

Tanners to pay rawhide traders in three phases



FBCCI President Sheikh Fazle Fahim, second from right, attends a press conference at his office in Dhaka yesterday.

STAR BUSINESS REPORT

Tanners have finally agreed to pay arrears to the rawhide merchants but in three phases with the view to resolving the crisis in the leather industry.

The information was shared in a tripartite meeting brokered by the Federation of Bangladesh Chambers of Commerce and Industry yesterday.

Leaders from different trade bodies, business chambers, rawhide merchants, tanners and government higher ups from the ministries of industries and commerce

attended the meeting at the FBCCI office in Dhaka.

In an emergency meeting at the commerce ministry earlier on Sunday, Industries Minister Nurul Majid Mahmud Humayun tasked the FBCCI to mediate the dispute of non-payment of more than Tk 400 crore to the rawhide merchants by tanners.

Both the tanners and merchants will hold two more separate meetings before holding another tripartite meeting with the FBCCI on August 31.

The government took the hurried initiative to resolve the non-payment issue when reports were surfacing in media that nearly 35 percent of more than 1 crore units of rawhides were being thrown away by the seasonal small traders and farmers in the absence of buyers.

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Smart shopping in Bangladesh lowest among peers

Only 6pc smartphone users buy products online: study

MUHAMMAD ZAHIDUL ISLAM

Only 6 percent of smartphone users in Bangladesh are regularly making purchases from online shops, trailing far behind those in neighbouring India and Pakistan, found a study of research platform GSMA Intelligence.

Some 28 percent of smartphone users in India and 12 percent in Pakistan are shopping online regularly.

Currently, there are about 2.5 crore smartphones in Bangladesh, meaning only 15 lakh people are doing online shopping every month.

The GSMA study -- The Mobile Economy Asia Pacific, 2019 -- found another 5 percent of smartphone users making purchases products albeit less frequently.

About 89 percent have never tried online shopping, which is the same as in neighbouring Myanmar, found the report published recently.

"The number seems okay," said AKM Fahim Mashroor, chief executive officer of AjkerDeal.com, one of the leading e-commerce shops in Bangladesh.

As many as 15 to 20 lakh shop online in Bangladesh.

There are about three crore active internet users in Bangladesh but government data shows it to be about 10 crore, said Mashroor, also the former president of Bangladesh Association of Software and Information Services (BASIS).

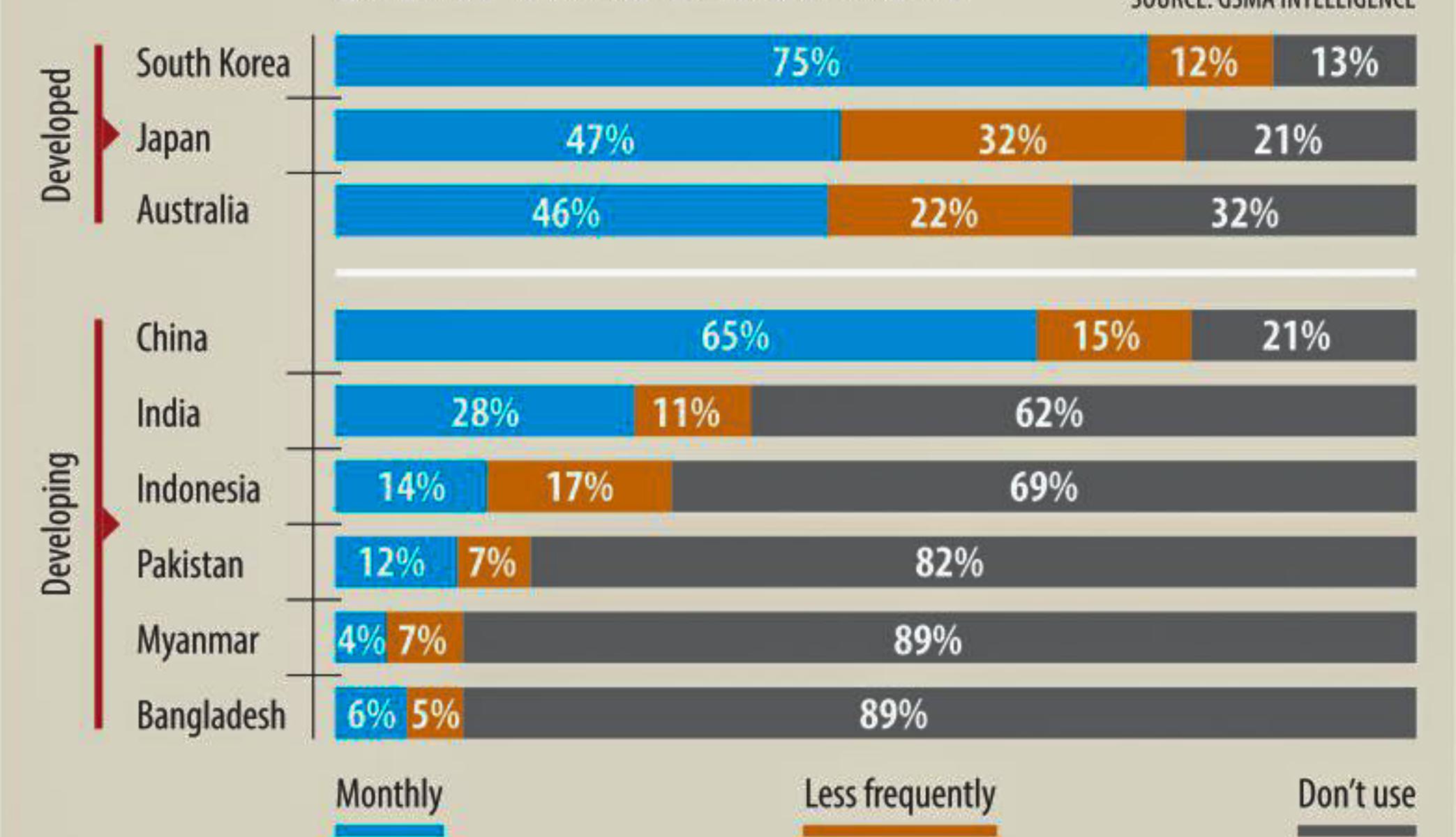
"Without increasing the number of internet users it is not possible for online shopping to thrive here."

Besides, problems in the delivery channel and the steep price of internet are also holding back the e-commerce sector.

In Bangladesh, it takes 4-5 days or even more to deliver a product to rural areas whereas in India and Indonesia, both way bigger countries than Bangladesh, it takes two days.

HOW OFTEN PEOPLE PURCHASE GOODS ONLINE USING SMARTPHONE

SOURCE: GSMA INTELLIGENCE



"Internet connectivity is the other challenge as major parts of the country still do not have access to fast data connection. And the price of data is also very high," he added.

However, leaders of the e-Commerce Association of Bangladesh (e-CAB) said the numbers are higher.

"Our estimation says Bangladesh's online shoppers' number is about 50 lakh and we are not sure what is the base of the GSMA's study," said Abdul Wahed Tomal, general secretary of the e-CAB.

Currently, the industry is getting 40,000 to 50,000 orders a day, so if the shopper number did not reach 50 lakh it would not have been possible to reach the high volume

of orders.

"Bangladesh has started a little later than India and Indonesia, which is why this market is lagging behind."

Currently, the market size is about Tk 1,000 crore and it is growing at 30 to 40 percent.

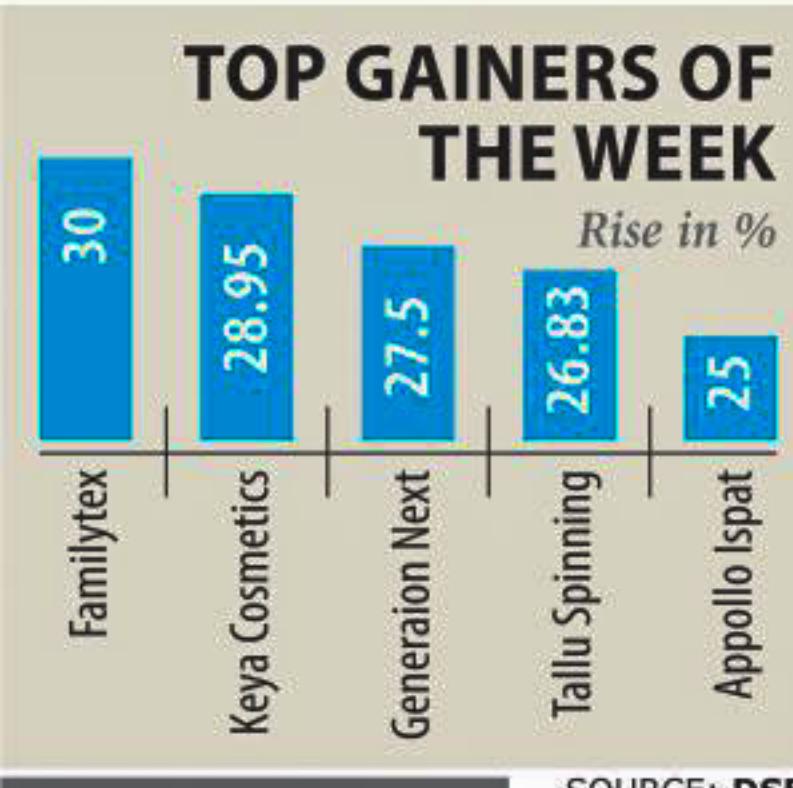
The government is also trying to enhance the industry and has taken up a plan to train about 5,000 e-commerce entrepreneurs.

The initial plan is to select 2,000 trainees from Dhaka, 1,200 from Chattogram and 300 each from all of the other divisional cities.

After completing the training, the country will better adopt the digital commerce culture and Bangladesh's figures will be much better, Tomal added.

Stocks end week on positive note

Ceramic, engineering, textiles and cement create buying pressure



SOURCE: DSE

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Dhaka stocks had seen some gains past week as the major indicators of the premier bourse had been turning somewhat positive.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), gained 35.43 points or 0.7 percent week-on-week.

At the week's end, the index closed in the green at 5,236.85, much higher from a two-and-a-half-year low of 4,966.44 just three weeks ago.

The index went slightly bullish

STOCKS WITH HIGHEST TURNOVER		
COMPANIES	TURNOVER (in crore taka)	PRICE RISE
United Power	163.4	0.97%
Orion Infusion	69.7	3.76%
Fortune Shoes	58.7	0.69%
Beacon Pharma	44.8	0.22%
Silco Pharma	41.8	1.94%

last week following pressure from purchases mainly of ceramic, engineering and cement stocks, said stock broker Royal Capital in its weekly analysis.

The significant margin of the banking channel's liquidity shortfall has been making the financial markets unstable to some extent, it added.

The time for banks to adjust their advance-deposit ratio has been extended till September 2019, making investors cautious about the market, it said.

Moreover, general investors have

been uneasy over the liquidation of the People's Leasing and Financial Services along with the finance minister's recent comment that the condition of some financial institutions have turned bad.

The DSE data shows the weekly average turnover reduced to Tk 461 crore from Tk 474 crore.

Among the large cap sectors, textile posted the highest positive change of 2.58 percent, LankaBangla Securities said in its weekly analysis.

Investors had a positive mindset towards the garment sector as it showcased a higher export growth than of last year.

The Export Promotion Bureau data shows that garment shipments brought home \$3.31 billion in July, up 9.60 percent year-on-year and \$97.48 million more than the month's target.

United Power Generation and Distribution Company topped the weekly turnover list followed by Khulna Power Company, JMI Syringes and Medical Devices, Orion Infusion, and Fortune Shoes.

Of them, United Power attracted a turnover of Tk 163.4 crore.

NEWS IN brief

Shasha Denims to acquire majority of EOS Textile shares

Shasha Denims is going to acquire 80 percent of shares of EOS Textile Mills worth Tk 110.68 crore.

Bangladesh Bank has given approval to the selling price and the go-ahead to repatriation of sales proceeds to non-resident shareholders (transferor) of the EOS.

Alhaj Textile puts layoffs on hold again

Alhaj Textile Mills for the third time has put layoffs on hold for 15 days.

The layoff was first announced on June 25 amid a severe fall in yarn sales and attempts to decrease production for space scarcity in the company's warehouses.

LR Global extends tenure of six mutual funds

LR Global Bangladesh Asset Management Company has decided to extend the tenure of its six closed-end mutual funds for another 10 years. The six are LR Global Bangladesh Mutual Fund One, NCCBL Mutual Fund-1, ABL 1st Islamic Mutual Fund, MBL 1st Mutual Fund, Green Delta Mutual Fund and DBH First Mutual Fund.

75pc ADP projects miss deadlines

IMED secretary says

STAR BUSINESS REPORT

Around 75 percent of the projects under the annual development programme (ADP) are not finished within the stipulated time and get revised several times, causing cost overruns and depriving people of reaping expected benefits, said a secretary yesterday.

Abul Mansur Mohammad Faizullah, secretary to the Implementation Monitoring and Evaluation Division (IMED) under the planning ministry, said 70 to 75 percent of projects could not be finished within the deadline and this causes most worries.

Because of the revision and the implementation delay, the cost of a project goes up, he said.

"These issues need to be sorted out," he said while addressing the 13th meeting of Public-Private Stakeholders Committee organised by Central Procurement Technical Unit (CPTU) at National Economic Council in Sher-e-Bangla Nagar of Dhaka.

He said while preparing development project proposals, various challenges such as floods, water-logging and rains were taken into account. Still these challenges are used as an excuse while seeking revision, but these pretexts are not acceptable, the secretary said.

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