

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY	
▲ 0.13%	▲ 0.16%	\$1,527.20	\$66.32	▲ 0.78%	Closed	▲ 1.15%	▲ 1.15%	BUY TK	83.95	93.32	110.24	0.75
4,459.29	8,208.44	(per ounce)	(per barrel)	41,626.64		3,252.00	3,085.20	SELL TK	84.95	97.12	114.04	0.79

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SIBL Social Islami Bank Limited

Star BUSINESS

DHAKA FRIDAY JANUARY 3, 2020, POUISH 19, 1426 BS • starbusiness@thedailystar.net

Square Pharma stock price sinks for no reason

Drug maker's fundamentals and prospects look rock-solid

AHSAN HABIB

Square Pharmaceuticals. The name itself rouses reliability. So it is natural to assume that its stock will be a safe option for retail investors.

The reality though is quite different. Despite logging in double-digit growth year after year, its stock price is tanking for the last few months. So much that it hit a six-year low of Tk 182 last week, according to data from the Dhaka Stock Exchange (DSE).

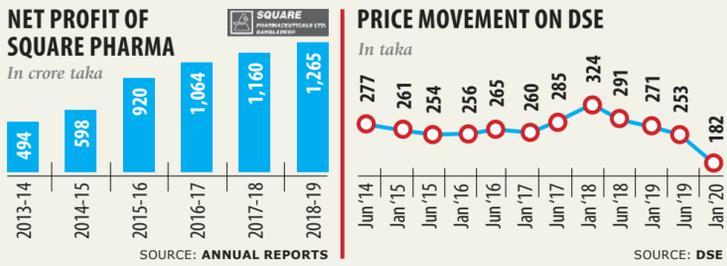
"The plunge is not based on Square Pharma's performance," said Ali Xahangir, chief executive officer of Amastock, a website that provides technical analysis on the market movements.

Square Pharma made its debut in a humble way in 1958 as a partnership firm under the leadership of late Samson H Chowdhury and has gone on to become a landmark in Bangladesh's pharmaceutical landscape.

Today, it has 858 products, with 16 of them amongst the top 50 pharma brands in Bangladesh. Sedco, a tablet for gastric ulcer, is its most popular product.

In 1987 it pioneered export of medicines from Bangladesh. And today, its products are shipped to 42 countries. In the last financial year, exports brought home Tk 149.05 crore, up 2.76 percent year-on-year.

It logged in 10.85 percent higher consolidated



turnover and 9.01 percent upper profits in the 2018-19 financial year.

The company has no long-term loans outstanding; it operates with its own long-term sources and shareholders' equity. For the last five years at least, it has been providing more than 42 percent dividend.

The drug maker is setting up a unit in Kenya for \$21 million to manufacture and sell generic pharmaceutical medicines in Kenya and in the East African Community (EAC).

The plant, whose working capital requirement is \$4 million, will have the capacity to manufacture 2 billion tablets and capsules and 30 million bottles of liquid formulation each year.

The project is expected to be complete this year, with trial and commercial production to commence in June and September respectively.

In short, Square Pharma is a solid company and is cruising along nicely.

So its stock price taking a beating is rather shocking -- and is illustrative of the current haphazard state of the market.

The stock is a victim of the current

confidence crisis on the market, according to Xahangir.

On the flipside, investors with long-term investment horizon and the institutional ones are lapping up its stocks now that the price is lower, he said.

Between July and November, institutional investors' stakes rose to 10.28 percent from 9.91 percent, according to data from the DSE.

"Square Pharmaceuticals is one of the leading company that pleased stock investors with its continuous growth in revenue, profits and handsome dividend declaration. Still, its stock price plummeted," said Masud Ur Rahman, an investor.

Although it impacted his portfolio, he will hold on to his Square Pharma shares, he said.

Rahman is not alone. DSE data shows general investors are not offloading their Square Pharma shares at all.

Square Pharma's branding, quality, business ethics and nationally recognised efficient top management have a positive impact on doctors and consumers when it comes to choosing products, said Khandaker Habibuzzaman, its company secretary.

READ MORE ON B3

Telecom service quality drops: BTRC

STAR BUSINESS REPORT

The overall service quality of mobile phone operators worsened last year compared to the previous years, the telecom regulator said yesterday, blaming the carriers' poor performance and unwillingness to buy sufficient spectrum due to higher prices.

"It is true that call drop has increased and data speed declined," Md Mahfuzul Karim Majumder, director general for engineering and operation of the Bangladesh Telecommunication Regulatory Commission (BTRC), told reporters at his office in Dhaka.

The commission also expressed skepticism over whether the service quality in the telecommunication sector would improve anytime soon.

The telecom regulator carried out various tests and, based on the findings, asked mobile operators to improve service quality. But after July the scenario changed as audit issues, which pit the BTRC against Grameenphone and Robi, dominated the sector.

The regulator has also halted issuing no-objection certificates (NOC) to the top two operators and this also contributed to the deterioration of the quality of service, Mahfuzul said.

"The operators are serving a huge number of customers with low spectrum, thus resulting in low service quality," BTRC Chairman Md Jahurul Haque said.

Operators blame higher prices for the lower spectrum acquisition. In reply, Haque said the commission does not have authority to cut the spectrum price without the approval of the finance ministry.

The BTRC will propose to the finance ministry to reduce the price once it receives proposals from the telecom operators, he said.

The telecom regulator has refrained from issuing any kind of approval related to

service and maintenance to Grameenphone and Robi to create pressure on the operators to clear dues.

According to the BTRC's audit, Grameenphone has Tk 12,579 crore pending while Robi Tk 867.24 crore.

The commission is complying with a court order on the NOC suspension, Haque said. As per the court order, the commission would resume NOC issuance to Grameenphone upon payment of Tk 2,000 crore.

COMPARATIVE DATA OF TELECOM INDUSTRY

2018		2019
15.69cr	Mobile connection	16.55cr
96.36pc	Teledensity	99.2pc
9.13cr	Active internet connection	9.91cr
55.82pc	Internet density	58.9pc
6.35cr	3G user	5.98cr
1.17cr	4G user	2.71cr
894 Gbps	Bandwidth use	922 Gbps

"Otherwise, the NOC issuance would remain suspended for next two months," Haque said.

"The two market leaders have created the situation and they have to take responsibility for this," Mahfuzul added.

The BTRC found deviation in service quality and operators were instructed to resolve the issue, he said.

The commission has intensified efforts to improve service quality and asked the operators to take corrective measures to overcome shortcomings.

READ MORE ON B3

Kamal world's best finance minister

British magazine showers accolade

STAR BUSINESS REPORT

Finance Minister AHM Mustafa Kamal was named the best finance minister in the world by The Banker, a London-based business magazine, beating candidates from Asia Pacific, America, Africa, the Middle East and Europe.

The magazine crowned Kamal with the Finance Minister of the Year for Asia Pacific and Global Award-2020. He is the first finance minister in Bangladesh to have won the accolade.

The Finance Minister of the Year awards of The Banker, owned by the Financial Times Group, celebrate the officials that have best managed to stimulate growth and stabilise economies.

Kamal dedicated the award to the people of Bangladesh. He thanked Prime Minister Sheikh Hasina and said that this was only achieved by following the direction of the premier.

He was appointed as finance minister in January last year after his party retained power for the third consecutive term in

December 2018. He served as the planning minister from 2014 to 2018.

Immediately after taking the baton from AMA Muhith, he took several effective initiatives to keep pace with the ongoing economic growth and restore discipline in the financial sector, Kamal said in a statement.

Bangladesh clocked 8.15 percent GDP growth last fiscal year, which was the highest in the Asia Pacific region.

Kamal introduced the new VAT law and Bangla Bond on the London Stock Exchange.

He took steps to cap banks' lending rates at 9 percent, to

reschedule logical defaulted loans at state banks and announce wilful defaulters as bankrupt and realise unpaid dues through forming an asset management company.

He also brought in reforms at the stock market last year.

The magazine has been giving the award since 2004. India's late finance minister Arun Jaitley received the award in 2017.

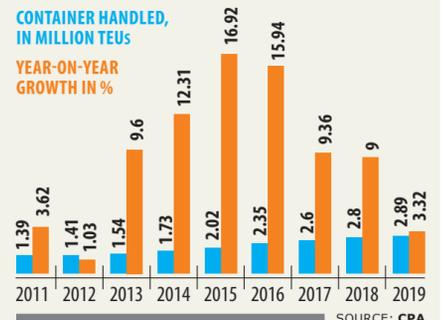


CONTAINER HANDLING BY CTG PORT Growth slowest in seven years



DWAPAYAN BARIUA, Ctg

PERFORMANCE OF CTG PORT



just-concluded year, up from 2.80 million TEUs in the year before.

It handled 2.60 million TEUs in 2017 and 2.35 million TEUs in 2016. The country's largest seaport port recorded a 9 percent growth in 2018, 9.36 percent in 2017, and 15.94 percent in 2016.

Port users have blamed Bangladesh's foreign trade being sluggish for the lower growth in the port's annual container throughput.

The port handled around 2.89 million TEUs (twenty-foot equivalent units) of containers, including import, export and empty ones, in the

account the containers that were handled by the Pangoan Inland Container Terminal (ICT), Kamalapur Inland Container Depot and 19 private ICDs in Chattogram.

The containers bound for the Pangoan ICT, Kamalapur ICD and the private ICDs are first unloaded at the Chattogram port before they are sent to their final terminals and inland depots. The port data considered the containers handled by these points twice.

But the figure was finalised by taking into

READ MORE ON B3

Banks forfeit Tk 858cr in interest Two lakh tonnes of onion to arrive before Ramadan

AKM ZAMIR UDDIN

Interest waiver against bad loans more than doubled to Tk 858 crore in the first nine months of 2019 -- an indication of the desperation of banks to bring down their default loans by any means.

Only those borrowers with strong connections with the government and directors of private banks can manage exemptions, said Salehuddin Ahmed, a former governor of the central bank.

"This is an unethical practice," he said, adding that general borrowers can hardly manage such waiver. Lenders of developed countries barely waive interest, Ahmed said.

Banks usually offer the facility for delinquent borrowers, giving rise to moral hazard for good borrowers, said Khondkar Ibrahim Khaled, a former deputy governor of the central bank.

Both good and habitual defaulters will rush to banks for waiver if the ongoing trend continues, said Fahmida Khatun, executive director of the Centre for Policy Dialogue.

The exemption of interest has a direct negative impact on banks' profitability. Strangely, most of the banks logged a hefty amount of

profit last year, Khaled said, adding that some of the banks might have imposed hidden service charges on customers to ensure profits.

The large amount of interest exemption suggests of feeble corporate governance in the banking sector, Khatun said, while blaming the

the long run," she added.

Both Khaled and Ahmed advised lenders to put emphasis on recovering default loans by avoiding exemption to habitual defaulters.

Banks usually waive interest when they can manage a lump sum amount of default loans from borrowers, said Md Arfan Ali, managing director of Bank Asia.

All banks, however, do not follow the same waiver policy to recover the default loans, he said, adding that such exemption puts adverse impact on lenders' income.

Private banks waived interest amounting to Tk 639 crore between January and September, up from Tk 131 crore a year earlier, according to data from the Bangladesh Bank.

Interest waived by six state banks -- Sonali, Janata, Agrani, Rupali, BASIC and Bangladesh Development -- increased 20 percent year-on-year to Tk 131 crore.

Foreign banks waived Tk 23 crore in the first nine months of last year, up Tk 9.36 crore from a year earlier.

In January-September of 2018, banks had waived Tk 421 crore.

upward trend of default loans for the spike in interest exemption.

As of September last year, defaulted loans in the banking sector stood at Tk 116,288.31 crore, up 23.82 percent from nine months earlier.

"For the time being banks could clean up their balance sheets by way of waiving interest. But their financial health will deteriorate drastically in

and situation pertaining to import of some widely consumed goods during Ramadan and subsequent Eid-ul-Fitr.

Last month Munshi said the TCB onion was subsidised mainly to tame the skyrocketing prices. He said the airfare for one kg was Tk 150.

The three conglomerates got picked as those had gone for emergency imports during the recent crisis when domestic market price per kg climbed

to nearly Tk 300.

The minister urged the businesspeople to be rational in making profits so that consumers need not face any major price shock on basic commodities during Ramadan.

Munshi yet again assured that there were adequate stocks of some essential commodities like edible oil, gram, ginger, garlic and dates to meet the customary increase in demand during the month of fasting for Muslims.

Regarding complaints of rotten onion being imported, the minister said the item was perishable for which some 6 to 7 percent of imports tend to go bad during transportation.

Tofail Ahmed, chairman of the parliamentary standing committee on commerce, suggested that the minister hold periodic views-exchange meetings with the businesspeople so that abnormal price hikes can be avoided.

STAR BUSINESS REPORT

The government will import two lakh tonnes of onion soon to meet local demand and arrest any price spiral before the fasting month of Ramadan beginning in April, said Commerce Minister Tipu Munshi yesterday.

The state-owned Trading Corporation of Bangladesh (TCB) and conglomerates City Group, Meghna Group and S Alam Group will import the onion in equal shares.

The TCB will then sell the onion at a fixed price to consumers, said Munshi. The TCB is currently using trucks as sales points around the country for imported onion at Tk 35 per kilogramme (kg).

Munshi said this at a press conference after a meeting with importers, wholesalers and retailers of basic commodities at his secretariat in Dhaka.

The ministry convened the press meet to inform of the level of stocks



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Arshad Huq, managing director of Transcom Electronics; Yeamim Sharif, director for operations, and Quamrul Islam Chowdhury, managing director of Mercantile Bank, attend a deal signing ceremony in Dhaka recently to provide air conditioning solutions to the bank's head office. Transcom HVAC, a concern of Transcom Electronics and a sister concern of Transcom Digital, has been providing HVAC solution to commercial complex, hotel and resorts, hospitals, garments, textiles, pharmaceuticals and residential projects since 2009 along with after-sales service.

Dollar snaps six-day losing streak, yuan shrugs off PBOC cash injection

REUTERS

The dollar snapped a six-day losing streak to add 0.2 percent on Thursday, the first trading day of 2020, pushing the euro off five-month highs while the offshore yuan shrugged off reserve ratio cuts that could add \$115 billion worth of liquidity.

Trading may remain thin until Tuesday, when most European countries open after Monday's Epiphany holiday but market players will be relieved the dollar navigated the thin-liquidity holiday period without experiencing the money market squeezes many had feared.

But wariness remains that there could be a repeat of last January's "flash crash" when massive stop-loss selling swept through holiday-thinned markets. Japanese retail investors are seen to have gone into the Tokyo holiday heavily short yen and long high-yielding currencies, including the Turkish lira.

Such yen moves tend to fuel wild swings in the dollar as well but traders may be better prepared than last year.

"There had been some talk of a possible dollar squeeze but US rates have been calm as the Fed has been on top of the game and providing enough liquidity. So now dollar-yen is mostly moving in line with the general risk sentiment," said Lauri Haliikka, fixed income and FX strategist at SEB in Stockholm.

US President Donald Trump said on Tuesday that Phase 1 of trade deal with China would be signed on Jan. 15 at the White House, but uncertainty surrounds details of the agreement.

Having ended December almost 2 percent lower against a basket of currencies, the dollar inched up to 96.55 while against the euro it was flat around \$1.12095, just off its early-August peak of \$1.1249. It ended 2019 almost flat.

The yuan closed at 6.9631 to the dollar, its strongest close since Aug. 2, and its offshore version also firmed after an initial downward move after China's Wednesday move to cut the amount of cash that banks must hold, releasing \$115 billion worth of funds to support the economy.

But the move had been widely expected ahead of January's Lunar New Year holidays

and after Premier Li Keqiang's pledge last month to unleash more stimulus.

In terms of data, final purchasing managers indexes painted a slightly brighter than expected picture across much of Asia and Europe, with final French, German and euro zone readings a touch better than advance PMIs. However, they confirmed euro zone activity contracting for the 11th straight month.

The euro strengthened 1.8 percent to the dollar last month but the PMIs failed to lift it further even though bond yields extended their rise and inflation expectations rose to the highest since July.



A woman counts US dollars withdrawn from a branch of a bank in Beirut, Lebanon on December 28.

REUTERS

India's Dec factory activity hits seven-month high

REUTERS, Bengaluru

India's factory activity expanded at its fastest pace in seven months in December as a jump in new orders prompted companies to ramp up production, a private business survey showed on Thursday.

Business optimism fell to an almost three-year low, however, as companies worried about challenging market conditions.

The Nikkei Manufacturing Purchasing Managers' Index, compiled by IHS Markit, rose to 52.7 in the final month of 2019 from November's 51.2.

The reading was the highest since May. It also remained above the 50-mark that separates growth from contraction for a 29th month, the longest since July 2013.

"The uptick in Indian manufacturing sector growth signaled by the latest PMI results will be welcomed by policymakers, particularly given the concerning results observed in October," noted Pollyanna De Lima, principal



A worker pours molten iron from a ladle to make automobile spare parts inside an iron casting factory in Ahmedabad, India.

REUTERS/FILE

economist at IHS Markit. A sub-index that tracks overall demand in the sector hit a five-month high in December, which

along with a strong growth in output led firms to hire at the quickest pace since early 2019. Solid growth in demand was despite output prices rising at the fastest rate in nearly three years and input cost inflation hitting a 13-month high, which suggest a further quickening in overall inflation.

Rising price pressures forced the Reserve Bank of India to hold interest rates steady in December after five cuts earlier in 2019 and could leave it with less room to ease policy in coming months to support the sputtering economy.

The PMI survey also showed optimism about output over the coming 12 months declined to its lowest since February 2017.

"The degree of optimism signalled at the end of 2019 was the weakest in just under three years, reflecting concerns over market conditions, which could restrict job creation and investment in the early part of 2020," added De Lima.

greatest extent since May."

Factories benefited from a rebound in demand, and responded by scaling up production to the

A sub-index that tracks overall demand in the sector hit a five-month high in December, which

greatest extent since May."



Nasir A Choudhury, adviser of Green Delta Insurance Company, and Farzanah Chowdhury, CEO, cut a cake to celebrate the company's 34th founding anniversary at its head office in Dhaka on Wednesday.

GREEN DELTA INSURANCE COMPANY



Akkas Uddin Mollah, chairman of Shahjalal Islami Bank, opens the lender's agent banking operation at its head office in Dhaka yesterday. M Shahidul Islam, CEO, was present.

SHAHJALAL ISLAMI BANK

Xiaomi to invest \$7b in 5G, AI and IoT over next five years

REUTERS, Beijing

Chinese smartphone maker Xiaomi Corp will invest more than 50 billion yuan (\$7.18 billion) in artificial intelligence and fifth generation internet technologies over the next five years, as competition in the sector grows.

Xiaomi Chief Executive Lei Jun made the announcement in a letter posted on the company's social media account on Thursday, but did not

provide specific investment details.

"We need to turn our continuous advantage we have in AIoT and intelligent life into absolute victory in intelligent full scene, and completely cement our king status in the smart era," Lei said, using the acronym for artificial intelligence of things, a reference to a combination of AI and internet technologies. The announced investment increases Xiaomi's pledge made last year to invest 10 billion yuan over five years in an "All

in AIoT" strategy.

The Beijing-based company started as an affordable cellphone maker but its internet-enabled products now include smart TVs and rice-cookers.

However, Xiaomi also faces intense competition in its home market from rival Huawei Technologies, which captured a record 42 percent of China's smartphone market in the third quarter at the expense of other local manufacturers and Apple.

Singapore economy grew just 0.7pc in 2019

AFP, Singapore

Singapore's economy, a closely watched barometer for the rest of Asia's export-driven countries, grew just 0.7 percent last year as the US-China trade war hammered global markets.

The city-state has traditionally been the first among Asia's economies to be affected during a downturn, and the country narrowly escaped tipping into recession in the third quarter.

The trade ministry said in a statement Thursday that based on advance estimates, the economy expanded by 0.8 percent year-on-year in the fourth quarter to December.

This puts the overall growth for 2019 at just 0.7 percent, down from 3.2 percent expansion in 2018.

"This marks the worst growth performance for Singapore since the global financial crisis," DBS Bank economist Irvin Seah said in a note, referring to the downturn that began in late 2008 and lasted well into 2009.

He added, however, that "despite the lacklustre growth performance, the economy is slowly getting out of the woods" as there are "emerging signs of bottoming in the external environment".

"Barring any unforeseen negative shocks, growth momentum is



A man takes a photo near the financial business district in Singapore yesterday.

REUTERS

expected to pick up gradually in the coming quarters," he said.

Last year's growth was weighed down by manufacturing, a key economic pillar, which contracted 1.5 percent last year due to output declines in main exports such as electronics.

President Donald Trump's announcement Tuesday that the US and China will sign a partial new trade agreement in the middle of next month has stoked optimism about

improved global trade this year.

Singapore is due to unveil its national budget for this year in February, with observers closely watching for signs of general elections widely expected to be held within months.

Prime Minister Lee Hsien Loong said in a New Year's Day message that the budget will contain support for businesses and workers, as well as measures to help households cope with living costs.



Mohammad Shazzadul Karim, deputy managing director of Guardian Life Insurance, and Kamrul Hasan Ronnie, director for marketing and sales at Bio-Xin Cosmeceuticals, exchange documents after signing a deal in Dhaka recently. Customers will get 20 percent discount on all products of the skin care solutions provider while using the app of EasyLife, a product of the insurer.

GUARDIAN LIFE INSURANCE

Qatar Airways Cargo brings second freighter to Europe

STAR BUSINESS DESK

Qatar Airways Cargo has recently introduced a second weekly direct air freighter to Europe from Bangladesh to meet the increasing demand of apparel shipments.

More than 90 percent of the airline's cargo is apparel products, said Suhed Ahmed Chowdhury, cargo manager for Bangladesh at the state-owned flag carrier of Qatar.

"Our cargoes will help Bangladeshi garment makers export their goods to their buyers in Europe in 11 hours."

The airline now freights 200 tonnes of goods to Europe weekly with its two Boeing 777 freighters, it said in a statement.

"Through the introduction of the direct freighter service, RMG manufacturers in Bangladesh can export their products directly and quickly to Europe with Qatar Airways Cargo," said Guillaume Halleux, chief officer for cargo at Qatar Airways.

By introducing a direct cargo service from Dhaka to Spain's Zaragoza in October last year, the airline became the first to introduce Dhaka to Europe non-stop freight facility.

The second frequency introduced on December 16 is on Dhaka to Luxembourg route.

Apart from that, the airline operates another five 100-tonne cargo flights via Doha mainly to the US and European destination.

Besides, it carries 60 tonnes cargo per day through its three passenger flights.

Around 20 percent of Bangladesh's overall apparel export is sent through air cargo.



However, cargo business has been dull for the last several months because of falling apparel exports, Chowdhury said.

Exports slumped 10.20 percent year-on-year to \$3.05 billion in November last year while garment exports declined 7.74 percent to \$13.08 billion between July and November, according to data from the Export Promotion Bureau.

If the trend persists during the remaining months of 2019-20, Bangladesh may also lose

its second place in apparel exports to Vietnam.

"So, now we are trying to provide the exporters attractive service such direct flights so that apparel exporter can cope up with fast fashion," Chowdhury said.

The amount of cargo being handled by Bangladesh's Hazrat Shahjalal International Airport has been increasing by 15 percent annually for the past few years, according to Bangladesh Freight Forwarders Association.

German employment hits record high in 2019

REUTERS, Berlin

German employment reached a record high in 2019 as higher labor-market participation and increased immigration of foreign workers more than offset demographic change, the statistics office said on Thursday.

The number of people with jobs rose by 402,000, or 0.9 percent, to 45.3 million despite weaker economic growth last year, the office said. It grew 1.2 percent the previous year.

"This means that the uninterrupted growth in employment levels that we have seen over the past 14 years is still continuing,

albeit with reduced momentum," the office added.

Services recorded the highest year-on-year increase, of 319,000. The number of people with jobs in manufacturing rose by 59,000. Employment in construction rose by 36,000.

The labor market boom is also helping workers get better jobs with improved social security and higher pay.

"The number of employees subject to social insurance contributions increased again, whereas the total of marginally employed people (including those employed on a low-pay or short-term basis) continued to decrease," the office said.

Tesla to start delivering China-made Model 3s on Jan 7

REUTERS, Shanghai

Tesla Inc will deliver its first Chinese made Model 3 sedans to the public on Jan. 7 at an event at its Shanghai plant, a representative for the firm told Reuters on Thursday.

The Shanghai plant is part of the Silicon Valley automaker's plans to bolster its presence in the world's biggest auto market and minimize the impact of the US-China trade war.

Fifteen Tesla employees who had purchased a car were the first to receive their Model 3s on Monday after the first China-made vehicles rolled off the plant's production line in October.

The deliveries come a year after

construction of Tesla's only plant outside the United States began. Production started in October with a target of 250,000 vehicles a year once the Model Y is added to the line up.

The Model 3 is priced at 355,800 yuan (\$50,000) before subsidies. Tesla said previously that it wanted to start deliveries before the Chinese new year beginning on Jan. 25.

Tesla's China General Manager Wang Hao said the company plans to ramp up Model 3 deliveries in January.

Tesla executives also told reporters the plant had achieved a production target of 1,000 units a week, or around 280 cars a day, and that sales for the China-made sedan had so far been "very good".



BB gets new GM

STAR BUSINESS DESK

Rokeya Khatun has recently been promoted as a general manager for the Governor Secretariat department of Bangladesh Bank (BB).

Prior to the promotion, she was a deputy general manager, according to a statement. Rokeya joined BB as an assistant director (research) in 1992.

She obtained her graduate and post graduate degrees in economics from the University of Dhaka.

Square Pharma stock price sinks for no reason

FROM PAGE B1

Ensuring quality is crucial in the pharmaceutical sector as people will not buy products if they are distrustful of the brand, he added.

PHARMA MARKET

The domestic pharmaceutical market size stood at Tk 22,352 crore with a 16.71 percent compound annual growth rate in the last five years.

The pharmaceuticals sector providing about 98 percent of the total medicine requirement of the domestic market and exports to more than 147 countries. The local companies control 90 percent of the market and multinationals 10 percent.

The country's pharma sector has the potential to grow at 15 percent for the next five years, riding on the expanded domestic market as well as new export frontiers.

Gold gains on overall dollar softness, markets eye Fed minutes

REUTERS

Gold prices edged up on Thursday, holding close to a three-month peak as the metal benefited from weakness in the dollar, with the market focus on minutes of the US Federal Reserve's December policy meeting.

Spot gold rose 0.2 percent to \$1,519.76 per ounce as of 1039 GMT, having touched the highest level since Sept. 25 at \$1,525.20 on Tuesday. US gold futures were down 0.1 percent at \$1,522.30.

"We are seeing a bit of a bounce back in the dollar but if you look at the movements that we saw (in the past few days), it is probably supporting gold in the interim," said OANDA analyst Craig Erlam.

"There is a bit of a correlation between the two (dollar and bullion) right now, which is what really propelled gold from \$1,480 to \$1,520," he said, adding a further upside in dollar could, however, add pressure to gold.

Against key rivals, the dollar inched up about 0.3 percent this session, but was trading not far from its July-2019 low touched on Tuesday.

Beijing's decision to ease monetary policy further supported bullion, Erlam added.

China's central bank on Wednesday said it was cutting the amount of cash that all banks must hold as reserves, releasing funds to shore up the slowing economy.

Bullion prices posted their biggest annual rise in nearly a decade in 2019, boosted by the drawn-out trade war between the United States and China that dragged on global economic growth.

Many analysts said prices were likely to rise further in 2020, with shaky growth and global stock markets potentially looking unsustainable at record highs.

HSBC kicks off year with Hong Kong branches closed, vandalised

REUTERS, Hong Kong

HSBC is being drawn into Hong Kong's political turmoil with protesters attacking some of its branches and graffiti daubed on the famous pair of lions that guard its city-centre headquarters.

Hong Kong is the bank's single most important market, accounting for just over half of its \$12.5 billion pre-tax profits in the first half of 2019, though with the protests tipping Hong Kong's economy into recession, HSBC and its peers are expected to take a financial hit.

Until now, HSBC had largely escaped direct involvement in the often-violent anti-government protests that have shaken Hong

Kong for more than six months even as other companies with perceived links to Beijing have seen premises vandalised, including Bank of China (Hong Kong), Hong Kong's second largest bank behind HSBC.

But more recently, HSBC has drawn the ire of some protesters who accuse it of being complicit in action by the authorities against activists trying to raise money to support their campaign.

Protesters link the bank's closure in November of an account held by a group called Spark Alliance, which helps pay protesters' legal costs, to the December arrest of four Spark Alliance members on money laundering charges.

HSBC has strongly denied any connection.

"People are angry because they feel that HSBC has stopped money getting to the protesters," one protester said on Wednesday, of the decision to close the account as he stood in a group taking photos of the damaged lions.

HSBC said in a statement after the arrests that the decision to close the account was "in accordance to international regulatory standards".

"Our decision is completely unrelated to the Hong Kong Police's arrest of the four individuals on 19 December 2019. We closed the account in November 2019 following direct instruction from the customer," the bank said.



Kamal Hossain, managing director of Southeast Bank, launches the bank's Visa Dual Currency Debit Card at its head office in Dhaka recently.

Telecom service quality drops: BTRC

FROM PAGE B1

"Currently, we are only working with mobile phone operators' service quality and in the coming days we will work on the quality of other service providers," he said, adding that the commission would take administrative measures unless the quality of service parameters is maintained by the operators.

The service quality depends on the overall telecom ecosystem, including mobile network system, handset quality, planned high-rise building and availability of space for towers, Md Shahidul Alam, director general for spectrum management at the commission, said.

"If the issues can be sorted out, the service quality will improve accordingly," he said. The commission has measured tower radiation and found it to be below the parameters set by World Health Organization. "But there is nothing to be

worried about radiation," Mahfuzul said.

Because of the speculation on radiation, some households are not willing to lease out their rooftops to mobile operators and others to install towers. Some have even forced carriers to remove towers. "This has impacted the service quality," Mahfuzul said.

The commission plans to appoint administrators if the operators do not clear the dues. "As per law, the BTRC can cancel their licences or appoint administrators if mobile operators fail to repay dues," Haque said.

According to figures released yesterday, mobile phone subscribers in the country went up by 86 lakh to 16.55 crore last year and tele-density widened by 2.84 percentage points to 99.2 percent.

Internet subscribers were up by 78 lakh to 9.91 crore and 4G internet users rose by 1.54 crore to 2.71 crore. BTRC Vice-chairman Subrata Roy Maitra was also present.

Uber Eats goes local to find its niche in South African food fight

REUTERS, Soweto, South Africa

A stone's throw from Nelson Mandela's former home in South Africa's Soweto township, Dumile Badela's restaurant is now more hectic and lucrative than ever, thanks to Uber Eats, his hungriest customer yet.

Having already dominated Africa's ride-hailing sector, Uber is trying to conquer the food delivery market by leveraging its massive fleet of drivers in the continent's most developed economy and tracking popular food choices and destinations.

The prize is big. The country's online food delivery industry was

worth 10.49 billion rand (\$713 million) in 2019, according to data portal Statista. And with growth pegged at nearly 14 percent annually, it will hit 17.6 billion rand by 2023.

Surprisingly perhaps, Uber got off to a tricky start.

An initial focus on high-end restaurants proved to be a mistake in a country perpetually on the verge of recession. The San Francisco-based app is now targeting traditional, local fare.

In May, it launched in Soweto, where it works with around 20 partners and is adding more local foods to its 480,000 menu items, dispatching

dishes like stewed tripe, caterpillars, cow heels and sheep's head to mostly middle-class customers who crave a taste of home.

"I'd say Uber Eats has improved our sales by about 15 percent to 20 percent. But I'm targeting even more, up to 50 percent," Badela says. "There's huge opportunity."

It could be a win-win; Uber posted a \$1.16 billion third-quarter loss and Uber Eats is the company's fastest-growing business, contributing more than 10 percent of its quarterly revenue of \$3.8 billion.

Uber isn't alone in wanting a large piece of the South African pie.



Md Ahsan-uz Zaman, managing director of Midland Bank, cuts a cake to mark the bank's milestone of serving one lakh individual customers at its head office in Dhaka on January 1.

Growth slowest in seven years

FROM PAGE B1

"Though year-on-year growth in container handling was a bit lower last year, the port still maintained positive growth," CPA Secretary Md Omar Faruk said.

"This is not surprising at all," said Zahid Hussain, former lead economist of the World Bank's Dhaka office.

"Exports and imports have both declined. These are the fundamentals which drive the growth of container handling. There is indeed a slowdown in the economy."

Different types of commercial items, machinery, commodity, chemical products and all sorts of industrial raw materials except those used in cement and ceramics sector are imported through containers while export-oriented items are solely carried

through containers.

"The country's major export-earner readymade garment sector has been experiencing negative growth in the last few months and it was also reflected in the port's annual container throughput," said Nasir Uddin Chowdhury, chairman of the standing committee on port and shipping of the Bangladesh Garment Manufacturers and Exporters Association.

Overall earnings from the merchandise exports between July and November fell 7.59 percent to \$15.77 billion. Lower shipment of apparel items, which accounted for more than 80 percent of the national exports, contributed to the decline.

Between July and November, garment exports declined 7.74 percent to \$13.08 billion, data from the

Export Promotion Bureau showed.

Earnings from the merchandise exports rose only 2 percent in the first 11 months of 2019, according to data from the central bank. Imports fell less than 1 percent between January and September.

Though the port faced container and vessel congestions on various occasions throughout the year, the situation has improved after six gantry cranes were installed in the second half of the year.

The port's capacity and efficiency will increase further in 2020 with the purchase of a few more gantry cranes and through the implementation of some of the expansion projects such as Patenga Container Terminal and the building of yard facilities in the Bay Terminal site, Faruk said.

Business and banking in the changing landscape of IT



PRASHANTA KUMAR BANERJEE

THE uses of different kinds of emerging information technology (IT) and automation are transforming the business world rapidly. Like money, rapid advancements of technology tend to make the world go "round". Emerging technology helps companies of all sizes and types drive innovation, strategy and growth and gain competitive advantages. All deemed exciting for the business world, but there is a dark side too. In particular, the impacts of automation on businesses and society are uncertain. As Robert F Kennedy stated more than half-a-century ago, "Automation provides us with wondrous increases of production and information, but does it tell us what to do with the men the machines displace?" Advancements of technology and information are cheered by those who benefit from improving product quality, living standards and creation of new jobs requiring specialisation. But another group of people fear it, who are deeply concerned for massive job displacements, dislocations and permanent job losses in the process of the so-called Schumpeterian "creative destruction". But in light of the above, as technology keeps evolving, none in the business world can escape its timely adaptation.

The planet had experienced several revolutions relating to agriculture, commerce, industry and computing and is now facing digital revolution. In an increasingly digital world, manufacturing and service sectors have already started rapid transformations. Sectors like readymade garments, textile, leather and footwear, furniture, agro-foods, tourism, hospitality and banking are playing pivotal roles in Bangladesh's economy. Garments and textiles are vulnerable to automation. It is known that Software Automation, a US company based in Atlanta, has built an entire assembly line

manned by robots that can pick a piece of garment, arrange it properly and then sew it. This technology is called Sewbot. The landscape of RMG and textile industry of Bangladesh is being threatened by this type of modern technology. Several agro-processing companies, namely Pran, Akij, Square, Ahmed, ACI, BD Foods and Bombay Sweets, in Bangladesh are selling products locally and internationally. Robotic automation is already deployed in some. The furniture sector employs about two million workers in Bangladesh.

and the entire credit process. These financial institutions need to focus on policy and compliance related issues, detect fraud and offer high quality services to customers. Invention of artificial and computational intelligence has given the opportunity to evaluate complex problems and provide solutions in no time. Use of these inventions is completely transforming the banking industry and giving birth to branchless banking. The perceived benefits of computational intelligence can be

Bangladesh is also in a leading position in using chatbots and exporting this AI software.

This is obvious that workplace in the near future will look nothing like the job market of 2019. It is true that although many jobs will disappear while other jobs take new shape. Jobs at high risk are those that are routine, repetitive and predictable and require high skill. But what might come as a shock for countries like Bangladesh is that job losses will be significantly worse as many organisations are labour-intensive and the working people are not apparently well-versed on technology.

Of course, the future will be brighter for the workers equipped with new skills, technical professionals and those who are tech savvy. The major new occupations that may emerge are computer-aided process planning professionals, quality control professionals and training professionals. To this effect, expertise in automated inspection, automated material handling devices; artificial neural network; numerical control system; robot operation and management; resource planning, big data analytics; blockchain management, mechanical engineering acumen of servicing sorting and harvesting machines among others will be in

keep consideration of the above. Accordingly, they should be work-ready with government policy support, training and innovative mindset.

The digital revolution will unleash a new wave of advanced machines and will automate complex tasks. In the increasingly digital business landscape, data, devices, algorithms, sensors and humans are the main players. These technologies are forcing workplaces to change dramatically at alarming speeds. To spur innovation, productivity and growth, we therefore need to ensure that everyone has the right skills for an increasingly digitised and globalised world. In this perspective, enterprises need to welcome digital revolution to remain globally competitive by ensuring that manpower will keep up with the accelerating pace of changes. They need to invest overwhelmingly in introducing new technology and utilising big data through the mining of information. ICT generic skills are required to be learned by all members of the society so that all can use digital technology. Those currently in employment need to be re-skilled. The ICT foundation and high-level skills are becoming increasingly important when it comes to benefitting from technological innovation in terms of better employment opportunities and higher salaries. Apart from these, the complementary ICT "soft skills" such as leadership, communication and teamwork are required to avail evolving opportunities in the digital era. The government and policymakers need to play a very effective role. Both need to make sure that everyone can participate in and learn new skills through extending regulatory and policy support. Sector-wise comprehensive policies are needed to allow workers to upgrade their skills and help them move between jobs avoiding skills mismatch. Public-private partnership may also play a greater role. Investment in R&D is imperative for inventions and innovations. The days of prototypes are over. Innovations in process, product and commercialisation can ensure success at a time when a new business paradigm is emerging.

The meeting was on the 925 point-slide of the DSEX, the benchmark index of the DSE, in the past six months. The index closed at 4,459.29 yesterday. The finance minister has instructed the stock market regulator to strictly implement the rules and regulations to curb rumours and to win back confidence of investors. If needed, the Bangladesh Securities and Exchange Commission (BSEC) will amend the rules and regulations to address any lacking and make those stricter, he said, adding that one of the rumour is devaluation of the local currency. "However, there is no possibility of a currency devaluation," he said. The DSE submitted in writing a set of demands, which includes encouraging entrepreneurs to raise funds from the stock market instead of taking bank loans and ensuring liquidity supply to the stock market through institutional investors. The premier bourse also stressed on bringing state-run companies and multinational companies to the stock market, activating bond transactions, resolving the tussle between Grameenphone and the telecom regulator and forming a high powered co-ordination committee to develop the market. The minister said the government was already working on it. "However, it takes time. So, I cannot fix a timeframe. But I promised that we will work on bringing such companies to the market," Kamal added. The DSE also recommended cutting down on tax on share transactions to 0.015 percent. Stockbrokers now pay 0.05 percent income tax at source, which is 0.013 percent in India, 0.02 percent in Pakistan and 0.0027 percent in Hong Kong. The finance minister said he would give consideration to it. BSEC Chairman M Khairul Hossain, DSE Chairman Abul Hashem and top officials of the bourse and regulators were present.

The writer is a professor of the Bangladesh Institute of Bank Management and can be reached at banerjee1167@yahoo.com.

Rumours deflated stock market: finance minister

STAR BUSINESS REPORT

Rumours are the chief culprit behind the current ailing state of the stockmarket, so the government will be tough on implementing the related rules and regulations to put a stop to those, said Finance Minister AHM Mustafa Kamal yesterday.

"The stock market is now run completely on rumours and it cannot make a turnaround because of this," he told journalists after a meeting with the Dhaka Stock Exchange's (DSE) board members at the NEC building in the capital.

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MOST IN-DEMAND SKILLS OF THE FUTURE

- ▶ computer-aided process planning
- ▶ quality control
- ▶ training
- ▶ automated inspection, material handling devices
- ▶ artificial neural network
- ▶ numerical control system
- ▶ robot operation, management
- ▶ resource planning
- ▶ big data analytics
- ▶ blockchain management
- ▶ mechanical engineering for sorting, harvesting
- ▶ sensors, wearables
- ▶ simulation, modeling
- ▶ digital marketing, content, branding
- ▶ voice activated device, chatbot
- ▶ revenue analysis
- ▶ safety, environment
- ▶ computation

Automation and computerisation through the introduction of robots, advanced software and artificial intelligence are substitutes for the routine and rule-based tasks in the furniture sector of Western countries. Because of product innovation and business model transformation, this sector may see a large number of unskilled and semi-skilled workers lose their jobs unless necessary steps are taken to upgrade their IT knowledge. The tourism and hospitality sector is being drastically changed. The ICT tools are providing new means for analysing the information. As a result, converting this valuable information to be incorporated into the knowledge system is a challenge for this industry. The growth of footwear industry is very much profound in Bangladesh. Already 51 foreign companies have shown interest in establishing footwear units in Bangladesh. Without rapid adoption of automation, the local footwear companies will face a bumpy transition ahead.

The banking and financial institutions need to control the credit and lending management

observed in many directions like cost savings, creation of efficient processes and enhancement of customer experiences. Very particularly, artificial intelligence (AI) based models will ensure that only worthy applications with low credit risk get through. Evolution of AI has now reached a level where machine learning can effectively identify fraudulent transactions. Financial firms are assisting governments trace laundered money, terrorism financing and other suspicious global transactions with the help of AI techniques. Questions automatically arise for countries like Bangladesh, Sri Lanka and India on whether banks are ready to adopt AI, how banks will collect data and will collection of these data invade privacy of clients. At present, the economic benefit of using chatbots for the financial services industry is enormous. As per Gartner research, chatbots will be dealing with more than 85 percent of all customer service interactions by the end of 2020. Further, Juniper's report suggests that chatbot adoption will lead to the potential savings of \$8 billion annually by 2022.

"To spur innovation, productivity and growth, we therefore need to ensure that everyone has the right skills for an increasingly digitised and globalised world"

JOBS AT HIGH RISK
routine, repetitive, predictable

high demand. Other jobs include professionals having expertise on sensors and wearables; simulation and modeling experts; digital marketing executives, digital content developers and brand managers; professionals for operating voice activated devices, chatbots and travel bots; revenue analysts; safety and environment experts; computation experts, etc. To remain competitive from the micro and macro perspectives in the 21st century, businesses, governments, policymakers, academicians, professionals and jobseekers should

Little effort for DITF makeover

JAGARAN CHAKMA

The Export Promotion Bureau and the commerce ministry, organisers of Dhaka International Trade Fair (DITF), have never carried out performance evaluation, which could have helped enhance the effectiveness of the annual event since its inception in 1995.

They do not even have any data on export orders it generated since 2017. There is only seven years' data until 2016. The recording stopped when the assigned officer was transferred to another ministry.

Currently, there is no such outcome analysis team for the fair, Commerce Secretary Md Jafar Uddin, chairman of the DITF steering committee, told The Daily Star over the phone.

"It's a good idea to have a team for that. We will work on it," he said.

The organisers should appoint experts or professional analysts to find ways for making the show more effective and reap benefits from its outcome, said Mustafizur Rahman, a distinguished fellow at the Centre for Policy Dialogue.

Economic counsellors should be assigned at Bangladesh's embassies around the world to encourage renowned businesses to take part in the DITF and enable it to reach international standards, Rahman said.

More concentration should be given to ensure continuous improvements to the month-long fair, which is an appreciable arrangement for establishing business to

business contact, he said.

Visitors have long been complaining about the poor quality of the products and falling standards of the annual fair.

Commerce Minister Tipu Munshi has also acknowledged at a press conference recently that the fair environment has lost its international flavour.

He said he was trying to shake up proceedings this year to bring back the event's charm.

"This year we have left some open space in the fairground so that the visitors can walk easily without any human congestion like in previous years."

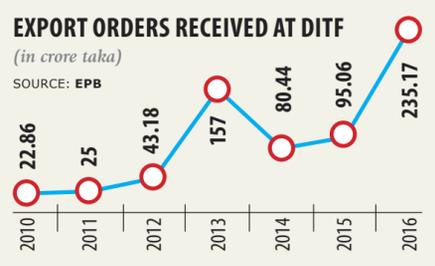
"It's not an international fair anymore. It has become a national showcase," said Ali Ahmed, CEO of Bangladesh Foreign Trade Institute.

Famous global firms and manufacturers do not take part in the show, he said.

Some foreign companies, which had been regular participants of the fair, have refrained from coming to Bangladesh because of hassles caused by customs, he said.

Prime Minister Sheikh Hasina opened the 25th edition of the fair on January 1 in the capital's Sher-e-Bangla Nagar.

Some 55 foreign companies from 21 countries will take part in this year's trade fair, the commerce ministry said in a statement.



Hyundai, Kia sales drop to 7-year low

REUTERS, Seoul

South Korea's Hyundai Motor and affiliate Kia Motors turned in their lowest sales in seven years in 2019 as business in China slumped, missing their target for a fifth straight time, but forecast better numbers for 2020.

Weak 2019 sales underline the challenges Hyundai Motor Group has been facing, including a string

of annual profit declines at Hyundai and higher costs to develop future technologies even as the global auto market stagnates.

"The market environment is very uncertain and internal and external challenges will intensify," Group heir apparent Euisun Chung said on Thursday. But he reiterated that the group would continue to focus on profitability and technology investment.

Hyundai and Kia reported a 3 percent drop in their combined global sales to 7.19 million vehicles for 2019, falling short of their target to sell 7.6 million vehicles.

Their sales have slumped in China, the world's biggest auto market, offsetting a recovery in the United States where demand for their new sport utility vehicles and a favourable currency exchange rate have helped.

NEXT STEP

Making a DIFFERENCE

Bangladesh is rapidly moving towards middle income status by 2021. Our businesses definitely offer immense opportunities for the growing economy and this diversity needs a stage for the stories untold. See Bangladesh make its mark on the global map as Making a Difference brings you our proudest success stories from across the country.

Workplace resolutions for 2020

CURB THE WHINING

Not everything went your way last year - this year won't be any different. Instead of acting up on every little noise, learn to look past them. Unnecessary and excessive complaining will only add to the negative energy in your life. So do yourself a favour and learn to care less about things that aren't killing you. You'll be surprised at how this simple habit increases your productivity levels.

SAY NO TO GOSSIP

You know what they say - if they're speaking ill about someone to you, they'll be speaking ill about you to someone else. Refuse to contribute to this toxic cycle. The first step towards doing that is to be more open-minded. Grow empathy about why someone acted the way they did. If something they did really bothered you, go talk to them instead of talking behind their backs.

DON'T BLOCK CONSTRUCTIVE FEEDBACK

It's understandable to be upset and demotivated when you are not getting the appreciation you think you deserve. However, it's a bad attitude to always put yourself in a higher pedestal where you have internalised your work to be impeccable, untouchable and divine. You'll only be blotching your learning curve if you're adamant about only doing things the way you deem fit.

DON'T BEAT YOURSELF UP

Everyone's lives are marked by mistakes that exist on a spectrum - professional lives are no exception to this. You couldn't deliver your assignment the way you visualised, or your performance evaluation didn't roll out the way you'd prefer, or something that you thought was a brilliant idea turned out to be counterproductive - don't let all that consume your sanity. You're more than your mistakes and let this new year be a testament to that.

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