ASIAN MARKETS

TOKYO



DHAKA TUESDAY OCTOBER 1, 2019, ASHWIN 16, 1426 BS starbusiness@thedailystar.net

BO accounts drop off in lakhs as investors bolt

Some 2.5 lakh

BO accounts were

closed since the

ongoing bear

run started in

January

COMMODITIES

Gold

AHSAN HABIB

STOCKS

CSCX

DSEX

....... In 2016, Masum Ahmad, an accountant family members.

which is a must to buy

and sell stocks. He closed down the other five accounts in August, as the bear run that started in January went on longer than his liking.

"Stocks no longer yield healthy profit and maintaining such accounts has a cost," said the pessimistic Ahmad, adding that

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account, including the bank charges.

Ahmad is not alone in his thinking. squeezed their investment into one or Some 2.5 lakh BO accounts were closed since the ongoing bear run started in the Dhaka Stock Exchange, in the strongest BO accounts.

indication yet of retail investors' gloomy outlook for the capital market.

On January 24, when DSEX, the who dabbles in the stock market on the benchmark index of the DSE, stood side, had as many as seven beneficiary at 5,950, the highest yet this year, the owner (BO) accounts in the name of his total number of BO accounts was 28.13 lakh, according to data from the Central Now, he has only two such accounts, Depository of Bangladesh (CDBL).

As per the latest CDBL data, which is of September 26, there are 25.62 lakh BO accounts. On that day, DSEX stood at 4,947.63.

During the period, the market lost Tk 46,134 crore, which is 10.98 percent of its capitalisation. Some investors left

the market as they it costs Tk 3,000 a year to maintain an incurred huge losses for the depressed state of the stock market, while some two portfolios, said a high official of a brokerage house, which is allowed to open

> Many also closed down their accounts for the shrinking initial public offerings (IPO) in recent times, he said.

> In the first nine months of the year eight companies got listed, in contrast to 13 companies and one mutual fund in 2018, according to data from the DSE.

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Robi will get listed soon

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CURRENCIES

BSEC chairman says; carrier remains evasive

STAR BUSINESS REPORT

Robi, the country's second largest mobile operator, is gearing up to get listed, said the chief of the stock market regulator yesterday quoting the finance minister -- in a positive development for investors who are crying out for good stocks. The disclosure was

made by Khairul Hossain, chairman of the Bangladesh Securities and Exchange Commission (BSEC), during the inaugural ceremony of the World Investors Week 2019.

During the ceremony Hossain said he had just received a call from Finance Minister AHM Mustafa Kamal, who asked him to announce that Robi has agreed to offload

Khairul Hossain

Kamal had a meeting recently with Robi officials, who expressed their intent to get listed.

The operator wanted to offload shares at a premium price but Kamal advised them against it as Robi's balance sheet was still not very strong, Hossain said. In 2018, Robi with a market share of 29.38 percent

made a profit of Tk 214.7 crore, after incurring losses in the previous two years, according to company data. In 2015, the operator logged in profits, once again after

two consecutive years of losses. Then too there were talks of Robi getting listed, but that

never materialised as the company sank back to losses, leaving Grameenphone as the lone listed mobile operator. Plus, investors will not make much profits if the mobile operator opts to offload shares at a premium, the BSEC

Digital platform Dmoney

chairman said quoting Kamal. **READ MORE ON B3**

\$10b leather export possible by 2025

Says economist at Asia Foundation dialogue

STAR BUSINESS REPORT

Bangladesh has the potential to earn as much as \$10 billion from leather and leather goods exports by 2025 if the country can improve compliance, protect labour rights and obtain international certification within a short time, said an economist yesterday.

The government has a target to export \$5 billion worth of leather and leather goods by 2021 whereas last year's receipts amounted to \$1.2 billion.

"However, it is possible to export leather and leather goods to the tune of \$10 billion the workers are needed. We need to turn it by 2025 as we have a lot of comparative advantages," said M Abu Eusuf, professor of the Department of Development Studies at the University of Dhaka.

Vietnam could export \$20 billion worth of leather and leather goods, he said at a dialogue on the prospects and challenges in the tannery sector organised by Asia Foundation at The Daily Star Centre in Dhaka.

Sadat S Shibli, director for programme at Asia Foundation, moderated the dialogue, which was attended by tanners, labour leaders, experts and leather goods exporters.

Prof Eusuf suggested learning from the garment sector as Bangladesh has the highest number of green apparel manufacturing units.

than \$34 billion from exports. Then why can't the leather and leather goods industry do the same?"

The tanneries should produce goods at diameter pipes. eco-friendly factories and obtain the Leather

Working Group (LWG) certification, which is a must for better prices, he said.

Because of poor compliance and working conditions in the leather sector as well as a lack of the LWG certification, Bangladeshi tanners have to sell tanned leather at 40 percent below international rates.

However, the authority of the newly established Savar Tannery Industrial Estate (STIE) under the Bangladesh Small and Cottage Industries Corporation (BSCIC) is moving very slowly with regards to improving compliance.

"Safety, health and transport facility for into a social business from the businessonly model. Different kinds of facilities should be adopted for this business," Prof Eusuf said.

He suggested setting up cold storages in different parts of the country so that rawhides can be preserved there for a long time, in a bid to ensure fair prices. Noncompliant companies should be made compliant. Md Shaheen Ahmed, chairman of

Bangladesh Tanners Association, said the Chinese contractor installed substandard machinery at the Central Effluent Treatment Plant (CETP) at the STIE. The CETP will not work fully if the substandard machinery is not replaced, he said. He said a section of corrupt people

"The garment sector could earn more installed the substandard machinery. For instance, the contractor was supposed to put in place 38-inch diameter pipes, but the corrupt people have installed 18-inch

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Bangladesh's export to grow 8pc this year

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Says HSBC analysis

STAR BUSINESS REPORT

Bangladesh's exports will grow by 8 percent in 2019 and 7 percent next year, according to an analysis by the Hongkong and Shanghai Banking Corporation Limited (HSBC). The projection is some way off the 10.55 percent clocked

in fiscal 2018-19.

"Bangladesh's outlook for exports has remained bright despite the global trade tensions," said Douglas Lippoldt, chief trade economist of the HSBC. He made the comments during an economic and trade

outlook event the international trade bank organised for clients and regulators in Dhaka recently. Lippoldt shared his insights from the latest HSBC Global

Research report, "Asian Trade Prospects - Navigating turbulent seas", published in August. The report puts a spotlight on what factors would be

driving trade, economies and markets for the rest of the year and in the coming ones. Lippoldt said 2019 has been a challenging year for Asia-

Pacific trade prospects.

The nascent recovery in trade growth from 2017 to 2018 has been stunted by softer global demand and the policy disruptions that began in 2018 and has carried on into 2019. The HSBC's macroeconomic team forecasts only 0.9

percent export volume growth in 2019 after healthy annual export growth of 6.6 percent for the region in 2018. READ MORE ON B3

STAR BUSINESS REPORT Digital payments and services platform Dmoney yesterday announced the launch of its commercial operation

for the Bangladesh market. "We have come up with a technology platform that will further accelerate the advancement of the people. This is an extremely proud moment for us Bangladeshis," Dmoney Chairman

Anjan Chowdhury said. Rapid economic growth and digitalisation of the country is happening and that development inspires Dmoney to do more for the people of the country, especially the underserved, he told a press meet at

The Westin Dhaka. Vice Chairman and CEO of Dmoney Sonia Bashir Kabir expressed her excitement terming Dmoney as the most advanced app ever launched in Bangladesh by a Bangladeshi entity.

Sonia said she looks at technology as a problem-solver.

"The real problem to solve is the challenge of building an 'ecosystem' around homes and small and medium businesses and offer them all the products and services they need to operate effectively with productivity and succeed in their endeavours."



From left, Dmoney CEO Sonia Bashir Kabir, Chairman Anjan Chowdhury, Bangladesh Bank's General Manager Md Mezbaul Haque and Dmoney Managing Director Aref R Bashir attend Dmoney's commercial launch at The Westin Dhaka yesterday.

"We are happy to introduce Dmoney which will ease digital adaptation and will positively impact people's lives," she said.

"We thank our regulator, Bangladesh Bank, for keeping their trust on us. I am confident Dmoney will be able to honour their trust."

Dmoney Co-founder Managing Director Aref R Bashir said, "The platform serves as an ecosystem builder as Dmoney believes it is through technology and partnerships with stakeholders that we can break the cash to digital barriers."

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NBR extends deadline for e-BIN

STAR BUSINESS REPORT

The National Board of Revenue on Sunday extended the deadline for traders to update their existing business identification numbers (BIN) into online-generated 13-digit ones to October 31.

The revenue authority has also requested Bangladesh Bank not to allow any bank to open letters of credit (LC) for imports without the 13-digit e-BINs from November 1.

VAT Online Project Director Syed Mushfequr Rahman made the request through a letter to BB's Deputy Governor Ahmed Jamal.

The move comes after the tax authorities found commercial banks opening LCs using 9-digit and 11-digit BINs, both of which had become obsolete after an August 14 deadline for obtaining 13-digit e-BINs, generally known

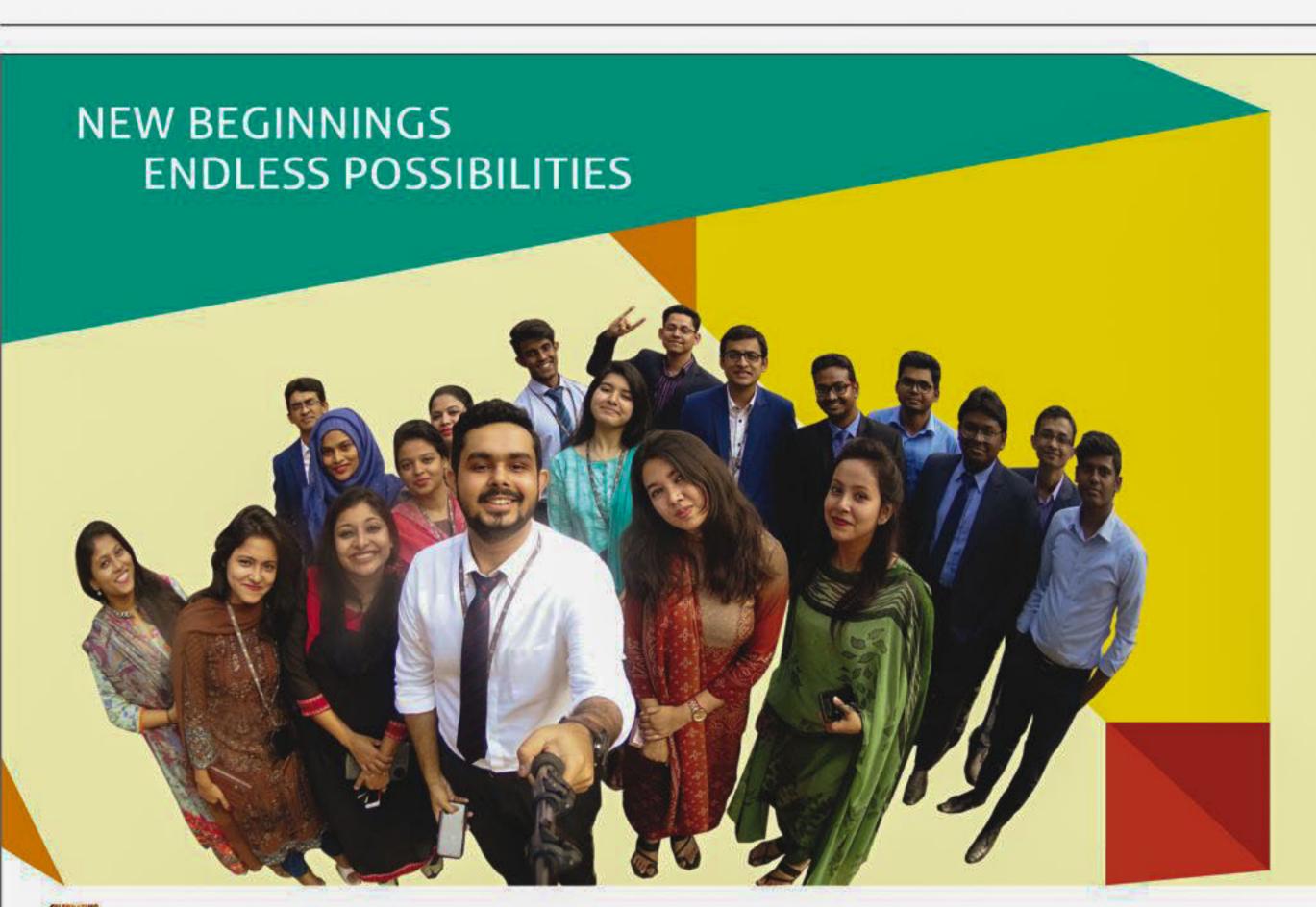
as VAT registration numbers.

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