

Govt cancels BASIS election

STAR BUSINESS REPORT

The commerce ministry yesterday cancelled the executive council election of BASIS for 2018-2020 on grounds of procedural errors in the schedule. It was scheduled to be held on March 31.

The ministry has also extended the tenure of the existing executive committee of the Bangladesh Association of Software and Information Services (BASIS) by six months, said Syed Almas Kabir, president of the association.

The BASIS was also ordered to prepare a new election schedule, Kabir said, who is also the leader of a panel of nine candidates of the election.

The BASIS panel along with its lawyer and election commissioner yesterday went to discuss the issue with the commerce and ICT ministers, as part of effort to hold the election on the scheduled date, said SM Kamal, the election commissioner.

The highest trade body of digital businesses in the country, the BASIS earlier brought some changes to its

guideline, where the ministry's approval was required to implement it, according to a letter signed by Sayeda Nahida Habib, a deputy secretary of the commerce ministry.

But BASIS announced the election schedule without getting the go-ahead for the change, which prompted the ministry to cancel the schedule, the letter reads.

Earlier, a director along with 11 members of the BASIS has also applied to the Registrar of Joint Stock Companies and Firms (RJSC) and urged it to cancel the election.

The sole authority which facilitates formation of companies, the RJSC then informed its trade organisations' wing about the issue, which took the final decision of cancelling the election.

Earlier, the BASIS twice declared election dates last year on July 8 and December 28, but failed to organise it.

This year, 31 candidates submitted nominations for nine posts. Five of them are independent and the rest from three panels.

Singer runs AC sales campaign

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Singer Bangladesh is running a sales campaign offering discounts of up to Tk 5,000 and six, nine, 12, 18 and 24-month installment periods on purchase of air conditioners from its countrywide outlets.

The 21-day "Singer AC Festival" ends on April 15, the company said in a statement yesterday.

Customers can make purchases even if they do not have a credit card, starting off with a down payment of at least Tk 10,000, depending on the conditions.

AkzoNobel to sell chemicals arm for 10.1b euros

AFP, The Hague

Dutch chemical giant AkzoNobel announced Tuesday it was selling its chemicals arm to US-based investors Carlyle Group and Singapore's GIC for 10.1 billion euros (\$12.6 billion), as part of its strategy to bolster the company.

"AkzoNobel today announces the sale of 100 percent of its specialty chemicals business to The Carlyle Group and GIC for an enterprise value of 10.1 billion euros... as part of its strategy announced in April 2017," it said in a statement.

The deal is expected to be complete by the end of 2018, and the Dutch company said it considered the move "in the best interests of AkzoNobel, Specialty Chemicals and its respective stakeholders, including employees, shareholders and customers".

The world's leading paintmaker, which owns brands such as Dulux and Trimetal, said last year it was splitting off its chemicals arm as it fended off an increasingly hostile takeover bid by US-based rival PPG.

India, China agree to address trade imbalance

PALLAB BHATTACHARYA, New Delhi

India and China have agreed on a roadmap for addressing the imbalance in bilateral trade, heavily tilted in the latter's favour.

The agreement was reached at the 11th session of the China-India Joint-Group on Economic Relations, Trade, Science and Technology in New Delhi on Monday headed by India's Commerce and Industry Minister Suresh Prabhu and his Chinese counterpart Zhong Shan.

An official statement issued yesterday said the two ministers reaffirmed their commitments to increasing balanced and sustainable bilateral trade and agreed to draw up a medium and a long-term roadmap with action points and timelines.

The Chinese side noted India's concerns regarding the long-standing imbalance along with requests for market access of Indian products and services and expressed

commitment to address those, it said.

The Chinese side iterated its commitment to expeditiously work towards giving market access to Indian agricultural products such as non-basmati rice, rapeseed and soybean meals, pomegranate and pomegranate arils, okra, banana, other fruits and vegetables, and beef.

The two sides also reaffirmed their aim to promote bilateral trade in pharmaceuticals and resolve issues involving Indian pharmaceutical exports to China, the statement said.

The two sides agreed to strengthen cooperation within World Trade Organisation and other multilateral and regional frameworks to uphold common interests and reiterated commitment to rules-based multilateral global trade.

The two largest emerging economies account for 35 percent of the world population and around 20 percent of the gross domestic product. However, the bilateral trade is less than 1 percent of global trade.



From Left, Rashed Al Hasan, policy manager of Business Finance for the Poor in Bangladesh; Feisal Hussain, team leader; Toufic Ahmad Choudhury, director general of the Bangladesh Institute of Bank Management, and Md Ahsan Habib, a director, attend a deal signing ceremony in Dhaka yesterday to conduct policy advocacy towards strengthening the regulatory environment for micro and small enterprises.

Saudi Aramco chief says IPO on track for 2018

AFP, Riyadh

The head of Saudi oil giant Aramco has said a much-anticipated IPO is on track for 2018, but declined to give a fixed date -- or venue.

"We should be ready for listing in the second half of 2018," CEO Amin Nasser told Bloomberg Television on Monday, conceding that the oil giant was looking at a "complex process". "There's a lot of work that is still ongoing, the IPO is ongoing," Nasser said.

"The venue and the timing is the government... Don't forget this is a very complex process. Aramco's size and complexities is something that requires time."

Saudi authorities plan to list five percent of Aramco on an as-yet unspecified stock market, but the company has struggled to arrive at a \$2 trillion valuation sought by Saudi Crown Prince Mohammed bin Salman.

Investors are reportedly sceptical about the lengthy process of placing Aramco on a foreign stock exchange, potentially the largest stock sale ever, with New York, London and Hong Kong among the potential sites. Nasser, however, said there was "a lot of demand for the listing".

Saudi Arabia's energy minister has raised concerns that litigation would complicate a listing in New York, although President Donald Trump has publicly lobbied for a US Aramco listing.

The Wall Street Journal reported last week that the company may scrap its international plans and opt instead for a domestic exchange listing.

London's Financial Times reported earlier this month that the IPO may be delayed until 2019 at the earliest, citing British officials briefed on the matter.

The Aramco IPO plan is a pillar of the petro-state's "Vision 2030" reform programme, which aims to wean the economy off its reliance on oil revenues.

Saudi Arabia, which counted on crude for more than 90 percent of its public revenues, has struggled to bounce back from a 2014 global oil market crash triggered by an output surplus.

The kingdom this year introduced a value-added tax for the first time in its history, along with new fees on its sizeable expatriate workforce, and it is opening up the ultraconservative country to tourism.

Training goes digital

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The company has been engaged in physical training for the last eight years and has now put it on the digital platform. People are taking different kinds of training to enhance their expertise, Khan said.

Repto, another e-learning platform, has so far developed 63 courses and is mainly running individual's capacity-building courses, mostly focusing on tertiary level students.

By paying a nominal fee, students can learn different capacity-building courses from home and prepare for corporate jobs, said Istiyak Sheyam, CEO of Repto Education Centre.

Sheyam developed the idea in 2015 just after his higher secondary examination. A year later, he received investment from Grameenphone Accelerator.

Now, about 45,000 unit courses have been completed using the platform. Initially, it was very tough for Repto to sell online courses.

"A good number of the participants have already got jobs," said Sheyam, who also attended more than 50 globally reputed online courses.

He said the online course is a new concept in Bangladesh, but there is no other cost-effective, less time-consuming, and effective way to enhance the skill of the youth.

Online platform 10 Minute School is offering comprehensive study solutions

for different grades and has received huge popularity.

In 2015, Ayman Sadiq founded the platform and at the time it was the only site in Bangladesh that allowed students to learn from tutorials and live classes, practise from quizzes and model tests and monitor progress.

Soon after its launch, Robi came up with support and is helping the site to thrive. In December, the platform scooped the top award of an Asia-Pacific regional competition.

Shyamoli Akbar, a professor of the Institute of Education and Research at the University of Dhaka, hailed the current wave of e-learning.

"Undoubtedly, this is a very positive trend and we need to expand to achieve the best possible result," she said.

The government has an open e-learning platform 'Muktopaath' and this has been developed for eight lakh teachers.

Some other platforms such as Khan Academy, Jaago Foundation's online school, Amar Pathshala, and Lekha Pora BD which are also getting traction.

Khan of Sudoksho said the country has limited resources and lacks qualified teachers. "That's why technology can play a huge part to make learning easier and affordable."

"Through e-learning, the country will get a properly trained workforce within a short time."

Amazon targets French grocery market with Monoprix deal

REUTERS, Paris

US e-commerce giant Amazon has made further inroads into food retail in France as Casino's upmarket Monoprix chain became the first local retailer to agree to sell groceries via Amazon.

Future cooperation could extend beyond France. A source familiar with the talks said on Tuesday that Amazon and Casino were in talks to either partner in Brazil as they did in France or reach a deal for the outright sale of Casino's appliance and electronics chain Via Varejo SA.

The French move, which is set to shake up the competitive local food retail market, lifted Casino shares as much as 9.7 percent in morning trade amid speculation that it could lead to a bigger deal later on.

Amazon's purchase of the bricks-and-mortar retailer Whole Foods Market Inc for \$13.7 billion last year, and a deal for Amazon Prime to sell products from the British supermarket chain Morrisons, raised expectations that it would bid for a retailer or form a partnership in France.

Casino and Amazon said late on Monday that groceries sourced from Monoprix would be available in the Amazon Prime Now app and website through a dedicated virtual store.

The deal is limited to the lucrative Paris market and its suburbs, though Monoprix CEO Regis Schultz told a conference call that an extension to

other parts of France could not be ruled out.

Asked if the partnership paved the way to other deals with Amazon, Schultz said: "We do not discuss the future."

Monoprix is one of France's best-known store chains, with a network of nearly 800 upmarket stores in more than 250 cities. It has a strong focus on quality and fresh products in the mould of Whole Foods, and is a key contributor to Casino group profit.

"We consider the Monoprix product selection as exceptional," Amazon France CEO Frederic Duval said during the call.

Financial terms were not disclosed, but Schultz said a model where Monoprix does the picking of the order in store and Amazon takes care of delivery was a "profitable" one for Monoprix.

Casino already has a delivery partnership with UK online retailer Ocado, signed last year.

The two deals were complementary as the Ocado technology will allow Monoprix to address the needs of its traditional clients with a bigger basket and seeking next-day delivery. Clients of Amazon Prime, set up in Paris in 2016, are looking for fewer items and want express delivery.

Since the purchase of Whole Foods Market, expectations that Amazon could focus next on Europe have spurred French retailers to try to improve their own online offerings.

Stock investors lost Tk 19,626cr in March

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As the share price of "A" category companies fell significantly, several shares reached a point that led to a forced selling.

"Merchant banks are urging investors to deposit money; otherwise they are going to carry out a forced-sale," the senior official added.

Turnover, an important indicator of the market, went up 39 percent to Tk 311.44 crore, with 8.64 crore shares and mutual fund units changing hands on the DSE. Losers beat gainers as 282 declined, 37 advanced and 14 finished unchanged on the premier bourse.

Grameenphone dominated the turnover chart with its transaction of 32.95 lakh shares worth Tk 7.06 crore, followed by Square Pharma, Mercantile Bank, Salvo Chemical and Aamra Networks.

Standard Insurance was the day's best performer with its 7.73 percent gain, followed by Monno Jute Staffers, United Insurance and Agrani Insurance.

Central Insurance was the worst loser of the day, shedding 9.69 percent, followed by CAPM IBBL Mutual Fund, Queen South Textiles and SEMI IBBL Shariah Fund.

The port city bourse, the Chittagong Stock Exchange, also fell sharply, with its benchmark CSCX index shedding 137.61 points, or 1.3 percent, to finish at 10,238.28 points.

Losers beat gainers as 190 declined, 29 advanced, and 8 finished unchanged. The port city bourse traded 54.95 lakh shares and mutual fund units worth Tk 12.27 crore.

Listed ceramic makers' profit leapt in 2017

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If the housing sector runs well it gives a boost to the backward linkage industries.

Exact data on the sales of homes, commercial space and land last year was not available.

But the REHAB said the sector grew 5 to 7 percent in 2017, overcoming the downturn in the previous several years.

Bangladesh's ceramic industry has experienced 200 percent growth in production in the last five years, according to the Bangladesh Ceramic Manufacturers & Exporters Association (BCMEA).

The growth momentum is expected to sustain for a considerable period as the living standard of people is rising, according to the BCMEA.

The sector is not without challenges, and one of the main barriers confronting the industry is

an inadequate supply of natural gas.

Natural gas is not only the key energy source for the industry it is also important for maintaining the quality of products, said the industry people.

The locally available gas does not contain sulphur, so the end product looks brighter and shinier, they said.

The government is set to increase the gas price, which will push the sector backward in the international market, said Islam, also the senior vice-president of the BCMEA.

Bangladesh's ceramic products have strong demand in the international market. "But if the price of gas goes up we will not be able to compete with others," he said.

The sector exports to more than 50 countries, including the US, Canada, the EU, Australia, India, Nepal and Bhutan.

In fiscal 2016-17, ceramic exporters fetched \$39.1 million, according to the Export Promotion Bureau. The government has set a target to export ceramic products worth \$43 million this fiscal year.

Currently, more than 60 tiles, sanitaryware and tableware manufacturers are in operation in Bangladesh, according to the BCMEA.

The ceramic industry caters to 85 percent of the demand for the Tk 2,000-crore local market. Investment in the sector by local and foreign investors has already exceeded Tk 5,000 crore.

At present, the production capacity of ceramic tiles stood at 12 crore square metres per year and for sanitaryware it is 75 lakh pieces.

Yesterday, Fu-Wang Ceramic, RAK Ceramics, Standard Ceramic and Shinepukur shares declined, while Monno Ceramic gained.

Nine banks suffer capital shortfall

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The government has also planned to inject Tk 2,000 crore into the state lenders this fiscal year.

"This will not help these state banks get into better health," said Ahsan H Mansur, executive director of the Policy Research Institute. The reasons being there is no fundamental change in the management of the state-run banks and they continue to violate the banking norms while disbursing loans, he said.

"Rather, ensuring good governance will strengthen their capital base," he added.

Farmers Bank faced a capital shortfall of Tk 283 crore due to massive financial scams that weakened its capital base. A growing number of non-performing loans forced the bank to keep aside a large amount as provisioning.

On December 31 last year, the banking

sector's overall CAR stood at 10.83 percent, up from 10.65 percent three months earlier, thanks to some private banks.

The large capital shortfall is not a desirable phenomenon for the country's banking sector as it would erode the depositors' confidence, said AB Mirza Azizul Islam, a former adviser to the government.

"The foreign businesspeople usually monitor the ratio of required capital and non-performing loans of the scheduled banks before making their investment decisions. Such capital shortfall will discourage them," he said.

The central bank should strengthen its monitoring of the banking sector to rein in financial scams, he said.

Irregularities fuel the defaulted loan, which, in turn, creates capital shortfall in banks, Islam added.