

# Stocks remain sluggish for third day

STAR BUSINESS REPORT

Stocks fell for the third day, as investors took time to familiarise with the new trading system introduced to the premier bourse on Thursday.

DSEX, the benchmark index of Dhaka Stock Exchange, dropped 40 points, or 0.81 percent, to finish the day at 4,892.95 points. DSES, the shariah index of the prime bourse, also declined almost 5 points, or 0.43 percent, to close at 1,150.39.

The market passed another sluggish trading session and slumped to a two-week low as investors remained cautious, LankaBangla Securities said in its analysis.

The DSE is likely to review its charges on share trading following a jump in the number of trades for share transaction after the introduction of the lot-free trading system, the stock-

broker said.

On the economic front, it said, the current account deficit widened 3.5 times in just one month on the back of rising imports.

On October 31, the deficit stood at \$1.26 billion, which was \$357 million at the end of September, it said referring to the central bank statistics.

Despite the improved turnover of the Dhaka bourse yesterday, total trade was just around Tk 200 crore.

"Sluggishness in turnover was partly explained by the adoption of new trading software in the DSE," IDLC Investments, a merchant bank, said in its regular market analysis.

All the major sectors, except for cement that advanced 0.8 percent, closed red.

Losers beat gainers as 170 issues declined, 103 advanced and 33 remained unchanged on the premier bourse, where a total of 0.77

lakh trades were executed with 5.6 crore shares and mutual fund units.

Agni Systems dominated the turnover chart with 43.76 lakh shares worth Tk 14.16 crore changing hands, followed by RN Spinning, Summit Alliance Port, Grameenphone and Beximco Pharma.

Miracle Industries was the day's best performer, advancing 10.24 percent, while Jamuna Oil was the worst loser, slumping 14.18 percent.

Chittagong stocks also declined with the bourse's Selective Categories Index plunging 88.6 points to 9,167.92.

Of the traded issues on the port city bourse, 60 advanced and 175 declined with 25 remaining unchanged.

A total of 93.50 lakh shares and mutual fund units traded, generating a turnover of Tk 28.47 crore on the CSE.

# Research launched on electronic wage payment system for garment workers

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City Bank and Innovations for Poverty Action (IPA), an American non-government organisation, yesterday launched a research project to analyse the benefits of electronic wage payment system for garment workers.

The research—the real effect of electronic wage payments: a field experiment with salaried factory workers in Bangladesh—will be conducted in partnership with the development economic research wing of the World Bank.

The programme was held at the Westin hotel in the city.

The project was taken as part of the government's vision to bring the unbanked people into the banking channel, said Sohail RK Hussain, managing director of City Bank.

The project will help open a separate banking such as a garment banking unit in future, Hussain said.

The research will focus on the behavioural change of garment workers, who have access to financial institutions and systems like banks, ATM



Sohail RK Hussain, managing director of City Bank, attends the launch of a research project by the bank and Innovations for Poverty Action (IPA), on the electronic wage payment system for garment workers, at Westin hotel in Dhaka yesterday. Shoraz Shahjahan, country director of IPA, was also present.

services, said Mashrur Arefin, deputy managing director of the bank.

As part of the project, City Bank has opened accounts for garment workers in cooperation with garment factory managements and installed ATMs at the factory premises with no charges, Arefin said. The study will shed light on three aspects of the ongoing policy debate, according to IPA.

First, how useful is the electronic

wage payment system as a stepping stone into the formal financial system? Second, can providing electronic deposit services be beneficial for employers to increase productivity and cut transaction cost? Third, what are some of the practical obstacles that slow down adoption of the electronic wage payment system?

Shoraz Shahjahan, country director of IPA, was also present.



Mohammad Ali, president of India-Bangladesh Chamber of Commerce and Industry (IBCCI), and Pinak Chakraborty, vice president, attend the seventh annual general meeting of the chamber, at its office in Dhaka on Thursday.



Kazi Akram Uddin Ahmed, chairman of Standard Bank, presents 20,000 blankets to Prime Minister Sheikh Hasina, as donation to the premier's relief and welfare fund at the Prime Minister's Office in Dhaka on Saturday.

## Gulshan Club's new chief

STAR BUSINESS DESK

Shahab Uddin Khan has recently been elected as the 19th president of Gulshan Club for 2014-15, the club said in a statement yesterday.

Khan was elected at an annual general meeting of the club yesterday.

The other members of the club's new executive committee are: Zaki Ibrahim, Mafiz Ahmed Bhuiyan, Akhter Jahan Ahmed, Naushad Shahriar Sayeed, Mohammad Shahed Masud, Rafiq Hassan, Mohd Showkot Ali, Murad Iqbal Choudhury, Faruq-uz-Zaman and Md Waseem Nabi, according to the statement.



Shahab Uddin Khan

# Govt to sign deal to build power plant in Habiganj

STAR BUSINESS REPORT

The government will sign a deal with a Spanish-Korean joint venture today to build a 383-megawatt gas-based combined cycle power plant in Habiganj.

The agreement between Power Development Board and the joint venture of Isolux Ingenieria SA of Spain and Samsung C&T Corporation of South Korea will be signed at the Bidyut Bhaban in Dhaka, according to PDB.

The project, South Bibiyana, will be built by PDB in place of the cancelled Bibiyana-1 power project with local company Summit.

The Spanish-Korean joint venture won the contract to build Bibiyana

South as its engineering, procurement and construction contractor in July after the cabinet committee on purchase approved the construction of the gas-fired power project in South Bibiyana.

This is the first time state-run PDB is financing any project from its Maintenance and Development Fund.

The fund was opened in mid-2011 as per a directive of the Bangladesh Energy Regulatory Commission and is powered by monthly deposits from a part of PDB's electricity power sales.

The Spanish-Korean joint venture bagged the project by beating two other bidders and making an offer of \$288.28 million.

# Godrej provides cheapest solution to mosquito bites

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Asked about the safety of the Fast Card, Kataria said the tests revealed it to be one of the safest mosquito repellents in the market.

The annual mosquito repellent market in Bangladesh stands at around Tk 700 crore, according to Kataria, an economics graduate from Delhi University. Coils take up 80 percent of the market share, with the rest being aerosols and liquid vaporisers.

"We see Bangladesh as a promising market. It has a large and young population, and there is definitely a trend among the households to try new products," Kataria said.

Kataria, who has over 12 years of experience in sales and marketing, said Godrej aims to double its market share in the mosquito repellent segment in Bangladesh within a year. He, however, did not disclose any figure.

Godrej, which had its presence in Bangladesh since 2001, is a key player in the country's household insecticide market with its brands Good Knight and HIT.

In 2011, it set up a factory in Kaliakoir, Gazipur. The same plant is making the new product. The company has manufacturing contracts with three more factories as well.

"We are making a few of our key products in Bangladesh for the local population. It is our endeavour to make more of our products locally as we increase our brand portfolio."

Kataria, who joined the company in February 2011, cited access to utilities like gas supply and electricity and the time spent on getting relevant agreements to get started as challenges to operating in Bangladesh.

At present, Godrej has presence in Asia, Latin America, Africa, Europe, Australia, Canada and the Middle East.

As part of the efforts to boost its global footprint, the company has recently acquired 60 percent rights in Cosmetica Nacional, a Chilean hair colour company.

Its international business has been a major driver of growth and now accounts for about 47 percent of the total consolidated revenues, up from 15 percent in 2010, according to the company's annual report.

In the fiscal year that ended in March, Godrej generated revenue of Rs 4,300.37 crore, up 13.49 percent year-on-year.

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# Make KEPZ a success to attract investments

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KEPZ gives the scope to raise investment here, according to the envoy.

A total of 20 factories have been set up at the KEPZ by Karnaphuli Shoe Industries, a company of Youngone. Of them, eight produce shoes for Puma and Nike. Karnaphuli has the capacity to produce 30 million pairs of shoes a month. A total of 6,000 jobs were created by KEPZ.

Bangladesh has a great objective to double its apparel exports and to achieve this target, it needs to invest in infrastructure, the Dutch ambassador said.

The manufacturing sector as a whole should be compliant, he said. "An ideal industrial estate like KEPZ can be an example for entrepreneurs, for the facilities provided here." "If foreign investors see the success of KEPZ here, others will also be interested in coming here."

"Progress in terms of attracting investors did not happen much at KEPZ," said Huseyin Muftuoglu, ambassador of Turkey.

"We invite investors to do business in Bangladesh, but they look for previous examples," he said. "And if previous examples show hurdles, bureaucracy, red tape, political involvement, they lose hope and feel deterred."

Norlin Othman, high commissioner of Malaysia, said: "KEPZ is a model in Bangladesh and we want to learn from it."

"As head of mission, we want to encourage FDI to Bangladesh by bringing our entrepreneurs. We want to avoid any investment destination when we hear about any hurdles there."

Bangladesh enjoys a tax free entrance to some international markets, which can be used by other countries that invest here, she added. "The regulations and guidelines for investment should be made clear and arrangements should be made so that all procedures could be completed from a one-stop centre," she added.

"Different ministries have different

opinions on the same issues that need to be addressed to bring in more FDI."

Bangladesh is a big market of 160 million people; by considering this, there are investment prospects here and clear guidelines should be in place, she said.

"Visiting KEPZ, we have seen it has maintained high standards," said Darryl Lau, consul of Consulate of Singapore.

Bangladesh aims to raise its annual apparel exports to \$50 billion and "it should be easy to achieve if there are 10 KEPZs here," he said.

"We are watching very keenly to explore investment opportunities here," said Merete Lundemo, ambassador of Norway. "The standard of production at KEPZ is very high, with safety equipment in place."

Kihak Sung, chairman of Youngone, said: "My vision behind establishing KEPZ was to create an opportunity for large investments in Bangladesh, fetch \$1 billion a year from exports and employ over one lakh workers."

In response to a query on attracting foreign investors at KEPZ, he said, "I am in contacting investors from Japan, Korea and many other countries. If the problems are resolved, then they will invest here."

KEPZ was registered in Bangladesh after passage of the Bangladesh Private EPZ Act, 1996 after a meeting between Bangladesh and Korea. It invested \$2.4 million to construct a 33Kv power supply line, a substation and a 4.8 kilometre transmission line. It also needs a gas supply of 20mmcf but the authority is yet to provide a gas connection to the zone, which is also hindering its growth.

KEPZ will also set up schools and day-care centres for workers' children, coming mainly from Anwara and adjoining areas. About 95 percent of Youngone's present workforce is from the locality.

Several industries, like an IT park and electronics, will be set up in the KEPZ area. gazitowhid@thedailystar.net

# Interim court order to end row over IGW revenue sharing

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But IGW Operators Forum, comprising 17 gateways of the total 29 in the market, wanted the new tariff to be effective from July 1, apparently to bring down the amount they were supposed to share with the regulator.

With the plea, the Forum and five operators went to the court on December 8, and the High Court stayed the regulator's order for six months.

Sarwar Alam, secretary and spokesperson of the BIRC, said the chamber judge's order has made invalid the HC order and it

will remain effective till January 18. After that, a full bench will hear the matter, he said.

BTRC Chairman Sunil Kanti Bose said, if the IGWs share their revenue on the basis of the 1.5-cent tariff and that from July 1 instead of September 18, the government would lose Tk 302 crore.

The government set the new tariff on a test basis for six months.

Gateways currently owe around Tk 1,000 crore to the regulator, which has already initiated a process to cancel licences of four operators.



Kathy B Wong, HSBC's senior vice president for corporate sustainability for Asia Pacific; Francois de Maricourt, chief executive of HSBC Bangladesh; and Talukdar Noman Anwar, head of communications, visit HSBC Water Programme supported project of WaterAid in Sylhet recently.



Second from right, Mahtabuddin Ahmed, chief operating officer of Robi Axiata, presents an iPhone 6 to Nazmul Hasan, managing director of Beximco Pharmaceuticals, as its corporate client at a programme recently.

# Mozena sees three challenges for Bangladesh

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Bangladesh now has an "unprecedented opportunity" to take the apparel industry to global standards in terms of fire safety, factory structural soundness, and respect for workers' rights to freely associate and organise, he said in a written speech.

Never before anywhere in the world have the brands, International Labour Organisation, development partners, workers, owners, and the government come together to support transformation of the apparel sector, Mozena added.

"It is for Bangladesh, especially the owners and the government, to seize this opportunity by giving dynamic leadership to this transformation process, particularly respecting the rights of the workers, so brand Bangladesh becomes a premium brand, a preferred brand, the best brand in the global apparel market."

AmCham President Aftab UI Islam moderated the meeting.