 55.71 points or 1.18 percent.

DSES, the shariah index of the Dhaka bourse, gained 10.69 points or 1.09 percent to close the day at 987.03 points.

"On the day before the announcement of monetary stance, though specialists are eyeing near-term slowdown in economic growth indicators, investors remained buoyant over simulative measures for the private sector for escalating economic activities," LankaBangla Securities said in its daily market analysis.

"Stocks with high dividend yield attracted investors on the day," IDLC

Investments said in its regular market analysis.

A total of 1.68 lakh trades were executed with 21.39 crore shares and mutual fund units changing hands on the Dhaka bourse.

Of the 294 issues that traded on the DSE floor, 161 advanced, 116 declined and 19 remained unchanged.

Banks showed the highest return, which rose 3.1 percent while cement, insurance and telecoms advanced 1.7 percent, 2 percent and 1.4 percent.

Square Pharma saw the highest liquidity with 15.54 lakh shares worth Tk 36 crore changing hands.

Rupali Bank was the biggest gainer of the day, as it rose 9.73 percent, while Reckitt Benckiser was the worst loser, plunging by 6.10 percent.

The Chittagong Stock Exchange also gained yesterday with its selective categories index, CSCX, gaining 125 points to close the day at 9,359.82 points.

Gainers beat the losers 124 to 106 with six issues remaining unchanged on the port city bourse that traded 2.29 crore shares and mutual fund units with Tk 75 crore in turnover.

# Regulations under amended labour law by March: official

STAR BUSINESS REPORT

The government will finalise the regulations by March, which were required to apply the amended labour law in factories, Labour Secretary Mikail Shipar said yesterday.

The government amended the labour law of 2006 on July 15 last year to allow full freedom of association and trade union in factories after the twin industrial disasters: Tazreen Fashions' fire and Rana Plaza building collapse.

But the law could not be applied due to the absence of regulations.

"The regulations were supposed to be made by December, but it was not possible due to political unrest," Shipar told The Daily Star.

"I hope the sub-committee which has been assigned to finalise the regulations in consultations with the stakeholders will be able to complete the job by March."

The making of the regulations was delayed, as many stakeholders could not even sit for the regular meeting of the committee since July last year, he said.

The sub-committee headed by a deputy secretary of the labour and employment ministry submitted its primary report to the secretary on January 22, Shipar said.

It took more than four years to amend the labour law in parliament for some technical problems, he said.

The making of the regulations of such a complex law may take some time, as the decision will be taken in



GERMAN EMBASSY

German Ambassador Albrecht Conze and State Minister for Labour and Employment Md Mojibul Haque Chunnun shake hands at a programme at the Cirdap auditorium in Dhaka yesterday, when the German International Development Agency (GIZ) handed 20 motorcycles for the labour inspectors of the country.

# GIZ hands motorbikes to labour inspectors

STAR BUSINESS DESK

The German International Development Agency, GIZ, yesterday presented 20 motorcycles to the country's labour inspectors to allow them greater mobility.

"A well-trained and adequately equipped public inspection system is needed to avoid any repetition of the Tazreen and Rana Plaza disasters," German Ambassador Albrecht Conze said.

"Factory inspectors need to be mobile, and today, GIZ provides transport capability," Conze said at a programme to hand over the vehicles at the Cirdap auditorium in the capital.

"These motorcycles will foster transparency through surprise visits, and enhance the frequency and mobility of the inspectors by making them less dependent on factory owners who erstwhile provided vehicles for inspections."

The labour inspectors are the most important component of the labour inspection system, he said.

Quality of products and internationally agreed social standards need to be established, controlled and monitored, as the future of Bangladesh as an emerging industrial country depends on a reputation of

excellence – not only with regard to the quality of its products, but just as much in terms of compliance with internationally agreed social standards, Conze said.

"Currently there is a shortage of both manpower and transport facilities with over 5,500 factories in the readymade garment sector alone."

The motorcycles were distributed under the Promotion of Social and Environmental Standards (PSES) project, a joint initiative of the governments of Bangladesh and Germany, and the European Union.

GIZ implemented the project.

The labour inspectors were also provided guidelines to ensure proper use of the motorcycles and foster an ecological, independent and motivational mode of transportation for effective factory inspections.

State Minister for Labour and Employment Md Mojibul Haque Chunnun and Labour Secretary Mikail Shipar attended the programme.

Country Director of GIZ Tobias Becker and the Programme Coordinator of the PSES project Magnus Schmid also spoke.

PSES has been supporting the social compliance and inspection techniques for the labour inspectors through regular trainings and other logistical support since



CITY BANK

Mashrur Arefin, chief operating officer of City Bank, and Reaz Ahmed, chief operating officer of TVS Auto, attend a programme recently when the bank signed a deal with TVS to provide the City Bank American Express cardholders with instalment facility while purchasing motorbikes from selected TVS Auto dealer outlets.



NCC BANK

Md Nurun Newaz Salim, chairman of NCC Bank, speaks at the annual conference 2014 of the bank's executives and branch managers, at Sonargaon Hotel in Dhaka on Thursday. Mohammed Nurul Amin, managing director, was also present.



AIRTEL

Rajnish Kaul, chief operating officer of Airtel Bangladesh, and Nazrul Islam Khan, ICT secretary, attend a discussion on training of the youth in mobile application development to enable transition from freelancers to entrepreneurs, at the ministry office in Dhaka on Saturday.



OMERA

Nizam Ahmed, managing director of Omera Petroleum Ltd, and Philippe Bechtel, project manager of Parlym International of France, exchange documents of a deal for engineering, procurement, construction and commissioning of coastal self propelled deck loading LPG barge, at Mobil House on Thursday.

# User tax, a choice for the future: Muhith

STAR BUSINESS REPORT

Finance Minister AMA Muhith yesterday said 'user taxes' may be a source of state revenue in the future.

"Those who enjoy various services will be required to pay taxes," he said at a discussion at Officer's Club in Dhaka.

The National Board of Revenue organised the programme, marking International Customs Day.

Taxmen said the idea behind 'user taxes' is that it imposes taxes on people who enjoy benefits by using services. In Bangladesh, such taxes are imposed in the form of toll for using certain bridges and flyovers.

Revenue from customs is falling due to a gradual tariff cuts to facilitate trade; of the three revenue sources, customs, which was once the main source of revenue, now falls behind VAT and income tax, said Muhith.

Revenue from customs will fall further in the days ahead and at one point, user taxes may become a source of revenue, he added.

Taxes of such a kind are imposed against services in some areas, such as water supply, education and health, he said.

ASYCUDA World, an automated system for customs data management, will be installed at customs houses and land ports to facilitate trade, Muhith said. The required changes in the customs law needed to automate and modernise it will be made in consultation with stakeholders, he added. Attorney General Mahubey Alam suggested that customs officials should submit wealth statements to ensure transparency.

Federation of Bangladesh Chambers of Commerce and Industry President Kazi Akram Uddin Ahmed also spoke.

# Tanners demand soft loans for relocation

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The proportion of free space per plot leaves too little for the factory structure as leather factories need more space to set up the heavy machinery, Taher said. Industries Minister Amir Hossain Amu echoed the same.

"It is not logical to leave 33 percent of total land area as free space to set up a factory. This rule may be applicable for the real estate sector. I will obviously take the issue to the housing ministry," he said.

The minister also instructed a working committee with representatives from the industries ministry, Bangladesh Small and Cottage Industries Corporation and tannery owners be formed immediately to solve the bottlenecks of tannery relocation.

"We have to relocate the tannery for protecting environment and keeping our leather goods export markets," said Industries Secretary Mohammad Moinuddin Abdullah, while urging the owners to cooperate with the government for quick relocation of the tanneries.

Awami League lawmaker Sheikh Fazle Noor Taposh called upon the government to include the Savar Tannery Estate as a fast-track project with a time-bound action plan in a bid to get momentum for relocation.

He also said the country's leather industry has immense potential and can work as a cushion against any downswings of the garment industry. BSCIC has already developed the leather estate with spacious roads and adequate fire-fighting capacities and equipment, said its chairman Shyam Sunder Sikder.

The industries ministry has already allocated more than 205 plots on 200 acres to 155 tannery owners through BSCIC, a wing of the ministry.

The project, which took off in 2003 at an approximate cost of Tk 175.75 crore, came to a standstill over a decision on who would bear the lion's share of the cost and get the contract for a common effluent treatment plant.

Initially, it was planned that the 155 tanneries would finance 60 percent of the cost and the government the rest.

However, it was decided that the government would bear 80 percent of the core project cost of Tk 829 crore, as per the second revised proposal passed by the executive committee of the National Economic Council in August last year.

The total project cost since the launch has shot up to Tk 1,079 crore, including the Tk 250 crore in compensation to be paid by the government to the tanneries.

The government now intends to complete relocation by 2016. The industry earned \$980.67 million last fiscal year by exporting leather, leather products and footwear, up from \$765.03 million recorded in fiscal 2011-12,

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Bangladesh would have to bring some money from the international arena through bargains, which have to be ensured while fixing the prices.

If we play blame-game and trickery then we will be weaker," he said.

CPD Chairman Rehman Sobhan said the sector is part of a global process so the international stakeholders have some responsibilities.

"This incident is something we should not tolerate as a civilised society."

M Syeduzzaman, a former finance minister, suggested the government form a separate apparel and textile ministry to look after the sector.

Ali Ahmed Khan, director general of Bangladesh Fire Service and Civil Defence, said many problems of the sector would go once the National Action Plan is implemented.

He said his agency is working on setting up more fire stations. "We are also creating volunteers at industrial zones. It will be helpful if BGMEA supplies some workers who will also work as volunteers."

Labour Secretary Mikail Shipar said the government has already finalised a site in Gazipur for the garment industries.

He also said 30 teams are working under the supervision of Bangladesh University of Engineering and Technology to complete the initial survey of 1,500 garment factories in association with the International Labour Organisation.

He said the Department of Inspection for Factories, which was set up in the 1970s for inspecting Adamjee Jute Mills and some other factories, could not keep pace with the changes in the country's industrial arena since 1980.

The secretary said the government is appointing more inspectors as about 50 percent of the posts of factory inspectors were vacant. "Already 57 inspectors have been appointed. They also have been given training."

Hamida Hossain, chairman of Ain O Shalish Kendra, said trade unions and workers should be included in the factory inspection process as they know better about the working conditions and labour standards of the factory they work for.

Mohammad Hatem, acting president of Bangladesh Knitwear Manufacturers and Exporters Association, said the reality of Bangladesh would have to be taken into

consideration before setting any safety standards for the garment industry.

Zafrul Hasan, joint secretary general of Bangladesh Institute of Labour Studies, said the burial of unidentified bodies manifests the country's administrative inefficiency.

Architect Iqbal Habib said a website should be built with details of the victims, the injured and the rescuers.

Atiqul Islam, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said 70 trade unions have been registered since the passage of the new labour law in July last year.

He vented anger against the third party auditors in the factory inspection process. "They are demanding more stringent labour standards than required."

Islam also said owners are improving factory conditions but they are yet to receive any financial assistance from abroad although promises were abundant.

Shariful Islam Mohiuddin, a former president of the BGMEA, said there are 800 factories that are not registered with BGMEA or BKMEA. "Who will take their responsibility if any disaster strikes those factories?"

Rob Wayss, country executive director of the Accord on Fire and Building Safety in Bangladesh, said 146 brands and retailers from Europe, the US, Canada, Australia and Japan have joined the initiative.

Under the Accord, 10 factories were inspected at the end of last year, he said.

Wayss said the Accord plans to roll out large-scale inspections with the help of 25 engineers to be appointed soon.

"We are also working to establish communication with the suppliers, brands and retailers so everybody understands their role, particularly in the monitoring component," he said. Babul Akter, president of Bangladesh Garment and Industrial Workers Federation, said compensation should be realised from the owners of the Rana Plaza building and the factories that were housed in the building.

He also said many injured victims do not want to work in the garment industry. "We should think about alternative jobs for them."

Transparency International Bangladesh, Manusher Jonno Foundation, the Prothom Alo and The Daily Star are among the partners of the initiative.

Mustafizur Rahman, executive director of



APEX

SAM Yousuf, executive director of Apex, inaugurates an outlet of Apex on Shahid Rafiq Sharak in Manikganj recently. Taifur Rahman, head of retail, was also present.