

DSEX	CSCX
▲ 1.17% 5,321.41	▲ 1.13% 9,842.92



Gold	Oil
\$1,273.30 (per ounce)	\$71.70 (per barrel)



DSE wants curbs on sponsors' share sale

AHSEN HABIB

The Dhaka Stock Exchange has come up with a set of proposals to rein in sponsors, directors and placement shareholders from dumping their shares as it battles to stem the tide of negativity surrounding the bourse.

The proposals were handed over to the stock market regulator, Bangladesh Securities and Exchange Commission (BSEC), at a meeting yesterday.

"We need to put a brake on the share selling by sponsors and directors, many of whom are engaged in share business instead of running their companies efficiently," a top official of the DSE told The Daily Star after the meeting.

Sponsors and directors hold the bulk amount of shares, which are offloaded frequently -- flooding the market with shares, he said.

Once the majority of their shares are offloaded, they become least bothered running the company and paying dividends to shareholders, he added.

The other proposals include: limiting private placement of shares; bringing in fundamentally good companies, both local and foreign, into the market; revisiting the exposure of banks, non-banks and their subsidiaries; and withdrawal of circuit breaker of highly volatile companies.

But most of the points the DSE made were on share selling by sponsors and directors of listed companies, which the bourse thinks is a major reason for the ongoing bear run.

Bangladesh's capital market is hugely

DSE PROPOSALS

- Companies can't issue placement shares worth more than 25pc of their paid-up capital
- The share sale declaration of sponsors will be executed after 15 days from the date of declaration
- Good stocks, especially multinational companies, should be brought to stock market

underperforming because of a lack of quality stocks, poor governance, frequent volatility and weak monitoring by the regulator to detect manipulators. The DSE's market capitalisation now stands at about 15 percent of the GDP, which is close to 100 percent in India, more than 60 percent in Nepal and far more in developed markets.

The shares of sponsors, directors and private placement shareholders shall be in a separate category under the Central Depository Bangladesh, stocks' trading settlement service provider, with separate flagging system for identification, so that they cannot sell those at their will, as per the DSE's proposal.

Contacted, KAM Majedur Rahman, managing director of the DSE, said: "By introducing a separate category, the system will block their shares when they go to sell without giving prior declaration. All the shares would have a category that can recognise the shares' owners."

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10 percent tax rebate for companies for listing to further his point.

Next budget should focus on private investment

STAR BUSINESS REPORT

Rising inequality and stagnation in private sector investment should be addressed in the next budget to achieve sustainable economic growth, said speakers at an event yesterday.

Not all segments of the society are enjoying the benefits of GDP growth, with the inequality widening, said Faruq Ahmad Siddiqi, former chairman of the Bangladesh Securities and Exchange Commission.

"The alarming rise of inequality will be a threat to social stability," he said at a budget discussion organised by the Institute of Chartered Accountants of Bangladesh (ICAB) and Prothom Alo at the ICAB office in Dhaka.

In recent years, there has been a tendency to take on ambitious budgets that eventually are not implemented.

"So, the government should take a credible budget that can be implemented."

The low revenue collection is the main problem for the budget implementation, Siddiqi said, while placing the blame on the National Board of Revenue.

Tax rebate for stock market investors will not help in boosting the market, he said, while citing the



Md Mosharraf Hossain Bhuiyan, chairman of the National Board of Revenue, attends a budget discussion organised by the ICAB and the Prothom Alo at the ICAB office in Dhaka yesterday.

least-developed country bracket.

"Currently, the power sector is the priority sector. The sector was given all kinds of tax exemption."

There is pressure to slash the corporate tax, but the NBR has to find alternate sources of revenue before providing any exemption.

Besides, corporate tax was reduced last year and a certain community was benefitted from it.

"Though it was said that lower tax rates will increase revenue, in reality

it did not happen," he added.

Private sector investment will have to go up to increase employment, said Fahmida Khatun, executive director of the Centre for Policy Dialogue.

For the last one decade, private investment to GDP ratio has been stuck at 21 to 23 percent. For instance, in fiscal 2017-18 it was 23.26 percent of GDP, according to the Bangladesh Bureau of Statistics.

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BGMEA building yet to be vacated; Rajuk seals it off

STAR BUSINESS REPORT

building.

The headquarters of DBL Group was on floors 10, 11, 12 and 13. The company will seek more time for removal of its installations and furniture.

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has already moved most of its belongings to its new building in Uttara Sector 17, which was inaugurated by the prime minister on April 3.

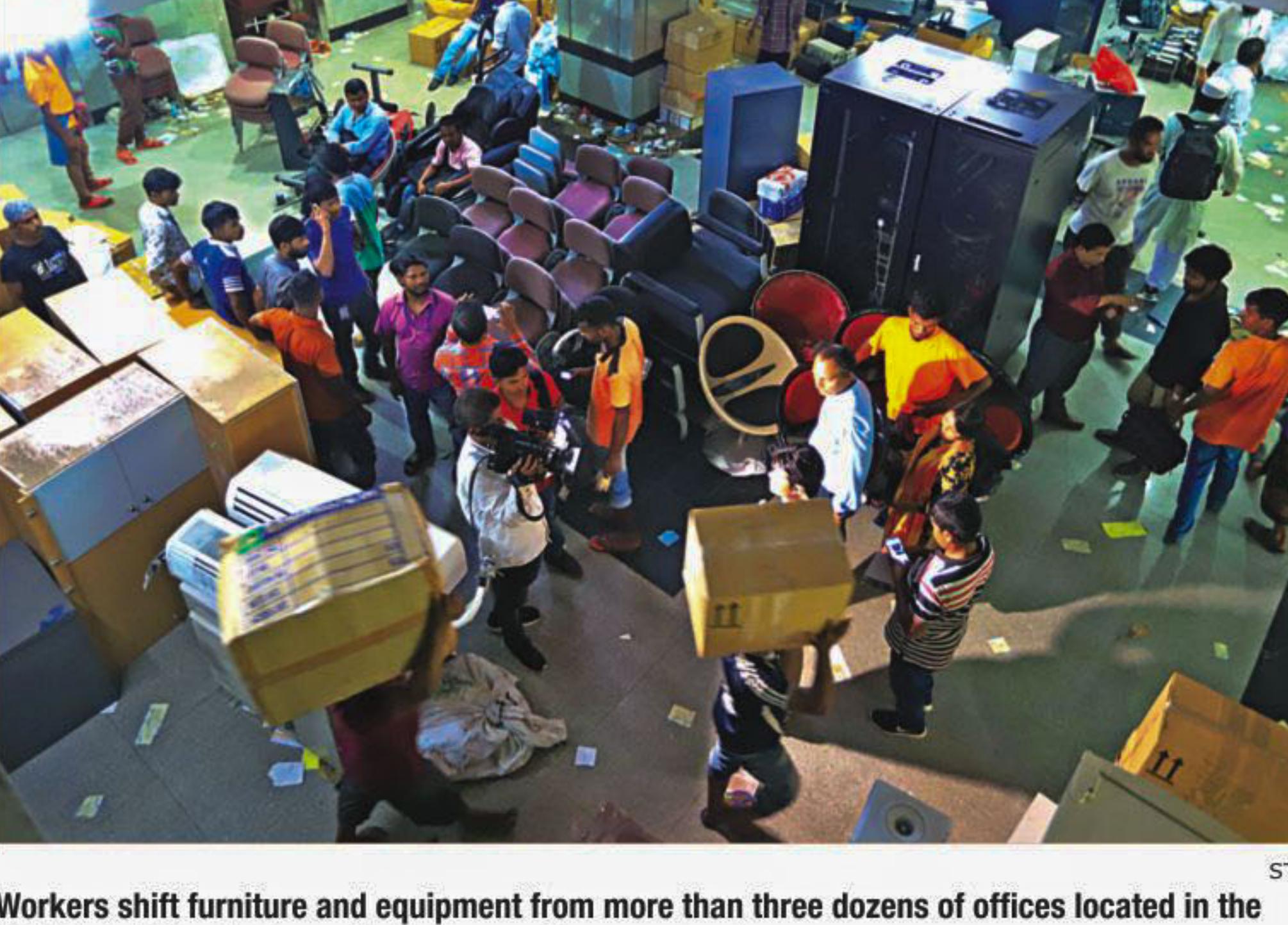
The Rajuk sealed off the building at 5:30pm yesterday.

"If they need further time, the authorities will decide on it," Rajuk Zonal Director Khandaker Oliur Rahman told The Daily Star.

The authorities received several applications from occupants seeking opportunity to remove their assets still remaining inside the illegally-constructed building and vacate it, he added.

Meanwhile, Housing and Public Works Minister SM Rezaul Karim said on Wednesday that the building would be demolished in three months' time.

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Workers shift furniture and equipment from more than three dozens of offices located in the BGMEA building in the capital's Karwan Bazar yesterday.

Six reasons for low tax-GDP ratio

STAR BUSINESS REPORT

There are as many as six reasons including high tax evasion behind Bangladesh's low tax to GDP ratio, said an economist yesterday.

"High tax rates, multiple tax rates, complexity of tax laws, corruption among tax collectors and inefficient tax authorities are the main causes of tax evasion," said Zahid Hussain, lead economist of the World Bank's Dhaka office.

Hussain's comments came during his presentation on public revenue and expenditure management at a seminar styled 'Standard operating procedures for budget discussions'.

All-Party Parliamentary Group organised the event at the capital's Pan Pacific Sonargaon hotel for members of the parliament.

Bangladesh's tax-GDP ratio is one of the lowest in the world, he said, adding that less than one percent of the population pays income tax.

As many as two-thirds of the eligible taxpayers evade taxes, he said.

Tax evasion occurs when individuals deliberately do not comply with their tax obligation, Hussain said, adding that cuts in tax rates, simplifications of tax laws, removing loopholes in the tax system and proper processing of information available under the annual information return can be the best tools for improving tax compliance.

Therefore, there is a need for creating a transparent, friendlier and non-discriminatory administrative system."

There is also a need to educate the people and their elected representatives about the tax law and create taxpayer-friendly environment such that they pay their due taxes, do not evade the tax and feel proud in making a financial contribution to nation-building, he added.

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Garment exports rise sevenfold in a decade

BGMEA says; Fashionology Summit on May 2

STAR BUSINESS REPORT

Garment exports to new destinations grew sevenfold to \$5 billion in the last one decade buoyed by market diversification drives and the government's stimulus package set aside for exploring opportunities in emerging markets, exporters said.

The country's garment shipment to the emerging markets was \$700 million in 2009, according to Faruque Hassan, vice-president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Except for three traditional markets, namely the US, the EU and Canada, all other markets are considered as the emerging or new export destinations for Bangladesh.

India, China, Russia, Japan, South Africa, Turkey and Brazil are among the major non-traditional markets for the garment sector.

Exporters started exploring the new destinations as part of market diversification

Prices to remain stable in Ramadan Say govt official, traders

MOHAMMAD SUMAN, Ctg

Prices of basic commodities will remain stable in Chattogram during the month of Ramadan because of adequate stock and supply, said traders and a senior government official yesterday.

Commerce Secretary Mofizul Islam held a meeting with commodity traders at the district administration office in the port city.

"Wholesale prices at Khatunaganj in Chattogram are still low compared to previous years and the prices will remain within the purchasing capacity of consumers in Ramadan," said Sagir Ahmed, general secretary of the Khatunaganj Trade and Industries Association.

"Mobile courts will work to rein in price hike of essential goods during Ramadan. If necessary, you can import more goods to keep the prices stable as there is enough time," Islam said.

A total of 130,118 tonnes of chickpea were imported through Chattogram port in the July-March period of the current fiscal year against the demand for 80,000 tonnes during Ramadan.

At the importers' level, chickpea was sold at Tk 63 to Tk 69 per kilogramme in Khatunaganj, while the wholesalers at the same hub were selling the item at Tk 68 to Tk 75 a kg yesterday.

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Nuclear energy to cut carbon contamination Experts say at ATOMEXPO 2019

AHMED HUMAYUN KABIR TOPU, from Sochi, Russia

Nuclear energy is the only medium of reducing carbon contamination in order to tackle the greenhouse effect and therefore the developing countries must prioritise clean energy sources, experts said at ATOMEXPO 2019.

With the slogan 'Nuclear for Better life', the two-day international exposition organised by Russia's state atomic energy corporation Rosatom, kicked off in Sochi, Russia on April 15.

Over 3,600 guests and delegates from 74 countries including Bangladesh took part in the eleventh edition of the annual programme.

During his inaugural speech, Alexy Likhachev, director general of Rosatom, stressed strengthening nuclear energy sectors across the globe to implement the Sustainable Development Goals by 2030.

"Peaceful atom is associated with all the aims and goals of the United Nations sustainable development programme. The forum will become a space for discussing newest technologies that will lay the basis for the future of our planet," Likhachev said.

Gerassimos Thomas, deputy director general (energy) at EU Commission, said, "Nuclear is essential to bridge the gap between the contribution of renewables and the EU's 2050 climate goals."

"Europe will reduce greenhouse gases by 45 percent by 2030, and by 60 percent by 2050. We need to decarbonise, and that's where I think nuclear comes in. In all of the pathways we have examined, Europe, a whole, requires nuclear to cover a significant part of its electricity needs," Gerassimos Thomas said.

Rosatom Service JSC (the sectoral coordinating centre for Rosatom's nuclear infrastructure activities) organised a roundtable on the theme: 'Building Nuclear Infrastructure as a Key Component for the Sustainability of Nuclear Projects' on April 15.

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