



BUSINESS

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Stocks sink to 31-month low

Benchmark index plunges below 5,000 points

AHSAN HABIB

Stocks plunged below the 5,000 point-mark yesterday thanks to massive sell-off by both jittery retail and institutional investors.

The DSEX, the premier index of the Dhaka Stock Exchange (DSE), plunged by 67.30 points, or 1.33 percent, to close at 4,966.44 yesterday, which is the lowest in 31 months.

What started out as a dip in confidence has now turned into a full-on panic: in the last three weeks, the DSEX had 463.6 points and about Tk 27,500 crore wiped out.

The index has sank to such a level that stock brokers and merchant bankers now have to execute "forced sale".

Investors can take margin loan from merchant banks to buy "A" category shares.

If the price of the securities bought with the borrowed money decreases in value past a certain point, the lenders can legally force investors to sell off some of their assets to save their margin loan.

A managing director of a merchant bank requesting anonymity has acknowledged that they had to go for forced sell in the last two days.

"We had no other option but to sell the shares as the prices of the good stocks are plummeting."

And in the last few days, "A" category companies were the top losers, he added.

For instance, the top negative contributors to the index were the heavyweights British American Tobacco Bangladesh and Grameenphone, and Square Pharmaceuticals.

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Retail investors stage a demonstration in front of the Dhaka Stock Exchange building yesterday protesting the continuous slide of the DSEX, the key index of the bourse.

No approval for GP, Robi to roll out packages

BTRC piles pressure on the operators to realise dues

STAR BUSINESS REPORT

The telecom regulator will not give any kind of approval to Grameenphone and Robi to roll out new package or service or import network equipment as it looks to put pressure on the operators to clear their dues, according to a letter issued yesterday.

Grameenphone has Tk 12,579.95 crore pending and Robi Tk 867.24 crore as per an audit of the Bangladesh Telecommunication Regulatory Commission (BTRC).

But the two operators, which are coincidentally the top two players in the market, have turned a deaf ear to the commission's repeated claims.

To crank up the pressure, the BTRC on July 4 slashed Grameenphone's bandwidth by 30 percent and Robi's by 15 percent for non-payment of the dues -- enough to slow down their internet speed and raise the call drop frequency.

But the block on bandwidth was lifted on July 17 considering the inconvenience it was causing to subscribers.

So now the commission has come up with a new manner to penalise the two operators.

As per yesterday's letter to the two operators, all the no-objection certificates (NOC) taken from the regulator thus far have become invalid. They cannot open any letters of credit or import any equipment and software against the documents.

And if the operators have already imported any equipment the customs authority will have to take permission from the telecom regulator before

releasing them.

Grameenphone in a statement yesterday said they have received the letter and is it is now under their assessment.

"However, we are concerned over the BTRC decision to withhold NOCs. We still believe that the best way to resolve our differences is through dialogue and arbitration," it added.

Shahed Alam, chief corporate and regulatory officer at Robi, said stopping the issuance of NOC as a replacement for the reduction of bandwidth will only increase the sufferings for the customers.

Stopping NOC will lead to seizure on ongoing investment. As a result, network expansion, and all other planned activities to improve the quality of service will also come to a halt.

"Not just that, companies who are integral to the telecom sector, such as network partners, NTTN operators and ICT companies will be adversely impacted by this decision."

Businesses of the three new tower company licensees will also be severely hampered.

"On the whole, this unfortunate decision will have a multifarious negative impact on the industry," he added.

Md Jahanur Haque, chairman of the telecom watchdog, said the commission will deploy all the tough measures provided in the law to realise the dues.

If suspending the issuance of NOC fails to get the two operators to pay up, the BTRC will consider appointing an administrator to run the two mobile operators. "This is allowed by the telecom act," he added.



NPL at state banks didn't rise: Kamal

STAR BUSINESS REPORT

Finance Minister AHM Mustafa Kamal yesterday said he delivered on his promises he made six months ago that the non-performing loans at the state banks would not go up any longer.

"After taking the helm of the finance ministry, I said that non-performing loans of the state-owned banks will not rise. Today, we have found the data, which shows that it has not risen in reality."

The default loans of the state-owned banks did not increase in the last six months, he said.

He made the comments while talking to the media after a meeting with the chairmen and chief executive officers of the state banks at his secretariat office.

The minister provided the NPL data of the eight banks. In December 2018, the default loan of Sonali Bank was 30.38 percent of the outstanding loans and it went down to 25.5 percent as of June 2019.

For Janata Bank, it was 37.32 percent in December and it came down to 35 percent in last month.

Rupali Bank's default loan fell from 19.21 percent to 17 percent during the period, while Agrani Bank's NPL rate came down from 20.25 percent to 14.50 percent.

However, BASIC Bank's default loan climbed up to 58.25 percent from 57.55 percent.

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Exporters get a boost

They can now issue certificate of origin to enjoy EU GSP

STAR BUSINESS REPORT

Exporters will now be able to issue the certificate of origin to enjoy the generalised system of preferences (GSP) facility in the European Union, instead of relying on the Export Promotion Bureau (EPB) for the document.

Md Mofizul Islam, senior secretary of the commerce ministry, Md Shafiqul Islam, vice-chairman of the EPB, Sheikh Fazle Fahim, president of the Federation of Bangladesh Chambers of Commerce and Industry, and Md Siddiqur Rahman, vice-president of the federation, were also present at the event.

This will save time and cut cost for exporters, said Commerce Minister Tipu Munshi, according to a statement.

This will allow exporters to enjoy the GSP benefit quickly after sending a shipment.

A certificate of origin is an important international trade document that certifies that goods in a particular export shipment are wholly obtained, produced, manufactured or processed in a particular country. It also serves as a declaration by the exporter.

The minister said exporters would be able to issue the certificate because

of the introduction of the registered exporter system (the Rex system).

The commerce minister made the comment while speaking at a programme at the conference room of the EPB in Dhaka on Sunday.

He handed over the Rex number to 10 exporters at the programme.

The exporters are Zaber & Zubair Fabrics, Rifat Garments Ltd,

Square Fashions Ltd, Noman Terry Towel Mills, Sea Park (BD) Ltd of Chattogram, Alkij Jute Mills, Pran Agro Ltd, Karuppanna Rangpur Ltd, Uniglory Cycle Industries, and Universal Jeans Ltd.

About 6,000 exporters will receive the Rex number gradually, the statement said.

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STAR/FILE
Exporters can now enjoy the GSP benefit quickly after sending a shipment.

Licences of 48 ISPs scrapped for dues

STAR BUSINESS REPORT

The telecom regulator yesterday scrapped licences of 48 internet service providers after they failed to pay renewal fees in time.

Of them, 25 are national ISPs and the rest are central zone licensees. The licence tenure of the ISPs expired between 2012 and 2018 though some of them are still providing services to customers.

The Bangladesh Telecommunication Regulatory Commission (BTRC) issued notices to this effect yesterday and requested companies not to do business with the ISPs in question.

The latest move brought down the number of national ISPs to 133 and the central zone ISPs to 84.

The BTRC also gives licences in four more categories. There are a total 1,502 ISPs in Bangladesh now, according to the website of the BTRC.

The commission also directed the 48 ISPs to clear their dues, otherwise they will face legal action, the notice said.

As some of the ISPs whose licences were scrapped are still in operation, the regulator ordered its engineering and operation division to inspect their offices and take action.

A senior official of the BTRC said, within the next few days they will also cancel some more licences in the central zone and other categories on the same ground.

SpiceJet to connect Dhaka with Mumbai, Delhi

STAR BUSINESS REPORT

India's political and financial capitals New Delhi and Mumbai will once again be just a flight away from Dhaka thanks to budget carrier SpiceJet's acquisition of the slots vacated by

collapsed Jet Airways. Jet Airways ran daily direct flights between Dhaka and Mumbai and New Delhi but its grounding on April 17 for an indefinite period after it ran out of cash left a huge hole in air connectivity with Bangladesh's second

biggest trading partner.

But that mantle has been taken up by SpiceJet, which grabbed most of the international slots of the fallen airline.

From July 25, SpiceJet will be running direct flights daily between Dhaka and Mumbai.

The flight's timing would be the same as Jet Airways': it will depart Dhaka at 1:20pm and land in Mumbai's Chhatrapati Shivaji Maharaj International Airport three-and-a-half hours later at 4:15pm.

From Mumbai it will depart at 8:50am and land in Dhaka's Hazrat Shahjalal International Airport about three hours later at 12:50pm.

A round trip would cost about Tk 25,200 on the Indian no-frills airline, which is almost half the fare offered by Jet Airways for the route.

And from July 31 it will start daily direct flights between Dhaka and New Delhi and on the same schedule as Jet Airways.

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