

POST-POLLS MARKET

Stocks surge 1.5pc on optimism

AHSAN HABIB

Dhaka stocks surged yesterday as investors reacted positively to the election outcome.

On the first trading day after the national polls, DSEX, the benchmark index of Dhaka Stock Exchange, jumped 79.61 points, or 1.48 percent, which is the biggest increase on a single day in nine months.

The key index of the market has been rising continuously in the last nine working days: it rose 247.24 points, or 4.74 percent, to 4,465.25 points -- the highest in the last four and a half months.

Analysts are optimistic about the market riding on political stability and more sound business activities in the coming years.



The peaceful election has boosted the confidence of investors, so the market is starting to reflect that, said KAM Majedur Rahman, managing director of the DSE.

"The new year will be a good one for the stock investors," he added.

Khairul Bashar Abu Taher Mohammed, secretary general of Bangladesh Merchant Bankers Association, echoed the same.

The new year would be a positive one for the stock market

if the upward movement continues and it gets policy support from the central bank.

Most of the investors are investing now to make gains in the short run as stocks have become cheap because of a recent drastic fall, said the managing director of a leading stock brokerage firm wishing to remain unnamed.

"So, it is too early to say that the confidence has returned among the investors."

Since investors faced huge losses last year they are inclined to be more cautious this year, he added.

Stock investors saw the value of their investment shed by Tk 36,128 crore last year thanks to the political tension centring on the 11th general election.

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Govt mulls power export in winter

STAR BUSINESS REPORT

The government is considering exporting surplus electricity to Nepal during winter in Bangladesh when the demand for power remains low, the state minister for power and energy said yesterday.

"We are considering exporting electricity to Nepal during winter through the inter-country grid line we are going to set up," Nasrul Hamid told reporters at his secretariat office.

During winter, the demand for electricity in Bangladesh decreases, so the country wants to find ways to export surplus electricity available at the time.

His comments came just two weeks after India issued a new cross-border power trading regulation, which will go a long way in helping Bangladesh import electricity from Nepal and Bhutan using Indian transmission lines.

India's power ministry approved the "Guidelines for Import/Export (Cross Border) of Electricity-2018" on December 18.

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Banks post hefty operating profits despite challenges

AKM ZAMIR UDDIN

Private banks reported hefty operating profit in the just concluded year, helped by the much higher interest rate on lending than that on deposits.

The banks gave emphasis on mobilising funds by opening non-interest bearing capital and savings accounts, which cut down costs and pushed up profits, said top bankers.

The Daily Star obtained data of 28 banks' operating profits: 25 posted growth in the range of 1.5 percent to 40 percent.

For instance, Premier Bank logged in

about Tk 618 crore as operating profits for 2018, up 40 percent year-on-year.

The export sector was the main driving force behind Premier's profits, said M Reazul Karim, managing director of the bank.

"We mobilised funds by opening non-bearable account throughout last year. This led to decrease in the cost of funds and an increase in profits simultaneously," he added.

Among the banks, Islami Bank Bangladesh registered the highest profit of Tk 2,770 crore in 2018, up 14.46 percent year-on-year.

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BANKS' OPERATING PROFIT IN 2018 (In crore taka)					
BANK	2017	2018	BANK	2017	2018
IBBL	2,420	2,770	Dhaka	524	650
National	1,156	1,230	Jamuna	464	620
Pubali	915	1,025	Premier	440	618
Southeast	901	1,012	One	540	560
DBBL	755	922	First Security	477	525
Bank Asia	671	811	MTB	416	515
Eastern	750	780	Shahjalal	360	500
Al-Arafah	703	721	Standard	354	380
Exim	650	710	Union	242	251
Mercantile	711	673	South Bangla	182	205
City	749	680	NRBC	200	203
SIBL	654	668	Modhumoti	146	197
Trust	630	660	Meghna	102	93
NCC	535	655	NRB	85	91

SOURCE: RESPECTIVE BANKS

Shrimp exporters stare at bleak future

SOHEL PARVEZ

Shrimp processors finished the first half of fiscal 2018-19 amid lower export receipts than a year earlier, with a revival in fortunes progressively looking unlikely in the second half, said exporters yesterday.

"We have been facing the blow of soaring production of vannamei shrimp in other countries since June 2017," said Md Rezaul Haque, managing director of Modern Seafood Industries, one of the top exporters of frozen fish and shrimp.

He operates two firms, which exported Tk 335 crore worth shrimp and frozen foods in 2017.

The companies are yet to calculate the total export receipts of 2018.

"But roughly, it appears that our exports have fallen 50 percent in 2018," said Haque, also a director of the Bangladesh Frozen Foods Exporters Association (BFFEA).

Given the current situation, it appears that chances of recovery in exports are unlikely, he said.

Processors said production and exports remain low during the January-March period as the season begins from April and contin-

ues until October, just in time for the holiday season in the West.

Shipment will be very low in the months until April as buyers will run their business with existing orders and stocks, said Md Tariqul Islam Zaheer, managing

director of Achia Sea Foods.

Exports had been fine until August of last year, he said.

Prices began to fall in the later months in the face of ample production of vannamei shrimp, particularly in India.

Production was so high that some exporters in India shipped the low-priced shrimp on credit to their buyers, said Zaheer, also a BFFEA director.

Demand for shrimp was also affected by devaluation of the

British pound and fallout of the US-China trade war, he added.

Grown by more than eight lakh farmers on 2.72 lakh hectares area in Bangladesh, the brackish and freshwater shrimp is one of the main livelihoods of thousands of farmers in the southwest coastal belt.

Export receipts from shrimp, which was once the second biggest export earner after garments, fell for the fourth consecutive year in fiscal 2017-18 to \$408 million, the lowest since fiscal 2011-12, according to the Export Promotion Bureau.

In the face of consistent low prices in the global market, the local market has emerged as a cushion for farmers in recent years, thanks to rising income and purchasing capacity of people.

Shipments slumped 21 percent year-on-year to \$189 million in the first five months of the fiscal year.

Exports dropped in terms of prices but not in terms of quantity, according to Zaheer.

The low price of vannamei is the main reason behind the slumping demand for locally grown black tiger, said Kazi Belayet Hossain, senior vice-president of BFFEA.

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BANGLADESH SHRIMP AND FISH FOUNDATION

Shrimp growers' smile started to fade away amid a slump in shipment.

Garment exporters keen on using Colombo port

REFAYET ULLAH MIRDHA

Local garment exporters are keen on using the sea port in Colombo as it would save them time and money.

"In the era of fast fashion a shorter lead time gives you a competitive edge as there are so many competitors," said Siddiqui Rahman, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

In the absence of a deep sea port in Bangladesh, local exporters cannot send goods directly to the final destinations in Europe and the US. Vessels carry goods to Singapore, from where they are taken to their final destinations.

But the Port of Singapore is running past its capacity, so goods are stuck there for long, according to SK Mahfuz Hamid, vice-president of the Container Vessels Owners' Association of Bangladesh.

If the goods bound for Europe can be shipped via Sri Lanka instead of Singapore, exporters will be able to cut the lead time by 15 to 20 days.

"The cost of shipping would halve too," Hamid said, adding that up to 30 days can be shaved from the lead time as well.

The Colombo port is running at only 30 percent of its capacity, he said. Using the Colombo port instead of the Port of Singapore is very much a practical choice for exporters now, Rahman said.

"The cost of doing business has increased a lot, but our profits are declining," he said, adding that the BGMEA will send a team to Sri Lanka to discuss ways to use the country's port at a discounted rate.

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Digital services at ease as mobile internet is back

STAR BUSINESS REPORT

The telecom regulator withdrew the 37-hour suspension on mobile internet services yesterday at 10am.

The 3G and 4G services, and at times even 2G internet, have been kept shut for a total of over 74 hours in the last five days, said officials of Bangladesh Telecommunication Regulatory Commission (BTRC).

During this time, people were unable to stream or upload pictures or videos from their phones.

A good number of digital services, especially Facebook-based e-commerce and ridesharing facilities, were also halted for three days centring the 11th parliamentary elections on December 30.

Mobile financial services were also blocked while ATM services and credit cards could not be accessed in a lot of places as there are banks which use wireless services, said a senior executive of a leading telecom operator.

Data revenue stood at almost zero while that from voice calls surprisingly declined, causing some 30 percent drop in total earnings, according to the operators.

Data revenue for all the operators combined amounts to around Tk 12 crore every day.

"After resumption of the 3G and 4G services, there has been less than half of the regular usage as most of the regular users are unaware of the new development," said the executive.

"We cannot communicate the issue with the customer," informed the official.

None of the mobile operators, business entities and telecom regulator has issued an official explanation.

However, the immediate past telecom minister, Mustafa Jabbar, said it was true that some people faced challenges in some cases.

"But saving lives is more important than losing a hundred crore taka business," was what he said.

"When I was holding office we had taken a decision to block mobile internet for a few weeks before the election and I think that was a correct decision," said Jabbar.

According to the BTRC, there were 8.78 crore active internet connections in the country as of June this year, 93.43 percent of which were on mobile phones.

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Ctg port sees 9pc growth in container handling

DWAIPAYAN BARUA, Ctg

The Chittagong port posted 9 percent year-on-year growth in container handling in 2018.

The port handled around 2.80 million TEUs (twenty-foot equivalent units) of import, export and empty containers in 2018, up from 2.57

million TEUs in the previous year.

All sorts of industrial raw materials—except those used in the cement and ceramics sectors—along with commercial items, machinery, commodity and chemical products are imported through containers while export goods are solely carried through containers.



STAR/FILE

Ctg port witnessed container and vessel congestion last year but the situation improved after the installation of gantry cranes.