

Canada keen to boost bilateral trade: Cruden

STAFF CORRESPONDENT, Ctg

Canada is keen to boost business with Bangladesh to cut the trade gap, Canadian High Commissioner Heather Cruden said yesterday.

Trade between the two countries currently stands at nearly \$1.85 billion, and has significantly increased in the last two years, she said. Business communities from both countries should explore new sectors to increase bilateral trade, Cruden added.

The high commissioner was addressing a meeting while visiting the office of BSM Group, a Khatunganj-based commodity importing firm in Chittagong.

Cruden, who is leading a five-member delegation on a two-day visit to Chittagong, also met with leaders of Chittagong Chamber of Commerce and Industry (CCCI) later in the day.

The delegation included Elaine Sopiwnyk, director for science and innovation at Canadian International Grains Institute; Yvonne Supene, head of baking technology; Ashok Sarkar, head of milling technology; and Kamal Uddin, trade commissioner of the high commission.

BSM Group Chairman Abul Bashar Chowdhury moderated the meeting with different traders who supply imported food grains to parts of the country.

Chowdhury said Canada, one of the largest food grain exporters to Bangladesh, has gradually become the first choice of local importers for the quality of its grains in the global market.

Currently around 40 percent of imported



BSM GROUP

Canadian High Commissioner Heather Cruden leads a five-member delegation during a visit to BSM Group's office in Khatunganj, Chittagong yesterday.

wheat, 90 percent of yellow peas, 60 percent of lentil and 90 percent of canola seed are being bought from Canada, he said.

Pointing to some existing bottlenecks in export procedures and transport systems in Canada, Chowdhury sought assistance from the delegation in this regard.

Canada exports agricultural products, but is looking to expand into pharmaceuticals, information technology and energy sectors, Cruden

said at the meeting with CCCI leaders at the chamber office.

Canada is going to sell potash to Bangladesh in October under a government-to-government deal, she said.

CCCI President Mahbubul Alam underscored the need for easing the VISA issuing process by the Canadian High Commission.

The delegation later met Chittagong City Corporation Mayor M Monjur Alam at his office.



IBFB

Hedayetullah Al Mamoon, senior secretary of commerce, receives a crest from Md Omar Shafayat Kausar, vice president of International Business Forum of Bangladesh, at a certificate giving ceremony of a training course, at IBFB in Dhaka on Saturday.

Khulna Printing shares soar on debut

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Its earnings per share stood at Tk 2.46 in the period.

KKPL, a unit of Lockpur Group, produces packaging materials for export industries, especially for frozen shrimps, according to the company's website.

The firm also produces polybags and

non-printed polybags of different sizes.

The main customers of KKPL's products are its sister concerns as they account for 63 percent of the company's revenue.

The company's revenue comes from the three sectors: packaging 65 percent, laminating 20 percent and printing 15 percent.

Conspiracy against garment sector must fail: Tofail

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Exports to the European markets grew 17 percent.

Bangladesh is the second largest garment exporter after China in the world and some quarters in the country do not feel good to see the growth of the sector, Ahmed said.

Ahmed singled out IndustriALL Bangladesh, some worker leaders and a section of experts for hatching conspiracy against the garment sector.

"They (conspirators) tried to use the Tuba issue, but failed," he said.

On the possibility of regaining the GSP benefits from the US, he said no country enjoys it currently. If the US reintroduces GSP, Bangladesh has no reason to miss it as the country has fulfilled almost all of conditions set by the Obama administration.

Some conditions will be addressed soon, he said.

Accord, a forum of Europe-based buyers and Alliance, formed by America-based brands, have so far inspected 2,000 factories in Bangladesh and found only 19 or less than 2 percent vulnerable.

The percentage of vulnerable factories detected by these two groups is better than the global standard, which he said is more than 2 percent.

Abul Kalam Azad, managing director of state-run Bangladesh Sangbad Sangstha also spoke, while Shah Alamgir, director general of PIB, presided over the event.

Sultan Mahmud Badal, president of ERF, moderated the programme.

Over 35 reporters of print, electronic and online media participated in the workshop.

Focus on proper enforcement of jute packaging law

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"The sector should be made competitive."

The jute industry has been suffering from an acute downturn in export earnings because of the Middle East crisis and a slump in demand in Africa, Thailand and India in the last one year.

Export receipts fell 20 percent year-on-year to \$824 million in 2013-14, according to data from the Export Promotion Bureau. Export earnings continued falling in the opening month of 2014-15 with a 24 percent year-on-year decline to \$61 million.

"Our mills will run well if jute sacks are used to pack rice," said Babul Chandra Roy, director for marketing at Bangladesh Jute Mills Corporation (BJMC), which runs state-jute mills.

The use of polythene has to be stopped to ensure use of jute bags, said Syeda Rizwana Hasan, chief executive of Bangladesh Environmental Lawyers Association.

"The jute packaging law cannot be implemented without banning the use of polythene," she said, adding that the government had earlier allocated Tk 25 crore to clear deposits of polythene from the river bed of Buriganga. Rizwana recommended framing master plan for the jute industry.

A lot of money will be required to clear polythene from the beds of rivers, said Mirza Azam, state minister for textiles and jute. "Except for some businessmen, almost all nationals support the compulsory jute packaging act."

The increased use of jute bag is necessary to protect the environment, Azam said.

"Increased domestic consumption of jute sacks will boost its demand and thus contribute to increase its prices," Azam said, citing that buyers are offering low prices for jute. The ministry will formulate a plan for the whole industry, he said.

The technology of state-run mills has not long been upgraded, which now hurts the mills' productivity, said Shahidullah Chowdhury, president of Bangladesh Trade Union Centre and a member of the Jute Protection Committee.

Deeper relations to unlock more business for Bangladesh, India

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He said some Bangladeshi companies, particularly Pran Group, has been facing problems with exports to the region.

Bangladesh's exports to India remained at the \$500 million level due to non-tariff barriers imposed by India, said Delwar Hossain, professor of international relations at Dhaka University. "In India-Bangladesh relationship, we not only share more than 4,000 common bordering areas, but also we have some common objectives like poverty alleviation, countering terrorism and some social issues," Hossain said.

Bilateral cooperation has deepened in electricity trade in South Asia, said Maj Gen SM Shafiuddin Ahmed, director general of BIIS.

A new area of cooperation between the two countries also opened: security cooperation, especially through conclusion of the long-awaited extradition treaty, he said.

Foreign investment in China slumps in July

AFP, Beijing

Foreign direct investment (FDI) into China dropped by more than a sixth year-on-year to a two-year low in July, the government said Monday, but denied any link to Beijing's multiple probes into foreign companies.

FDI -- which excludes investment in financial sectors -- fell 16.95 percent in the month to \$7.81 billion, the commerce ministry said, its lowest since July 2012, when it was \$7.579 billion.

The fall saw FDI in the first seven months decline 0.35 percent to \$71.14 billion, eliminating a small increase at the half-year stage.

Chinese authorities have in recent months launched anti-monopoly, pricing and other inquiries into foreign firms in sectors ranging from auto manufacturing and pharmaceuticals to baby milk.

The probes have raised concerns among investors that Beijing is targeting overseas companies.

But commerce ministry spokesman Shen Danyang denied any connection between the investigations and the fall in FDI.

"It is only normal that there is volatility of FDI in individual months when China steps up efforts to balance the economic structure," he told reporters.

"It is not sufficient enough to reflect the general trend. It must not be linked to the anti-monopoly probes into some foreign invested companies or be associated with other baseless speculations."

"All market players should operate their business according to the law," he added. "They should be punished according to the law and be subject to appropriate legal penalties if they violate the law."

In the first seven months of the year, investment from Japan crashed 45.4 percent to \$2.83 billion, with that from the EU slumping 17.5 percent to \$3.83 billion and from the US down a similar 17.4 percent to \$1.81 billion.



Bank Asia MD gets three-year extension

STAR BUSINESS DESK

The service tenure of Md Mehmood Husain, president and managing director of Bank Asia, has been extended for three years, the bank said in a statement yesterday.

Husain joined Bank Asia in August 2011. He is a post graduate in economics from Dhaka University and began his banking career in 1984 with National Bank and has also worked with Prime Bank. He has 30 years of banking experience, it said.

Husain is also a member of board of governors of the Association of Bankers Bangladesh, member of Council of the Institute of Bankers, Bangladesh and life member of Bangladesh Economic Association.



TRUST BANK

Ishtiaque Ahmed Chowdhury, managing director of Trust Bank, attends the half yearly managers' meeting of the bank, at Kurmitola Golf Club in Dhaka on Saturday. Abu Zafar Hedaytul Islam, deputy managing director, was also present.

CSE suggests IPOs on merit

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He cited the case of China, where approvals for IPO are given on merit. "If this system is introduced in our country, only good companies will come in the market and the investors will be benefited."

Mazid's comments came at a press conference at the bourse's Dhaka office, organised in line with its plan to hold regular briefings on every first and third Monday of each month.

The CSE chairman's proposal comes a few days after a controversial listing of a textile manufacturing company which masked market-sensitive information about its directors in the IPO prospectus.

Emphasising modification in the present listing regulations, he said the bourse will send a proposal with recommendations to the BSEC.

Referring to the central bank notice which directed banks to adjust their stockmarket exposure to 25 percent of their capital base by 2016, he said the instruction was a major factor behind the poor turnover in stockmarket in recent times.

About the latest monetary policy statement, he said the central bank has focused on the development of capital market.

BB is going to take supportive measures for stability in the capital market through intensive coordination with and assistance to the securities regulator.

It would continue to collaborate with the BSEC through regular coordination meetings regarding capital market stability and development issues, according to Mazid.

The budgetary announcement of capital gain tax slapped on individuals created a negative impact on the market, but its subsequent withdrawal brought back the investors'

confidence, according to the CSE chairman.

The 2.5 percent corporate tax cut for non-listed companies and none for listed ones in this year's budget will de-motivate the non-listed companies to come into IPO and frustrate the existing listed ones, he said.

Citing the rescheduled share credit ratio, Mazid said it has reduced the availability of liquidity in the market. From July, margin loan has been re-fixed at 1:0.5 from the previous 1:2. The new ratio means an investor will get Tk 0.5 as credit against Tk 1.

The CSE chairman said the bourse has submitted a proposal to the stockmarket regulator to set up a separate platform for the listing of small and medium enterprises growth and low capital companies.

The bourse also proposed to bring changes in the existing market maker regulation to make it realistic and functional for increasing market depth and liquidity especially in the CSE. "The proposal has already been sent to the BSEC for approval."

Mazid said they are also working together with NSE India to introduce CSE IPO index, shariah index and CSE benchmark index. "After getting the approval of the regulator, we are expecting to launch these three indices by mid-September."

He said the price discovery in the secondary market is determined by the supply and demand. While the BSEC and the stock exchanges enforce compliance and rules and regulations in the secondary market, market swings depend on the behaviour of investors.

"Recent market behaviour shows that many investors have now become day-traders. We need mid- and long-term investors in our market and for this, investors' education is mandatory."

China finds Mercedes-Benz guilty of price fixing

REUTERS, Shanghai

German luxury carmaker Mercedes-Benz has been found guilty of manipulating prices for after-sales services in China, the official Xinhua news agency reported, citing regulators.

The report made no mention of possible penalties, but China's 2008 anti-monopoly law allows the National Development and Reform Commission (NDRC), the country's anti-trust regulator, to impose fines of up to 10 percent of a company's China revenues for the previ-

ous year.

An array of industries, from milk powder makers to electronics firms, have been coming under the spotlight in recent years as China intensifies its efforts to bring companies into compliance with the 2008 legislation.

The auto industry has been under particular scrutiny, with a wave of investigations prompting carmakers such as Mercedes-Benz, owned by Daimler AG, Volkswagen AG's Audi and BMW to slash prices on spare parts in recent weeks.

Mobile talk to become costlier

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His main objection is that it will undermine the growth of the broader economy: the use of mobile phones reduces the cost of doing business and facilitates economic activities.

As of June, there are 11.65 crore mobile phone subscribers, 48.45 lakh of them accessing the internet from their handsets, according to the Bangladesh Telecommunication Regulatory Commission.

On July 8, TIM Nurul Kabir, secretary general of the Association of Mobile Telecom Operators of Bangladesh, said the surcharge will hinder growth of the sector and undermine the government's vision for a digital Bangladesh.

He said the government could find other innovative ways to increase revenue from the sector, which has so far paid Tk 71,000 crore in taxes.



SYMPHONY

SM Morshed-Uz-Zaman, head of service of Edison Group, inaugurated the company's 42nd customer care centre, Symphony Smile, in Satkhira recently. Mohammad Marufur Rahman, head of IT, was also present.