

# Stock turnover hits five-month high

STAR BUSINESS REPORT

Turnover on the Dhaka Stock Exchange hit a five-month high yesterday, as stocks ended in the black for the first time in January.

Turnover reached Tk 743.87 crore, after rising 29.8 percent from the previous day on transactions of 23.61 crore shares and mutual fund units.

DSEX, the benchmark index of the premier bourse, rose 20.61 points or 0.44 percent, finishing the day at 4,686.05 points.

The bourse saw a lot of activities, as investors got electrified with stock-specific anticipations, said IDLC Investments.

"While crude oil traded below \$30 in the international market for first time in 12 years, the manufacturing sector outlook gets revised in the domestic arena," it said.

Of the traded issues, 198 advanced, 92 declined with 35 securities closing unchanged on the premier bourse.

United Power Generation and Distribution Company dominated the turnover chart with 16.01 lakh shares

worth Tk 26.42 crore changing hands, followed by BD Thai Aluminum, the City Bank, Beximco Pharma and FAR Chemicals.

Among the major sectors, textile increased 1.67 percent in market capitalisation, followed by non-bank financial institutions that rose 1.1 percent, mutual funds 0.81 percent and banks 0.29 percent.

Conversely, the engineering sector declined 0.3 percent, followed by cement 0.28 percent and pharma 0.21 percent.

ITC was the day's best performer with 9.85 percent gains, while Savar Refractories was the worst loser, shedding 8.88 percent.

Chittagong stocks rose with the bourse's benchmark index, CSCX, increasing 51.83 points or 0.59 percent to finish the day at 8,734.91 points.

Gainers beat losers as 157 advanced, 55 declined while 28 finished unchanged on the Chittagong Stock Exchange.

The port city bourse traded 2.03 crore shares and mutual fund units worth Tk 48.57 crore in turnover.

## New MD for Union Capital

STAR BUSINESS DESK

Mahmudul Alam has recently been appointed as the managing director and chief executive of Union Capital (UCL).

Prior to the appointment, Alam has been serving GSP Finance Company as additional managing director, UCL said in a statement yesterday. He has more than 25 years of experience in the financial sector, according to the statement.

He has also worked with IDLC, Mashreq Bank of UAE, Shahjalal Islamic Bank and AB Bank.

Alam holds an MBA from the Institute of Business Administration of Dhaka University.



Syed Manzur Elahi, chairman of Apex Footwear, and Syed Gias Hussain, additional managing director, pose at the gift handover ceremony of the company's "Celebrating 25 Years of Being New" campaign at the company's head office.

## Samsung wins over 100 awards at 2016 Consumer Electronics Show

STAR BUSINESS DESK

Samsung Electronics has won more than 100 awards in key categories at the 2016 Consumer Electronics Show (CES), the company said in a statement yesterday.

Samsung, a global leader and innovator in consumer electronics, semiconductors and telecommunications, won the awards in different categories, including home entertainment, home appliances and mobile.

The show is a global gathering place for all who thrive on the business of consumer technologies, according to the statement.

The company won 38 CES 2016 innovation awards, including a "Best of

Innovations Award" in television.

Samsung also won a number of media and industry awards, selected by organisations out of more than 3,600 exhibiting companies.

"Samsung continuously strives to provide consumers with innovations that matter to help them connect their busy lives with their friends, family, co-workers and even their appliances in meaningful ways," said Gregory Lee, president and CEO of Samsung Electronics North America.

"It's an honour to receive recognition both from CTA and the industry; and we can't wait for the products showcased here to be part of a consumer's everyday life."

## GPH Ispat to invest Tk 1,700cr for expansion

FROM PAGE B1

GPH Ispat, which was listed on the stock exchanges in 2012, will hold a press briefing in Dhaka today to share the details on the expansion plan with the media.

The company's net profit rose 5 percent year-on-year to Tk 29.28 crore in 2015.

On the premier bourse yesterday, each share of the company traded between Tk 45 and Tk 49, before closing at Tk 45.2.

Sponsors hold 59.65 percent stakes in GPH Ispat, institutions 14.43 percent and general investors the remaining 25.92 percent.



Abdul Matlub Ahmad, president of the Federation of Bangladesh Chambers of Commerce and Industry, hands over a certificate to a participant of a training on non-tariff barriers and measures in the Saarc region, organised by FBCCI in collaboration with GIZ, in the capital yesterday.



Shafiqul Alam, managing director of Jamuna Bank, and James P McDonald, general manager of Intercontinental in Dhaka, exchange documents of a deal in the capital on Tuesday. The bank's international credit cardholders will now get access to Balaka Executive Lounge of Hazrat Shahjalal International Airport.

## Emerging economies' outlook more worrying than China: S&P

AFP, Paris

The "alarming" outlook for emerging countries hit by collapsing oil prices is more worrying than China's economic slowdown, ratings agency Standard & Poor's said Wednesday.

"We are much more worried about the prospects for emerging countries outside of China, and in particular raw material producing countries", than the Asian giant's economic woes, leading S&P economist Jean-Michel Six told a news conference.

He said falling oil prices that had been a "blessing" for consumers in developed nations had now turned into "bad news" for the world economy.

And he highlighted the risks of falling oil prices that have now slumped close to \$30 a barrel for "the growth and geopolitical prospects in the emerging countries" heavily dependent on commodity prices and especially oil.

"We are in a zone of uncertainty and weakness which is becoming alarming," Six, who is chief economist for Europe, the Middle East and Africa, told reporters.

## Low-cost loans for dairy farmers

FROM PAGE B1

Hasina underscored the need for processing and preserving milk to boost the milk-processing industry and help diversify into milk products like butter, ghee and cheese.

"These items have a huge local market and we can also export those abroad," the UNB quoted Hasina as saying.

Bangladesh produced 696.85 crore litres of milk in fiscal 2014-15, up 14.3 percent year on year, according to the livestock services department.

The production was almost half the country's annual milk requirement.

"We spend nearly Tk 4,000 crore a year to import powder milk to meet the deficit," said BB Governor Atiur Rahman.

The refinance facility will allow at least 10,000 farmers to get cheap loans, he added.

Under the scheme, farmers will get loans between Tk 50,000 and Tk 2 lakh from banks, which they will have to repay within four and half years.

Farmers can borrow Tk 50,000 for one heifer capable of reproducing within a maximum of three months, and take a maximum of Tk 2 lakh for four heifers for milk production. Applications for buying the indigenous species will get priority.

The BB says women and marginal farmers will be prioritised in extending loans, and the upazila office of the livestock services department will oversee the process to ensure proper use of the money on the borrowers' part.

"Production of milk and beef will rise with a proper use of the loan. The privilege will create self employment and encourage establishment of a modern dairy industry," said Rahman.

The low cost loan scheme for dairy farming will also have a positive impact on the rural economy, he said.

Rahman said the BB also asked banks to lend to buffalo farmers in chars or small coastal islands.

## 25 tanners face legal notice as they fail to relocate factories

FROM PAGE B1

Speaking to reporters in Dhaka yesterday, the industries minister reiterated the government's intent to make the Hazaribagh area free of tanneries.

"I will take action. I will cancel their plot allotment and even close down their factories in Hazaribagh," he said, about the tanneries that will fail to move to Savar within "stipulated" time.

Amu also said he has already consulted with the prime minister about the issue.

Shaheen Ahmed, chairman of the Bangladesh Tanners Association, said most tanneries have been working since January to set up their units at the estate.

Half of the tanneries will be ready to start commercial operation by the end of this year and the others as early as May, he added.

One such firm that is in the relocation process is Crescent Tanneries, which exports products worth Tk 2,500 crore a year.

The company has decided to start operations in its Savar unit from July 1 this year, said its General Manager Md Nurul Islam, adding that it has already sent a letter to the authorities requesting high-voltage power connection.

Crescent will have to spend Tk 100 crore to complete the relocation process, according to Islam.

Over at the Savar industrial park, the central effluent treatment plant (CETP), the main argument for relocation from Hazaribagh, is not fully ready yet.

Officials said more than 50 percent of the work to set up the CETP has been completed, meaning two of the four units

are ready to process pollutants.

A number of tanneries called for completing all the units of the CETP so that the estate is fully operational.

Otherwise, the untreated and toxic liquid waste that is polluting the Buriganga river now will pollute the Dhaleshwari after they move there.

Unions have called for completing the CETP so the tanneries can operate in an environment-friendly way and workers can work in a healthy workplace.

Abul Kalam Azad, president of the Tannery Workers Union, criticised the government and the tanneries alike for not keeping the accommodation of the workers in mind while designing the tannery estate in Savar.

He said 30,000 workers and their families will have to move to Savar. "Where will they live? Where will their children go to study?"

"It is not that tanneries will move there, hire workers, train them for a few days and then start operations. These workers are specialised ones. If they cannot move there immediately with the tanneries, the tanners will face a crisis."

Residents of the areas surrounding the tanneries in Hazaribagh said they would be happy to see the tanneries shift as it is long overdue.

"The air is very toxic. The smell is very bad. This is very bad for the health," said Minhajul Islam, a student who lives in the area with his parents.

Brand new steel products become rusty quickly, according to a number of residents.



Hafiz Ahmed Mazumder, chairman of Pubali Bank, poses at a ceremony handing over 1,000 blankets to Anjuman Mufidul Islam for distribution among the poor.



Md Abul Kalam Azad, principal secretary to the prime minister, and Asif Ibrahim, chairman of Business Initiative Leading Development, attend the eighth meeting of the Private Sector Development Policy Coordination Committee.

## Yarn, machinery suppliers see robust growth in Bangladesh

FROM PAGE B1

On Bangladesh's target to export garment items worth \$50 billion by 2021, Tandon said doubling the export value of garments is possible as work orders are shifting to Bangladesh from China, the world's largest apparel exporter. Bangladesh exported apparel worth \$26.5 billion last fiscal year. "The reputation and quality of Bangladeshi garment items is higher. This is one of the major reasons behind the higher export."

Chinmay Sharma, manager (export) of Winsome Yarns Ltd, another Indian yarn manufacturer, said: "Bangladesh will remain a lucrative destination for us for the next 10 years at least, as garment business is growing tremendously."

Bangladesh is still more competitive than China, Cambodia and Vietnam, said Sharma, whose company supplies yarn and fabrics to 38 countries and has a yearly turnover of \$90 million, 45 percent of which is generated from Bangladesh. Tangshun, a Chinese fabric maker that participated in the fair, supplies fabrics worth \$10 million a year, mainly to the US and Europe.

"We came here to explore the Bangladeshi market, as it is a good market for fabric suppliers," said Capriwa, owner of Tangshun, who uses one name. This is his first visit to Bangladesh as he heard a lot about the market.

Andy Liu, sales-in-charge of Zoje, a Chinese supplier of sewing machines, said: "Shipments of machinery have been increasing in Bangladesh since September. Our business here is ever-expanding." In 2015, Zoje supplied 3,500 sewing machines to Youngone, a leading garment manufacturer, said Liu. "It was one of the biggest shipments in recent years to a single company in Bangladesh."

He regularly supplies sewing machinery to 40 garment factories in Bangladesh. "We are satisfied with the Bangladeshi market. It is a big market for us as China is losing its market share in the global garment business," said Liu, who supplies sewing machines worth \$6 million to Bangladesh a year.

A total of 300 companies from 30 countries in 400 stalls and pavilions are exhibiting their products at the 15th edition of the four-day Garmentech Bangladesh 2016.

Zakaria Trade and Fair International, ASK Trade and Exhibitions and Bangladesh Garment Accessories and Packaging Manufacturers and Exporters Association are jointly organising the event.

## Rate cuts on the way after three years

FROM PAGE B1

"The central bank should create space for increasing private investment," he added.

Mohammed Farshuddin, a former central bank governor, said Bangladesh Bank needs to look at its monetary policy now that political stability is returning.

"Monetary policy should not be restrictive or accommodating. Rather, it should be expansionary. Although there will be some risks of inflation, but it can be dealt with subsequently. What we need is a lot of investment."

The central bank has had very good success in containing inflation, he said, citing that inflation was in double digits in 2011 but has now come down to nearly 6 percent.

"So now, the central bank should liberalise itself a little bit so that investment increases," he added.

BB Chief Economist Biru Paksha Paul said the next monetary policy will be pro-growth and pro-investment.

"Some people may say that it is nothing new. But that is especially new and why so? We are enjoying some favourable environment in the background such as political stability, low inflation, low commodity prices, India's growth prospects and high stability in the economy."

India's GDP growth has a positive ripple effect on the Bangladesh economy and the neighbouring country is forecast to clock in the best figures in 2016 by US news organisation Bloomberg.

## Banks borrow from BB after a four-year gap

FROM PAGE B1

Banks, particularly the primary dealer ones, must invest in bonds and bills to a certain limit.

The non-PD banks have also invested in bonds and bills as their scope for commercial investments has squeezed in recent years.

"But banks parked an additional Tk 60,000 crore with the BB to earn some profits. Banks would not invest this amount in the BB if they could lend commercially."