

Stocks start a slow day after vacation

STAR BUSINESS REPORT

Stock trading resumed yesterday with a marginal fall in the key index after a nine-day vacation for the Eid festival and weekly holidays.

DSEX, the benchmark index of Dhaka Stock Exchange, declined only 6.54 points or 0.14 percent to finish the first day of the week at 4,420.61 points. DSES, the shariah index of the premier bourse, rose 3.59 points or 0.35 percent to close at 1,008.25.

"The fleet of half-yearly earnings and disclosed monetary policy statement prompted investors to focus on re-balancing portfolio in the first session after Eid-ul-Fitr," IDLC Investments said.

"Volatility surged from the very beginning of the day's trading with 57 scrips changing more than 3 percent of their respective prices," the merchant banks said.

Lankabangla Securities said the market opened with mixed participation in trading. "Investors were sent on a wild ride all the day, as the benchmark index zigzagged up and down," it said.

A few large-cap stocks that gained

before the vacation were butchered by heavy sell-offs, it said. "However, some other stocks gained owing to positive returns in quarterly earnings."

The search for lucrative securities attracted some fresh funds, boosting overall participation, and total turnover rose 26.26 percent to Tk 428.70 crore.

Gainers and losers were equal with 128 securities in each account, while 39 issues remained unchanged out of the 295 issues that traded on the DSE.

Among the major sectors, cement gained 3.3 percent, fuel and power 1.5 percent, textile 1.8 percent and telecom 1.7 percent. A total of 0.91 lakh trades were executed with 10.05 crore shares and mutual fund units changing hands on the Dhaka bourse.

Beximco dominated the turnover chart with 1.6 crore shares worth Tk 52.72 crore changing hands, followed by Grameenphone, ACL, Padma Oil and Peninsula Chittagong.

Shahjibazar Power was the day's best performer, advancing 9.88 percent, while Beximco was the worst loser, slumping 8.63 percent.

Brac Bank wins brand award from CMO Asia

STAR BUSINESS DESK

Brac Bank has been awarded with 'Sustainable Marketing Excellence Award' from CMO Asia, as part of Global Brand Excellence Awards at a programme in Singapore on Thursday, the bank said in a statement.

Zeeshan Kingshuk Huq, head of communication and service quality of Brac Bank, received the award at the annual conference of brand gurus, it said.

The World Brand Congress is the single largest meeting of the brains behind some of the most successful and sought-after brands in the world. This year's theme was Brands that Last: Role of Sustainability in Innovative Branding.

"The prestigious award carries special significance for Brac Bank as it is the first brand award for us. The award puts Brac Bank in global spotlight in the arena of global acclaimed brands," said Syed Mahbubur Rahman, managing director and chief executive of Brac Bank.



UCB chief awarded as CEO of the year



STAR BUSINESS DESK

Muhammed Ali, managing director of United Commercial Bank, has been awarded as the CEO of the Year at the Global Brand Excellence Awards.

World Brand Congress hosted the award ceremony in Singapore on Thursday, the bank said in a statement.

Moreover, UCash, the mobile financial service of UCB, has also been awarded in the category of "Effective use of marketing communication".

Ali is a professional banker with 36 years of multi-dimensional experience in banking and other fields of management.

Japan must hike sales taxes again to conquer debt: IMF

AFP, Tokyo

Japan must raise its sales tax again to conquer one of the world's heaviest public debt burdens, the International Monetary Fund said Thursday, as it called for deep economic reforms.

The recommendations, outlined in the Washington-based fund's annual country report, come several months after Tokyo ushered in its first sales levy increase in 17 years, which sparked concern it would derail a recovery in the world's number-three economy.

Boosting the tax rate to 8 percent from 5 percent was aimed at bringing down Japan's staggering debt, but Prime Minister Shinzo Abe has wavered on whether Tokyo would approve a second rate hike to 10 percent, still low compared with some Western nations.

The IMF report said the country had little choice. "Given very high levels of public debt, implementation of the second consumption tax increase is critical to establish a track record of fiscal discipline," it said.

Millions across Japan made a last-minute dash to stores in a national buying spree before prices rose on April 1 -- followed by an immediate drop in spending that some feared would dent producers and curb their expansion plans.

The deflation-plagued economy had been on a roll after Abe swept to power in late 2012 with a three-pronged plan to wage war on years of falling prices and kickstart growth.

His blueprint called for big government spending and huge monetary easing from the Bank of Japan, moves that boosted growth and stoked a stock market rally.



AM Nurul Islam, vice chairman of Bank Asia, opens an agent banking booth of the bank at Dhalagaon Bazar of Munshiganj on Saturday. Rumee A Hossain, chairman of board's executive committee, was also present.

BANK ASIA

WB changes ways after Padma bridge saga

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The WB found that any disengagement carries a cost. For example, the bank committed \$4.6 billion for Bangladesh for three fiscal years from 2010 through to 2013, but it achieved only 87 percent of the planned projects.

The June 2012 cancellation of WB's \$1.2 billion financing for the Padma bridge project resulted in a portfolio below targeted levels, said the report.

Furthermore, the Independent Evaluation Group of the WB found that decisions to disengage have affected its relationship with clients, resulted in losses of knowledge and momentum and left important development objectives unaddressed.

In response, the WB has decided to change its attitude to correct the deficiencies.

It is now applying stronger integrity safeguards to centralised expenditures (where it directly supervises procurement, financial management, compliance and value-for-money such as for large-scale infrastructure contracts), including the use of forensic auditing, independent procurement agencies and independent reviews of government processes, to verify compliance and detect corruption where risks are very high.

For decentralised expenditures (that is, small expenditures at local levels where the WB relies on intermediaries to supervise procurement, financial management, compliance and value-for-money), the lender's enhanced safeguards may involve better record-keeping, strengthened management information systems and stronger supervision.

At the same time, the WB continues to assist the government in building systems to manage its own corruption risks, especially in budget formulation and management, public procurement, audit and parliamentary oversight, banking supervision and payment systems, and local government.

The aim of this work is to enable continued WB engagement, even in challenging integrity environments and sustained improvement in country governance systems over time.

The WB board approved \$1.8 billion for Bangladesh for fiscal 2013-14, with plans to lend \$1.32 billion for the current fiscal year,

said the multilateral agency.

The lending programme for fiscal 2014-15 and the revised results framework aim to prepare for a more selective WB engagement in future.

The WB will start to reengage in areas that are critical for growth, while consolidating past achievements in service delivery through additional financing to ongoing projects.

Then, under the new strategy to be developed in fiscal 2014-15, the basis of the multilateral lender's engagement will shift from financing to analytical and technical assistance in areas such as health and education, where alternative financing is relatively available and policy and institutional arrangements are mature.

The move would free up WB resources for areas such as energy and transportation infrastructure, where progress has been limited and WB has a strong comparative advantage as a reform leader and financier.

The progress report also evaluated the development outcomes of the WB projects in Bangladesh.

It said the country's record on public sector performance and corruption is mixed.

Bangladesh's overall Country Policy and Institutional Assessment rating fell from 3.5 in 2007 to 3.3 in 2011-12.

The rating for public sector management and institutions, which strongly influences International Development Agency's performance based allocation, was only 2.9 in 2012, below IDA and South Asia averages.

Although Bangladesh's ranking in Transparency International's Corruption Perception Index rose from the bottom of the list of 159 countries in 2005 to 144 out of 176 countries in 2012, it remains below Nepal and Pakistan.

"Progress on high-profile corruption cases has been limited, and on occasion the government has allowed undeclared income to be recognised at lower tax rates," said the report.

It also said governance-related vulnerabilities in the banking sector are also a concern: fraud in several state-owned commercial banks in fiscal 2012-13 resulted in losses exceeding \$500 million.

"There has been limited progress in holding perpetrators accountable," the report added.

Indian media fret as conglomerate buys up major news channel

REUTERS, New Delhi/Mumbai

Just before conglomerate Reliance Industries Ltd completed a deal to take control of media group Network18 Media & Investments Ltd in early July, two top editors stepped down.

In farewell letters to staff, both mentioned press freedoms.

Neither linked their decision to the change in ownership, but news of their resignation prompted heated debate over the significance of one of India's most powerful companies buying up some of the country's leading newsrooms.

On July 7, the Independent Media Trust, of which Reliance is sole beneficiary, completed the acquisition of control of Network18, home to news channels CNN-IBN and CNBC-TV18, Forbes India and firstpost.com, among others.

"Editorial independence and integrity have been articles of faith in (my) 26 years in journalism and maybe I am too old now to change!" wrote one of the two, Rajdeep Sardesai, who was editor-in-chief of IBN 18 News Network, including CNN-IBN, a respected English-language news channel.

On July 21 another editor, Nikhil Wagle, of regional channel IBN-Lokmat which is part of the same group, also resigned, complaining to Reuters of persistent editorial interference by the new owners.

"Every day you can find some

example of interference by Reliance - direct interference in news," Wagle said. "They don't send any mail. They give oral instructions. They give hints."

Reliance said it did not interfere in editorial decisions. "There has never been contact between Reliance and journalists of Network18," a spokesman said in an email.

The two other editors declined to comment for this article.

The hand of big business in India's media, as in other parts of the world, is nothing new. But few private firms loom as large as Reliance, India's third biggest company by market value and an industrial juggernaut owned by the nation's richest man, Mukesh Ambani.

Ambani, like other prominent members of India's business community, has been a supporter of Narendra Modi, the recently elected prime minister who stormed to power on the back of promises to kickstart economic growth.

Reliance's takeover of Network18 raised concerns that the new ownership might result in a bias towards Modi and his Bharatiya Janata Party (BJP) in its news outlets' coverage.

The company's track record of issuing legal notices related to defamatory content to the media amplified broader unease that reporters were being exposed to powerful backers' whims and that self-censorship was on the rise.

CNN-IBN and other Network18

outlets remain among the most esteemed news brands in a country with a vast and lively press.

They now share the challenge faced by news organizations around the world that cover large companies or powerful individuals who own them.

Such acquisitions do not necessarily hamper journalistic independence, some experts argue.

"The US media is in a small number of hands, and still produces the best journalism," said Nikhil Moro, outgoing associate journalism professor at University of North Texas. In an email to Reuters, a Reliance spokesman said the firm will seek to protect "the credibility of all news networks."

But some former and current Network18 journalists say Reliance's influence in the newsroom has already been felt.

Days after the deal, when Amit Shah, a close ally of Modi, was appointed head of the BJP, instructions from Network18's new management to steer coverage away from criminal charges pending against him passed between senior members of the network's newsrooms, two sources said.

Reuters could not independently verify the instructions or precisely how they were communicated.

Shah has denied charges of murder in connection with the 2005 killing of a man police said was an Islamic militant on a mis-

sion to assassinate Modi, as well as the deaths of his wife and a witness.

Umesh Upadhyay, recently appointed president of news at Network18, strongly denied suggestions that the group's journalists are pressured to act against their own judgment.

A veteran journalist who has worked at several major news outlets in India, Upadhyay's last job was a short stint as media director at Reliance. "What happens in a newsroom is a sacrosanct editorial function," he told Reuters. "Network18 is a very solid news organization. I am very proud of the teams that are working there."

Some former staffers said they saw the company's hand in decisions on news coverage as far back as 2012, when Reliance invested in Network18.

Tensions surfaced at CNN-IBN during the run up to the April and May elections that brought Modi to power. Two ex-employees said there was pressure on coverage of the Aam Aadmi Party (AAP) and its leader Arvind Kejriwal, who had recently launched an attack on Reliance chairman Ambani.

Kejriwal failed in his bid to enter parliament, losing out to Modi. But as Delhi's chief minister, he had ordered an investigation into Ambani and policymakers over alleged corruption related to artificially inflating gas prices. The company has called the allegations "baseless."

Excessive trawling puts key marine fish species at stake

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Mohammed Shahjalal, former secretary general of Bangladesh Marine Fisheries Association, said catches of such fishes have been falling for the last five years. "It might be a result of overexploitation," he said.

MA Kader, a former professor at the Institute of Marine Science and Fisheries at Chittagong University, said fish stock, including that of shrimp, in both mid and bottom waters of the sea has depleted.

"This is because of excessive fishing. The number of trawlers that are engaged in

fishing is more than needed. There are rules but none cares," he said.

Md Rashed-Un-Nabi, a professor from the same institute, suggested an intensive survey to determine the stock of fishes in the Bay. "Then we can say what types of fishes are available and whether these can be exploited."

The last detailed survey of marine stock was conducted more than two decades ago.

DoF officials said the government is in the process of buying a research vessel to conduct a survey in the sea. The vessel is due by yearend or early next year.



Nasim Haque Sikder, chairperson of Sikder Insurance Company, inaugurates the company's corporate office in Rayer Bazar, Dhaka recently. ZH Sikder, chairman of Sikder Group, was also present.

Italy youth unemployment hits record high

AFP, Rome

Italy's youth unemployment rate hit a record high in June, raising concerns that Prime Minister Matteo Renzi's economic and labour reforms are not doing enough to help the country's young.

The rate among 15 to 24-year-olds climbed to a record 43.7 percent from 43.1 percent in May, data from the national statistics institute (ISTAT) showed on Thursday.

However, unemployment in the adult population defied analysts' expectations by easing to 12.3 percent, from the 12.6 percent recorded in both April and May.

The total number of employed grew by 50,000 persons on a month, with more women than men finding work, ISTAT said.