Stocks take a tumble

But nothing to worry about, experts say

STAR BUSINESS REPORT

The stock market took a tumble yesterday due to a profit booking spree among investors while turnover also plunged.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), plummeted 60 points, or 1.02 per cent, to 5,813.

"The market fell due to a very natural reason, which is profit booking," a stock broker said.

As the market was in a rising trend for the past few weeks, most stocks were already up by 10 to 15 per cent.

"So, some investors realised profits by selling their shares," he said, adding that this is a positive thing for the market.

The DSE's turnover, an important indicator of the market, fell 22 per cent to Tk 1,634 crore.

At the country's premier bourse, the shares of 71 companies rose, 233 fell and 55 remained the same.

The market fall is nothing to worry about as it was expected following a prolonged rising trend, according to a merchant banker.

"If the market rises week after week without any contractions, it becomes risky," he said.

Investors were taught a hard lesson by the 2010 crash and so, they now tend to book profits.

"But the important thing is that higher turnover indicated higher investor participation in the market," the merchant banker added.

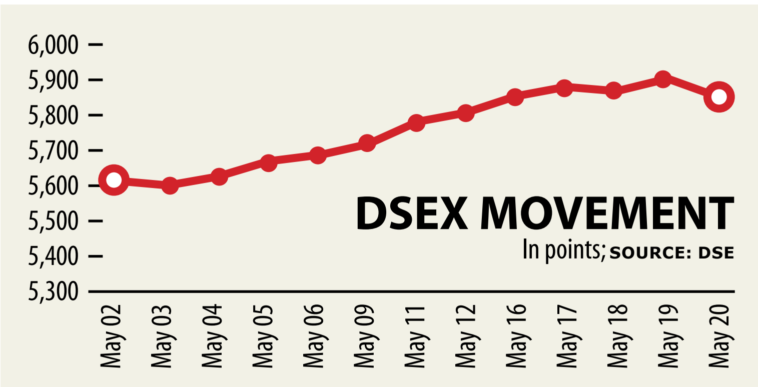
Provati Insurance topped the gainers, rising 9.94 per cent, followed by Aramit Cement, Asia Insurance, Index Agro Industries, and Genex Infosys.

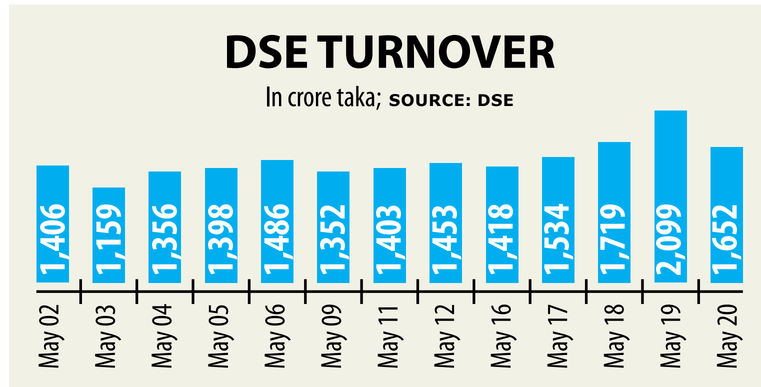
Beximco's stocks traded the most with Tk 213 crore, followed by LankaBangla Finance, Prime Bank, NRB Commercial Bank, and SAIF Powertec.

Miracle Industries shed the most, dropping 8.03 per cent, followed by Prime Bank, Prime Life Insurance, Meghna Condensed Milk, and Eastern Insurance.

The Chittagong Stock Exchange (CSE) also fell yesterday as the CASPI, the general index of the port city bourse, shed 214 points, or 1.25 per cent, to 16,837.

Among 282 traded stocks, 42 advanced, 199 dropped and 41 remained the same.





Visionary leadership and Bangladesh in 2041

SHEHZAD MUNIM

OPINION

Visionary leadership is all about being able to visualise a state of being in the future that seems unreal or impossible today. At present, most do not believe that it will be possible and often laugh at it as a pipe dream. It takes amazing courage and a bold attitude to think of possibilities in such a way, and it is not everyone's cup of tea. Visionary leaders are, therefore, rare and coveted.

Today, at the 50th of our independence, we have many achievements and reasons to be proud of as a nation. It is the right time to envision our next 50 years of the journey, and we need a visionary act once again.

That visionary act was made by our prime minister a few years back. When she coined the word "Digital Bangladesh" and talked about a developed nation by 2041, many laughed, and trolls were made about digital this digital that, exactly what is expected of a visionary leadership dream by the masses, who fail to get what the leader is saying.

Today when we download our vaccination certificate online through Surokkha portal and look at the digital process that managed the whole vaccination effort, we should realise that we are starting to see what she meant by "Digital Bangladesh".

It should be clear to us that Bangladesh is on the move towards its 2nd independence, economic independence.

All the matrix from different organisations shows that we are poised to achieve our dream by 2041. Therefore, it's not the time to look for divisions in our thinking.

Instead, we need to unite and galvanise in the same direction and make the most of our demographic dividend.

So, who is our role model, and who should we follow? Well, the answer is in our past. We did not really follow anyone to get to this place. We took ideas but adopted our own path and emerged as a role model for the developing world. The main realisation we must take from our history is that we can craft and create our own course and not look for someone else to show us the path.

The key question is: are we ready to lead from our own positions? Do we have our own visionary leadership for ourselves, the profession we are in and the leadership we provide?

As we celebrate the 50th year of independence, we stand at the crossroad of our journey. All of us must try and choose the path of visionary leadership, a path unknown and less travelled, and bring more people in that path and inspire them to do what they possibly think and believe they can't.

A visionary act for ourselves is to invest our time and resources in Bangladesh to build the future of our next generation here and not look for migrating to a foreign land. We must choose to lead a life, not just live a life.

READ MORE ON B3

Protection of small businesses will be top priority now

Says new FBCCI president

STAR BUSINESS REPORT

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) would give highest priority to the protection of the cottage, micro, small and medium enterprises (CMSMEs), as they are the worst hit by the ongoing pandemic.

Md Jashim Uddin, the newly elected president of the apex trade body, made the comment at his introductory meeting with journalists at the federation office in Dhaka yesterday.

He took over charge of the FBCCI for the 2021-23 tenure on Wednesday.

Although the government has allocated Tk 23,000 crore to save the CMSMEs across the country, a majority of them are yet to receive the loan from the stimulus fund because of banks' reluctance, unbanked entrepreneurs and stringent conditions attached to the loans, he said.

Many of the CMSMEs have been in a crisis due to a lack of capital and continuous losses in businesses since the Covid-19 outbreak, said Jashim Uddin, who is also the vice-chairman of Bengal Group of Industries and chairman of the Bengal Commercial Bank. He said the FBCCI will lobby the government, central bank and local business chambers to bail out the CMSMEs from the fallouts of the coronavirus.

READ MORE ON B3

Md Jashim Uddin

GLOBAL BUSINESS

India's largest vial maker expects sales to triple on Covid-19 vaccine ramp-up

REUTERS

Indian drug vial maker Schott Kaisha is expecting annual vial sales for Covid-19 shots to more than triple as vaccine production, including by one of its top customers Serum Institute, increases in response to a monster second wave of infections.

An Indo-German joint venture between specialty glass makers Schott AG and Kaisha, the company expects to sell 380 million vials for Covid-19 vaccines in 2021-22, up from 113 million a year earlier, Director Rishad Dadachanji said in an interview. "The demand from our major customers has gone up two-fold, and is indicated to go up three-fold in the near future," Dadachanji said.

Serum Institute of India, which makes AstraZeneca's Covid-19 shot, is planning to produce 100 million doses a month from July, up from 70 million earlier. A single vial can typically store several vaccine doses.

A major vaccine hub, India has been running short of Covid-19 shots for its own people just when the pandemic has killed at least 114,000 people since mid-April.

Schott Kaisha is also in talks with Indian manufacturers of Russia's Sputnik V vaccine to supply millions of vials, but is yet to receive bulk orders, Dadachanji said. "We have received enquiries ... The quantities are still in discussion."

The company, which is India's largest maker of tubular borosilicate glass vials used to store drugs and vaccines by volume, is supplying vials for 14 Covid-19 vaccine candidates either in development or full production.

It plans to increase its annual production capacity for the vials to 1.7 billion by year-end from 1.2 billion last year. The company by its own estimate has a 60 per cent-65 per cent market share.

In the market for vial manufacturing, its rival and German drug packager Gerresheimer, which has four plants in India, has hired more staff to meet the rising demand for Covid-19 vaccine vials, Jari Tevajarvi, vice president for Asia plastic packaging, told Reuters.

REUTERS

An employee monitors a vial making machine inside a manufacturing unit of Schott Kaisha, India's largest vial manufacturer, in Daman, India.

'Slavery' found at a Malaysian glove factory. Why didn't the auditor see it?

REUTERS, *Kuala Lumpur*

In December 2020, with coronavirus infections spreading rapidly across factories and workers' dormitories in Malaysia, officials raided latex glove maker Brightway Holdings near Kuala Lumpur.

They said they found workers living in shipping containers, under conditions so squalid that Human Resources Minister Datuk Seri M Saravanan later likened them to "modern slavery."

Nineteen months earlier, inspectors from a social-auditing firm — private contractors that help companies monitor environmental, social and other ethical standards in industries from toys to palm oil — had visited the same three facilities.

In three reports over 350 pages, they had detailed 61 violations of global ethical standards and checked boxes for 50 violations of Malaysian labour laws.

Even so, the executive summary of each report concluded: "There is no forced, bonded or involuntary prison labour hired in this facility."

Brightway's customers include some of the world's biggest suppliers of personal care and protective equipment. The company's managing director, G Baskaran, shared the audit reports from 2019 and 2020 with Reuters in April, saying they show that "we did not practice any form of forced labour or modern slavery."

These contrasting conclusions highlight little-known flaws in global efforts to monitor labour conditions. Social audits — independent reports used by global brands to test that their suppliers meet ethical norms — are not always effective in identifying labour risks, and can even obscure them, more than two dozen auditors, oversight bodies, factory workers and labour rights groups told Reuters.

Laws around the world prohibit the use of forced labour, but no rules govern the quality of audits, which are voluntary, audit firms told Reuters. Auditors are usually paid by the firms they are auditing, raising potential conflicts of interest if inspectors feel compelled to give positive reports to retain business. Beyond this, inspectors and Brightway workers told Reuters, companies can manipulate what auditors see on site.

REUTERS/FILE

Malaysia's Minister of Human Resources M Saravanan inspects a workers' dormitory, which glove-maker Brightway Holdings confirms is one of its facilities, in Selangor state, Malaysia on December 21, 2020.

There is no evidence of any impropriety by the auditor Brightway hired, British firm Intertek Group, which declined to comment on Brightway. Intertek said its audits meet stringent operational procedures with rigorous standards, and are themselves subject to regular and thorough independent audits. It did not say by whom.

Neither Saravanan, the Malaysian cabinet minister who criticised Brightway on national TV, nor his ministry responded to requests for further comment.

About a month after the Malaysia raids, US Customs and Border Protection opened investigations into Brightway. US Customs is examining forced labour allegations including debt bondage, excessive overtime and poor accommodation, according to a letter the agency sent to Nepal-based independent labour rights activist Andy Hall after he drew the agency's attention to details in the audit report. Reuters reviewed a copy of the letter.

In response, Brightway said US Customs has not asked the company for any details. US Customs said it does not comment on whether it is investigating specific entities. Companies it looks into submit audit reports during that process, and some reports it has seen have been "insufficient," a Customs official told Reuters.

"Many companies are not willing to get a candid assessment of their forced labour vulnerabilities because of the implications that can have on their reputation, their profitability, and their stockholders," said Ana Hinojosa, an executive director at CBP's trade office, which investigates forced labour allegations.

Two other social auditors who reviewed the Brightway reports for Reuters said some of the findings may indicate forced labour as defined by the International Labour Organisation, which has set out 11 indicators that point to "the possible existence of a forced labour case." The relevant findings in the Brightway reports were: excessive working hours, high recruitment fees paid by workers to agents, and unsafe living and working conditions.

Labour activist Hall said the Brightway reports' conclusions were "completely misleading" because they overlooked evidence contained in the reports themselves. Customers who only read executive summaries would miss such evidence, he said.

Malaysia is a manufacturing hub for everything from palm oil to iPhone components. Firms there employ migrants from countries including Bangladesh and Nepal and have faced the highest number of US sanctions over forced labour allegations after China. In the last two years, US Customs has excluded purchases from four Malaysian companies after finding what it called reasonable evidence of forced labour.

The Brightway raid came as the United States had barred another glove maker, Top Glove, over forced labour allegations. Top Glove said in April it had resolved the issues that led to the ban, but the sanctions remain in place and US authorities seized two shipments of the company's gloves this month.

At the time of the Brightway raid, Malaysian authorities were inspecting companies across the country to try to ensure worker accommodation did not become a vector for Covid-19 infection, and to avert further claims they abused workers.

As part of efforts to get the bans revoked, Malaysian companies have given millions of dollars to workers to repay recruitment fees that the workers have paid to middlemen. These fees can be onerous, forcing workers into debt.

In the Brightway case, recruitment fees were among problems inspectors had highlighted in the body of the reports. All 78 workers interviewed at the three facilities told inspectors they had paid recruitment fees of up to US$4,200 (RM17,380) each to agents.

Other points the inspectors noted include a dormitory in the same compound as the factory and a dorm without any beds or mattresses; different signatures on some workers' passports than on their employment contracts; and people working as many as 15 hours a day.