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# Star BUSINESS

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## SIGNIFICANT MARKET POWER HC okays BTRC move to restrict GP

**MUHAMMAD ZAHIDUL ISLAM**  
 The High Court yesterday cleared the way for the telecom regulator to declare Grameenphone as a significant market power (SMP) and the restrictions it imposed on the country's leading mobile phone operator.  
 However, the court also decided to amend the wording of the conditions and asked the Bangladesh Telecommunication Regulatory Commission (BTRC) to issue a notice to the carrier within next 30 days.  
 After the notice is issued, Grameenphone will get 15 days to clarify its position and the regulator will take its final decision based on the reply of the operator, said Md Jahurul Haque, chairman of the BTRC.  
 "Soon after receiving the written order from the court, we will take the action," he said.  
 On February 11 this year, the BTRC declared Grameenphone as the country's first SMP operator, seeing that its revenue share is more than 50 percent and customer share about 47 percent. In May, four restrictions were imposed on the operator.  
 The operator yesterday said the HC ordered the BTRC to re-issue the directive.  
 But Khondker Reza E Rakib, a lawyer of the BTRC, told The Daily Star that the

- GP to face 4 major restrictions**
- Minimum call rate to be 5 paisa higher than others
  - Interconnection rate 5 paisa higher than others
  - Users can switch from GP to other operators in 30 days instead of 90 days
  - GP must take prior approval to roll out every package

directive would remain in place and the commission would only start the process to issue the notice.  
 Following the amendment of the directive, the telecom regulator will face no bar to implement the restrictions and there is no need to start the process from the beginning, he said.  
 "The regulator can now move in line with the directive and impose the restrictions within 30 days of the order issuance," Rakib added.  
 Once the restrictions become effective, the floor price of Grameenphone's call rate will go up by 5 paisa to Tk 0.50 a minute.  
 Currently, the minimum call rate is Tk 0.45 for all mobile operators, and after adding the value-added tax and other tariffs, the minimum rate goes up to Tk 0.54 to any operator. But for Grameenphone, it will be Tk 0.61 a minute.

## Eco-friendly blocks made mandatory in govt projects

*Govt rule aims at cutting use of soil in construction, pollution*

**STAR BUSINESS REPORT**  
 The government has made mandatory the use of blocks in public construction from this fiscal year as it moves to cut the reliance on bricks for building structures, walls and roads, an official document showed.  
 Under the plan, state-run agencies will use blocks, which will be made up of sand, cement fly ash or materials other than clay, to build and repair walls of buildings, surrounding walls, herringbone bond road, and rural passages in place of bricks, which use valuable topsoil as raw material.  
 Agencies will have to use 10 percent blocks in the current fiscal year of 2019-20 and 20 percent the following year, according to a notification of the environment, forest and climate change ministry, issued on November 24.  
 "Fire-burnt bricks pollute air and the environment. It also affects agricultural lands. This is why we want to move to blocks from bricks," said Mallick Anwar Hossain, additional director general of the Department of Environment.  
 "We have decided to completely shift to blocks from fire bricks by 2025."  
 The ministry directed to fix the target of using 20 percent blocks in building and other constructions in fiscal 2020-21 and 30 percent the following year. It has set a target to use 60 percent blocks in 2022-2023 and 100 percent in 2024-2025, the

year when the country is expected to phase out bricks.  
 The directive will not be applicable to the construction and repairing of base and sub-base of highways.  
 The move comes amid concerns of environmental pollution from brick kilns, which are producing clay bricks and burning them to meet soaring demand from the construction sector.  
 Brick kilns were identified as the single largest source of air pollution in Dhaka city, with 50 percent of the total pollution attributed to them.  
 The actual number of brick kilns in Bangladesh and the bricks they produce is hard to come by. The number of kilns will be between 7,000 and 10,000, producing 2,100 crore to 4,300 crore pieces of bricks annually, according to trade bodies representing brick makers.  
 Hossain said many countries

produce bricks from blocks instead of burning them. But fire-burnt bricks are used in Bangladesh as well as in the subcontinent.  
 The public construction accounts for more than 30 percent of the total construction in Bangladesh, while the rest is carried out by the private sector.  
 The DoE senior official said the use of blocks has been made compulsory for public construction with the objective of encouraging the private sector to follow suit.  
 "When we involve the government in doing so, we can ask industrialists and others to follow it. How can I ask others to do the job before I do this?" he said.  
 Blocks are made locally but marketing remains a major barrier to its expanded use, Hossain said. "Production will increase once demand rises."  
 "We have enough support to do this locally and demand could be

met. We believe many brick-kiln owners will shift to making blocks, as we will eliminate traditional or zigzag type kilns," he said.  
 Hossain also said the use of blocks would not push the construction cost up. Rather, the construction cost will come down to a large extent as blocks will be made from sand without affecting natural resources.  
 The cost of producing blocks will be Tk 1 less than Tk 8-8.5 needed to make a piece of brick, he said, citing an estimate.  
 "If environmental and production costs are estimated, the cost of blocks would be much less in case of blocks."  
 Mizanur Rahman Babul, president of the Bangladesh Brick Manufacturing Owners' Association, said brick kiln owners would not be affected if the government gradually moves to blocks.

**TARGET FOR USING BLOCKS IN GOVT PROJECTS**

Fiscal Year	I	in %
2019-20		10
2020-21		20
2021-22		30
2022-23		60
2023-24		80
2024-25		100

SOURCE: DEPARTMENT OF ENVIRONMENT

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## Investors upset as Active Fine Chemicals offers 2pc dividend

**DRUG INGREDIENT-MAKER RETAINS PROFITS TO SWELL RESERVE BUT DIDN'T EXPLAIN WHY**  
**AHSAN HABIB**  
 Investors holding the stocks of Active Fine Chemicals have been left disappointed after the pharmaceutical ingredient company decided to share only 6 percent of its annual profit with them.  
 The firm has set aside 94 percent of the profits as reserve, but it did not explain to the shareholders why it needs to keep the money in reserve when it is already sitting on a cash of Tk 135 crore.  
 On December 1, the board of directors declared 2 percent (20 paisa) dividend for the fiscal year that ended on June 30, 2019 after booking earnings per share (EPS) of Tk 2.93.  
 "I invested into the stock seeing its high EPS. However, I am shocked to see only 2 percent dividend," said Forhad Ahmed, a frustrated investor.  
 He had assumed that Active Fine Chemicals would announce 20-25 percent dividend as its earnings were enough to afford such payout.  
 Active Fine declared 20 percent stock dividend

in 2018 when its EPS was Tk 3.44. It gave 25 percent dividend in 2017, 35 percent in 2016, which included 5 percent cash dividend, and 20 percent in 2014.  
 Had it provided 20 percent dividend, it still could have a reserve of Tk 0.93 for per share, Ahmed pointed out.  
 He urged the stock market regulator to look into why the company has not shared a fair share of the profits with the shareholders.  
 Market analysts say a company can conserve its cash resources, but it should have a plan in place outlining what it wants to do with the money.

According to a directive of the Bangladesh Securities and Exchange Commission (BSEC), all companies must explain if they announce stock dividend or retain profits in reserves.  
 However, Active Fine Chemicals has not come up with such explanation.  
 Minhaz Mannan Emon, a director of the Dhaka Stock Exchange (DSE), said when a company retains huge amount of profits without explaining the reason, it creates suspicion among investors.  
 "Investors don't know whether the company has any plan to make further investment or it has any ill intention to manipulate stocks. Had it explained the reason, this confusion would not have created."  
 Emon said such a low dividend despite making higher profits impacts investors' confidence.  
 Prof Abu Ahmed, a market analyst, also said the company should explain the reasons behind the further accumulation of the reserve.

*"I invested into the stock seeing its high EPS. However, I am shocked to see only 2 percent dividend," a frustrated investor says.*

## Online stock complaint option delivering results

**STAR BUSINESS REPORT**  
 A new option allowing investors to file stock market-related complaints online on the Bangladesh Securities and Exchange Commission's (BSEC) website is yielding results.  
 The Customer Complaint Address Module was launched by the BSEC on September 30 with the aid of Central Depository Bangladesh.  
 It is delivering responses and solutions within 10 days on an average of the complaints being filed.  
 It takes anywhere between three to four months, even more in some cases, to get

solutions through physically registering grievances via letters and applications.  
 This massive shift has led to a rise in complaints.  
 In the last two and a half months, 148 complaints were filed whereas in fiscal 2018-19, 245 had been registered.  
 A BSEC official said the physical process was obviously slower as all correspondence and exchange of documents were being done by hand and courier.  
 Stock investor Masudur Rahman said the process had been made convenient and accessible, especially through mobile phones.

## Stocks start week with a plunge

**STAR BUSINESS REPORT**  
 Dhaka stocks started the week with a fall yesterday for a cautious stance taken by institutional investors amid a liquidity crisis in the market.  
 The benchmark index -- the DSEX -- opened the day on a positive note but took a downturn half an hour later, spurred by investors' sell-offs. It fell 15.95 points or 0.35 percent to close the day at 4,498.  
 With the fall, the index has gone under a psychological level of 4,500 points.  
 Stock investor Rakibul Ahsan Piplu said they were frustrated with the continuous fall of the index.  
 The market needs support from institutional investors but they are not buying shares, he added.  
 An asset manager said they had no money available for further investment because they had already put in all that they had.  
 He said the situation was that purchase of stocks would require selling some first, which would then have a worse impact. "So, we have nothing to do."  
 One stock broker said he was losing what he had invested in the stock market one year back. Back then the market had gone down to such an extent that he had felt sure that it was the safest time to invest, he said.  
 "Now I have no money and confidence. Even, I don't know whether the market will fall further or gain from this point," he added.  
 Turnover, another important indicator, plunged 12.31 percent to Tk 306.54 crore only.

## Development spending slower than last year

*Foreign aid use fell 14.52pc in Jul-Nov, own fund use up 37.89pc*  
**STAR BUSINESS REPORT**  
 The civil aviation and tourism ministry has been the 14th largest recipient of the development budget this fiscal year but it has managed to spend only 1.92 percent of the allocation from July to November.  
 The ministry received Tk 3,821 crore for 2019-20 from the Annual Development Programme (ADP), of which Tk 2,500 crore came from the foreign aid portion. But the ministry is yet to spend a single penny from the portion.  
 The civil aviation and tourism ministry is not alone, as many other ministries and divisions could not utilise the foreign aid. Even some ministries have not been able to use the government's own fund.  
 As a result, the implementation of the development budget declined in percentage of allocation this year compared to that last fiscal year.  
 In total, the line ministries spent Tk 41,387 crore from July to November, which

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