STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES (STANDARD CHARTERED BANK)				
DSEX	CSCX	Gold ▲	Oil ▲	MUMBAI	TOKYO	SINGAPORE	SHANGHAI		USD	EUR	GBP	JPY
▲ 0.91%	▲ 0.90%	$1,212.00 (per ounce)	$44.69 (per barrel)	▲ 1.13%	▲ 0.76%	▲ 0.54%	▼ 0.19%	BUY TK	80.40	90.96	103.16	0.69
5,827.18	10,916.86			31,715.64	20,080.98	3,246.35	3,211.85	SELL TK	81.90	94.56	106.76	0.73

Star BUSINESS

DHAKA TUESDAY JULY 11, 2017, *ASHAR 27, 1424 BS*

No political will to clean up banking sector: CPD

Think-tank gives its observations on fiscal 2017-18 budget

STAR BUSINESS REPORT

Loan scam grips one bank after another and the overall financial sector mainly because of a lack of political will to address the problem, said the Centre for Policy Dialogue yesterday.

Now the first generation banks have started to get affected by loan scandals after state-owned banks and the new ones.

And the reason behind the repeated incidents is the absence of good governance and a lack of oversight on banks, said CPD Distinguished Fellow Debapriya Bhattacharya at a media briefing held at the Brac Centre Inn.

The private think-tank organised the meet to share its observations on the budget for fiscal 2017-18.

"Such incidents would not take place if there was a political will."

The CPD once again called for a temporary financial sector commission to suggest and implement reforms.

"The finance minister also mentioned the banking commission in his budget speech and on several occasions before. But we have seen that it losses steam somewhere," Bhattacharya said.

People will be benefitted and satisfied if a reform commission is formed based on a transparent process ahead of the general election, he added.

Citing the past trends for budget implementation, revenue collection and budget deficit, the CPD said Tk 360,266 crore out of the total outlay of Tk 400,266 crore can be spent, meaning 90 percent of the budget can be implemented.

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Debapriya Bhattacharya, distinguished fellow of the Centre for Policy Dialogue, speaks at a media briefing on the national budget for 2017-18, organised by the think-tank at Brac Centre Inn in Dhaka yesterday. Fahmida Khatun, executive director; Mustafizur Rahman, distinguished fellow, and Khondaker Golam Moazzem, research director, were also present.

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Export growth dips to 15-year low

STAR BUSINESS REPORT

A massive drop in shipment of garment items has caused Bangladesh's export growth to nosedive to a 15-year low in the just-concluded fiscal year.

Exporters racked up $34.83 billion in 2016-17, an increase of only 1.69 percent year-on-year, according to the Export Promotion Bureau (EPB). The earning is 5.85 percent less than the government's annual target of $37 billion.

June's export receipts fell by 15.27 percent to $3.04 billion from the previous month, which is again 16.52 percent lower than the monthly target of $3.64 billion.

EPB Vice Chairman Bijoy Bhattacharjee said they are scrutinising reasons for the decline in exports to major markets. One reason might be the volatility of exchange rates, he said while making public the official export data at the EPB office in Dhaka.

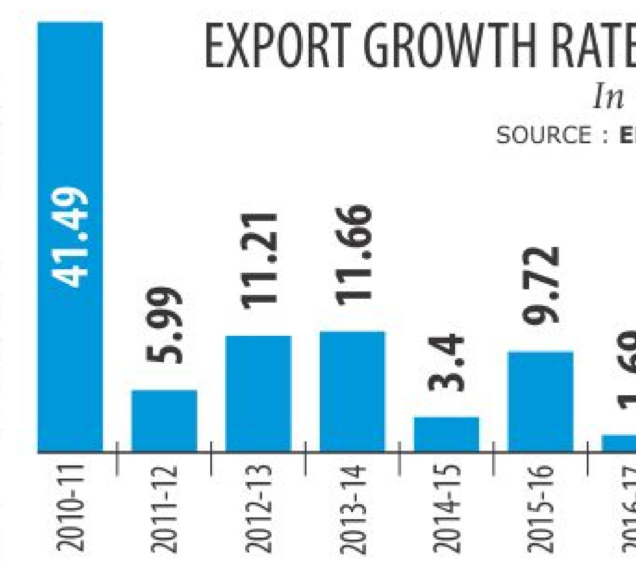
"We also need to find out whether the unit price of exportable items has declined," said Bhattacharjee.

The taka appreciated nearly 8 percent against the US dollar.

Annual growth of garment exports, which account for 82 percent of the national exports, was also the lowest in the past 15 years. Garment exports declined 0.20 percent year-on-year to $28.14 billion, 7.34 percent below the target of $30.37 billion.

Knitwear accounted for $13.75 billion while woven garment $14.39 billion.

Over the past 10 years, garment exports had been increasing at a year-on-year rate of over 13 percent.



"We need to find out the reasons for the slowdown in garment exports," said Faruque Hassan, vice-president of the Bangladesh Garment Manufacturers and Exporters Association.

He said Bangladesh should focus more on producing value-added garment items so that earnings grow while production costs stay the same.

Exporters said Brexit has had a negative impact for the depreciation of the pound against the dollar.

The UK is the third largest export destination for Bangladesh, importing products worth over $3 billion a year.

Exporters pointed out two other reasons -- declining consumption of apparel items in the wake of rising spending for electronic gadgets and unhealthy price competitions among buyers and local manufacturers.

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ADP spend crosses Tk 1 lakh crore for the first time

STAR BUSINESS REPORT

The government's spending on its development projects hit a milestone last fiscal year, crossing the mark of Tk 1 lakh crore for the first time, Planning Minister AHM Mustafa Kamal said yesterday.

The expenditure finally stood at 106,820 crore -- a 23 percent rise year-on-year, Kamal told reporters at his secretariat in Dhaka.

However, according to statistics of the government's Implementation Monitoring and Evaluation Division, the implementation of the annual development programme (ADP) was 89.34 percent of the revised allocation, which was the lowest in the last eight years.

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Tonnes of toxic salt seized at Ctg port

STAFF CORRESPONDENT, *Ctg*

Customs intelligence officials yesterday seized 2,000 tonnes of illegally imported salt in Chittagong Port which contains chemical harmful for human body.

Two firms Azmir Trading Corporation and Asha Enterprize imported the salt in a single consignment from China last month.

The importers in the import documents declared to bring in 2,000 tonnes of sodium sulfate since import of sodium chloride is banned, said Tarek Mahmud, assistant director of the Customs Intelligence and Investigation Directorate, Chittagong.

Tipped-off, customs intelligence officials on June 19 stopped the delivery of the consignment and found the presence of sodium chloride following an initial sample test at the chemical laboratory of the Chittagong Customs House, said sources at the directorate.

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Set energy prices for a certain period

Singapore's businesses urge Bangladesh govt

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Kazi M Aminul Islam, executive chairman of Bangladesh Investment Development Authority, speaks at a discussion between the businesses of Bangladesh and Singapore, at Sonargaon hotel in Dhaka yesterday.

STAR BUSINESS REPORT

A number of Singaporean business-people yesterday called for adequate supply of gas and a fixed energy price for a certain period as they explore investment opportunities in Bangladesh.

The subjects surfaced during a meeting between the Bangladesh Investment Development Authority (BIDA) and a delegation of the Singapore Business Federation at the capital's Sonargaon hotel.

Md Al-Amin Iqbal, a permanent resident of Singapore having business in both Bangladesh and Singapore, said he set up a bakery in Demra in 2012 but is yet to get a gas connection.

Singaporean businessmen also called for greater efficiency of the Chittagong port.

Bangladesh can save energy by way of adopting efficient technologies, said Azhar Othman, regional managing director of Enercon Asia Pte Ltd.

Although the government has increased power generation capacity manifold, there is still room for investment in the sector, said Kazi M Aminul Islam, executive chairman of BIDA.

The country does not have adequate gas at the moment, so the government is increasingly making liquefied petroleum gas available for households to ensure uninterrupted supply of energy to industries.

The government has awarded contracts to set up a number of off-shore and land-based liquefied natural gas terminals.

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Stocks continue gaining streak

STAR BUSINESS REPORT

Stocks continued to rise yesterday with DSEX, the benchmark index of the Dhaka Stock Exchange, hitting an all-time high of 5,827.2 points.

The index was introduced in January 2013 at the 4,000-point mark.

"DSEX reached a new high riding on strong investor enthusiasm in anticipation of pending declarations," said IDLC Asset Management in its daily market analysis.

The daily turnover on the prime bourse also hit a three-month high yesterday: Tk 1,264 crore, up 9 percent from the previous day.

The stockmarket continued its bullish activities as there are not many options for investment other than the capital market, said Abu Ahmed, a professor of Dhaka University.

"There is nothing to be concerned about," he added.

Local cosmetics maker Keya Cosmetics topped the turnover chart for the second day in a row with its transaction of Tk 67 crore.

Each share of the company gained Tk 0.3 or 1.69 percent to close at Tk 18.10.

Keya's unusually high turnover alerted the DSE but the cosmetics company replied saying there was no undisclosed price sensitive information.

Insurance companies gained the most yesterday due to handsome dividend declarations by some insurers for 2016.

Six insurance companies were among the day's top 10 gainers.

The board of directors of Sandhani Life Insurance recommended 20 percent stock dividend for the year that ended on December 31, 2016. Each share of the company gained Tk 1.1, or 3.06 percent yesterday to close at Tk 37.

A total number of 183,653 trades were executed during the trading session, with a trading volume of 44,592 securities.

At the DSE, 178 securities gained, 121 declined and 29 remained unchanged.

Chittagong stocks also rose with the bourse's benchmark index, CSCX, increasing 97.66 points or 0.90 percent to finish the day at 10,916.86.

Bangladesh should go for high-end apparel

Suggest European traders

REFAYET ULLAH MIRDHA

Bangladesh should focus more on value added, high-end apparel items rather than basic, traditional products to make the business sustainable amidst the fierce competition in the global garment trade, a group of European garment buyers said yesterday.

The European fashion market is rebounding as the retail sales of garment items have been increasing by 3-4 percent year-on-year over the last few years, the retailers said.

The sale of denim products is especially on the rise, said Serge Leon, a freelance adviser to the Modint, a European clothing brand.

Bangladesh's performance with denim has been very strong having already overtaken China and capturing 21.8 percent of the market share, so this is a new opportunity, Leon said.

Bangladesh exports over $1 billion-worth denim products to European markets in a year and one out of every three jeans being worn is from Bangladesh.

Had the country exported more value added items, Bangladesh could have earned $35 billion from the same quantity of goods sold for $28 billion in 2015-16, he said.

The cost of production in Bangladesh has been increasing and the price of basic garment items is not so high. So, value added items can make the business more sustainable for Bangladesh, Leon said.

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