Stocks open week lower

STAR BUSINESS REPORT

Stocks opened the week lower, as investors remained on the sidelines fearing further drops.

DSEX, the benchmark index of Dhaka Stock Exchange, declined 25.06 points or 0.52 percent before closing at 4,783.8 points.

Gradual trimming down of the market continued as most of the traded scrips succumbed to investors' reluctance, IDLC Investments said in an analysis.

"In absence of any major development or story that is strong enough to break the 4,800-point barrier, indices are falling as investors appear to stay on the sideways at this level," the merchant bank said.

LankaBangla Securities also said the market continued to see weakness throughout the trading session. "Textile, mutual fund and other small cap stocks bucked the downtrend," the stockbroker said.

Turnover, another important indicator of the market, also dropped 13.4 percent to Tk 533.4 crore on transactions of 13.14 crore shares and mutual fund units.

Of the traded issues, 88 advanced and 202 declined with 38 securities closing unchanged on the premier bourse.

Shahjibazar Power Company dominated the turnover chart with 16.47 lakh shares worth Tk 32.1 crore changing hands, followed by Square Pharma, RSRM Steel, Islami Bank and United Power Generation and Distribution Company.

Among the major sectors, non-banking financial institution and bank gained slightly -- by 0.29 percent and 0.01 percent respectively in market capitalisation.

Conversely, mutual fund lost the highest 3.06 percent, followed by textile 1.05 percent, cement 0.99 percent and fuel and power 0.28 percent. Exim Bank 1st Mutual Fund was the day's best performer, gaining 11.86 percent, while Square Pharma was the worst loser with an 11.56 percent fall.

Chittagong stocks also declined yesterday with the bourse's benchmark index, CSCX, declining 50.24 points or 0.55 percent to stand at 8,949.83.

Losers beat gainers as 158 scrips declined and 56 advanced, while 35 finished unchanged on the Chittagong Stock Exchange. The port city bourse traded 1.06 crore shares and mutual fund units, generating a turnover of Tk 38.78

Training for labour inspectors

STAR BUSINESS REPORT

The government yesterday launched a 40-day training course for 160 labour inspectors.

The training includes subjects such as labour market, occupational safety and health, international labour standards and local laws, the International Labour Organisation that supports the course said in a statement yesterday.

The Department of Inspections for Factories and Establishments and Bangladesh Institute of Administration and Management developed the training course.

The ILO project is funded by Canada, the Netherlands and UK and ILO's International Training Centre in Turin.

Trainers will also focus on the issues related to Bangladesh and global economy, government service rules, procedures, teamwork and office management.

The labour inspectorate has undergone a process of transformation in the past two and a half years, Mujibul Haque, state minister for labour and employment, said at the inauguration of the programme at the BIAM auditorium in Dhaka. "It is now better funded, better resourced and better trained."

The training for all 160 inspectors, including the newly recruits and the experienced ones, will be complete by February 2016, according to the statement.

"This training forms an integral part of ILO's capacity building activities to help Bangladesh develop a modern, transparent and credible labour inspection system," said Srinivas Reddy, ILO country director.

GP

Yasir Azman, chief marketing officer of Grameenphone; Nehal Ahmed, director of marketing; and Md Tareq-ul-Islam, general manager for wireless broadband product, attend the launch of a internet awareness campaign--Easy Net--at Lakeshore hotel in Dhaka yesterday. Story on B1

GP launches new internet campaign

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Easy Net launched under the "Internet for All" campaign will also provide the customers with an opportunity of browsing internet sites for free. Users can browse through Facebook and Wikipedia, and some more sites will be added to the list soon.

"Easy Net will help our customers learn about internet and harness the power of knowledge to move ahead in their lives," said Azman.

About 9.64 crore mobile phone users or 76 percent of the total do not use the internet and nearly 6.5 crore of them do not use the internet just to avoid high bills, according to a study by Grameenphone.

"A lack of awareness on internet is a significant barrier to the spread of data services, and we believe that Easy Net will help us significantly remove the barrier," Azman said.

The operator's internet subscribers currently use 200 MB of internet on average a month, officials said.

Nehal Ahmed, director of marketing, and Tareq-ul-Islam, general manager of wireless

PRAGATI LIFE INSURANCE

Md Jalalul Azim, chief executive of Pragati Life Insurance, and Ashwani Nayar, general manager of Le Meridien Dhaka, pose at the signing of a deal. Pragati will provide group insurance to the hotel's employees and their family members.

EASTLAND INSURANCE

Mahbubur Rahman, chairman of Eastland Insurance, and Arun Kumar Saha, managing director, attend the company's half-yearly conference for 2015 at a convention centre in the capital on Thursday.

New chairman for Global Insurance

STAR BUSINESS DESK

Md Abdul Muqtadir has recently been elected as the chairman of Global Insurance for the second time, the company said in a statement.

He took charge of the post for the first time in 2012-13. He is also the managing director of Infrastructure Services and Kiriti Holdings, according to the statement.

Muqtadir worked as a government servant with the roads and highways department for over three decades.

A civil engineer from Bangladesh University of Engineering and Technology, he also holds a postgraduate degree in highway and traffic engineering from the University of New South Wales in Sydney, Australia.

Global firms avoiding Australian taxes

AFP, *Sydney*

Multinational firms shifting profits offshore to avoiding paying Australian taxes should be "named and shamed", the chair of an Australian parliamentary inquiry into the practices said Sunday ahead of the release of a report.

The inquiry has grilled senior representatives from some of the world's biggest firms in the technology, pharmaceutical and mining sectors on whether they were using complex corporate structures to reduce their tax burden.

The push in Australia to crack down on multinational firms has been mirrored in other countries, with Britain in March introducing a so-called "Google tax" on companies that divert profits overseas.

"The worst tax offenders should be named and shamed, they should have to justify publicly why they're taking the stances that they're taking," the inquiry's chairman Sam Dastyari told reporters in Sydney. The inquiry's report, to be tabled in parliament Monday, is set to call for the disclosure of tax avoidance settlements with the Australian Taxation Office above a certain level -- such as Aus$100 million, the Sydney Morning Herald reported.

"At this point in time, you have a series of Australia's most powerful companies fighting against any transparency measure to actually reveal what goes on behind closed doors between them and the tax office," Dastyari added. "The more public exposure, the more pressure that's brought upon these companies, the better the policy outcome."

One of the report's 18 recommendations will suggest that even companies with overseas headquarters should disclose their revenue, tax paid and deductions used in Australia, the Herald said.

Firms quizzed by the upper house Senate hearings, including Apple, Google, Pfizer and Johnson & Johnson, said they had abided by local and international tax laws.

Australian Treasurer Joe Hockey revealed earlier this year his government's plans to introduce legislation targeting 30 unnamed firms for shifting profits offshore.

While the Organisation for Economic Cooperation and Development (OECD), a grouping of wealthy nations, has played a key role in international efforts to

Brazilian farmer hopes for sweeter coffee market

AFP, *Mococa, Brazil*

Brazilian farmer Marcos Croce has woken up and smelled the coffee -- embracing the organic trend and bucking Brazil's long-held status as a mass producer of poor quality beans.

His Hacienda Ambiental Fortaleza plantation, surrounded by tropical plants and trees in Sao Paulo state, goes against everything that has made Brazil the world's biggest, though hardly most appreciated, source of coffee.

Croce's specialty-grade coffee grows organically: some of the plants in the sun, others in the shade, and the soil is fertilizer free.

"We will never manage to compete in terms of quantity, but here we have managed to stand apart with consistent quality," Croce, 62, said as he walked between rows of shrubs speckled with red coffee beans.

The hacienda stands 3,280 feet (1,000 meters) above sea level, some 185 miles (300 kilometers) north of Brazil's financial capital and biggest city, Sao Paulo.

It has been producing coffee since 1890, most of that with an eye on the mass market and using fertilizers and pesticides. But when Croce and his wife took over the family business in 2001 they switched to organic, a shocking -- but ultimately beneficial, he believes -- change in rhythm.

"Our production dropped 80 percent," Croce remembers.

Before, the plantation collected 10,000 bags of coffee a year. Croce would not reveal the current output.

It's still below old levels, he said, but the business is sustainable, selling to about 30 countries, including France and Italy.

Now Croce, who also set up the Bob-o-Link cooperative of some 60 small producers, wants the organic approach to expand.

"We want to set up a sustainability index, not just in environmental terms, but social," he said.

"When it comes to coffee, Brazil has always been considered the best team of the second division," Silvio Leite, president of the Brazilian Specialty Coffee Association, which was set up in 1991.

With production of 45.3 million 132-pound (60 kg) bags in 2014, Brazil accounts for almost a third of world output, trailed by Vietnam and Colombia. But there's a problem: Brazilian coffee is very much at the bottom end of the market.

Last year, only eight million bags qualified as specialty grade. However, that was up 59 percent from 2013, and specialty coffee is hot.

It was Brazil's association that created the Cup of Excellence contest in 1999 to promote its coffee. Today, the competition has gone international and is considered a reference.

Demand for specialty coffee has risen worldwide by 10 to 15 percent in the last few years, compared to about two percent for regular coffee, with Europe, Japan and the United States leading the way.

But to date the best known producers remain Colombia and several African countries -- not the sleeping giant of Brazil.

So what's all the fuss about?

Technically, specialty coffee means scoring 80 points on a 100 point scale, standing out for taste and having few or no defects.

A good cup of coffee is "a miracle," says Isabela Raposeiras, 41, who teaches about coffee and sells coffee at the Coffee Lab in Sao Paulo.

"There are many stages that need to be done right," the renowned specialist said, ticking off everything from where the bean grows to how it is dried and toasted, to how the actual cup of coffee is prepared.

In Brazil, the number of regions producing specialty coffee is growing -- and, whether it's in Sao Paulo or Minas Gerais, Bahia, Espiritu Santo or Parana, each coffee is influenced by the different soils, climate and altitude.

Mostly these are small-scale producers, but some are also larger players who want to break into the market.

Gradually the trend is catching on. It was only in 2014 that a regional designation certification was set up, with Cerrado Minheiro from Minas Gerais state so far the only one.

"There are incredible coffees in Brazil and they're increasingly in demand," said Susie Spindler, from the Alliance for Coffee Excellence.

Foreign aid hits new high

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Although the government has given some reasons for the difference, the explanation has been the same over the years.

The reasons include delays and allegation in bidding process, faulty project documentation, unrealistic requisition for fund allocation and delays in land acquisition.

But the development partners blame the tardiness while appointing consultants and awarding contracts for the mounting unused aid in the pipeline.

Some 62 percent of the delays were caused due to bottlenecks on the government's side and 19 percent due to the development partners; 12 percent were due to both government and development partners, and 7 percent were affected by outside causes like political unrest, according to an ERD report.

The tardy tendering and contract awarding processes jointly caused 26 percent of the delays.

Finance Minister AMA Muhith never shies away from admitting different ministries' failure in utilising the aid money. In April, he said the disbursement process became lengthy, as various procedures set by the donors have to be followed.

In practice, the amount is deposited in the pipeline and is ready for use right after the agreement is made with bilateral or multilateral donors.

"What actually happens is that we are not ready to use the amount right away," he said.

The frequently changing project directors and the responsibility of a host of projects on each director also do not help matters.

Things are not all negative.

In recent years, the government and the development partners have found a way to boost fund disbursement in order to take the benefits of development efforts to the people.

Nowadays, the ERD, development partners and line ministries sit in a tripartite meeting regularly and discuss the barriers case by case to find out their remedies and expedite the implementation of projects.

Besides, Bangladesh has become one of the few countries in the world to set up a locally developed online aid information platform called Bangladesh Aid Information Management System (AIMS).

Launched in October last year, the web-based software application will help the country to track and manage its aid flows. AIMS is expected to play a key role in promoting effective development partnership, said ERD Secretary Mohammad Mejbahuddin.

"It must be remembered that enhancing aid transparency and ensuring better aid management are joint responsibilities of the government and the development partners and by working together we can move faster towards that goal."

The government managed to hit its disbursement target of $3.01 billion last fiscal year, from $3 billion a year ago.

Textile chemical: another export hope

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In fiscal 2014-15, over $7 million worth of the chemical was exported, according to data from Export Promotion Bureau.

Of the sum, India and Pakistan together accounted for about $6.5 million.

"We have huge potential to export hydrogen peroxide to other countries too," said Mostafa Kamal, chairman and managing director of Meghna Group of Industries.

But Bangladesh's further export potential of the chemical has faced a setback from Pakistan, which has moved to impose an antidumping duty on imports of the chemical from Bangladesh.

The National Tariff Commission of Pakistan on April 28 issued a notice inviting interested parties to attend a hearing on the issue.

"We will fight against the Pakistan move," said a Bangladesh Tariff Commission official. The date for the hearing is yet to be finalised, he added.

An importing country can impose antidumping duty if it finds proof after investigation that the exporting country dumped the product, causing material injury to the domestic industry, according to the World Trade Organisation.

The antidumping duty cannot be imposed if the conditions are not met.

SSG

Joynal Abedin, chairman of Super Star Group, poses with the company's "Star of the Month" employees during a sales meeting in Dhaka.

Garment exports suffer biggest fall in nine months

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In July, exports of leather and leather goods fell by 13.29 percent to stand at $94.64 million, jute and jute goods by 8.99 percent to $55.50 million, home textile by 17.82 percent to $48.64 million, and frozen food and live fish by 42 percent to $37.81 million.

The EPB had set out to earn some $3.11 billion in July. The earnings in the same month a year earlier were $2.99 billion.