

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 1.17%	▲ 1.02%	\$1,815.86	\$58.85	▲ 0.71%	▼ 1.06%	▼ 0.75%	▼ 0.44%	BUY TK 83.95	99.86	113.39	12.79
5,647.67	9,853.68	(per ounce)	(per barrel)	50,614.29	28,341.95	2,905.58	3,501.86	SELL TK 84.95	103.66	117.19	13.45



Star BUSINESS

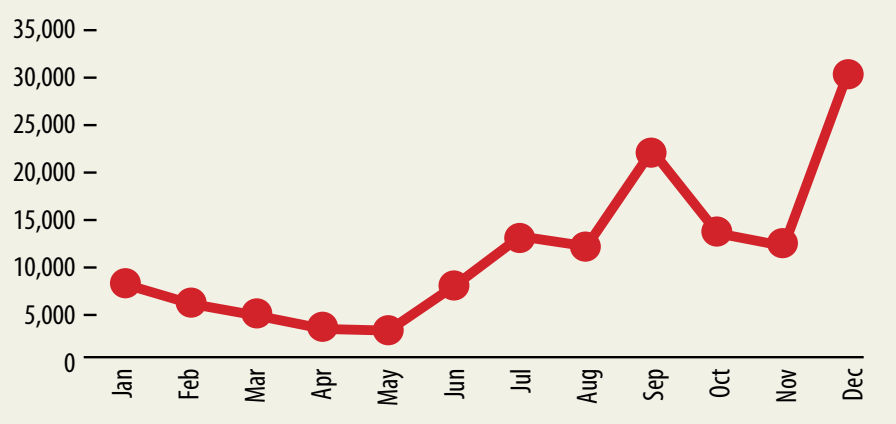
DHAKA FRIDAY FEBRUARY 5, 2021, MAGH 22, 1427 BS • starbusiness@thedailystar.net

Trade in secondary bond market hits an all-time high

Depressed credit demand, lower bank interest rate pull investors to bond market

TRADING IN SECONDARY BOND MARKET

In crore taka; SOURCE: BB



AKM ZAMIR UDDIN

The secondary bond market in Bangladesh has boomed in recent months on the back of lower interest rates on bank deposits and a set of measures taken by the central bank.

Trading in the secondary bond market hit an all-time high in December as transaction rose 157 per cent year-on-year to Tk 29,188 crore, data from the central bank showed.

Since July, the trading of government securities has received a shot in the arm as investors are getting lower interest on deposits kept at banks than the Treasury bonds (T-bonds).

Banks now face excess liquidity in the wake of lower credit demand from both the private sector and the government, forcing them to cut the interest rates on the fixed deposit receipts.

Excess liquidity in the banking sector surged 95 per cent year-on-year to Tk 204,700 crore in December.

Besides, the measures, including selecting benchmark Treasury bonds by the central bank, have made the secondary market vibrant. The benchmark bonds help lenders fix the interest rate of securities.

READ MORE ON B3

Mills warn of shutdown for want of raw jute

Seek removal of a bar on import

STAR BUSINESS REPORT

Jute millers yesterday warned that most mills might be shut in the next one or two months suffering from a shortage of raw jute in making eco-friendly products.

Two bodies of jute millers, Bangladesh Jute Spinners Association (BJS) and Bangladesh Jute Mills Association (BJMA), demanded that the government fully ban raw jute exports.

They also sought removal of a bar on import of the natural fibre until June 2021 in order to keep factories running, according to a letter sent to the textiles and jute ministry yesterday.

The appeal came as prices of the natural fibre shot up to as much as Tk 4,500 per maund, the highest on record, in the face of a scarcity in the market resulting from a flood-induced production decline.

Prices of raw jute began rising after the harvesting of raw jute in the July-August period last year.

By the end of September prices had crossed Tk 3,000 per maund for stockpiling by middlemen and slow release by farmers seeking to profit amid speculations that production had fallen short of the requirement.

Jute mill owners said farmers do not have raw jute anymore in their stocks and a section of middlemen and stockists were hiking prices reducing supplies.

As result of the exorbitant prices, production in factories reduced substantially and many jute mills are shutting production, said the letter adding that 95 per cent of jute mills might be forced to stop production.

The caution comes at a time when export receipts from jute



STAR/FILE

Prices of the natural fibre shot up to as much as Tk 4,500 per maund, the highest on record, amid a shortage in the market resulting from a flood-induced production decline.

and jute goods have been soaring, driven mainly by spiraling prices.

Export earnings by jute and jute goods shot up 27 per cent year-on-year \$765 million in the July-January period of fiscal 2020-21 from that a year ago, showed data from Export Promotion Bureau.

Questions regarding raw jute production estimate

In the letter to the ministry, the BJS and BJMA said mills required 60 lakh bales of raw jute for processing to make yarn, twine, bags, sacks and other goods mainly to export and make sales in the domestic market.

In addition, 5 lakh bales of raw jute are used for household purposes while 8 lakh bales exported annually.

In total, 73 lakh bales of raw jute are needed yearly in the country, said the two bodies of jute millers.

Quoting the Department of Jute (DoJ) estimate of jute production to be 74 lakh bales last season, millers said 40 lakh bales of raw of jute should have been available in the country, as factories processed 30 lakh bales and traders exported 4 lakh bales of the natural fibre in the first half of the year.

"But scarcity and an usual price spike showed that the production estimate is baseless. Jute industry faces deep trouble because of the faulty estimate," said the BJMA and BJS in the letter.

The letter, by BJMA Chairman Mohammed Mahbubur Rahman Patwari and BJS Chairman Md Zahid Miah, urged the government to ensure that no raw jute trader could stock more than 500 maunds of raw jute for more than a month.

Millers also urged conducting mobile court drives to prevent the illegal hoarding of raw jute.

Maiden white tea auction held in Sreemangal

Tk 85 lakh worth of tea leaves sold

OUR CORRESPONDENT, Moulvibazar

Around 50,000 kilograms of tea leaves were sold at around Tk 85 lakh in the country's 17th tea auction at Sreemangal Tea Auction Centre on February 3.

Two things happened for the first time this year: Brindaban Tea Garden of Habiganj sold white tea, and Panchagarh tea garden owners came all the way to Moulvibazar to take part in the event.

A total of 60,000 kgs of tea from various gardens were extracted and up for sale at the auction where white tea had the highest price tag.

READ MORE ON B3

Lafarge seeks arbitration to end gas price row with Jalalabad

AHSAN HABIB

LafargeHolcim Bangladesh said yesterday it decided to go to arbitration to settle a dispute with Jalalabad Gas Transmission and Distribution Systems after the state company charged higher than the agreed price for natural gas.

The sales deal came into effect in 2003 for the cement company's plant located at Chhatak in Sunamganj.

And the listed multinational company in a posting on the website of the Dhaka Stock Exchange (DSE) said that its board of directors had passed a resolution on Wednesday that it would issue a notice of arbitration.

"A dispute has arisen between the parties in relation to the price of gas," it said, adding that the notice of arbitration had been issued in line with the agreement.

The agreement is valid until the end of 2025, said the cement maker in response to an email from The Daily Star.

READ MORE ON B3

Daikin launches ACs in partnership with Transcom Electronics

STAR BUSINESS REPORT

Japanese air-conditioner maker Daikin has rolled out a host of inverter and non-inverter split air-conditioning units in Bangladesh in partnership with Transcom Electronics Ltd.

The global leader in air-conditioning, Daikin launched nine models, targeted for each consumer segment, as it looks to grow and serve the room air-conditioner business. All nine models are locally assembled, according to a press release.

"As responsible Japanese AC leaders, we are aware that rampant use of refrigerants has contributed to extreme weather patterns, causing destruction of crops and property and massive flooding followed by draughts. So, HFC-32 is the only solution to protect our future," said Manoj Agarwal, vice-president of Daikin, while addressing the launch

at the Pan Pacific Sonargaon Dhaka yesterday.

Daikin products, using HFC-32 (difluoromethane), bear only one-third of the global warming potential when compared with R-410A and R22 refrigerants. In addition, HFC-32 can help curtail greenhouse gas emissions.

Furthermore, it is also a refrigerant that reduces the amount of refrigerant needed per air-conditioning unit, has the advantage of enabling components such as heat exchangers, and is suitable for refrigerant recycling.

"Daikin ACs with Japanese technology are finding a huge acceptance among Bangladesh consumers, and we are in the process of increasing our product range," Agarwal added.

READ MORE ON B3

NBR to sue Paperfly for VAT evasion



STAR BUSINESS REPORT

The VAT Intelligence is taking preparations to sue logistics service provider Paperfly on allegations of value-added tax (VAT) evasion.

The field office of the National Board of Revenue (NBR) said it found through primary probe that the logistics firm did not deposit the indirect tax on Tk 5.77 crore collected as charge from delivery of goods in November and December.

A 15 per cent VAT is payable on the amount, said Moinul Khan, director general of VAT Audit, Intelligence and Investigation Directorate (VATAIID), in a press release.

The NBR's field office said Paperfly got VAT registration as an online courier service and it has 87 delivery centres across the country. The firm delivers goods to customers who buy from online marketplaces.

As per rule, firms are required to deposit VAT of a month within 15 days of the next month, but the company did not do so, according to the VATAIID.

READ MORE ON B3

Sanofi workers threaten hunger strike

STAR BUSINESS REPORT

The employees of Sanofi Bangladesh yesterday threatened to go on a hunger strike from Saturday until the company's management fulfills their demands.

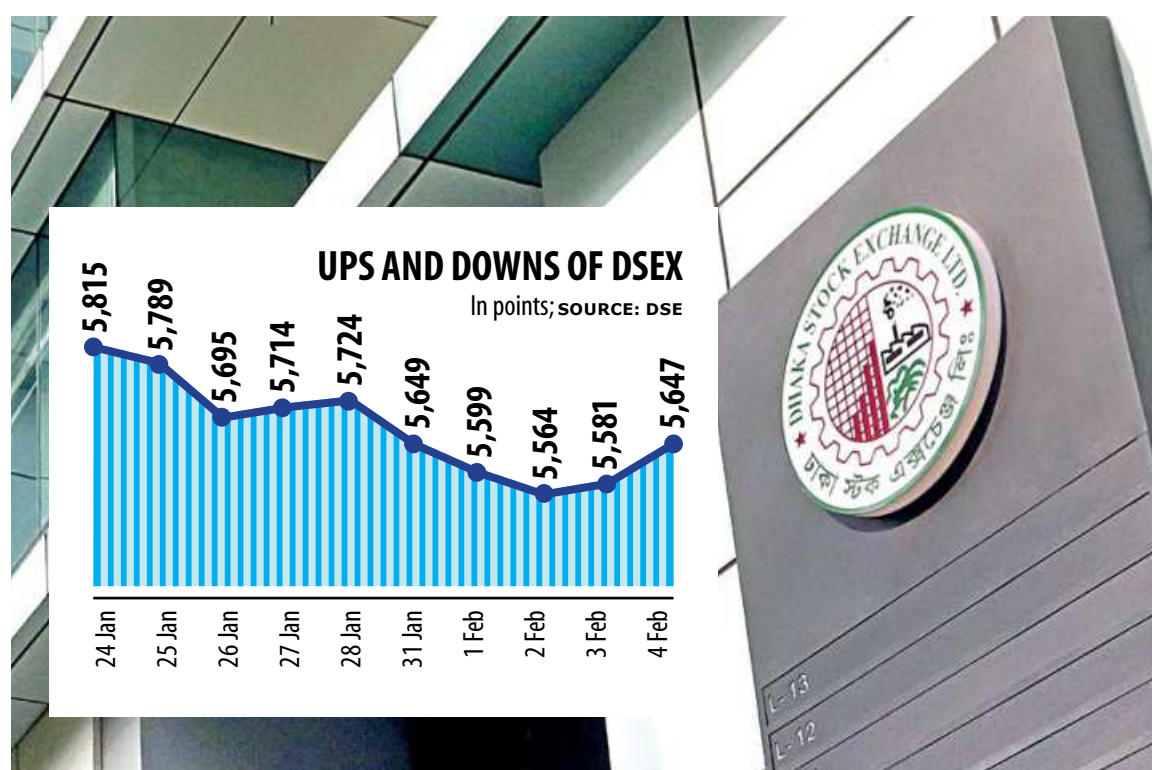
The Sanofi Bangladesh Limited Workers-Employees Association (SBLWEA) again alleged that the Sanofi Bangladesh was exiting the country without paying any compensation to its employees.

The SBLWEA made this announcement at a press conference held at the Economic Reporters Forum in Dhaka yesterday.

The briefing came after Beximco Pharmaceuticals recently announced that it was set to acquire a 54.6

READ MORE ON B3

Stocks on the rise again



STAR BUSINESS REPORT

Stocks continued to rise for the second consecutive day following a couple of weeks of profit booking after the market regulator's announcement that it is working on reducing corporate tax for listed companies.

DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), rose 65 points, or 1.17 per cent, to 5,647 yesterday.

On February 2, Prof Shibli Rubayat Ul Islam, chairman of the Bangladesh Securities and Exchange Commission (BSEC), said they will ask the government to widen the gap of corporate taxes between listed and non-listed companies in the next budget in order to attract well-performing companies to the market.

Now, the average difference is 7.5 per cent but the stock market regulator wants it to rise up to 15 per cent by reducing the tax for listed companies.

READ MORE ON B3