

| STOCKS | COMMODITIES | ASIAN MARKETS | CURRENCIES |
|----------------------------------|-----------------------------------|--|---------------------------------------|
| DSEX 3.70% 5,707.30 | CSCX 3.46% 10,726.91 | Gold \$1,288.10 (per ounce) | Oil \$60.48 (per barrel) |
| | | MUMBAI 0.27% 36,009.84 | TOKYO 0.97% 20,359.70 |
| | | SINGAPORE 0.48% 3,198.65 | SHANGHAI 0.74% 2,553.83 |
| | | USD 82.95 | EUR 95.12 |
| | | GBP 105.21 | JPY 0.75 |
| | | BUY TK 83.95 | SELL TK 98.92 |
| | | | 109.01 0.79 |

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IPOs lose lustre for high cost, lengthy process

AHSAN HABIB

Companies are losing interest in coming to the stock market because of the lengthy process stretching up to two years and the high costs to get listed.

In the last eight years, 23 companies held road shows to go public with premium but 10 got the approval and even then all but one had to wait for up to two years.

Companies that tend to go for premium, which is an added amount to the face value

of the share, tend to be solid ones.

"Big entrepreneurs don't get the money when they need, so most of them lose their enthusiasm to get listed," said the managing director of a leading merchant bank requesting anonymity.

For instance, United Power Generation had to wait two years to raise capital after its road show, arranged to gauge a company's demand among stock market investors.

Bashundhara Paper Mills and Aman Cotton needed more than two years to get money from the market after they had held their road shows; Acme Laboratories waited almost two years, while Aamra Networks hung around for one and a half years.

The procedure for initial public listing -- which is the first sale of a company's shares to the public, leading to a stock market listing --

| IPO COST (approximate) | |
|----------------------------|-------------------------|
| Issue size (In crore taka) | IPO cost (in % of size) |
| 100 | 2.5 |
| 50 | 4 |
| 30 | 6 |
| 20 | 8 |
| 15 | 9 |

SOURCE: MERCHANT BANKERS

should be easier and less time-consuming, he added.

"When we got the money in hand, our need was already fulfilled. So the BSEC should be prompt in giving its nod to IPOs. Otherwise, well-performing companies will stay away," said a sponsor of a listed company.

As of now, Runner Automobiles, STS Holdings, Dhaka Regency Hotel, Delta

Hospital, Index Agro, Popular Pharmaceuticals and Esquire Knit have been waiting for more than two years to go for listing, according to data from the Bangladesh Securities and Exchange Commission.

Merchant bankers often cite the case of neighbouring India, where the IPO processing time has been cut down.

The average time taken by the Securities and Exchange Board of India to process draft offer documents has gone down from 78 days in 2016-17 to 61 days in 2017-18.

But regulators said the lethargic IPO process prevails due to inefficiency of the merchant banks.

Saifur Rahman, spokesperson of the BSEC, said they try their best to give approval swiftly but most of the IPO documents tend to be full of misinformation and in some cases all the necessary documents are not submitted.

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Banks still a man's world

AKM ZAMIR UDDIN

Iffat Jahan Dina landed a well-paying job in a private bank soon after obtaining her Masters degree from Rajshahi University. She dedicated herself to the job, which she found gratifying.

But the promising banking career ground to a halt once



Dina's second child came along. "My husband, who is a businessman, does not have the time needed to share the child-rearing load with me," she said.

She found herself spread too thin trying to excel as a banker, mother and homemaker at once. So, domesticity took precedence.

Dina is not an isolated case. Like her, many capable female employees in the country's banking sector had to give up their jobs for homemaking responsibilities.

In June last year, 15.39 percent of the entry-level staff were female, but the percentages of mid- to high-level staff were 14.23 percent and 7.11 percent respectively, according to a survey carried out by the central bank.

This suggests a large number of female staff drop off the career ladder as time goes by.

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Ctg customs misses revenue target

MOHAMMAD SUMAN, Ctg

Revenue collection of the Custom House, Chattogram fell 23 percent short of the target in the first half of 2018-19, the biggest drop in six years.

Some Tk 21,358 crore was collected against the goal of Tk 27,724 crore, meaning they were behind by Tk 6,366 crore during the July-December period of the fiscal year, according to the National Board of Revenue.

The full-year revenue target is Tk 57,463 crore.

Overshooting intended figures in three consecutive fiscal years till 2015-16, the Custom House lagged behind 6 percent of the target in 2016-17 and 9 percent in 2017-18.

Sources familiar with the customs authority cited several reasons for the shortfall, including a drop in the import of some 50 products, unattained bank guarantees, deferred payments of government bodies, duty cuts for goods eligible for customs procedure codes, and lawsuits.

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4TH INDUSTRIAL REVOLUTION Migrant workers' jobs at stake

STAR BUSINESS REPORT

A huge number of Bangladeshi expatriates employed in blue-collar jobs might have to return home as two billion jobs will be displaced by 2030 because of technological advancement, experts said yesterday.

"The fourth industrial revolution represents an existential threat to companies in every industry," said Mushfiq Ahmed, director of Digital Transformation at eGeneration.

Lots of expatriates might also come back from the market as their skills will not match with the technological advancement.

At the same time, if the country's

youth can be equipped with the right skill set over the next five years, many new avenues for manpower export will open up.

At present, youth comprises 65 percent of the Bangladesh's population.

"Countries like Saudi Arabia would be Bangladesh's major market," Ahmed said at a discussion styled "4th Industrial Revolution - Are we ready?" at Brac Centre Inn in Dhaka.

A study found that Bangladesh would lose some 53.8 lakh jobs by 2041 from only five areas for the advent of automation in industries, according to Md Mustafizur

Rahman, project director of the Access to Information project under the Information Communication Technology Division.

Of the five sectors, garment will be the worst sufferer as there is a possibility of 27 lakh jobs being lost.

The furniture sector will lose 13.8 lakh jobs, agro-processing and tourism 6 lakh jobs each and leather another 1 lakh jobs.

"This is a huge threat for us. So, if we can't turn this challenge into an opportunity, we will miss the train and we will not be able to make up for it anymore," he added.

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