

Iran sanctions, unrest hit Mideast growth: IMF

AFP, Dubai

US sanctions on Iran, rising unrest in the Middle East and North Africa and oil price volatility are dragging regional economic growth, the International Monetary Fund said Monday.

The IMF warned in a bi-annual economic outlook report that prospects for the region are "clouded by elevated levels of uncertainty". "Such uncertainty may increase investors' perception of risk for the whole region, leading to capital outflows and exchange rate pressure," the global lender said.

The IMF forecasts the economy in Iran, the second largest in the region behind Saudi Arabia, will shrink by 6.0 percent this year after contracting by 3.9 percent in 2018.

The bad news for Tehran comes after the United States reimposed sanctions last year following its withdrawal from a 2015 nuclear accord. Jihad Azour, IMF Middle

East and Central Asia director, said the dire projection was made before the US tightened up measures targeting Iran's oil industry last week -- meaning the pain could get even worse.

Azour told AFP that sanctions have already pushed inflation in Iran to around 50 percent. Iran's woes have a knock-on effect on regional figures.

Overall regional economic growth was expected to remain subdued at 1.3 percent this year from 1.4 percent in 2018.

For oil exporters growth was down at 0.4 percent for 2019, while importing countries were expected to increase at 3.6 percent this year, from 4.2 percent in 2018.

Gulf Cooperation Council (GCC) countries -- Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates -- were forecast to slightly buck the trend, improving to 2.1 percent growth from 2.0 in 2018.

The IMF said economic growth in the

broader region was negatively impacted by rising conflict, corruption, slow reforms, high levels of debt and continued oil price fluctuations.

"Social tensions are rising in the context of lower growth and reform fatigue, threatening macroeconomic stability," it said.

After the first wave of Arab Spring uprisings in 2011, the region is now witnessing fresh upheaval in Algeria and Sudan and fighting intensified in Libya and Yemen.

As a result, reforms in the region have become more urgent to decrease dependence on oil and create millions of jobs, especially for the youth. "For oil exporters, they are important to be less dependent on the volatility of oil price and for diversifying their economies," Azour said.

He said reforms are also vital for oil importers to face a rising level of debt which has reached over 80 percent of GDP on average.

Mercantile Bank to award talented young bankers

STAR BUSINESS DESK

Mercantile Bank has recently launched a second edition of MBL Young Bankers' Appreciation Award as part of its effort to identify and recognise talented young bankers.

The first edition in 2018 awarded five bankers, the bank said in a statement yesterday.

Any Bangladeshi in a private commercial bank having five to 12 years' experience can apply at www.mblbd.com from May 5-7.

A total of 1,000 candidates will be selected for an MCQ test in light of their academic background, work experience and professional training.

From them, five will be selected by an independent jury board comprising the country's leading and prominent bankers to be presented Tk 200,000 and certificates of appreciation.



Qazi Kholiquzzaman Ahmad, chairman of Palli Karma-Sahayak Foundation (PKSF), and Manfred Fernholz, first secretary and team leader for Food Security, Nutrition and Sustainable Development of the European Union delegation to Bangladesh, attend a seminar of Ujjibito Component, a programme for the ultra poor funded by the European Union under its "Food Security 2012 Bangladesh-Ujjibito" project, at the former's auditorium in Dhaka on Sunday.

GP call rate to rise by 5 paisa/minute

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The operator, however, cannot pass on the burden of the incremental costs to existing customers already using packages that charge less than Tk 0.50 a minute for calls.

The leading operator will also have to pay 5 paisa more to other operators for calls its subscribers make to another network.

At present, the interconnection cost is 10 paisa a minute. But for Grameenphone it will be 15 paisa, according to a proposal that will be placed at the commission meeting today.

The extra charge also cannot be passed on to their customers.

At present, Grameenphone sends about seven crore minutes of calls to other operators and it receives about ten crore minutes from the other operators. And through this gap the market leader earns handsome revenue every day.

The third penalty on the operator will be prior approval from the telecom regulator before it can roll out any package.

At present, operators just inform the Bangladesh Telecommunication Regulatory Commission before rolling out the package.

But Grameenphone will soon have to do a presentation before a BTRC body and convince that the package is not indulging in predatory pricing before it can run it.

The decisions were agreed upon at the telecom division meeting two weeks ago that was presided over by Telecom Minister Mustafa Jabbar and Prime Minister's ICT Adviser Sajeeb Wazed Joy.

"We will not take any decision that will go against the customers. At the same time, it is becoming tough to control Grameenphone and it is our responsibility to break up the monopoly," said Md Jahurul Haque, chairman of the BTRC, at a meeting with the Telecom Reporters' Network Bangladesh yesterday.

The telecom regulator has no intention to penalise any specific operator but at the same time it wants to bring a mechanism to enhance competition in the market, he said, adding that there are plans to introduce SMP in the other segments of telecom business.

Earlier on February 11, the BTRC declared Grameenphone the country's first SMP operator considering its revenue share is more

than 50 percent and customer share is about 47 percent.

On February 18, the operator was slapped with four restrictions by the regulator as part of the penalties for becoming a SMP, which the operator challenged in court.

The BTRC had asked the operator to implement the restrictions from March 1, which include a ban on signing any exclusive deals with goods and service providers.

Later on March 19, the telecom regulator scrapped the process and started afresh.

About the mobile operators' audit issues, Haque said actions will be taken against the operators as per the law.

The BTRC's options which include declining to issue no-objection certificates (NOC) for different issues, partially blocking calls and issuing show cause notice on why not the licence will not be cancelled.

The telecom watchdog has claimed Tk 12,579.95 crore from Grameenphone and Tk 867.24 crore from Robi.

However, Grameenphone demanded the BTRC withdraws the claims as they are "unfounded and without any legal basis".

Stocks tumble to 27-month low

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Many listed companies' directors do not hold the minimum 2 percent shares individually and 30 percent jointly, said Atullah Naeem, one demonstrating stock investor. "But still the regulator has not taken any initiative against these directors," he said, adding that the BSEC has also failed to initiate the buyback law.

If a stock's price falls below its issue price the company's directors should buy back their shares, he added.

Another demonstrating investor, Mizanur Rahman, said while there was a liquidity crunch in the banking sector, the recent market fall has created room for institutional investors to invest more without breaching their market exposure ceiling.

And yet they are sitting out in the sideline, which suggests there are deeper issues with the stock market and the regulator should get to the bottom of it.

Furthermore, the message coming out from the government is not inspiring confidence at all.

"When they should be taking action they are not finding anything wrong with the market," he added.

Last week, Finance Minister AHM Mustafa Kamal said the DSE's bear run since February is nothing unusual, going so far as to blame the media for playing up the downward trend.

"The market may rise and fall in the short-term but it is not in a bad condition as the journalists wrote. The stock market behaves like this everywhere," he told reporters after a meeting with the BSEC at its headquarters in Dhaka.

Doubling down on the message was Salman F Rahman, the prime minister's private sector industry and investment adviser, who on Sunday said the rise and fall was a nature of all stock markets and stakeholders should be comfortable with it.

On the same day, Kamal said in the parliament that the government does not have full control of the country's share market. "But we have identified the problems and will solve them one after another," he added.

Meanwhile, turnover, another important indicator of the market, declined 13.26 percent to Tk 298.61 crore.

Of the traded issues, 86 advanced, 217 declined and 44 closed unchanged.

Fortune Shoes dominated the turnover chart with its transaction of 32.92 lakh shares worth Tk 12.27 crore, followed by Genex Infosys, Monno Ceramic, Bangladesh Submarine Cable and Brac Bank. The most negative contributors to the index were Grameenphone, Berger Paints and British American Tobacco.

Eastern Insurance was the day's best performer with its gain of 14.10 percent while Malek Spinning was the worst loser with its loss of 9.63 percent.

Chittagong stocks also fell, with the bourse's benchmark index, the CSCX, declining 107.77 points, or 1.18 percent, to finish at 9,602.88.

Losers beat gainers as 157 declined, 47 advanced and 29 finished unchanged on Chittagong Stock Exchange.

The port city bourse traded 43.37 lakh shares and mutual fund units worth Tk 11.58 crore.

EU forces Visa and MasterCard to cut fees

AFP, Brussels

The European Union will oblige credit card giants Visa and MasterCard to reduce their fees for payments on transactions involving cards issued outside the bloc, Brussels said Monday. The US-based firms had already committed to reduce their "inter-regional exchange fees", but this week's decision makes the promise legally binding under EU anti-trust laws.

"This, together with our January 2019 decision on Mastercard's cross-border card payment services, will lead to lower prices for European retailers to do business," EU competition commissioner Margrethe Vestager said.

According to the European Commission, the fees charged when Visa and MasterCard holders from outside the EU spend on the continent -- which had been higher than for cards issued in member states -- will be cut by an average of 40 percent.

Lack of trust weighs on banks

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Economic decisions and policies should be framed by considering the ethical standards and norms of the society where the policies would be applied, he said.

"Otherwise, it may not yield goods results," he said, while giving example of a case of how a government decision changed the practice of local communities that manage natural resources like irrigation to grow crops.

Mahmud also pointed out the areas where economic theories are lagging behind.

One is disparity between wages between men and women although both do the same work. And the other is estimating the value of lives lost to industrial accidents.

Subsequently, he called for broadening the field of economics.

"Time has come for economists to relate economics with sociology, arts and other disciplines," Mahmud said, adding that economics would be more effective and humane if it is viewed from a broader perspective instead of viewing it as a science only.

Nirapon comes in place of Alliance

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Alliance worked directly with factories to drive remediation and training programmes while Nirapon's role is of oversight and independent verification of safety and training compliance and to report these results to members.

"It cannot and will not suspend factories nor share factory information other than to its members. Rather, factories will now work directly with third party service providers with guidance from their Nirapon member brands and oversight from Nirapon," Khan also said.

"The unprecedented partnership, that is Nirapon, will help build capacity towards a locally sustainable culture of factory safety," Jamilur Reza Choudhury, chairman of the board of Nirapon, said at the event.

"This Nirapon platform represents a welcome step towards greater worker safety in the Bangladesh RMG industry," he said, adding, "Nirapon is not in any way a regulating body."

"Instead it will use a brand-led

approach of safety monitoring, oversight and reporting services for our subscribed members based on the laws of Bangladesh to help member factories build their own self-sustaining culture of safety," said Choudhury.

Bangladesh will continue to be a special sourcing destination for the North American clothing retailers and brands, added Marco Reyes of Walmart, a US retail giant and one of the largest buyers of Bangladeshi garment items. This is because the South Asian country has already proved its strength in this business and improved the workplace safety significantly, he said.

"The Rana Plaza incident six years ago served as an important wakeup call for all of us on the need for urgent reforms," he said.

"As we know, since then global RMG brands along with the Bangladesh government and factory owners came together in an unprecedented effort to bring safety to the Bangladesh RMG sector," he said.

"And each day we are continuing to

sustain the safety achievements we've secured thus far," said Reyes.

"We can all agree that worker safety is our top priority. From a brand's perspective, we believe that Bangladesh is a special sourcing country," he said.

"Safety has been an integral part of our supply chain and we, the brands, along with factory management, the government of Bangladesh, BGMEA and other stakeholders are working together so that workplace safety can be protected for all," he said.

He also said his company has a long-term commitment for Bangladesh. Tapan Chowdhury, an independent director of the Nirapon board, said the retailers and brands want monitoring of safety in the garment sector.

The safety standards that the garment sector achieved after inspection and remediation is a big achievement for Bangladesh, he said, adding that the country would have to continue to ensure this safety in the garment sector.

Bangladesh Lamps Limited						
Sadar Road, Mohakhali Dhaka - 1206						
3rd Quarterly Financial Statements January-March 2019						
STATEMENT OF FINANCIAL POSITION (UN - AUDITED) AS AT 31 MARCH 2019						
	As at 31 March 2019	As at 30 June 2018				
	Taka	Taka				
ASSETS						
Non-current assets						
Property, plant and equipment	105,576,031	113,124,245				
Investments:						
At cost	88,527,133	88,527,133				
Fair value adjustment	561,856,960	524,610,661				
	650,384,093	613,137,794				
Loans and deposits	6,399,553	8,166,128				
Total non-current assets	762,359,677	734,428,167				
Current assets						
Inventories	516,687,472	572,080,254				
Trade and other receivables	269,007,508	277,254,356				
Advance, deposit and prepayments	21,372,487	21,689,419				
Advance income tax	308,108,055	279,728,940				
Cash and cash equivalent	108,876,065	103,476,432				
Total current assets	1,224,051,587	1,254,229,401				
TOTAL ASSETS	1,986,411,264	1,988,657,568				
EQUITY & LIABILITIES						
Capital and reserves						
Share capital	93,706,080	93,706,080				
Reserves and surplus	759,463,708	736,458,398				
Shareholders' equity	853,169,788	830,164,478				
Non-current liabilities						
Deferred liability - gratuity payable	52,843,716	49,998,937				
Deferred tax liability	51,028,313	50,203,814				
Total non-current liabilities	103,872,029	100,202,751				
Current liabilities						
Short term finance	601,191,168	612,612,270				
Trade and other payables	167,376,355	202,391,773				
Other liabilities	86,046,478	76,241,380				
Provision for tax	174,755,446	167,044,916				
Total current liabilities	1,029,369,447	1,058,290,339				
TOTAL EQUITY & LIABILITIES	1,986,411,264	1,988,657,568				
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UN - AUDITED) FOR THE NINE-MONTH PERIOD ENDED 31 MARCH 2019						
	1 July 2018 to 31 March 2019	1 July 2017 to 31 March 2018	1 January to 31 March 2019	1 January to 31 March 2018		
	Taka	Taka	Taka	Taka		
Revenue	1,164,649,920	1,070,704,359	390,771,007	389,465,413		
Cost of sales	(892,211,803)	(812,030,238)	(296,596,969)	(295,293,002)		
Gross profit	272,438,117	258,674,121	94,174,038	94,172,411		
Other income	7,108,331	6,957,232	1,916,817	1,955,917		
Operating expenses	(233,991,355)	(224,112,028)	(84,316,893)	(81,928,575)		
Profit before net finance cost	45,555,093	41,519,325	11,773,962	14,199,753		
Finance cost	(37,747,750)	(15,479,483)	(12,124,265)	(4,829,568)		
Finance income	5,879,675	2,669,877	1,875,369	947,055		
Net finance cost	(31,868,075)	(12,809,606)	(10,248,896)	(3,882,513)		
Profit before contribution to WPPFF	13,687,018	28,709,719	1,525,066	10,317,242		
Contribution to WPPFF	(651,763)	(1,367,129)	(72,623)	(491,297)		
Profit before income tax	13,035,255	27,342,590	1,452,443	9,825,945		
Income tax:						
Current tax	(7,710,530)	(9,808,810)	(2,225,565)	(2,613,787)		
Deferred tax	2,900,131	1,901,252	1,371,786	(653,448)		
Net profit for the period	8,224,856	19,435,032	598,664	6,558,710		
Other comprehensive income:						
Changes in fair value of financial assets	37,246,300	(5,539,072)	(34,969,021)	(154,286,900)		
Deferred tax income/(expenses)	(3,724,630)	(52,669,193)	3,496,902	15,428,690		
Other comprehensive income/(loss)	33,521,670	(58,208,265)	(31,472,119)	(138,858,210)		
Total comprehensive income/(loss)	41,746,526	(38,800,233)	(30,873,455)	(132,299,500)		
Earnings per share (par value Tk. 10 each)	0.88	2.07	0.06	0.70		
STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE-MONTH PERIOD ENDED 31 MARCH 2019						
	1 July 2018 to 31 March 2019	1 July 2017 to 31 March 2018				
	Taka	Taka				
A. Cash flows from operating activities						
Collection from customers	1,320,335,873	1,199,841,166				
Payment to suppliers	(693,568,838)	(647,151,682)				
Payment to employees	(157,879,647)	(140,095,085)				
Payment for services received	(227,212,384)	(221,610,086)				
VAT paid	(141,849,355)	(128,069,313)				
Contribution to provident fund	(2,680,242)	(2,575,832)				
Cash generated from operation	97,145,407	60,339,168				
Cost recovery	9,503,799	1,756,000				
Collection from sale of scrap and others	350,380	199,251				
Interest paid	(32,667,492)	(11,159,234)				
Income tax paid	(28,379,116)	(25,137,747)				
Net cash generated from/(used to) operating activities	45,952,978	25,997,438				
B. Cash flows from investing activities						
Dividend received	1,427,952	1,427,983				
Payment for acquisition of property, plant and equipment	(14,195,357)	(33,366,769)				
Net cash inflows/(outflows) from investing activities	(12,767,405)	(31,938,786)				
C. Cash flows from financing activities						
Dividend paid	(16,364,838)	(26,312,475)				
Net cash inflows/(outflows) from financing activities	(16,364,838)	(26,312,475)				
D. Net cash inflows/(outflows) for the period (A+B+C)						
	16,820,735	(32,253,823)				
E. Opening cash and cash equivalents						
Cash and cash equivalents	(509,135,838)	(240,413,072)				
Short term finance	103,476,432	64,548,138				
	(612,612,270)	(304,961,210)				
F. Closing cash and cash equivalents (D+E)						
Cash and cash equivalents	(492,315,103)	(272,666,895)				
Short term finance	108,876,065	95,637,437				
	(601,191,168)	(368,304,332)				
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE NINE-MONTH PERIOD ENDED 31 MARCH 2019						
	Share Capital	Capital Reserve	General Reserve	Fair value Reserve	Retained Earnings	Total
	Taka	Taka	Taka	T		