

WEEKLY REVIEW

Cautious investors offload shares to end week in red

STAR BUSINESS REPORT

Stocks declined for the second week in a row as investors sold off shares and mutual fund units to take profit and avert further loss.

DSEX, the benchmark general index of the Dhaka Stock Exchange, closed the week at 4,984.46 points, falling 40.64 points or 0.81 percent.

DSEI, the shariah index of the Dhaka bourse, dropped 5.76 points or 0.49 percent, to close at 1,174.55 points.

"Despite a clear downward direction, large positive swings were observed, which could not fade the bearish trend," said IDLC Investments.

Micro and mini cap stocks performed relatively better, while large cap stocks slipped, the investment bank said.

"The market got some footing during the week though the benchmark index lost slightly," LankaBangla Securities said.

Some of the companies' encouraging earnings published last week might have lured investors from the sidelines, the stockbroker said.

Investors were mostly focused on engineering, power and pharma sectors that accounted for 20.4 percent, 19.6 percent

and 15.9 percent of last week's total turnover of Tk 3,777 crore, which is 35.99 percent up from the previous week.

Daily average turnover advanced 8.8 percent to Tk 755 crore, compared to the previous week.

Among the sectors, the top gaining sector was information technology that increased 9.07 percent, followed by miscellaneous 1.10 percent, food and allied 0.77 percent, and travel and leisure 0.68 percent.

Conversely, the top losing sector was service and real estate that lost 5.87 percent, followed by tannery 2.77 percent, bank 1.97 percent and life insurance 1.85 percent.

Losers outpaced gainers as 198 declined, 97 advanced and 19 remained unchanged out of 314 issues traded on the DSE.

Western Marine Shipyard dominated the week's top turnover chart for the second consecutive week with 2.79 crore shares worth Tk 229 crore changing hands, followed by Keya Cosmetics, Barakatullah Electro Dynamics, Desco and Jamuna Oil.

National Polymer was the week's top gainer, posting a rise of 45.31 percent, while Tallu Spinning was the worst loser, plunging 27.95 percent.

Two new independent directors for Marico Bangladesh

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Rokia Afzal Rahman, president of Metropolitan Chamber of Commerce and Industry, and Masud Khan, director for finance at Lafarge Surma Cement, have recently been appointed as independent directors of Marico Bangladesh with effect from October 23 for the next three years.

Rokia is also the vice president of International Chamber of Commerce-Bangladesh, a former caretaker government adviser, an independent director of Grameenphone and chairperson to Midas Financing Ltd, Marico said in a statement yesterday.

The founder president of Bangladesh Federation of Women Entrepreneurs, Rokia is actively committed to several development initiatives like Brac, Manusher Jonno Foundation.

Khan has 35 years of experience in leading multinational companies, including British American Tobacco Bangladesh, according to the statement.

He is a regular lecturer at the Institute of Chartered Accountants of Bangladesh, a fellow member of the Institute of Chartered Accountants of India and the Institute of Cost and Works Accountants of India.



Rokia Afzal Rahman



Masud Khan

Khan currently serves Glaxo Smithskline, Bangladesh as an independent director.

With the inclusion of Rokia and Khan, Marico Bangladesh Board now comprises nine directors; four of which are independent directors.

A multi national fast-moving consumer goods firm, Marico Bangladesh's product portfolio includes Parachute Beliphool Lite, Parachute Advanced, Parachute Cooling Hair Oil, Nihar Shanti Amla, Saffola Active healthy edible oil, Parachute Body Lotion and Set Wet Deodorants.

Marico is one of India's leading consumer products groups. It has recently been voted as the "Best Company for Leaders" by Economic Times and Aon Hewitt, according to the statement.

Power giant Wärtsilä's CEO due tomorrow

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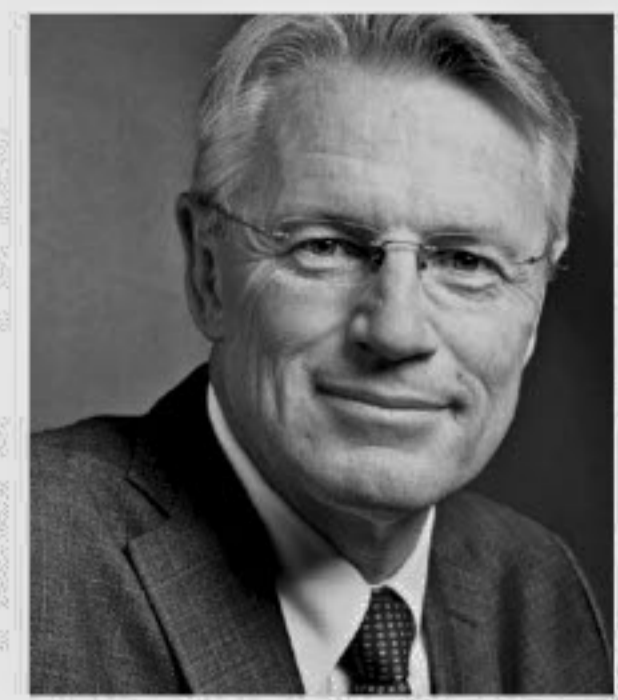
Björn Rosengren, president and chief executive officer of Wärtsilä Corporation, is scheduled to arrive in Dhaka tomorrow on a two-day visit.

Marco Wiren, Wärtsilä's chief financial officer, and Rakesh Sarin, president of power plants and executive vice president, will accompany Rosengren, the company said in a statement yesterday.

They will meet with key customers and stakeholders in the country's energy sector during the visit, according to the statement. The Finland-based Wärtsilä started its activities in Bangladesh in the early 90s and now has operations in power plant sales, ship power sales and supporting services.

In Bangladesh, Wärtsilä's total installed power generation capacity is more than 2000 MW, the company said.

A global leader in complete lifecycle power solutions for the marine and energy markets, Wärtsilä has operations in 200 locations of 70 countries.



Björn Rosengren

India's inflation hits 5-year low

AFP, New Delhi

India's wholesale inflation cooled to a fresh five-year low as fuel and food prices fell, firing hopes the hawkish central bank could finally start cutting interest rates and spur stalling economic growth.

The Wholesale Price Index or WPI, India's inflation measure with the biggest goods basket, slipped to a better-than-expected 1.77 percent in October from a year earlier.



BIKROY.COM

Eshita Sharmin, marketing manager of Bikroy.com, presents a dummy cheque for Tk 1 lakh to the winners of a dance competition organised by the company, at a programme at Spectra Convention Centre in Dhaka recently.



BEF

Sabrina Islam, vice president of Bangladesh Employers' Federation (BEF), launches a workshop on occupational safety and work environment improvement, at the BEF conference hall in Dhaka yesterday. The Overseas Human Resources Industry and Development Association of Japan and BEF jointly organised the event.

More people earning their own livelihoods now

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The survey also showed that internal migration is increasing: it was 40.2 persons per 1,000 in 2012, from 30.6 in 2008.

The urban centres are facing huge pressure when it comes to migration, as 26.2 people per 1,000 entered the cities in search of better employment opportunities and livelihoods, from 17.3 people per 1,000 in 2008.

There was also a major shift in urban-to-urban migration: 43.5 persons among 1,000 people moved to new urban centres in 2012, which was 34.4 in 2008.

The rural-to-rural migration was also on the rise, perhaps because of national disasters and river erosions which forced a lot of

people in the coastal and char areas to move to other areas in search of jobs every year.

The rural-to-rural migration was 16.2 persons per 1,000 in 2012. It was 12.5 in 2008. AKM Ashrafur Haque, a senior official of the BBS and the leader of the project that conducted the survey, said the set of vital statistics would help the government devise its development policies.

According to the survey, the number of population in the country was 15.27 crore in 2012, with annual population growth rate standing at 1.36 percent, from 1.39 percent in 2008. More than 41 percent of the population lived in urban areas, nearly five percentage points more than in 2008.

Six more social business projects approved for funding

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Grameen Kalyan and two young enterprises signed two memoranda of understanding at the end of the day.

About 150 participants and observers from national and international organisations, including Cecep Effendi, director general of the Centre on Integrated Rural Development for Asia and the Pacific; a team of American cultural ambassadors, the German Society for International Cooperation or GIZ, the Centre for Rehabilitation for the Paralyzed, Queen's University of Canada and Japan International Cooperation Agency, attended the event.

Participants from different universities at home and abroad, including a group of 34 students from South-East University, also took part in the event.

There were also participants from Canada, Malaysia, India, Japan, Albania and Italy, according to the statement.

Since the launch of the lab in January this year, 418 of the 443 social business projects presented in 36 design labs have been approved for investment, most of which are in operation now, Prof Yunus said while giving updates of the lab. He thanked the participants for the innovative social businesses. He said it is exciting that so many ideas are now a reality, and the young entrepreneurs are generating employment for others, which is a valuable contribution to the economy.

The next design lab will be held on 20 December, Yunus Centre said.

Chittagong Waste Treatment, GIZ get green awards

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The central bank is advocating sensitisation of the financial sector in adopting green initiatives in output practices and lifestyles, the governor said.

"But, there is need for advocacy initiative for similar sensitisation of real sector businesses," he said, adding that there is need of more comprehensive, structured and sustained initiatives with support from the business and industry chambers in Bangladesh.

The initiative to raise funds for green initiatives through issuing 'green bonds' in the capital markets has gained momentum in advanced economies, Rahman said.

Chittagong Waste Treatment Plants Ltd received the award on pioneering climate leadership in business and operations category. German GIZ got the award for creating community awareness on sustainable energy for development programmes. PRI Chairman Zaidi Sattar, Southeast Bank Chairman Alamgir Kabir and Editor of the Financial Express Moazzem Hossain also spoke.

Quality research centres a must for sound economic policymaking: economist

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"You cannot get quality research unless you invest in resources as making statistics is highly expensive," said Islam, who has a PhD in economics from Harvard University.

The Bangladesh Institute of Development Studies can be turned into a centre of excellence by investing heavily, said Mohiuddin Alamgir, a former president of the Bangladesh Economic Association.

For example, the planning ministry can form a ten-member team from BIDS and extend high pay packages to do critical research work, he added.

The government must introduce endowment fund for encouraging young scholars to do more research work, said Md Helal Uddin, associate professor of the economics department at University of Dhaka.

"There should be a mechanism to induce research," he said, adding that it is not possible to give higher salaries to university teachers considering Bangladesh's socio-economic context.

"DU is no longer a research university. Rather, it is a teaching university."

The university has around 1,800 teachers and the government lacks the capacity to pay all of them highly. "Again, even if it did, not all teachers would be willing to conduct researches. Thus, it would be better to create a special endowment fund."

Islam, who was the first deputy chairman of planning commission of Bangladesh, said the country has serious deficiency in quality research, which impacts policymaking.

He went on to call for multiple studies on the garments, remittance and non-farm sectors due to their higher contribution to the economy.

"Garment study is a black box here," he said, while calling for studies considering the different aspects of the sector such as the number of factories, categories of workers, cost structure, and its socio-economic contribution.

Several studies are also needed on the impact of remittance in macro and micro level. "We have to study different aspects of remittance as it is a vital sector to the economy."

Islam, who has a PhD in economics from Harvard University, stressed on researches

on income inequality, default loans and the rice market and its export potential.

Also a research fellow emeritus of the International Food Policy Research Institute, Islam called upon the government to do multiple studies before announcing any policy prescription frequently.

Atiur Rahman, governor of Bangladesh Bank, said adequate and reliable database is needed for policy reform initiatives for all public institutions in Bangladesh including the central bank.

Over the recent years, BB has vigorously pursued the strengthening of its in-house capabilities for surveys, research and analysis with new incentive structures including extensive higher training opportunities and higher weightage on publications for career advancement, he said.

Besides partnering and liaising with local think tanks and universities, BB has also been inducting NRB experts from global organisations and foreign universities to strengthen the analytical underpinnings of the various policy initiatives.

Ex-ante and ex-post stakeholder consultations are now routine procedures in BB's policymaking and implementation, said Rahman. Planning Minister AHM Mustafa Kamal said the country still has shortage of resources although its economy has developed over the last several decades.

The government, however, is emphasising on higher investment in research and development, he said, adding that it is spending 0.6 percent of GDP for research and development, with plans to increase it to 1 percent within next three to four years.

He also promised to create a separate fund in the upcoming seventh Five Year Plan that will take effect from July next year.

The planning minister also said there will be incentive packages for corporate houses in the seventh Five Year Plan if they give funds for research and development.

M Syeduzzaman, a former finance minister, called upon the government to collect more tax revenues by plugging loopholes.

The country's tax-GDP ratio is still the lowest amongst the South Asian countries, he said, adding that higher revenues are needed to become self-sufficient.

BANGLADESH ORDNANCE FACTORIES (BOF)
GAZIPUR CANTONMENT, GAZIPUR-1703
Phone: 9204613/4802 FAX: 880-2-9204633
Web: www.bof.gov.bd, E-mail: procurement_bof@yahoo.com

Tender Notice

1. Sealed tenders in prescribed form are invited from bona-fide manufacturers/local agents/importers/ suppliers for supplying of the following items:

Serial	Nomenclature & Qty	Last Date of Selling Tender Form	Date of Dropping & Opening Tender	Currency	Price of Tender Form	Tender No. & Date
(a)	(b)	(c)	(d)	(e)	(f)	(g)
1.	Oxidizing Plant	22 December 2014 1300 hrs	23 December 2014 Dropping 1200 hrs Opening 1205 hrs	Local	Tk. 5000/- (Non refundable)	23.04.0000.166.127.6813.14.15 dt. 12-11-2014
2.	Fuze Head 2,00,000 Nos	22 December 2014 1300 hrs	23 December 2014 Dropping 1200 hrs Opening 1205 hrs	Local	Tk. 500/- (Non refundable)	23.04.0000.166.129.4856.14.15 dt. 12-11-2014
3.	Motor with the attachment for Overhead Crane	08 December 2014 1300 hrs	09 December 2014 Dropping 1200 hrs Opening 1205 hrs	Local	Tk. 150/- (Non refundable)	23.04.0000.166.123.6813.14.15 dt. 12-11-2014

2. Supplier enlisted at BOF, DGDP and any other defense organization, who have security clearance will only be eligible to participate in the above tenders.

3. Tender forms with detail specifications and terms & conditions will be available in the auditorium of BOF on all working days between 9 AM to 1 PM.

4. Commandant BOF reserves the right to reject any or all the tenders without any reason thereof.

Acting Deputy Director Material
For Commandant

GD-4277

EU approves Etihad, Alitalia alliance

AFP, Brussels

The European Commission on Friday approved a deal that will see Etihad Airways take a 49-percent stake in Alitalia, effectively rescuing the struggling Italian company.

Brussels gave the merger the go-ahead under the condition that the airlines opened up the Rome-Belgrade route to competitors.

After months of difficult negotiations, Etihad and Alitalia signed a deal on August 8 for the Emirates national carrier to become a shareholder in Italy's flagship but debt-laden airline, in a move that will widen Etihad's reach into the European market.

RMG makers list hurdles to \$50b exports by 2021

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After the fire incident at Tazreen Fashions and Rana Plaza building collapse, the cost of production has increased significantly, but retailers do not pay higher prices for apparel items, Murshedy said.

Although the Accord and Alliance already inspected the factories, they did not approach any retailer to increase the volume of work orders from factories housed in shared buildings, he said.

Mesbah Rabin, managing director of Alliance, identified five specific challenges to the sector -- finance to remedy the factory buildings, safety in the factories that are not under the purview of the Accord and Alliance inspection, relocation of factories from Dhaka to other places, policy for subcontracts, and departure of Accord and Alliance after 2018.

Both the Accord and Alliance will continue inspecting factory buildings till June 2018, but he is concerned whether the workplace safety programmes will continue after departure of the agencies.

Srinivasa Reddy, country director of International Labour Organisation in Bangladesh, said the country has done much for workplace safety and workers' rights after the Rana Plaza building collapse.

"Now the factory buildings should be remedied," Reddy said. "The garments

sector in Bangladesh is going in the right direction."

A mechanism should be adopted by the government, BGMEA and Bangladesh Knitwear Manufacturers and Exporters Association to take responsibility of monitoring the factory buildings after departure of the agencies, Reddy added.

Rob Wayss, executive director of Accord for Bangladesh operations, said after completing the inspection of more than 1,100 factories, the agency made a recommendation to close 25 factories.

Tofail Ahmed, commerce minister, said the main challenge of the sector is the propaganda spread by a section of people, who do not work in the factories but demonstrate against the sector in Bangladesh.

On restoration of the GSP status to the US market, Ahmed said Bangladesh will not need this trade privilege as the country is heading forward despite paying higher duties.

On amendments to the Export Processing Zone law, the minister said the government cannot introduce trade unionism in the factories housed inside the EPZs as the foreign investors do not want it.

These foreign investors want continuation of the Workers Welfare Associations, which are considered as trade unions to protect workers' rights.