

Shams Mahmud new DCCI president

STAR BUSINESS DESK

Shams Mahmud has been elected president of the Dhaka Chamber of Commerce & Industry (DCCI) for 2020.

Besides, NKA Mobin and Mohammad Bashiruddin were respectively elected senior vice president and vice president.

The new board of directors took over charge at the 58th annual general meeting of the chamber at its auditorium yesterday, said the chamber in a statement.

The newly elected directors are Arman Haque, Md Shahid Hossain, Md Zia Uddin, Monowar Hossain, and Shamsuzzoha Chowdhury. Mahmud is a leading



Shams Mahmud

entrepreneur in the textile and readymade garment sector in Bangladesh. He is the managing director of Shasha Denims, Shasha Garments, Shasha Spinning and Shasha Textiles.

He is a director of the Bangladesh Textile Mills Association and the Dutch-Bangla Chamber of Commerce & Industry and the vice-president of the Bangladesh-Philippines

Chamber of Commerce & Industry.

He received national gold export trophies in 2011-12, 2012-13, and 2013-14 and won the highest export award by the Bangladesh Textile Mills Association in 2010-11.

Mobin is the managing director of Emerging Credit Rating Ltd, vice president of the Institute of Chartered Accountants of Bangladesh and a director of Biman Bangladesh Airlines.

Bashiruddin is involved in food and bakery business, agribusiness, real estate development, import and restaurant chain.

He is the managing director of Capital Agro Aqua Enterprise, Capital Siraj Centre Shopping Mall, and Canary and Digital Agro Industries. He is a director of Capital Confectionery, Capital Consortium and Bamboo Castle Fast Food Shop.



RELIANCE INSURANCE

Md Sajedul Haque, deputy executive vice president of Reliance Insurance, receives a silver award on behalf of the insurer at the 6th ICSB National Award for Corporate Governance Excellence, 2018 at the Radisson Blu hotel in Dhaka on Saturday.

Boeing replaces its embattled CEO

AFP, New York

Boeing on Monday replaced its embattled chief executive, Dennis Muilenburg, saying a change was necessary as it attempts to restore its reputation amid the protracted 737 MAX crisis.

Boeing named board Chairman David Calhoun as chief executive and president, saying the company needed to “restore confidence” and “repair relationships with regulators, customers and all other stakeholders.” The company pledged to “operate with a renewed commitment to full transparency, including effective and

proactive communication with the FAA, other global regulators and its customers.” The aerospace giant’s financial picture remains clouded following the global grounding of the MAX in March after two deadly crashes.

The move comes a week after Boeing took the monumental step of temporarily shutting down MAX production because of the crisis, which has pushed the aircraft’s return to the skies into 2020.

Muilenburg will exit the company immediately but Calhoun, a former General Electric aviation executive, will not take the CEO post until January 13,

2020, while he exits existing commitments, Boeing said in a news release.

During that period, Chief Financial Officer Greg Smith will serve as interim CEO.

Muilenburg’s response to the crisis has been increasingly criticized as the MAX grounding has dragged on far longer than initially expected as more disturbing details have dribbled out about the certification of the MAX.

He has also been seen as tone deaf and awkward towards families of the 346 people killed in the crashes.

After enduring two withering

congressional hearings in the fall, Muilenburg’s leadership came under further scrutiny this month when the Federal Aviation Administration called the company out for overly-optimistic timeframe for restoring the MAX that the agency said created the perception that Boeing was trying “to force FAA into taking quicker action.” Boeing shares jumped 3.4 percent to \$339.13 in early trading on the news.

The company took another hit to its reputation over on Sunday when its Starliner spacecraft landed six days early after a failed mission to rendezvous with the International Space Station.

Oil prices fall as Russia touts easing Opec+ output

REUTERS, London

Oil fell on Monday after Russia said an Opec-led pact may consider easing output cuts next year but prices held near recent three-month highs on hopes for a trade deal between the United States and China.

Brent crude LCOc1 was down 19 cents, or 0.29%, at \$65.95 per barrel by 1010 GMT in thin trading ahead of the Christmas holiday. West Texas Intermediate CLc1 was down 29 cents, or 0.48%, at \$60.15 a barrel.

The Organization of the Petroleum

Exporting Countries and other top producing nations led by Russia agreed this month to extend and deepen output cuts in the first quarter of 2020.

However, Russian Energy Minister Alexander Novak said on Monday that the group known as Opec+ may consider easing the output restrictions at their meeting in March.

“We can consider any options, including gradual easing of quotas, including continuation of the deal,” Novak told Russia’s RBC TV in an interview recorded last week, adding

that Russia’s oil output was set to hit a record high this year.

Non-Opec global supply is expected to rise next year due to higher output from countries including the United States, Brazil, Norway and Guyana, which became an oil producer last week.

Another source of more oil could emerge in the coming months after Kuwait indicated that a long-standing dispute over the “Neutral Zone” on its border with Saudi Arabia will resolve by the end of 2019.

Production at two large oil fields in

the Neutral Zone was halted more than three years ago, cutting output by some 500,000 barrels per day.

Oil prices have risen since the United States and China agreed a so-called phase one trade deal earlier this month following months of tit-for-tat negotiations that unsettled markets.

Under a deal due to be signed in January, the United States is expected to agree to reduce some tariffs in return for a big increase in purchases US agricultural products by Chinese importers.

Advance income tax cut for import of cement raw materials

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Of the imports, clinker accounted for \$900 million, Ikram Ahmed Khan, managing director of Shun Shing Group, Hong Kong, told The Daily Star recently.

According to the BCMA, the industry sold 26.2 million tonnes of cement from January to October in 2019, up 15.69 percent year-on-year.

Overproduction has created an unhealthy competition in the sector, which is another troubling issue for the manufacturers, according to Kabir,

also the vice-chairman of Crown Cement.

There are 37 active cement factories in Bangladesh who have so far invested over Tk 30,000 crore, he said.

The factories’ combined production capacity is 58 million tonnes a year against a demand of 33 million tonnes.

The sector’s annual sales are worth around \$3 billion, or Tk 25,500 crore. Of the consumption, individuals use 25 percent, realtors and developers 30 percent, and the public sector 45 percent, BCMA data showed.



PREMIER CEMENT MILLS

Mohammad Mustafa Haider, chairman of Premier Cement Mills, chairs its 17th annual general meeting at City Hall Convention Center in Chattogram on Saturday when a 10 percent cash dividend was approved for the year ending on June 30, 2019.



MERCHANT BAY

Experts attend a discussion on “the opportunities and challenges of innovation in the traditional RMG business model” organised by Merchant Bay, an internet start-up, at Banani Club in Dhaka yesterday. They said the key problems of the sector are unplanned expansion of factories, unavailability of skilled employees, and efficiency loss.

Tesla, Apple among firms accused of aiding child labour in Congo

REUTERS, New York

Five of the world’s largest tech companies have been accused of being complicit in the death of children in the Democratic Republic of Congo (DRC) forced to mine cobalt, a metal used to make telephones and computers, in a landmark lawsuit.

The legal complaint on behalf of 14 families from Congo was filed on Sunday by International Rights Advocates, a US-based human rights non-profit, against Tesla Inc, Apple Inc, Alphabet Inc, Microsoft Corp and Dell Technologies Inc.

The companies were part of a system of forced labour that the families claimed led to the death and serious injury of their children, it said. It marked the first time the tech industry jointly has faced legal action over the source of its cobalt.

Images in the court documents, filed in US District Court in Washington DC, showed children with disfigured or missing limbs.

Employees see red as BASIC slashes salaries

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“When hundreds of crores of taka was plundered from the bank the employees did nothing,” he added.

At BASIC an officer draws gross salary of about Tk 40,000, whereas the other state-run banks’ officers get Tk 30,000.

A senior officer at BASIC enjoys a gross amount of about Tk 50,000, when the same category officer in other state-run banks get Tk 40,000.

One of the best performing banks until 2009, things took a turn for the worst when the present government came to power and appointed Abdul Hye Bacchu as its chairman.

Bacchu siphoned off more than Tk 4,500 crore from the bank between 2010 and 2013 in collaboration with

a section of high officials and board members. Defaulted loans in the bank escalated in recent years, forcing the lender to face a large amount of provisioning shortfall as well.

The bank has also faced capital shortfall in recent years, which compelled the government to inject funds to rescue it.

Alauddin A Majid, chairman of BASIC Bank, told The Daily Star that the agitation carried out by the employees is quite illogical as the bank has adjusted its salary structure in line with other state lenders.

“The bank has been facing losses for the last seven to eight years. So how is it possible to pay a larger salary than the other state-run banks?”

As of September this year, default

loans in BASIC stood at Tk 8,738 crore, which is 58.62 percent of its outstanding loans.

Another BASIC Bank official said that the demonstrators withdrew their programme at 6.30pm when the management of the bank assured them of reconsidering their demand at the next board meeting.

“Only a fraction of the people are involved in scams, so why should we bear the brunt? The latest decision will have an adverse impact on our lifestyle. We will face difficulties in managing our expenses.”

Majid, however, said the new salary scale will affect the deputy general managers and above; from assistant general managers and below it is not much different.

Weak economy cuts number of South African companies paying tax

REUTERS, Johannesburg

Nearly half of companies in South Africa had no taxable income in 2017 while a quarter recorded a taxable loss, the South African Revenue service said on Monday, based on its latest 2017/18 data, highlighting the impact of weak economic growth.

The revenue service said based on its 2017 data, 48.3 percent of companies had taxable income equal to zero, 27.4 percent reported an assessed loss, and 24.3 percent had positive taxable income. Companies have up to 12 months from the end of their financial cycles to submit tax returns.

“The decline can largely be attributed to sluggish economic growth, structural challenges in some sectors of the economy, low confidence levels and political uncertainty,” the revenue service said.

“All of these factors play a role in subdued investment activity, resulting in lower profitability for companies.”

In the revenue service’s 2019 Tax Statistics, which measures revenue collection from 2014/15 to 2018/19 fiscal years, revenue collection for the current year ended March reached 1.287 trillion rand (\$90.25 billion), short of a target of 1.302 trillion rand.

The collector said companies submitting returns had fallen 36.9 percent to just over 2 million for the 2018/19 fiscal year, partly due to many being considered “inactive or dormant”, while only 63.4 percent, or 572,000, of companies expected to submit returns had complied.

Tax revenues have fallen sharply in South Africa since 2015 due to weak economic growth and maladministration. In addition, nationwide electricity blackouts, forcing mines and small businesses to shut down, have put more pressure on the economy and government finances.

In October, the National Treasury said the budget deficit would jump to 5.9 percent of gross domestic product by 2020, its highest since 2009/10, and likely reach a 6.5 percent deficit in 2021, well above government’s target of 4.5 percent.

DSEX sinks below 4,400 points

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Foreign investors mostly hold blue-chip stocks which fell on a greater extent in the past few months, said a stock broker.

The DS30, the DSE’s blue-chip index, fell 7.05 points to 1494.54, a six-year low, according to the DSE data.

The stock broker said although the finance minister had assured that the local currency would not be devalued, foreign investors have continued selling their stakes apprehending a disruption in the country’s macroeconomic stability.

A merchant banker said most of the institutional investors were not investing money and had adopted a wait-and-see approach. So, the market is not getting any support, he said, adding that general investors would regain their confidence

once the market starts to rise.

Turnover, another important indicator of the market, also fell 2.8 percent to Tk 263.48 crore.

Square Pharmaceuticals topped the turnover list with shares worth Tk 11.58 crore being traded, followed by Khulna Power Company, Golden Harvest, Gramophone and Beacon Pharmaceuticals.

Of the traded issues, 68 advanced, 234 dropped and 52 remained unchanged.

Chittagong stocks also fell with the bourse’s benchmark index, the CSCX, declining 58.58 points, or 0.71 percent.

Losers beat gainers as 151 securities declined, 56 advanced and 32 finished unchanged on Chittagong Stock Exchange.

The port city bourse traded shares and mutual fund units amounting to Tk 9.30 crore.



RAJSHAHI KRISHI UNNAYAN BANK

Bangladesh Bank Governor Fazle Kabir inaugurates an online real-time core banking solution at Rajshahi Krishi Unnayan Bank (Rakub) at its Rajshahi head office last week.