

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DXSE	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
Closed	Closed	\$1,230.80 (per ounce)	\$87.71 (per barrel)	▲ 1.49%	▼ 0.75%	▲ 1.01%	▲ 0.28%	BUY TK 76.85	96.41	122.80	0.70
				26,637.28	15,478.93	3,259.25	2,389.37	SELL TK 77.85	100.41	126.77	0.74

ডালোলাগা, ডালোবাসার
আপনজন্মের নিয়ে কাটুক এই ঈদ আনন্দে,
ভরে উঠুক প্রাণ খুশিতে

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Star BUSINESS

DHAKA FRIDAY OCTOBER 10, 2014, e-mail:business@thedailystar.net

Retailers urge US to cut tariff on apparel imports

REFAYET ULLAH MIRDHA

Leading retailers and brands in the US want their government to reduce import tariff on apparel and fashion accessories, according to a recent survey by US Fashion Industry Association.

The survey was conducted among 29 retailers and brands of which 85 percent called for abandoning rules of origin meant for apparel items.

If the US government cuts import tariff on apparel and fashion accessories, Bangladesh will be benefited as the country now pays a huge amount of customs duty to the US.

"Respondents report very low utilisation rates of current FTAs (free trade agreements) and preference programmes, suggesting that current rules do not work for the industry," the survey report said.

Bangladesh has long been negotiating with the US for duty-free access of its garment items. But the US says the negotiations for the duty benefit should be on a multilateral platform under the purview of World Trade Organisation and US Congress.

"We will not appoint any lobbyist for

HIGHLIGHTS

- Garment exporters pay **15.61** pc duty to the US customs
- Bangladesh paid **\$828m** to the US customs last year and **\$3.41 b** over the last five years
- The US waived duty for **97** pc Bangladeshi products, but not for garments
- The US suspended GSP for Bangladesh last year
- Bangladesh exported garment items worth **\$5.15 b** to the US in fiscal 2013-14

getting the duty benefit, as we are trying under the provisions of the WTO," said Hedayetullah Al Mamoon, senior secretary to the commerce ministry.

Atiqul Islam, president of Bangladesh Garment Manufacturers and Exporters Association, said: "We had earlier appointed a lobbyist for the purpose but that did not bring any result."

"If the US honours the WTO provisions, Bangladesh will easily get the duty-free access of its garment items."

Currently garment makers have to pay 15.61 percent duty on their exports to the US, although Bangladesh was supposed to enjoy zero-duty benefit being a least developed country.

Around \$828 million was paid to the US customs last year and \$3.41 billion over the last five years, commerce ministry data shows.

According to the declaration of the fifth WTO ministerial conference in Hong Kong in 2005, the US offered duty-free access for 97 percent products originated from Bangladesh.

Acme Laboratories set to go for IPO

SARWAR A CHOWDHURY

The Acme Laboratories, the country's oldest pharmaceutical company, is set to raise capital from institutional and individual investors using the book-building method, a widely used initial public offering mechanism.

Some five crore ordinary shares of Tk 10 each will be offloaded through the system, and the raised funds will be used for setting up three new plants at Dhamrai in Savar, said Md Zahangir Alam, chief financial officer of Acme Laboratories.

He said a roadshow will be organised on Monday at the capital's Sonargaon Hotel to get institutional investors to participate in the bidding to determine the

KEY FACTS

- Shares to be issued: **5 cr**
- Face value: **Tk 10**
- EPS (June 30): **Tk 5.65**
- NAV per share (June 30): **66.16**
- Long term credit rating: **A+**
- Short term credit rating: **ST3**

indicative prices of each share.

The expansion will increase the company's revenue and profit, said the company's infor-

mation memorandum.

Acme Laboratories is the third firm to use the book-building system after the stockmarket regulator modified the pricing rules following the market crash of 2011.

Book-building is a process through which an issuer attempts to determine the price to offer for its security by gauging the demand from institutional investors.

ICB Capital Management is the issue manager.

The pharmaceutical sector is technologically the most developed manufacturing industry in Bangladesh and the second largest industry in terms of contribution to the government's exchequer.

Durreen Shahnaz wins global honour for social impact



Durreen Shahnaz

STAR BUSINESS DESK

Durreen Shahnaz, founder and chairperson of Impact Investment Exchange Asia (IIX) and Impact Investment Shujog, was accorded the 2014 Joseph Wharton Award for Social Impact last week.

The award recognises Shahnaz's efforts in bringing impact investing to the masses through her work at IIX and Shujog, both based in Singapore.

The Joseph Wharton Award, one of the highest honours that Wharton Business School confers on its alumni, was given at a ceremony in New York.

The award is presented annually to the individuals who have made a significant impact in public services, social enterprise or philanthropy, IIX said in a statement.

India now seeks tele-transit, not bandwidth

ABDULLAH MAMUN

Bangladesh's prospects of renting out bandwidth to India seem blurred, as Indian state-owned telecom company Bharat Sanchar Nigam, the prospective user of the bandwidth, now wants tele-transit through the country.

Bangladesh Submarine Cable Company had earlier signed a

memorandum of understanding with the Indian firm to rent out 10 Gbps (gigabits per second) of bandwidth. Even a draft of the final contract has been prepared.

But recently Bharat Sanchar Nigam informed the Submarine Cable Company that it wants to use the country's network infrastructure to facilitate telecommunication between Kolkata and Agartala.

Bharat Sanchar Nigam also wants to include Bangladesh Telecommunications Company Ltd in the process so that the network of BTCL can be used.

Abdus Salam Khan, acting managing director and company secretary of Submarine Cable Company, said: "We are looking over the matter and a decision will be taken soon."

Cement makers: the biggest gainer in stocks

GAZI TOWHID AHMED

Cement has gained the most among the sectors so far this year on the back of a price rally of Lafarge Surma Cement.

Between January 1 and October 2, the most recent trading day, the sector generated 130 percent growth, followed by telecoms, food and allied, service and pharma respectively.

Meanwhile, Lafarge's share price, riding on the optimism generated by the company in some major infrastructure projects such as the Padma bridge, advanced around 263 percent to Tk 138 during the period, said Md Moniruzzaman, managing director of IDLC Investments.

The company declared 5 percent interim cash dividends, while its net profit rose 32.07 percent year-on-year to Tk 140 crore during the January-June period.

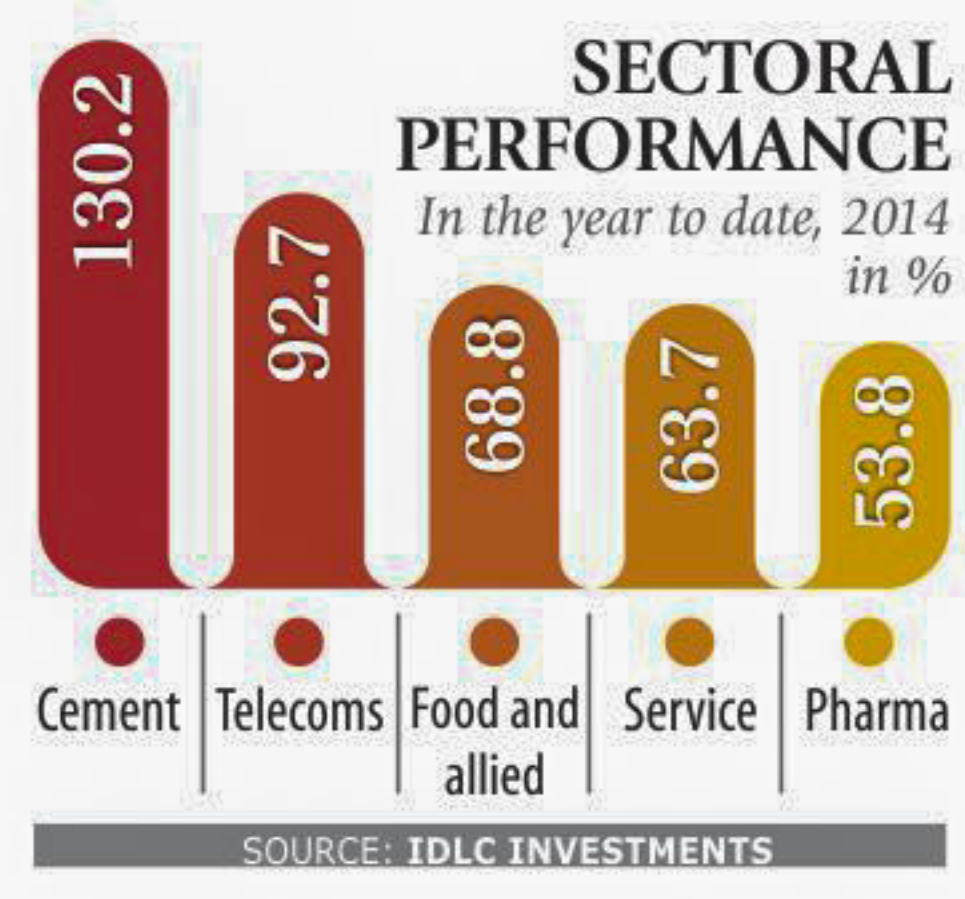
The telecoms sector gained 92.7 percent riding on price appreciation of Grameenphone, he said.

Shares of the country's largest mobile operator rose around 91 percent in the last nine months to Tk 382.

The increasing subscriber base and revenue growth from 3G data services are attracting investors, according to Moniruzzaman.

The company's revenues from 3G services stood at Tk 50 crore in the second quarter of 2014.

Grameenphone's revenue in the first six months of the



year was Tk 5,110 crore, up 7.8 percent from the same period last year. Service revenue grew 7.5 percent year-on-year, along with 14.3 percent growth in device and other revenues.

The net profit in the second quarter went up almost 10 times to Tk 544 crore, from Tk 56 crore during April-June period of last year.

The food and allied sector gained 68.8 percent on the back of price appreciation of some companies including British American Tobacco Bangladesh and Olympic Industries.

BAT shares gained around 73 percent and are now trading at Tk 2,766.

Moniruzzaman said investors leaned more towards shares of multinational companies owing to their steady growth of net profit and good dividend history and efficient management.

BAT's net profits rose 39.21 percent year-on-year to Tk 287 crore in the first half of the year. The company sold 2,050 crore sticks in the period, up from 1,780 crore sold in the same period last year, according to BRAC EPL Stock Brokerage.

Consequently, the multinational company's net revenues saw 17.6 percent year-on-year growth in the first half, BRAC EPL said. The company's earnings stood at Tk 47.87 per share for the period.

BB releases guideline for Islamic refinance for small businesses

STAR BUSINESS REPORT

The central bank yesterday issued a guideline for Sharia-based banks and other financial institutions to provide low-interest loans to agro-processors, small enterprises and renewable energy and for environment-friendly initiatives.

Under the scheme, small entrepreneurs will be given a maximum of Tk 50 lakh loan against which the banks will get 100 percent refinance facility. The tenure of the loans will be between three and five years.

While no specific rate of interest has been mentioned, banks have been directed to keep it at the minimum.

The move comes to channel the surfeit liquidity that Islamic banks sit

on at all times owing to their restrictive lending principles to economic activities.

Subsequently, the central bank last month formed a refinance scheme with the Sharia-based banks' excess liquidity.

Under the scheme, the Sharia lenders can make a three-month renewable investment in the fund, to be worth Tk 2,000 crore. The return on investment will be the lower of the two: the Mudaraba savings account rate of the lenders or 5 percent.

The profits from the fund will be distributed among participating lenders based on their investment ratio. The central bank will not take any profit even if it manages the fund.

Sharia-based lenders will have to

repay the central bank the principal amount of the loan and the profits on it every three months. The lenders, however, will be able to borrow until their investment period lasts.

Those who took training at SME Foundation, Directorate of Youth Development, Directorate of Women Affairs and BSCIC will be identified as new entrepreneurs in cottage, micro and small enterprises category, according to yesterday's notice.

The borrowers will be between 18 and 45 years of age and a maximum of Tk 10 lakh loan can be obtained collateral-free and Tk 25 lakh with collateral.

The default loan ratio of the participating Islamic banks will be no more than 10 percent.

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