

Pharma gives stocks a shot in the arm

AHSAN HABIB

The stock market index had been on an upward curve last week with pharmaceuticals in the lead as investors bought the sector's stocks in hopes of higher future returns amid the threat of a second wave of the pandemic.

DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), rose 119 points, or 2.41 per cent, to 5,094.

Although the pharmaceutical sector's market capitalisation increased by 2.42 per cent, it was beaten by the engineering sector which topped the list with a rise of over 7 per cent, propelled by the inclusion of Dominage Steel in the stock market.

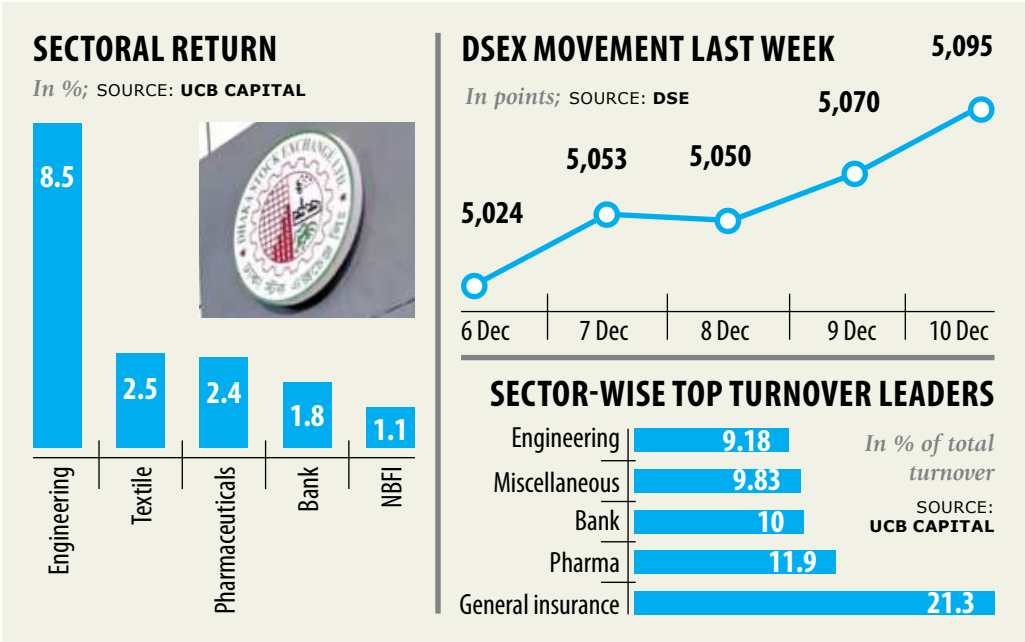
Listed drug makers have performed better than other sectors amid the pandemic and have the potential to grow in the future, said Mir Ariful Islam, head of research at the Prime Finance Asset Management Company.

So pharmaceutical companies' stocks underwent an upward trend along with those of banks and the financial sector, he added.

Echoing the same, a merchant banker preferring anonymity said the pandemic's second wave would increase people's demand for pharmaceutical products, creating more opportunities for the drug makers.

As people started seeing doctors in their chambers again, prescription medicine sales will not be as affected as it was during the April-June period, when most people remained at home to avoid infection, he said.

The limitations on public movement are



presumed to have led to the 30 per cent drop in sales year-on-year during that quarter, the merchant banker added.

With December ushering in the year's end, banks and financial institutions are due to announce dividends for the future so people were taking up their stocks, said a stock broker.

Market capitalisation of the banking sector rose 1.76 per cent while that of non-bank financial institutions increased 1.09 per cent.

Most listed banks booked higher profits in the January-September period despite having a lower interest income mainly due to lower provisioning requirements, shows the banks' quarterly data analysis.

The provisioning requirements reduced for the central bank allowing banks to withhold classification of loans in the current year considering the impacts of the pandemic.

READ MORE ON B3

Ctg customs badly shorthanded

Limping with 651 people against 1,248 posts

MOHAMMAD SUMAN, Chattogram

The Chattogram Custom House continues to operate with around half of the authorised posts being vacant, hampering its supervision on tax evasion and monitoring of import-export goods.

Both exporters and importers are also suffering because of this as it causes delays in shipments, sources at customs house said.

According to them, 651 people work at Chattogram Custom even though 1,248 posts were approved for the organisation back in 1982.

Besides, its activities have increased several times by now, they added. There are 117 first-class officers against 210 posts, 248 second-class officers against 497 posts, 181 grade three employees against 423 posts, and 100 grade four employees against 118 posts.

There have been 21 vacancies in eight categories, including programmers, chemical examiners, statistics officers, auditors and data entry operators, for over the past decade.

As per customs data, just 21 assistant commissioners and deputy commissioners responsible for evaluating the taxes on



A lack of manpower is hampering supervision on tax evasion and monitoring of import-export activities

imported goods and monitoring export and import consignments are currently active against the 63 posts available.

Similarly, a total of 323 revenue officials and assistant revenue officials, who examine import-export goods through the documents provided on each consignment, are active among the 606 posts available.

Although the organisation's workforce was determined in 1982, it has not been met in the last four decades.

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Hogla pata can be a cure for Barishal's poverty

Product variation, government support key to unlocking sector's potential, industry insiders say

SUSHANTA GHOSH

The simple skill of turning naturally available materials into utilitarian products has been passed down since ancient civilisations, but still awaits the right initiatives in Bangladesh for all potential to be utilised.

It all becomes more relevant considering the worldwide hullabaloo centring climate change and ensuring sustainable environments.

Take the case of elephant grass, or hogla pata as is called in Bangla. With a low requirement for water and nutrients, it can be harvested a couple of times a year and stored year round on being baked under the sun.

The grass can be woven into elegant yet strong handicraft items such as baskets, ropes, hats and even into roofing and fencing.

It is the most common raw material used by handicraft artisans in Barishal, although the output is mostly limited to mats, thanks to huge surges in demand during the sacrifice of animals on the occasion of Eid-ul-Azha.

The grass can be found in Agailjhara, Gournadi, Hijla, Mehendiganj, Muladi and Bakerganj upazilas.

And from there it is sourced by villagers of Ruia, Karapur, Charmonai, Shaistabad, Taltoli, Lamchhari areas of Barishal sadar upazila to make mats. It is practically the main source of income for many women.

This form of livelihood sustains another 300 financially insolvent people living in Tiakhali area, right in Barisal city.

The local artisans demand government assistance for this sector citing the lack of product variation and in the waning number of people who have the skills.

Around 3,000 families are engaged in making mats and although the craft has been around for ages, the business usually makes little profit due to the lack of product variety, said Rafiqul Alam, an adviser to Barisal Patishilpa Samitee.

Mukul Sarkar, a hogla craftsman of Tiakhali, said it takes a single person one day to produce a mat, which usually retails for about Tk 60 to Tk 80 depending on its size.

However, seeing as many craftsmen do not own a hogla plantation, they have to buy the materials.



Elephant grass has long been used by artisans in Barishal for weaving handicrafts, especially mats. The leaves, or hogla pata as is called in Bangla, are harvested and sun-dried before being woven into large mats which fetch up to Tk 80 apiece. The photos were taken in Tiakhali area of Barishal city last week.

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This price of one bundle of hogla is about Tk 150-250 and it can be used to produce about four or five mats.

The leaves are usually collected between November and December and can be kept in dry storage all year round, Sarkar said.

Prabhathi Sarkar, another hogla mat maker from the area, said he can earn about Tk 150 per day by making up to three hogla mats daily with help from his family.

"But we could have made a lot more hogla products if we had support from the government," he added.

Meanwhile, hogla trader Pares Sarkar said the demand for the material increases a bit during Eid-ul-Adha, when good prices are available.

If hogla mats were considered as traditional products, the business would have accommodated at least 10,000 more people, according to Rebeka Sultana, secretary to Barisal Business Forum.

At present, 5,000 to 6,000 people are involved in this profession in Barishal district.

It is possible to earn Tk 50 crore annually from this sector if a variety of products made from hogla was introduced.

"But to do this, training and marketing is needed," she added.

Tarun Pal, managing director of handicrafts exporter Crafts Village, said he buys hogla products worth at least Tk 3 to Tk 4 crore every year from Bogura, Narsingdhi and Noakhali districts.

It is possible to get a variety of elephant grass products from Barishal but to do that, training is needed, Pal said.

If the local craftspeople are trained on different designs, their income can increase significantly, said Md Jalish Mahamud, deputy general manager of the Bangladesh Small and Cottage Industries Corporation office in Barishal.

Ranjit Dutta, president of the Consumers Association of Bangladesh, said if rural industries were enhanced, the benefits would be felt across every village.

"People in this area were much poorer before than they are now and the fact that women are able to earn from the business has helped decrease extreme poverty in their families," Dutta added.



GLOBAL BUSINESS

Bank of England warns of post-Brexit financial services disruption

AFP, London

The Bank of England said Friday that UK banks remained "resilient" to the risks of Brexit and coronavirus, but warned financial services could face "disruption" when the transition period ends.

The central bank's Financial Policy Committee, tasked with safeguarding the financial system, added that Britain's major banks were capable of absorbing 200 billion (\$266 billion, 220 billion euros) in credit losses.

"Financial sector preparations for the end of the transition period with the EU are now in their final stages," the FPC said in its financial stability report.

"Most risks to UK financial stability that could arise from disruption to the provision of cross-border financial services at the end of the transition period have been mitigated" thanks to extensive preparations by the private sector and authorities, it said.

"However, financial stability is not the same as market stability or the avoidance of any disruption to users of financial services," the report noted. "Some market volatility and disruption to financial services, particularly to EU-based clients, could arise," it warned.

The news came after British Prime Minister Boris Johnson warned Britain could crash out of the European Union without a trade deal after top-level talks floundered in Brussels.

Britain left the EU on January 31 this year but remains under its rules under

December 31 while it tries to establish the terms of its new relationship.

Yet the Bank of England's key committee expressed optimism Friday in banks' ability to withstand more turmoil.

"The FPC judges that the UK banking system remains resilient to a wide range

of possible economic outcomes," the FPC said. "It has the capacity to continue to support businesses and households even if economic outcomes are considerably worse than currently expected" thanks to the build-up of substantial buffers of capital since the global financial crisis.

UK banks have already absorbed 20 billion in credit losses in 2020 as a result of chronic fallout from the deadly Covid-19 pandemic, it noted.

Britain has been one of the countries worst hit by the pandemic with the most deaths in Europe and an 11 per cent contraction in the economy, the worst in three centuries.

The outlook for banks is set to worsen according to the report, as personal and businesses are not able to repay their loans.

"Nevertheless, the major UK banks can absorb credit losses in the order of 200 billion, much more than would be implied if the economy followed a path consistent with the (BoE's) central forecast.

"The FPC judges that the UK and global macroeconomic scenarios required to generate losses on this scale would need to be very severe with, for example, UK unemployment rising to more than 15 per cent.



REUTERS/FILE

A pedestrian walks past the Bank of England and The Royal Exchange in the City of London.

NEWS In Brief

Cuba to increase minimum salary fivefold

AFP, Havana

Cuba will increase its minimum wage fivefold as part of reforms due to come into effect on January 1 as it unifies its two official currencies, the official gazette said on Friday.

The large-scale reform of salaries and pensions had been promised for years before President Miguel Diaz-Canel announced it late on Thursday.

It will see the minimum wage increase from 400 to 2,100 pesos (\$17 to \$87.)The reform will also see the convertible peso, which is pinned to the dollar and was introduced in 1994 to replace the US currency, phased out over the next six months.It will leave only the regular peso that is worth 24 times less.

The idea is to make the Cuban economy more efficient and easier to understand for foreign investors.

Uttar Pradesh approves financial incentives for Samsung display factory

REUTERS, New Delhi

India's northern state of Uttar Pradesh on Friday said it will give financial incentives to South Korea's Samsung Electronics Co to set up a 48.25 billion rupee (\$654.36 million) display factory.

Samsung is re-locating the factory to the state from China, the Uttar Pradesh administration said in a statement, a move that will help boost Prime Minister Narendra Modi's flagship drive to make India a manufacturing hub.

India is the world's second-biggest smartphone market with significant growth potential, which has driven companies such as Samsung to expand locally.

