

Local firm exporting saplings to Qatar



A consignment of 3,747 saplings of eight different plants reached a private inland container depot on Wednesday. After customs and quarantine tests, they were packed in a refrigerated container. Loaded on vessel Maersk Xiamen yesterday, the container may leave the port tomorrow.

DWAIPAYAN BARUA, Ctg

Bangladesh is now playing a part in Qatar's initiative of turning deserts into greenery, thanks to local firm which is exporting saplings.

A consignment of 3,747 saplings of eight different plants reached a private inland container depot on Wednesday.

After customs and quarantine tests, they were packed in a 40-feet refrigerated container. Loaded on vessel Maersk Xiamen yesterday, the container may leave the port Saturday.

Sending plants over the sea to the Middle East is a landmark in Bangladesh's trade. Local exporters see it as a huge prospect in widening the export basket.

Of the plants that Cumilla-based Bizra Enterprise is exporting, 1,280 are neem, 950 lemon, 795 malta, 320 sapodilla (locally called sofeda), 152 water apple (locally called jamrul), 170 almond, 40 banyan and 40 gum acacia (locally known as babla).

The firm's Qatar based parent organisation Al Naimi Landscaping WLL is the importer.

The sea-route shipment has been long-sought by entrepreneur Mohammad Shamsul Alam, who has been engaged in exporting gardening products made of bamboo and jute to a few Qatar based firms since 2013 through his firm Plant and Craft based in Kandirpur, Cumilla.

"I was inspired by a speech of Prime Minister Sheikh Hasina who at a programme in 2018 urged the exporters to find new and non-traditional products for export," said Alam.

In the same year he got connected with Al Naimi Landscaping, owned by Abdul Mamin, a Bangladeshi expatriate in Qatar hailing from Bizra in Laksam, Cumilla, who has been engaged in nursery business in Qatar for the last 25 years. Alam started exporting his old products to AL Naimi in 2018.

He then joined Bizra Enterprise, a local nursery firm and also the sister concern of Al Naimi Landscaping, as chief executive officer.

"In 2019 through Bizra Enterprise we started exporting saplings to Al Naimi in Qatar through air shipment," he said.

In the past three years, Al Naimi Landscape imported around 45,000 saplings of different fruits like mango, lemon, guava and some flower plants from Bizra Enterprise.

"As a small quantity can be exported through the highly expensive air-shipsments, we were trying for exporting through sea route and it became possible at last," Alam said.

Bizra Enterprise developed a nursery on two acres of land in Bizra, Cumilla and on one acre of land in Jibonnagar, Chuadanga. Currently it has three greenhouses, two in Cumilla and one in Chuadanga.

Alam said there are huge prospects of exporting saplings to Qatar and other Middle East countries as they were making the import every year from across the world for their greening programmes.

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FIRST SME IN BOURSES

Nialco debuts on CSE

STAR BUSINESS REPORT

Stocks of Nialco Alloys made their trading debut yesterday, marking the first such exchange for the Chittagong Stock Exchange's (CSE) board for small and medium enterprises (SMEs).

At the end of the trading session, 105 stocks were traded, worth Tk 1,154. The closing price was Tk 11. There was buyers seeking 8.89 lakh shares. But shareholders were not interested.

The government is working to give a boost to the SME sector as it has a huge impact on Bangladesh's economy, said CSE Chairman Asif Ibrahim.

The CSE has now become a part of history in the listing of the SMEs, he added during Nialco's opening bell ceremony.

SMEs had repeatedly urged the Bangladesh Securities and Exchange Commission (BSEC) to enable them to raise funds through the stock market.

The BSEC met their demand by passing a rule in 2018 allowing companies with paid-up capital of between Tk 5 crore and Tk 30 crore to raise funds from the stock market.

There are about 78 lakh SMEs in Bangladesh employing about 2.5 crore workers in the sector, according to the Bangladesh Bureau of Statistics.

In April, Nialco Alloys, a manufacturer of high-grade bronze and brass ingots, got the nod to go public and have stocks traded on the board.

Turning into the country's first-ever SME to enter the stock market, Nialco raised Tk 7.5 crore from qualified investors by issuing 75 lakh shares at Tk 10 each.

In the SME platform, general investors are not allowed to make purchases.

If any individual has investments of more than Tk 1 crore in listed securities, then he or she is considered a qualified investor.

Nialco's earnings per share was Tk 0.91 for the period that ended on September 30, 2020, while its net asset value without a revaluation reserve was Tk 12.43.

With the quality investors offering (QIO) proceeds, the company is said to be developing its facilities and bear the IPO expenses. MTB Capital was the issue manager.

Stock turnover well over Tk 2,500cr

STAR BUSINESS REPORT

The stock market turnover went well over Tk 2,500 crore yesterday, which was encouraging for investors.

This important indicator of the stock market dropped just 1 per cent from the day before to Tk 2,669 crore at the Dhaka Stock Exchange (DSE)

Investors' increased participation has led to this high turnover, giving a boost to confidence, said a top official of a merchant bank. Although the market started off with a rise at a very high pace, it dropped as insurance stocks fell by a big margin, he said.

The DSEX, the DSE's benchmark index, rose 11 points, or 0.19 per cent, to 6,066.64 yesterday.

Within the first hour, the rise was over 70 points, showed DSE data.

As the insurance sector had been experiencing a rising trend over the last one year or so, a fall was expected, he said.

All the insurance stocks dropped around 3.5 per cent on average, according to data of LankaBangla Securities.

Among the major sectors, banking and non-bank financial institution and engineering also dropped while textile, mutual fund and pharmaceutical rose, showed the data.

The market is now at a very good stage where investor participation is high and

the index is rising slowly, said a stock broker.

If investors invest wisely considering fundamentals of listed companies, the market will remain vibrant, he said.

The detrimental scenario is that many investors are rushing for companies based on rumours to make gains overnight, which is not a good sign, he added.

At the DSE, 209 companies' stocks advanced, 149 declined and nine remained unchanged.

Zaheen Spinning topped the gainers' list, rising 10 per cent, followed by Index Agro Industries, Mir Akhter Hossain, Coppertech Industries and S Alam Cold Rolled Steels.

Stocks of Beximco were traded the most, worth Tk 229 crore, followed by LankaBangla Finance, Pioneer Insurance, Fortune Shoes and National Polymer Industries.

Dhaka Insurance shed the most, dropping 11.49 per cent, followed by GBB Power, Global Insurance, Bangladesh General Insurance Company and National Feed Mills.

Chittagong Stock Exchange (CSE) also soared yesterday. The CASPI, the general index of the port city bourse, was reduced by 69 points, or 0.39 per cent, to 17,585.

Among the 319 stocks to witness trade, 175 rose, 120 fell and 24 remained unchanged.



GLOBAL BUSINESS

China passes law to counter sanctions

REUTERS, Beijing

China passed a law on Thursday to counter foreign sanctions, as it strives to diffuse US and EU pressure over trade, technology, Hong Kong and Xinjiang.

The new law is China's latest and most wide-ranging legal tool to retaliate against foreign sanctions and is intended to give Chinese retaliatory measures more legitimacy and predictability, according to local experts. Foreign companies, however, worry about the dampening impact it might have on foreign investment.

China's top legislature, the National People's Congress standing committee (NPC) passed the law on Thursday, according to state television CCTV. But details of its contents have not yet been released.

All 14 vice-chairpersons of the committee are under US sanctions for passing the National Security Law last year that critics say has crippled political freedoms in Hong Kong. Beijing says it was needed to restore stability in the city.

President Xi Jinping called last November for the ruling Communist Party to use legal means to defend China's sovereignty, security and interests against foreign parties. The NPC said in its annual work report in March that it wants to "upgrade our legal toolbox" to address the risks from foreign sanctions and interference.

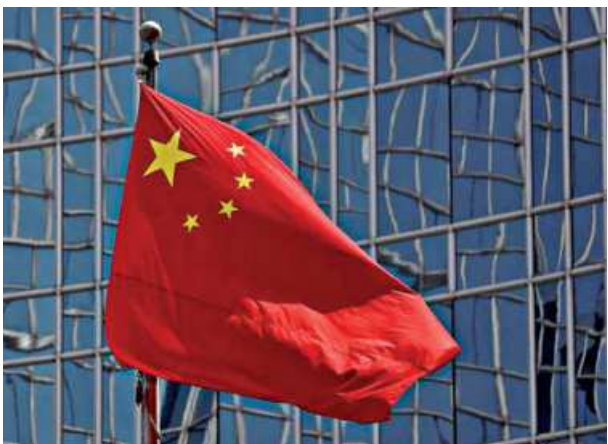
In January, the commerce ministry announced mechanisms to assess if foreign restrictions on Chinese trade and business activities were justified, and for Chinese individuals or companies to sue for compensation in a Chinese court.

The United States and its allies have increasingly sanctioned Chinese officials to express concern about how China treats its Muslim Uyghur minority in Xinjiang and pro-democracy activities in Hong Kong, triggering counter-sanctions by China on

US and EU politicians and officials.

Washington has also targeted Chinese companies such as Huawei and ZTE for violating US sanctions on Iran or North Korea, an act China called "long-arm jurisdiction".

The bill underwent a secret first reading in April, and was passed on Thursday, barely two days after NPC announced that it was doing a second reading of the bill. It skipped a third reading normally needed for other bills. The European Union Chamber of Commerce said its members are alarmed at the lack of transparency



The Chinese national flag is seen in Beijing, China on April 29, 2020.

REUTERS/FILE

about the passing of the bill.

"China seems to be in a hurry. Such action is not conducive to attracting foreign investment or reassuring companies that increasingly feel that they will be used as sacrificial pawns in a game of political chess," Joerg Wuttke, the Chamber's president, told Reuters. Foreign companies looking to do business in China may find themselves up against increasing scrutiny from Chinese regulatory authorities in relation to their operations both locally and abroad, said Shaun Wu, from Paul Hastings, a law firm in Hong Kong Chinese experts say Beijing is simply taking a page from the playbooks of the United States and European Union, which in recent years have passed various acts to serve as a legal basis for their engagement with China.

US jobless claims falling

REUTERS, Washington

The number of Americans filing new claims for unemployment benefits likely fell last week to the lowest level in nearly 15 months, while consumer prices increased further in May as the pandemic's easing grip on the economy continues to boost demand.

The Labor Department is likely to report on Thursday that initial claims for state unemployment benefits totaled a seasonally adjusted 370,000 for the week ended June 5, compared to 385,000 in the prior week, according to a Reuters survey of economists.

That would be the lowest since mid-March 2020 when the first wave of Covid-19 infections barreled through the country, leading to closures of nonessential businesses, and mark the sixth straight weekly decline. Layoffs are abating, with employers scrambling



An applicant speaks with a potential employer during a job fair at Hembree Park in Roswell, Georgia, US on May 13.

REUTERS/FILE

for labor as millions of unemployed Americans remain at home because of trouble securing child care,

and lingering fears of the virus even though vaccines are now widely accessible.

At least half of the adult US

generous unemployment benefits

At least half of the adult US

population has been vaccinated against the virus, allowing for broader economic re-engagement. But the pent-up demand unleashed by the resumption of business operations is straining the supply chain and fanning inflation pressures.

Economists expect another report from the Labor Department on Thursday will likely to show the consumer price index increased 0.4 per cent last month after surging 0.8 per cent in April, which was the largest gain since June 2009.

In the 12 months through May, the CPI is forecast accelerating 4.7 per cent. That would be the biggest year-on-year increase since September 2008 and follow a 4.2 per cent rise in April. The anticipated jump will partly reflect the dropping of last spring's weak readings from the calculation. These so-called base effects are expected to level off in June.

Japan's wholesale prices rise at fastest pace in 13 years

REUTERS, Tokyo

Japan's wholesale prices rose at their fastest annual pace in 13 years reflecting higher commodity costs, data showed on Thursday, a sign global inflationary pressures are pinching firms already struggling amid the coronavirus pandemic.

With companies seen slow in passing on the higher costs on to households, the uptick in wholesale inflation is unlikely to prod the Bank of Japan into withdrawing its massive stimulus any time soon, analysts say.

"We're seeing emerging signs of cost-push inflation. If this is not accompanied by rising wages, we could see Japanese consumers' purchasing power decline," said Mari Iwashita, chief market economist at Daiwa Securities.

The corporate goods price index (CGPI), which measures the prices



Wholesalers check the quality of frozen tuna displayed during the tuna auctions, amid the coronavirus disease outbreak, at Toyosu fish market in Tokyo, Japan on August 25, 2020.

REUTERS/FILE