

Support us in transformation

Finance minister urges int'l community at UN

DIPLMATIC CORRESPONDENT

..... Bangladesh has called on the international community to extend its support to aspiring countries in their transformation from least developed countries (LDCs) to developing ones, a statement issued by the Permanent Mission of Bangladesh in the United Nations said.

Finance Minister AHM Mustafa Kamal made the call at the general debate of the Economic and Social Council (ECOSOC) Forum on Financing for Development (FFD) at the UN Headquarters in New York on Monday.

He also urged them to revisit the current policy for these countries in the initial stages in order to help them enjoy and maintain a smooth and

sustained transformation.

"Graduation from the LDC category has been our national aspiration and Bangladesh has been making fast strides to achieve sustainable development articulated in its national Vision 2021 and Vision 2041," Kamal said making his country's case at the forum.

He mentioned that Bangladesh's economy is estimated to grow at 8.13 percent in fiscal year 2019 from 6.5 percent in 2014 and the per capita income has increased by more than 250 percent between 2006 and 2018.

Also, poverty came down to 21.4 percent last year from 40 percent in 2006, he added.

Kamal also urged the international community to save the planet from climate change. He said Bangladesh contributes nothing to the climate

change although this phenomenon is hugely impacting its development efforts.

Mentioning that the forcibly displaced Rohingyas from Myanmar are putting a considerable stress on Bangladesh's development, he emphasised on their sustainable repatriation to their homeland. He also urged the international community to come forward for the permanent solution of this crisis.

UN secretary-general, president of the General Assembly, ministers from member states, high officials from different ministries, executive directors of the World Bank and IMF, senior UN officials and international organisations, civil society organisations, business sector and local authorities participated at the meeting to be ended on



BANGLADESH PERMANENT MISSION IN UN
Finance Minister AHM Mustafa Kamal speaks at the general debate of the Economic and Social Council Forum on the Financing for Development at the UN headquarters in New York on Monday.

Pran exporting toiletries to 4 more countries

STAR BUSINESS DESK

..... Sun Basic Chemicals Ltd (SBCL), a concern of Pran-RFL Group, has recently started exporting Swift, Glitter, Livana and Ray-branded toiletries products to four more countries.

After India, Nepal and Bhutan, the company is now exporting its toiletries to Fiji, Vanuatu, Solomon Islands and the Maldives, according to a statement.

SBCL's products also received good response in the domestic market for their quality. Modern technology and global standard formulations are being used to manufacture the toiletries products, the statement added.

"Swift Toilet Cleaner, Glitter Dish Wash, Glass Cleaner and Ray Detergent Powder have got huge popularity in northeast India, Nepal and Bhutan," said Ruhul F Talukder, general manager of SBCL.

The company is going to introduce liquid detergent, anti-bacterial soap and hand wash, talcum powder, body wash and lotion in the market soon.

"We are trying to introduce the products in the market keeping in mind that consumers can buy quality products," Talukder added.

Handlooms on the decline

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"Handloom is our traditional industry, but it is about to disappear. So, the government has moved to formulate proper plans for the development of the sector," Mannan said.

He hopes the Bangladesh Handloom Board would take necessary steps using the data and information of the census. "The government will extend necessary assistance to this effect."

Saurendra Nath Chakrabharty, secretary of the BBS, said the report would provide a comprehensive picture about the sector to stakeholders.

Chattogram and Rajshahi divisions are home to most of the handlooms in the country, accounting for 73.10 percent of the total. The Chattogram division also makes up 56.20 percent of the handlooms.

The census report showed 88.43 percent handloom units are located in villages, while the rest are in towns.

Krishna Gayen, director general of the BBS, said the census was aimed at evaluating the current picture of the sector, identifying operational and non-operative handlooms, and finding out the socio-economic status of handloom owners and workers.

Mohiuddin Ahmed, project director of the census, and Md Zahidul Hoque Sardar, director of the census wing of the BBS, also spoke.

Jet Air faces imminent shutdown without emergency funds

REUTERS, Mumbai/New Delhi

..... India's Jet Airways Ltd will be forced to shut down as soon as Wednesday if it does not get emergency funding from its lenders, two sources familiar with the situation said.

Bankers and an Indian government official said lenders are scrambling to secure funds to keep the once-dominant Indian airline, whose shares earlier slumped to their lowest levels since August 2015, flying.

Another source said that Jet's board authorized its chief executive Vinay Dube to go back to its main lender State Bank of India (SBI) one last time to ask for emergency funds.

"If we don't get funds today, the airline will have to shut down immediately," a senior company source told Reuters.

Jet, which did not respond to

requests for comment, saw its shares fall by as much as 18.5 percent on Tuesday after Indian media reports that its management had advised the airline's board to temporarily suspend operations. Indian business channel BTVI said that Jet's board had authorized Dube to seek a minimum of 4 billion rupees (\$58 million) in interim funding, and to ground the struggling airline if no funds materialized.

ET Now reported that the Export-Import Bank of the United States (EXIM) had recalled all loans to Jet and was seeking to repossess all the planes it funded.

EXIM did not respond to a request for comment.

Jet, which has around \$1.2 billion in bank debt, has been teetering for weeks after failing to receive a stop-gap loan of about \$217 million as part of a rescue deal in late March.

Jet, which also owes lessors, suppliers, pilots and oil companies, has been hemorrhaging planes in recent weeks as its lessors have scrambled to de-register and take back planes even as Jet's lenders have sought expressions of interest from investors interested in turning it around.

Jet's creditors, led by SBI, want a new investor to acquire a stake of up to 75 percent and initial expressions of interest were submitted last week.

"Lenders are committed to a revival plan for Jet Airways," Punjab National Bank's Managing Director Sunil Mehta said. "SBI is working on the emergency funding, everything is under discussion, nothing is finalised."

Mehta's comments come after Jet informed all employees in a letter on Monday it was extending a suspension of international flights until Thursday due to a lack of funds.

BTRC audit claim unfounded: GP

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The telecom regulator's position on the claim remains ambiguous: it is neither withdrawing the claim nor pressing for the payment. It has remained mum on the matter to date.

Now, the BTRC has raised fresh claim for a period that overlaps with the earlier demand, Grameenphone said in a statement.

"Notably, the BTRC continues to defend the earlier demand for the period of 1997-2011 at court."

Subsequently, the operator has requested that the demand be withdrawn and discussions be held with a view to finding an amicable resolution.

About the NBR's portion of the demand, representing approximately 32 percent of the total claim, Grameenphone also pointed out that the BTRC has no authority to raise any demand on behalf of the NBR.

"Throughout the entire audit process we have consistently pointed

out the flaws in this audit exercise. However, our observations have gone unheeded," said Michael Foley, chief executive officer of Grameenphone.

Contacted, Haque of the BTRC said: "Our team had sat with Grameenphone before sending the demand letter."

Grameenphone also keeps the right to apply before the commission to revise the process and to find an amicable solution but from the BTRC's perspective it has completed all the formalities, he added.

A senior official of the telecom regulator said Grameenphone was not cooperative with the auditing firm and even barred the auditors from entering into its system.

But Foley said the operator extended "full cooperation" to the auditors.

As the majority shareholder of Grameenphone, Telenor is deeply concerned with the apparent disregard for due process and sound

dialogue displayed by the regulator, said Marcus Adaktusson, head of public affairs for Telenor in Asia.

"The uncertainty created by the BTRC is detrimental not only to local shareholders, but also hampers overall confidence in Bangladesh as a place for foreign investments," he added.

Norwegian Telenor has a 55.8 percent share of Grameenphone and Grameen Telecom 34.2 percent. The remaining 10 percent of the shares belong to retail and institutional investors.

Earlier, the regulator claimed Tk 867.24 crore from the country's second largest operator Robi as missed or under payments over a 19-year period, detected after a thorough audit.

Robi is yet to furnish the amount, saying the grounds on which the claims were made by the auditor were sub-judice.

EU ready to launch US trade talks, but without agriculture

REUTERS, Brussels

..... The European Union is ready to start talks on a trade agreement with the United States and aims to conclude a deal before year-end, European Trade Commissioner Cecilia Malmstrom said on Monday.

The EU approved two areas for negotiation, opposed by France with an abstention from Belgium. But agriculture was not included, leaving the 28-country bloc

at odds with Washington, which has insisted on including farm products in the talks.

The EU vote allows the Commission to start two sets of negotiations - one to cut tariffs on industrial goods, the other to make it easier for companies to show products meet EU or US standards.

Malmstrom said she would now reach out to US Trade Representative Robert Lighthizer to see when talks could begin.

Stocks drop to five-month low

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Investors urged the authorities to compel sponsors of companies whose stock prices have plunged below the issue price to buy back their shares. They also demanded 90 percent of net income as dividend if the companies do not go for further investment.

The main problem of the market now is liquidity pressure stemming from banks, said KAM Majedur Rahman, managing director of the DSE.

The interest rate of bank deposits is increasing in addition to the existing high returns on government's savings certificates. "The Bangladesh Bank can take initiatives to tackle the issue and cool down the pressure," he added.

State-owned Investment Corporation of Bangladesh (ICB) has very limited scope to make fresh investment as its capital base is very low. "Time has come to increase its capital base so that it can support the market properly," he added.

Market analysts said the stock market has been impacted by the lower participation of institutional and foreign investors.

Turnover, one of the important indicators, also dropped 9.12 percent yesterday to Tk 269.91 crore, with 6.57 crore shares and mutual fund units changing hands on the DSE.

Of the traded issues, 59 advanced, 253 declined and 32 closed unchanged on the premier bourse.

Monno Ceramics dominated the turnover chart with its transaction of 6.24 lakh shares worth Tk 17.56 crore, followed by Fortune Shoes, Bangladesh Submarine Cable Company, Reckitt Benckiser and Square Pharmaceuticals.

Standard Ceramics was the day's best performer with its 9.98 percent gain, while Reckitt Benckiser was the worst loser, shedding 19.44 percent.

Chittagong stocks also closed low as CSCX declined 115.47 points, or 1.17 percent, to finish the day at 9,743.87.

TIN not mandatory for BO accounts: NBR

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As part of the consultation, the NBR recently sat with representatives of the DSE and the Bangladesh Insurance Association (BIA). At the meeting, the DSE, responding to a question from the NBR chairman, said those who have BO accounts have TINs, while representatives from the BIA informed that TIN is compulsory for opening insurance policy. Later, it was published in the newspaper that TIN is being made mandatory for stock investors.

The NBR said the report published in the media quoting NBR Chairman Md Mosharraf Hossain Bhuiyan that TIN would be made mandatory for share investors created mixed reaction among various quarters, which is not correct.

Savings certificates become a headache: BIBM

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The difference between the government tools and the bank deposit or treasury securities rates, among others, is generally seen as responsible for the recent rise in the NSC issuance.

A portion of wealthy people may be parking their money heavily in the instruments, forcing the government to borrow more from the tools than its budgetary target, Moniruzzaman said.

At present, there is no database of the savings instruments to verify which segments of the society are investing the maximum amount of money in the tools, he added.

Barkat-e-khuda, Dr Muzaffer Ahmad chair professor of the BIBM; Helal Ahmed Chowdhury, supernumerary professor of the BIBM; Md Ali Hossain Prodhania, managing director of Bangladesh Krishi Bank; and Yasin Ali, supernumerary professor of the BIBM, also spoke.

Prashanta Kumar Banerjee, director and professor of the BIBM, presented the findings of the report.

One-fifth of Rana Plaza survivors getting weaker

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Of them, 74 percent cited physical weakness and 27 percent mental weakness as the main reasons for their unemployment.

ActionAid said they have found in previous surveys that the nature of unemployment is temporary. They tend to change work frequently as their physical conditions do not allow them to work for long periods at a time.

Factory safety has improved after the incident but the process has been slowed down recently, said Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue.

There was a discussion to form a trust fund like the Rana Plaza one in all factories to be used in case of accidents, but nothing has been done yet.

The call for establishing specialised hospitals for injured labourers has also remained unheard, he added.

Moazzem stressed raising the quality of life and wages of labourers.

The Rana Plaza disaster was a wake-up call for garment manufacturers but not for the buyers.

"Still, the buyers' margin is higher than the suppliers', which has remained almost the same. Buyers don't want to pay more and some of them don't follow the international procurement standards," Moazzem added.

Razequzzaman Ratan, general secretary of the Socialist Labour Front, echoed the same, saying none of buyers wants to pay more for apparel, so their profit is growing. "But this is profit by exploitation," he

said, while calling for ethical labour market practices.

The production cost of a T-shirt is about \$4 in Bangladesh, whereas its selling price in Europe is about \$40, said Nazneen Ahmed, senior research fellow of the Bangladesh Institute of Development Studies.

"So the value chain should be transparent, so that people can understand who are the most gainers and who the losers are."

On paper, workers' minimum wage has increased, but in reality it has not once inflation is taken into account.

So, buyers should pay more so that the manufacturers can pay their workers more.

The garment makers should intensify their negotiations with buyers, said Farah Kabir, country director of ActionAid Bangladesh.

Ration and healthcare for labourers will increase their productivity, so the government and the private sector should work on it too, she added.

The government has the responsibility to ensure workplace safety, said Tuomo Poutiainen, country director of the International Labour Organisation.

"So, the government should increase investment in it along with the private sector."

There should also be a system that enforces the proceeds from one T-shirt be set aside for insurance for one labourer in a year, so that they can get compensation if any accident happens, Poutiainen also said.

Shamsunnahar Bhuiyan, member of the parliamentary standing committee on the ministry of labour and employment, also spoke at the event.