Merchant banks demand more time to cut exposure to stocks

STAR BUSINESS REPORT

Leading merchant banks and stockbrokers yesterday urged the stockmarket regulator to extend the deadline for bringing down banks' investment in the stockmarket by another four years.

The banks face a deadline to lower their stockmarket exposure to 25 percent of their "eligible capital" by July 2016.

If approved, the extension, the merchant banks and stockbrokers believe, will ensure banks' active participation as institutional investors in the ailing secondary market.

They also recommended calculating the banks' total exposure to the stockmarket by taking into account their investment in non-listed securities such as investment in subsidiaries.

The proposals came at a meeting between Bangladesh Securities and Exchange Commission and the merchant banks and stockbrokers.

"We sat with them to discuss the current market situation, and they have submitted a set of proposals to us that they think will improve the scenario," BSEC spokesman Saifur Rahman said after the meeting.

As the major recommendations are under the central bank's purview, these will be forwarded to the banking regulator for consideration, he said.

The BSEC hosted the meeting to find solutions to volatility in the market, which fell for the fourth day.

DSEX, the benchmark index of the Dhaka Stock Exchange, declined 26.24 points or 0.59 percent, finishing the day at 4,416.9 points.

Turnover, another important indicator of the market, increased 2.3 percent to Tk 321.93 crore with 7.96 crore shares and mutual fund units changing hands on the DSE.

Of the traded issues, 79 advanced, 197 declined and 39 closed unchanged on the premier bourse.

Titas Gas dominated the turnover chart with 53.69 lakh shares worth Tk 31.67 crore changing hands, followed by Ifad Autos, United Power Generation and Distribution Company, Square Pharma and Lafarge Surma Cement.

Almost all the major sectors declined in market capitalisation with fuel and power taking the biggest hit of 1.98 percent, followed by textile that lost 1.43 percent, banks 0.25 percent and pharma 0.13 percent.

Only the miscellaneous sector gained 1.31 percent.

Standard Ceramic was the day's best performer with a 9.96 percent gain, while Pharma Aid was the worst loser, eroding 12.03 percent.

Chittagong stocks declined with the bourse's benchmark index, CSCX, sliding 58.93 points or 0.71 percent to finish the day at 8,216.12 points.

Losers outnumbered the gainers 154 to 53, while 32 finished unchanged on the Chittagong Stock Exchange.

The port city bourse traded 64.47 lakh shares and mutual fund units worth Tk 24.37 crore in turnover.

US-Bangla Airlines to arrange summit for customers

STAR BUSINESS DESK

US-Bangla Airlines will organise a three-day summit for its customers in Cox's Bazar, the airline said in a statement.

People from all corners of the country, including travel agents and local and national journalists of Cox's Bazar, will gather at the summit starting from November 26 at Ocean Paradise Hotel in Cox's Bazar, Chittagong.

Rashed Khan Menon, civil aviation and tourism minister, is scheduled to attend the event as the chief guest.

Different events, including award giving ceremony, cultural event and business conference, will be organised as part of the summit.

US-Bangla Airlines serves the domestic destinations in Bangladesh with three DASH-8 Q400 aircraft. It has scheduled flights on Dhaka to Chittagong, Cox's Bazar, Jessore, Sylhet, Saidpur, Rajshahi and Barisal routes.

SSG

Aftab Mahmud Khurshid, group chief marketing officer of Super Star Group, receives a crest from Aupee Karim, an architect, at the Home Fest Dhaka 2015, an interior design expo.

SANANDA JEWELLERS

Abdul Matlub Ahmad, president of the Federation of Bangladesh Chambers of Commerce and Industry, opens the Sananda Diamond outlet of Sananda Jewellers in New Market, Dhaka. Ranjit Ghosh, managing director of Sananda Jewellers, was also present.

LOTTO

Andrea Tomat, president of Lotto Italia, and Kazi Jamil Islam, managing director of Lotto Bangladesh, pose at the local launch of Lotto's Adapto Memory Foam Shoes at its flagship outlet in Uttara, Dhaka.

LE MERIDIEN

Officials of Le Meridien hotel interview a candidate during a Female Recruitment Day event held on the premises of the hotel in Dhaka on Saturday.

India's Jet Airways confirms order for 75 Boeing 737 planes

AFP, Dubai

India's Jet Airways confirmed on Monday an order for 75 Boeing 737 planes previously listed on the US manufacturer's book as for an undisclosed client.

It was the first big announcement at the Dubai Air show, which opened Sunday amid low expectations for major sales.

"The order, previously attributed to an unidentified customer, includes conversions of 25 Next-Generation 737s to 737 MAX 8s, as well as options and purchase rights for an additional 50 aircraft," Boeing said in a statement released at a joint press conference at the Dubai Airshow.

"The announcement marks the largest order in Jet Airways' history and supports the airline's replacement strategy," the statement said.

The Boeing 737 MAX 8 plane costs $110 million at list price. The carrier, partly owned by Etihad Airways, has a fleet of 115 aircraft.

Australian green group to challenge India-backed coal mine

AFP, Sydney

An Australian environmental group Monday launched a new legal challenge to a huge, India-backed coal mine, saying the government's recent re-approval of the project failed to consider the impact on the Great Barrier Reef.

The Aus$16.5 billion (US$11.6 billion) project in the Galilee Basin in Queensland state has been criticised by environmentalists who say the coal it produces will not only contribute to global warming but will have to be shipped from a port near the World Heritage-listed reef.

The Australian Conservation Foundation (ACF) said it had lodged papers with the Federal Court applying to challenge Environment Minister Greg Hunt's approval of the Adani company's Carmichael coal mine.

"This action is historic; it's the first case that has sought to test the environment minister's World Heritage obligations as they relate to the climate change impacts on the reef caused by pollution from burning a mine's coal," the foundation's Geoff Cousins said.

Adani has previously accused environmental activists of exploiting legal loopholes to stall the massive open-cut and underground coal mine forecast to produce 60 million tonnes of thermal coal a year for export, with the approvals process so far stretching to five years.

Environmentalists say the Barrier Reef -- the world's biggest coral reef ecosystem -- is already struggling from the threat of climate change, as well as farming run-off, development and the coral-eating crown-of-thorns starfish.

"Coral reef scientists are telling us in just a few decades warmer waters could bleach the reef beyond recognition. This would be a tragedy for Australia and the world," Cousins said.

Scientists warned last month that if the current El Nino weather phenomenon drove worsening warming effects, the reef would suffer widespread coral bleaching and subsequent mortality -- the most common effect of rising sea temperatures.

The Carmichael mine was blocked by the Federal Court in August over a legal challenge relating to two vulnerable reptiles -- the lizard-like yakka skink and the ornamental snake -- but was reapproved last month, with Hunt defending its strict environmental conditions.

Lawyers for the ACF said they were now seeking an independent judicial review by the Federal Court of the legality of the government's re-approval.

"Australia has an international legal obligation to do all it can to protect our Great Barrier Reef for future generations," Environmental Defenders Office Queensland principal solicitor Sean Ryan said.

"Our question is, has the environment minister properly applied this legal obligation when considering the impacts of the burning of coal from this mine on the Great Barrier Reef?"

Quality services top priority: new BTRC chief

FROM PAGE B1

"We will follow the guidelines and parameters strictly to ensure superior services for the users."

Mahmood said he will work to introduce new services after receiving feedback from mobile users.

The BTRC plans to hire experts to reduce illegal call termination, he said. "We will take up a comprehensive plan to address the issue."

Currently, the telecom operators owe the BTRC more than Tk 5,000 crore, he said, adding that the regulator will take all-out measures to realise the dues.

The BTRC has blocked six international gateway operators for not sharing revenue with the government in the last couple of years. On threats to cyber security, Mahmood said he will sit with the officials of National Telecom Monitoring Centre to help set the next course of action.

Md Ahsan Habib Khan, BTRC vice chairman, and Md Sarwar Alam, secretary, also spoke.

Wheat imports rise for low global prices

FROM PAGE B1

Earlier this month, the US Department of Agriculture said global wheat production will hit a record high, which raised exportable supplies, and should put pressure on international prices.

Bangladesh's wheat import would be 36 lakh tonnes in the current fiscal year ending in June 2016, it said.

Wheat flour, which is around Tk 3.66 less expensive than rice at the retail level, may influence buying decisions of some consumers, the USDA said.

The agency predicts that Bangladesh's wheat consumption would rise 10 percent to 53 lakh tonnes in fiscal 2015-16.

Govt engineers find most factories fit

FROM PAGE B1

"Our full attention must now turn to remediation," he said, adding that the ILO will help build the capacity of the Bangladesh authorities to put in place an effective system for all remediation and regulatory oversight.

Regarding the non-acceptance of the platform's assessment certification by the retailers, Ahmed said they did not receive any such complaints from any quarter so far.

The inspections are continuing under a uniform standard of inspection that was adopted by all three platforms in November 2013.

However, during the recent visit of a delegation from the ILO, the leaders of the Bangladesh Garment Manufacturers and Exporters Association urged them to lobby with the Accord and Alliance so that they also accept the certification.

So far, Accord assessed 1,356 factories and Alliance 829. All three inspection agencies have targeted to assess 3,508 factories and completed the assessment of 3,496.

A total of 16,938 workers were affected due to closure of 37 factories, housed in 18 buildings, by the agencies.

"We appeal to employers' organisations to actively work with factory management to produce corrective action plans for remediation," Reddy said.

This is in the best interest of worker safety and will also give confidence to the buyer community, he added.

Businesses complain of harassment by taxmen

FROM PAGE B1

Bangladesh Plastic Goods Manufacturers and Exporters Association President Jashim Uddin suggested the revenue board work together with businesses to solve the problems tied to tax.

In response, NBR Chairman Md Nojibur Rahman vowed zero-tolerance to corruption, harassment, indiscipline and misconduct.

"The paradigm for harassment has to be ended. We will move forward by taking on businesses as partners. We work for the people and generate revenue for the people."

Rahman said the revenue officials who are yet to change their old style of work and attitudes have to change their behaviour.

Farid Uddin, member of customs policy at NBR, requested businesses to be compliant so that the state can carry out its development plans.

"None of my colleagues will visit you if you act responsibly and make all your peers compliant."

MEENA BAZAR

Shahin Khan, chief operating officer of Meena Daily, a concern of Meena Bazar, opens a Meena Daily outlet in Paltan, Dhaka. Customers will not have to pay any VAT at the Meena Daily outlets, as the company will pay it on their behalf.

German trade surplus shrinks in September

AFP, Berlin

Germany's exports and imports both rebounded in September after falls a month earlier, as the trade surplus shrank slightly to 19.4 billion euros ($20.9 billion), official data showed Monday.

Demand for goods and services from Europe's biggest economy slowed down in China and other emerging markets, but this was partially compensated by strong exports to the United States and other EU members.