



Customers take a look at handbags on display at the Infinity Mega Mall at Bashundhara City in Dhaka ahead of Eid festivities. Infinity opened a number of stores across the city to tap the biggest shopping season.

# Retailers in rush to open stores as Eid nears

MD FAZLUR RAHMAN

Retailers are using the occasion of Eid-ul-Fitr not only to rake in as much sales as possible but to also expand their reach by opening new stores.

One such retailer is Amber Lifestyle, which is part of Amber Group, an offspring of Partex Group.

Inaugurated on Friday, the store is spread across 19,000 square feet on Level 1 of Jamuna Future Park, making it possibly the largest in the country.

The group has aimed to launch the

brand during Ramadan, when shoppers flock to shopping centres in droves.

"We got only two months to complete the store. We wanted to launch it before Eid so that shoppers at least became aware of the brand," said MS Hasan, a director of Amber Group, adding that he does not have any specific sales target in mind.

The store sells all sorts of Western wear from men, women and children.

Hasan said their plan is to give local consumers a choice to buy international standard products at far

lower prices.

The group plans to open four more Amber Lifestyle stores this year in Dhanmondi, Banani, Old Dhaka and Chittagong.

Another such store was Grameen Uniqlo, which opened on July 11. The store at Jamuna Future Park, which is Grameen Uniqlo's biggest yet in Bangladesh, has already started to attract shoppers in flocks, according to Mohammad Lokman, its sales associate.

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# Most promises still unmet

Global trade unions slam govt for slow progress in RMG reforms

REFAYET ULLAH MIRDHA

Bangladesh has largely failed to implement its commitments towards widespread reforms on protection of labour rights, fire and building safety and corporate responsibility as stipulated in the Sustainability Compact, three global trade unions said.

In July last year, the country signed the time-bound agreement with the EU and the International Labour Organisation to improve labour, health and safety conditions for workers as well as to encourage responsible behaviour by businesses in the garment sector. Later, the US also joined in the Compact.

Bangladesh's progress was insignificant despite substantial financial and technical support from a number of foreign governments and the ILO, said IndustriALL Global Union, UNIO Global Union and ITUC in a joint statement after

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a review of one year.

"We remain determined to make this industry safe and sustainable but we need to see more action from the government, with the rights to free-

dom of association upheld," IndustriALL's General Secretary Jyrki Raina said.

The unions said the inability of workers to organise and bargain collectively over the terms and conditions of work meant that gains in building and fire safety would not be sustainable, leading to further tragedies.

Alarming, the attitude of the government towards unions seems to be only deteriorating, according to the statement issued last week.

"In June, IndustriALL's general secretary, Jyrki Raina, wrote to the Bangladesh Prime Minister criticising incendiary remarks made by his Commerce Minister Tofail Ahmed."

The minister had attacked trade union leaders for allegedly providing foreign governments with information criticising the labour situation in Bangladesh, and threatened to take steps against them, the statement said.

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# DSE to end ambiguity in share category

SARWAR A CHOWDHURY

The Dhaka Stock Exchange is set to revise the rules for category changes of shares to eliminate the ambiguity that forced the bourse management to keep Lafarge Surma Cement in the junk territory despite the company's dividend disbursement.

The ambiguity first came to light last month after Lafarge announced 5 percent interim cash dividends, the disbursement of which was completed two weeks ago.

"Our regulatory affairs department is working on modifying some provisions of the settlement rules to make it more clear about listed companies' category changes following dividend declarations and disbursements," said Swapan Kumar Bala, managing director of DSE.

As per settlement rules, companies that hold annual general meetings (AGMs) regularly but declare dividends below 10 percent for the last calendar year will be placed in the B

category.

"But Lafarge announced dividends for the existing year and the dividend was interim -- not final. These two issues created confusion over Lafarge's category," he said, adding that the existing rules do not say anything about interim dividends.

Moreover, the words "in last calendar year" should be changed to "for the company's last year", as the company's accounting year can start from any month it decides.

"So, the calendar year is not the appropriate term."

The case of Lafarge was also a unique one, as it is the first Z category company that announced interim dividends: usually, A-category companies declare interim dividends and it "never created confusion".

The Z category is an area for companies that do not hold AGMs regularly and declare dividends, while A-category is the territory for firms that hold AGMs regularly and announce at least 10 percent dividends.

The trading cycle or settlement period for A and B category is T+2 and for Z category T+9.

The T+2 categorisation means the buyer must make payments and the seller must transfer ownership of the stock to the buyer within two days after the trade was made.

If a company is transferred to A or B category from the Z category, its trading cycle or settlement period will also change to T+2 from T+9.

The changed trading settlement period enhances the liquidity flow to the market and increases the supply of shares.

Lafarge Surma, which manufactures the Supercrete brand cement, declared its maiden dividend of Tk 0.50 per share on June 10 after a decade of being listed as the lone green field company on the stockmarket.

The multinational company, which started commercial operations in 2007, announced the dividend after it covered up accumulated losses at the end of May.

## Brokers not ready for new IPO method

STAR BUSINESS REPORT

More than half of the stockbrokers are still not prepared to use a new IPO subscription method, which is aimed at making the procedure easy and less time-consuming.

Of the 250 stockbrokers of Dhaka Stock Exchange, only 66 are ready to use the new system, while 17 are in the process and 25 sought additional time for taking preparations.

The situation of the rest 142 is yet to be known, as they did not respond to the premier bourse's queries about their preparedness.

Under the new system, IPO (initial public offering) subscription will be done through stockbrokers. Presently, the IPO process, including listing, takes more than five weeks to complete, whereas it takes only two days in India.

The DSE yesterday sent a report to Bangladesh Securities and Exchange Commission on the preparedness of the stockbrokers.

After knowing the latest situation of the stockbrokers, the regulator may implement the new method on a pilot basis soon.

The regulator approved the new method of IPO subscription in May and asked stockbrokers, merchant banks and banks to take preparations to implement the new system.

# Widening BoP surplus puts central bank in tight spot

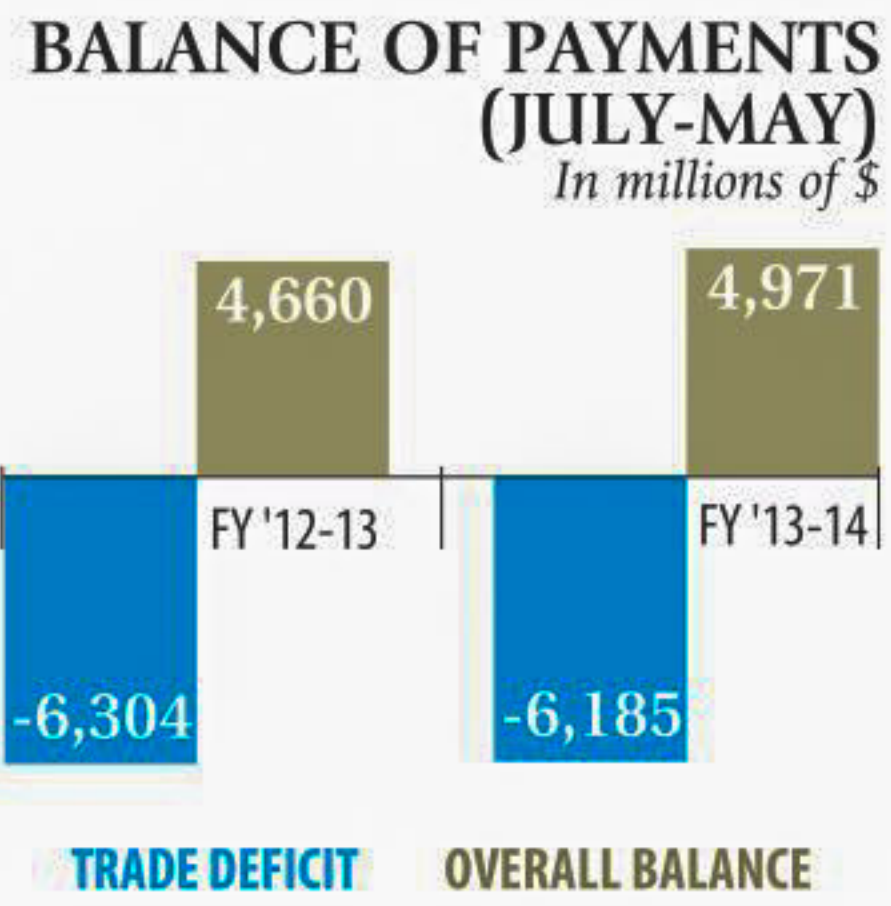
REJAUL KARIM BYRON

Balance of payments surplus rose 6.67 percent year-on-year in the first 11 months of fiscal 2013-14, giving rise to a headache for Bangladesh Bank over keeping the exchange rate stable and curbing inflationary pressures.

The country's external balance stood at \$4.97 billion in the surplus at the end of May on the back of a recovery in remittance in recent months, an increase in foreign aid and portfolio investment.

While net foreign direct investment dropped 10 percent during the period, portfolio investment shot up around 302 percent owing to the depressed share prices. Subsequently, the country received \$757 million in the 11 months.

Although remittance slipped 2.53 percent year-on-year during the period, it



started to pick up towards the tail end. For instance, it increased 10.58 percent in May and 22 percent in June.

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# Owners of Ollo get nod for merger

## The merger will create an ISP with the highest spectrum in Bangladesh

ABDULLAH MAMUN

Two companies -- New Generation Graphics Ltd and Bangladesh Internet Exchange Ltd -- who provide broadband services under the brand of Ollo have recently got a regulatory nod to form a new company.

The two plan to use their combined 44 MHz spectrum, which will be the highest spectrum of a single operator, to provide the latest broadband services with the LTE (long term evolution) technology.

New Generation Graphics has 10 megahertz spectrum in 800 MHz band and 7

MHz in 3,500 MHz band, while Bangladesh Internet Exchange has 20 MHz spectrum in 2,400 MHz band and 7 MHz in 3,500 MHz band.

The merger of small companies is important for the market, said Yulia Aksyutina, managing director of Bangladesh Internet Exchange.

"Almost all current ISP [internet service provider] operators use different collaboration schemes on the market to be able to provide services at the most competitive prices. It is a standard practice on all developing markets."

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