

Stocks continue bleeding

STAR BUSINESS REPORT

Stocks continued to decline for the third day in a row as investors remained confused about the market's future direction.

DSEX, the benchmark general index of the Dhaka Stock Exchange, closed at 4,917, after shedding 46 points or 0.93 percent.

DSES, the shariah index of the premier bourse, lost 10 points or 0.87 percent, to finish the day at 1,156 points.

News related to soaring default loans in the banking industry kept investors rethinking about making further investments, said IDLC Investments.

Overall investor sentiment remained bearish although some mid- and large-cap stocks registered favourable earnings in the latest quarter, LankaBangla Securities said in its regular analysis.

Turnover, the most important indicator of the market, also declined 8 percent to Tk 691 crore, compared to the previous day.

Losers took a strong lead over the gainers with 200 to 68 as 36 remained unchanged out of the 304 issues that

traded on the Dhaka bourse.

A total of 1.31 lakh trades were executed with 13.35 crore shares and mutual fund units changing hands on the premier bourse.

Among the major sectors: IT declined 3.5 percent, followed by service and real-estate 2.9 percent and cement 2.4 percent.

Shahjibazar Power Company was the most traded stock of the day with 17.68 lakh shares worth Tk 54.75 crore changing hands, followed by Western Marine Shipyard, Jamuna Oil, Desco and Titas Gas.

Jmi Syringes and Medical Devices was the highest gainer of the day, posting a 9.95 percent rise, while Agni Systems was the worst loser, plunging by 13.37 percent.

Chittagong Stock Exchange also declined yesterday with its selective categories index, CSCX, shedding 70 points to close at 9,290.

Of the 225 issues that traded on the CSE, 122 declined, 48 advanced and 25 remained unchanged with 1.05 crore shares and mutual fund units changing hands with Tk 44.70 crore in turnover.

Depository participants come under CDDBL lens

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Depository participants have come under the monitoring system of the Central Depository Bangladesh Ltd (CDBL), which operates the central depository system for electronic share transaction in the stock exchanges.

The CDBL will visit the depository participants every month to check whether they are complying with rules and regulations properly.

The Bangladesh Securities and Exchange Commission took the decision recently, according to a posting on the Dhaka Stock Exchange website yesterday.

"Based on the visits, the CDBL will submit a summary report on measures taken by it to the BSEC within the first 10 days of the following month," according to the posting.

The CDBL's services are extended through its agents called depository participants. A depository participant is the link between investors and the CDBL. An investor who opens a BO (beneficiary owner's) account with a depository participant can utilise the services offered by the CDBL. Saifur Rahman, spokesman of the BSEC, said usually the regulator inspects stockbrokers, not the depository participants.

"But, there have been allegations that the depository participants are not complying with depository rules properly," he said.

As the primary regulator, it is the responsibility of the CDBL to inspect the depository participants on a regular basis, said Rahman, also an executive director of the BSEC.

Presently, there are 464 depository participants registered with the CDBL.



Sajjatzum Jumma, president of Bangladesh Thai Chamber of Commerce and Industry (BTCCI), attends the 10th annual general meeting of the chamber at Dhaka Club in the capital on Saturday. Mohammad Shahjahan Khan, BTCCI patron, was also present.

Aviation to drive 37pc of Dubai economy by 2020

AFP, Dubai

Aviation will account for more than a third of Dubai's economy by 2020, a study said on Monday of the Gulf emirate which has become a major international travel hub.

Oil-poor Dubai has spent years trying to diversify its economy with core sectors now including trade, transport and tourism.

Aviation contributed 27 percent -- or \$26.7 billion (21.4 billion euros) -- to Dubai's gross domestic product in 2013, Oxford Economics said in a report for Emirates Airline and Dubai Airports.

The report said the sector would grow to contribute \$53.1 billion -- equivalent to

37.5 percent of GDP -- by 2020. "Between now and 2020 the contribution of the aviation sector to Dubai's economy is expected to grow at a faster rate than the economy as a whole," the global research firm said.

An increase in passenger numbers and expansion of Dubai's existing airport capacity will help to drive this growth, the report said.

Dubai International Airport is the busiest airport in the Middle East. It served 66.4 million passengers in 2013, and is expected to host more than 100 million in 2020.

Also ranked among the world's busiest airports, Dubai International has established itself as a major hub linking the West with Asia and Australasia.



Abdul Kadir Molla, vice chairman of the executive committee of South Bangla Agriculture and Commerce Bank, opens the bank's 28th branch at Manohardi in Narsingdi recently. SM Amzad Hossain, chairman, was also present.



Md Tazul Islam, chairman of the standing committee on the power, energy and mineral resources ministry, opens the 92nd branch of Jamuna Bank at Bizra Bazar in Laksham, Comilla recently. Shaheen Mahmud, chairman of the bank, was also present.

A denim expert indeed

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In addition, Mostafiz washes 10 pieces of trousers himself every time he visits his factory. At the end of the year, these pieces are sold in the local market and the proceeds are donated to orphans.

However, it was not all smooth sailing for the entrepreneur; early in his career, he faced several hurdles in establishing the business.

After completing his BBA and MBA from Madras University in India in 1998, he joined as a trainee officer with a monthly salary of \$30 in a small foreign garment buying house in Chittagong.

In a short one year, he was promoted to executive director of the company but he had bigger plans for himself.

"I resigned from my job and was determined to be a businessman in the garment sector.

I started trading in garments and soon, I found a Dutch partner to whom I proposed to set up a garment factory under a joint venture in Bangladesh," he said.

The Dutch businessman agreed to his proposal and set up the denim factory in Chittagong, marking the start of his journey as an entrepreneur.

"I have a dream to set up a denim university in Bangladesh in near future, as denim is the next big global business for changing fashion and styles."

Bangladesh's share in the global \$60 billion denim market is still insignificant at \$600 million. "We have a lot of scope to earn more from the export of denim garment products."

To materialise his dream of making Bangladesh a major denim maker, Mostafiz took an initiative to host the country's first international exhibition of denim products in March 2014.

With the positive response from retailers, the second edition of the show was hosted in November 2014 in Dhaka. Companies from Germany, the US, Italy, the Netherlands, Turkey, Japan, India, Pakistan, Sri Lanka, Brazil and Thailand participated in the fair.

Bangladesh has 25 denim factories that produce around 20 million yards of denim fabrics a month. Total investment in the sub-sector stands at Tk 6,500 crore.

Local denim fabric makers meet 40 percent of the local demand placed by exporters; imports account for the rest.

Bangladeshi entrepreneurs supply denim products to major retailers and brands, including H&M, Uniqlo, Levis, Nike, Tesco, Wrangler, s.Oliver, Hugo Boss, Puma, Primark, JC Penney, C&A, Tommy Hilfiger, Inditex, Walmart, M&S, Calvin Klein, Diesel, Gap, Channel, Dior and G-Star.

Chittagong to get biomass power plant soon

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"Our waste management system is very poor and we can give them (city corporation/municipality) some consultancy on how to manage waste in a better way," Islam said.

He said they are now going for a small power plant but they have an ambitious goal to set up more and larger power plants based on municipal solid wastes.

The municipal authorities will collect the wastes as usual and mix it up for use and subsequent power generation, said Foo Cheong Seng, director of Renewable Energy Sources Sdn Bhd.

Municipal solid waste includes household and commercial wastes collected either in solid or semisolid form by a municipality.

Social, personal services account for 10pc of GDP

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The other service activities include IT technicians, tailors, washermen, barbers, private physicians, cobblers, electricians and mechanics.

Household service providers include tutors, domestic help, guards, gardeners, cooks and caretakers, said BBS Director General Golam Mostafa Kamal.

In Bangladesh, there are 1,697 establishments that provide professional, scientific and technical services and they employ 21,040. Of them, 14,928 are full-time employees, 16,043 of which are male.

They added Tk 1,535 crore to the GDP in fiscal 2011-12, according to the survey.

Under the second category, there are 22.74 lakh establishments in the country, employing 5.1 lakh. Of them, 72 percent are full-time and 93.3 percent are male. They added Tk 21,892 crore to the GDP in 2011-12.

There are 1.5 crore households in the country which are also employers, as they buy services from eight groups of people.

Of the households, 26.3 percent are in Dhaka, 18.6 percent in Chittagong and 16.6 percent in Rajshahi.

Rangpur, which is better known as a poverty-stricken region, is not lagging behind, as the division accounts for 15.9 percent of the households that provide jobs to others.

However, well-off Sylhet accounts for only 5.1 percent of the total households as employers. Barisal and Khulna make up 7.7 percent and 7.6 percent respectively.

The households added Tk 17,914 crore to the GDP in fiscal 2010-11.

The BBS has conducted separate surveys in five areas such as tourism, real estate, self-employed professionals, inventories and captive power with the help of five organisations to know their contribution to the economy.

The findings of the surveys were presented at an inter-ministerial view exchange meeting at the BBS headquarters in Dhaka yesterday.

In Bangladesh, 1,281 establishments were involved in captive power generation in fiscal 2011-12. Of them, 757 were included in the survey.

They produced 2.66 crore kilowatt hour unit of electricity and catered electricity to 197,079 clients in fiscal 2011-12. They sold 2.4 crore units of electricity that year.

Their gross output was valued at Tk 96 crore in fiscal 2011-12, which was Tk 81 crore the previous fiscal year.

The survey on real estate showed that the total number of housing and developer companies in the country is 2,222. Of them, 1,261 are members of the Real Estate and Housing Association of Bangladesh.

The companies employed 72,055 in fiscal 2010-11, 69,058 of which were male. They added value of Tk 3,284 crore to the economy during the fiscal year.

"The economy is changing every day. We have conducted the survey so that the continuous changes in the economy are reflected while calculating the GDP," Suraiya Begum, secretary to the Statistics and Informatics Division of the planning ministry, said at the meeting.

The BBS director general said this was the first time that the state-run statistical agency has conducted the study.

"There were shortcomings while conducting the survey, which may result in some errors in the study findings. We will take the errors into consideration while conducting the next study." He said his officials went door-to-door to conduct the survey.

Ticfa meaningless without duty-free access of garments to US: Tofail

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Most of the developed and developing countries allow duty-free access to all Bangladeshi products; the US, however, gives the privilege to only selected items from Bangladesh, he said.

Garment products, which form the bulk of the country's export basket, do not get duty-free access to the US; they are subjected to 15.61 percent duty.

"The other competing countries of Bangladesh in this field pay much less for exports to the same market," the commerce minister said.

With high hopes of securing duty-free access for its garment products, Bangladesh last year signed the Ticfa, a platform to resolve trade-related disputes between the two countries through discussions.

The first Ticfa forum meeting was held in Dhaka in April, with the second due to be held next year in Washington.

Currently, 50 US companies out of the 250 AmCham members have direct business in Bangladesh. "We want more US companies to come to Bangladesh with more investment."

The US should also extend ten-year multiple entry visas to Bangladeshi citizens, the commerce minister said.

Regarding the downward trend in exports in the first quarter of the fiscal year, the minister blamed the suspension of the Generalised System of Preferences to the US market and the cautious behaviour of retailers after the Rana Plaza collapse.

Ahmed though is still hopeful of hitting fiscal 2014-15's export target of \$33.20 billion.

After the recent spat over duty issue on garment exports to the US,

both Ahmed and Dan W Mozena, the US ambassador to Bangladesh, appeared to be in good mood on the dais.

In his speech, Mozena said the government must play a leading role in ensuring that Bangladeshi enterprises, especially in the apparel industry, meet international standards for workplace safety, respect for workers' rights and protection of the environment.

"I imagine the day when a shopper in America, whether shopping at the most expensive clothing stores or at those selling lower-cost clothes, will find himself or herself flipping through racks and racks of clothes that are made in Bangladesh, that are made with great pride in Bangladesh."

"Brand Bangladesh would be a treasured brand, a premium brand, a much sought brand, the best brand in the world, and Bangladesh, the largest exporter of apparel to America."

He went on to mention an array of products that have the potential to be as successful as garment products on the global stage, such as pharmaceuticals, frozen foods, footwear, quality leather goods and IT products.

"That shopper will go to the shoe department and buy 'Made in Bangladesh' top quality shoes and belts and purses and wallets and other exquisite leather products."

About increased US investment in the country, Mozena said the government has a central role to play in creating conditions that will attract massive inflows of investment and technology.

Improved rule of law, reduced corruption, less red tape and diminished threat of political instability would do much to attract the flood of needed investment.

About Bangladesh's huge surplus in trade balance between the two countries, Mozena referred to a story from the early 1960s in the Time magazine which termed the then huge volumes of British exports to the American market as the "British Invasion."

"I think America should prepare for another friendly invasion. I can imagine a time 10-15 years from now when the cover of Time magazine will again feature a screaming headline telling of a new invasion of America. This time it will be the Great Bangladesh Invasion."

In fiscal 2013-14, Bangladesh exported \$5.59 billion worth of goods to the US and imported \$801.10 million. The year before, it exported \$5.41 billion and imported \$537.80 million, according to data from the commerce ministry. Of the total exports, 95 percent is apparel items.

Aftab-ul-Islam, AmCham president, said 43 US firms are showcasing products across 78 booths at the fair.

Many Fortune 500 listed firms, including Boeing, Coca-Cola Company, Ford Motor Company, Caterpillar, Dell, IBM, Harvard University, Microsoft, PepsiCo International and MasterCard, are taking part in the event, he said.

The entry fee for the fair is Tk 20 a person, but students with uniform and identity cards will enjoy free access.



Officials of Olympic Industries launch the company's new product 'Olympic Nutty' biscuit at a programme recently.



Amin Khan, Marcel brand ambassador, opens a Marcel exclusive showroom at Sadarpur of Faridpur recently. Md Humayun Kabir, executive director for public relations and media, was also present.