

Stocks fall to 10-month low

STAR BUSINESS REPORT

The key index of Dhaka Stock Exchange tumbled to a ten and a half months low yesterday, as stocks suffered for the fourth consecutive session.

DSEX, the benchmark index of the premier bourse, declined 14.55 points or 0.33 percent, finishing the first day of the week at 4,355.93 points. The index closed at 4,315.99 points on May 17 last year.

LankaBangla Securities said stocks showed another lackluster session, which indicates that investors were still gathering up courage to expand holdings in stocks following the spike in the recent market jitters.

"Stocks extended losses because of mixed economic data," the stockbroker said.

Turnover, another important indicator of the market, dropped 15.65 percent to Tk 278.11 crore, the lowest since December 13 last year, when the turnover stood at Tk 274.16 crore.

"Market turnover saw a sharp decline amid a lack of resilience," LankaBangla said in its regular analysis.

IDLC Investments, a merchant bank, said the correction phase in the market extended further with a slump in trading activities.



Some 9.41 crore shares and mutual fund units changed hands on the DSE. Of the traded issues, 106 advanced, 165 declined and 48 closed unchanged on the premier bourse.

Keya Cosmetics dominated the turnover chart with 82.61 lakh shares worth Tk 12.6 crore changing hands, followed by Emerald Oil Industries, BSRM, Dragon Sweater and Spinning, and Golden Harvest Agro Industries.

Among the major sectors, non-banking financial institutions suffered the most, declining 0.99 percent in market capitalisation, followed by mutual funds that fell 0.89 percent, cement 0.8 percent, banks 0.72 percent, textile 0.71 percent and fuel and power 0.52 percent.

Conversely, the food and allied

sector rose 0.91 percent in market capitalisation, followed by life insurance that increased 0.76 percent, general insurance 0.55 percent and pharmaceuticals 0.25 percent.

Ibn Sina was the day's best performer with 9.98 percent in gains, while Southeast Bank was the worst loser, shedding 9.52 percent.

Chittagong stocks also fell yesterday with the bourse's benchmark index, CSCX, declining 43.35 points or 0.52 percent to finish the day at 8,138.75 points.

Losers beat gainers as 133 declined, 61 advanced and 39 finished unchanged on the Chittagong Stock Exchange. The port city bourse traded 73.14 lakh shares and mutual fund units worth Tk 17.87 crore in turnover.

New MD for National Bank



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AFM Shariful Islam has recently been appointed as the managing director of National Bank for a three-year term, the bank said in a statement yesterday.

Prior to his appointment, Islam has been serving the bank as additional managing director. Islam started his career with AB Bank and later served Dhaka Stock Exchange as chief executive officer, according to the statement.

He completed his MA with honours in economics from Rajshahi University and later completed a diploma on financial asset management and engineering from Switzerland.

Private sector should benefit from global fuel price cuts: economist

STAR BUSINESS REPORT

Fuel prices fell drastically in the international market, but Bangladesh's private sector is not getting its benefit, economist Prof Wahiduddin Mahmud said yesterday.

The fuel price drop has saved the government around Tk 25,000 crore and the amount might be spent on paying the additional salaries and allowances of the government employees, he said.

He spoke at the pre-budget discussion at the office of the National Board of Revenue in the capital.

India channelled one third of the money saved from global fuel price cuts to the private sector, he said.

The prices of garment—Bangladesh's main export item—did not fall in international markets, but the prices of thread and fuel have come down, Mahmud said.

"It is an unexpected extra benefit for Bangladesh's economy."

The incidence of tax evasion has

increased so much that tax officials now even doubt compliant taxpayers, he said.

He said taking action against some people and letting others go scot-free is not fair.

The tax-GDP ratio in Nepal is 17-18 percent while it is only 11 percent in Bangladesh due to tax evasion.

The income tax return form is very complicated and it is difficult to fill it in, said Abdul Matlub Ahmad, president of the Federation of Bangladesh Chambers of Commerce and Industry.

Further consideration is required before implementing the VAT law, Ahmad said.

There are big farmers in the agricultural sector alongside the small ones, said Nazneen Ahmed, senior research fellow of Bangladesh Institute of Development Studies.

"Research should be done on how the big farmers can be brought under the tax net."

Md Nojibur Rahman, NBR chairman, presided over the meeting.



WALTON

Ilias Kanchan, brand ambassador of Walton, opens 'Tanvir Traders' outlet, an exclusive showroom of the company, in Bagherpara, Jessore. Md Humayun Kabir, executive director for PR and media, and Md Rayhan, deputy operative director for marketing, were also present.



CEMS

SS Sarwar, CEO of Bangladesh Motorsports, attends a press meet to announce the third Rallycross Championship, at the National Press Club in Dhaka yesterday. The championship will be held at International Convention City in Bashundhara on April 2. Tanveer Qamrul Islam, executive director, was also present.

SBAC re-appoints managing director

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Md Rafiqul Islam has recently been re-appointed as the managing director and chief executive of South Bangla Agriculture and Commerce (SBAC) Bank for another term. Islam has been the CEO of the bank since April 1, 2013, the bank said in a statement yesterday.



He has been serving Al-Arafah Islami Bank as the deputy managing director before joining SBAC and has also worked with Pubali Bank, Prime Bank, National Bank and Jamuna Bank. A post graduate of Dhaka University, Islam started his career in 1977, SBAC said.

Citi senior official in town

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Manish Kumar, Citi's managing director and senior credit officer for India and Bangladesh, is now in Dhaka for a three-day visit that ends today.

Kumar met with senior Citi officials, key clients, senior government officials and reviewed Citi's potential for further growth in Bangladesh during the visit, Citi said in a statement yesterday.

Kumar assumed his responsibilities as the risk management country officer of Citibank in India in 2013.

He also headed the risk function for the Commercial Bank, overseeing a portfolio of over 3,000 customers, according to



the statement.

Kumar graduated as a civil engineer from the Indian Institute of Technology, Kanpur and completed his MBA from the Indian Institute of Management, Kolkata.

NBR wins case against Jamuna Group

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Two years later, Jamuna Group filed an appeal to the Appellate Division of the Supreme Court.

Finally on March 16, a verdict came in favour of the government, clearing ways for the tax authority to realise the money, said SM Moniruzzaman, deputy attorney general, who represented the NBR in court.

On the issue, NBR Chairman Md Nojibur Rahman said the NBR is now more proactive about revenue collection than it had been in the past.

"The realisation of VAT had remained pending for a long time. Since the judgment came in favour

of the NBR, the money will have to be paid to the government."

The revenue authority warned that it would take tough action unless the money is paid timely in line with the settlement of cases in court.

Citing the VAT law, the NBR said the law permits the shuttering of the firm, freezing of bank accounts and imposing a bar on imports and exports of associated firms.

Contacted, Md Nurul Islam, chairman of Jamuna Group, questioned the NBR's claim of Tk 700 crore mentioned in the press statement. He said he is yet to receive a copy of the judgment from the Supreme Court.

India should be more liberal toward neighbours: Tofail

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Ahmed went on to praise India's role in Bangladesh's liberation war. "We hope India will remain our friend as it was in the past."

Abdul Matlub Ahmad, president of the Federation of Bangladesh Chambers of Commerce and Industry, said the landmark motor vehicle agreement between Bangladesh, Bhutan, India and Nepal would not be successful if restrictions on people's entry to India are not withdrawn.

He said the visas issued by the Bangladesh High Commission in India have no restriction.

The Indian nationals can enter Bangladesh from any port, whereas India specifies the port of entry in its visas for Bangladeshi nationals.

"That is not the right spirit and especially now that BBIN has been declared. BBIN will never be successful if I have to take a fresh visa to go to Tripura or Dawki in India."

A BBIN economic zone, comprising Pachagarh-Shiliguri-Biratnagar-Funchiling, will be declared in July, said Ahmad, also a former president of the India-Bangladesh Chamber of Commerce and Industry.

Mustafizur Rahman, executive director of the Centre for Policy Dialogue, stressed implementation of the sub-regional accord on the movement of goods and

people.

At present, the Indian traders have to pay \$150 per tonne to carry goods to and from its north-eastern states to the mainland.

The connectivity through Bangladesh is expected to reduce the cost by about \$100 each tonne.

He suggested benefit-sharing for development of infrastructure to ensure better connectivity.

Rahman said Bangladesh gets duty-free access to developed markets as a least-developed country and the opportunity is expected to remain in the next one decade.

"This is a window of opportunity for Bangladesh to increase exports. Indian investors can invest here and take advantage of exporting from here," he added.

In response, FBCCI President Ahmad said Indian investors are coming to Bangladesh, with the view to setting up industries and re-exporting the products back to India.

MM Akash, a professor of economics at Dhaka University, said trade activities at Bangladesh's sea and river ports, particularly Chittagong, Narayanjanj and Chandpur, will get a boost if Bangladesh, the northeast of India, Myanmar and China are connected.

"The door to exporting products at a low cost will open up for

northeast India, Kunming of China, Myanmar and India. Trade among the neighbours will also rise."

But the infrastructure and roads will have to be developed first; and faster resolution of issues such as lack of trust and political confidence will speed up the progress, he added.

Pinak Ranjan Chakravarty, former Indian high commissioner to Bangladesh, said it is indisputable that countries that are better connected succeed in the marketplace.

"Historically, we were connected. But we have destroyed that connectivity. Now we will have to re-connect."

The share of intraregional trade in South Asia's total trade is less than 5 percent, whereas in other regional trade groupings such as the European Union and Asean it is much higher, he said.

Chakravarty went on to blame politics for the low level of intraregional trade, while suggesting a sub-regional cooperation instead of Saarc.

"The prospect of Saarc is not very bright as Pakistan does not have an overwhelming interest in the bloc."

Earlier at the inaugural session, Muntassir Mamoon, president of the Bangladesh Itihas Sammilani, suggested India relax the visa procedures.

20 indicted in nine cases over Hall-Mark scam

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The central bank later handed the issue to the Anti-Corruption Commission.

In October 2012, the ACC filed 11 cases against 27 top officials of Sonali Bank and Hall-Mark Group.

On August 4, 2013, Jasmine got bail after she pledged to pay back the amount in monthly instalments of Tk 100 crore.

However, she did not pay any money and rather went to the High Court and appealed against the condition of the bail. The High Court cancelled the conditions attached to her bail.

On October 7, 2013, the ACC pressed charges against 25 people in 11 cases for the scam.

Two Sonali Bank officials died after they had been arrested and their names were dropped from the cases.



SIBL

Mirza Azam, state minister for textile and jute, opens the 112th branch of Social Islami Bank in Jamalpur. Md Rezaul Haque, chairman of the bank, was also present.

Exporters irked by slow air shipments

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Currently, there are four machines installed at the airport to screen export goods. Of the four, two have been designated for perishable goods, which reduces the apparel screening capacity even further, he said.

International apparel retailers want a timely delivery of their goods, he said. Exporters usually choose to ship goods by air mainly to meet the strict lead-time set by the international retailers, Rahman added.

The exporters are penalised over prices or face work cancellations for any delay in delivery, he said. "We have shared our concerns with the minister several times before, as it is an old problem at the airport."

"We are facing troubles in air shipments as well. We need an immediate solution to the problem," said Rahman.

He also said the situation at the cargo village at the airport has not improved either, as a lot of inbound and outbound goods lay under the open sky due to a shortage of sheds.

"We, from BGMEA, urged the minister to construct sheds at the airport for security of the export goods. But the minister is yet to approve the proposal."

The UK recently banned direct air cargo from Dhaka until further notice as Hazrat Shahjalal International Airport failed to meet some international security requirements.

Only Biman Bangladesh Airlines carried direct cargo to the UK in its four weekly passenger flights, but it is not able to do so now due to the ban, according to officials of the national flag carrier.

One-third SIMs verified so far

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Citycell, the oldest operator, has verified 3.48 percent of its users, re-registering 8.33 lakh SIMs.

Operators have reported negative growth in new connections in the first two months of the year, after the introduction of the mandatory biometric registrations. The sector lost 1.97 percent of its active SIMs, with the number falling to 13.11 crore at the end of February, according to Bangladesh Telecommunication Regulatory Commission.

About 30 retailers have been dismissed for taking extra charges from customers during re-registrations, Tarana said. Passports will be enough for verification of foreigners' SIMs, she said.

To make the process faster, she plans to bring all operators' devices under one umbrella, to reduce customer hassle and save time, especially for those using SIMs from multiple operators.

BB writes to Fed seeking help to recover funds

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Upon a request from the BB, Pan Asia Banking Corporation of Sri Lanka cancelled the payment of \$20 million to its ultimate beneficiary. But the \$81 million that entered the Philippines' banking system was credited to beneficiary accounts with the Rizal Commercial Banking Corporation and eventually withdrawn.

"We want to know why payments were made against the five orders and what the issue was with the rest 30 orders. Did the Fed follow the right procedures?" Saha said.

Soon after the incident, Andrea Priest, a New York Fed spokeswoman, said the payment instructions in question were fully authenticated by the SWIFT messaging system in accordance with standard authentication protocols.

Earlier in February, a BB team visited the Philippines to talk to their counterparts on the issue.