

Dhaka stocks hit new high

STAR BUSINESS REPORT

The broader index of the Dhaka Stock Exchange touched a new high of 6,900 points yesterday on the back of elevated trading activity as investors' positive sentiment outweighs worries stemming from the ongoing economic slowdown.

The DSEX hit the 6,900-point mark at around 1:07 pm and went on to rise to 6,904 points before falling marginally.

It, however, closed the day at 6,884, up 22 points, or 0.32 per cent, from a day earlier. This is the fourth consecutive daily gain.

The DSEX has been on an upward trend despite waves after waves of coronavirus infections, weaker than expected economic growth, and the slow pace of the vaccination programme.

The Dhaka stocks continued their record breaking rally as the investors are more confident and buoyant amid the regulator's approval for the first board of the much-expected Capital Market Stabilisation Fund, said International Leasing Securities Ltd in an analysis.

The fund will be used for the development of the stock market.



The Bangladesh Securities Exchange Commission has already formed a board to run the fund.

Turnover, an important indicator of the market, fell 0.43 per cent to Tk 2,762 crore yesterday. The textile sector dominated the turnover chart covering 15.20 per cent of the total, according to UCB Stock Brokerage Ltd.

Among major sectors, tannery, ceramics and services, and real estate sectors experienced price appreciation while IT and cement sectors faced correction.

United Finance posted the highest gains of 10 per cent. IPDC Finance rose 9.97 per cent, Metro Spinning 9.9

per cent, Mozaffar Hossain Spinning Mills 9.91 per cent, and South Bangla Agriculture & Commerce Bank 9.91 per cent.

Regent Textile Mills, Janata Insurance, Aftab Automobiles, Standard Insurance, and Padma Islami Life Insurance were also among the top gainers.

Aziz Pipes gave up the most, declining 4.20 per cent. Jute Spinners, CVO Petrochemical Refinery, Sonargaon Textiles, Intech, ICB Islamic Bank, Power Grid Company, Mir Akhter Hossain Ltd, Index Agro Industries, and Desh Garments also lost significantly.

Beximco Ltd was the most-traded stock with its shares worth Tk 187 crore transacted. Other movers include Beximco Pharmaceuticals and Power Grid Company.

Of the issues, 213 advanced, 131 declined, and 32 ended the session unchanged.

In the port city, the CASPI, the key index of the Chattogram Stock Exchange, rose 68.23 points, or 0.34 per cent, to reach 20,065, the highest on record. On the CSE, 184 securities went up, 116 fell, and 25 were unchanged. Shares worth Tk 1,185 crore changed hands.

Fintech: key to conveniences



MOHIUDDIN BARAR

When Alexander Graham Bell invented the telephone in 1876, little he did know his invention would be a tool to transform life, society and economy hundred years later.

When Guglielmo Marconi invented a wireless communication system based on electromagnetic waves in 1895, little he could imagine, a young engineer would, one day, succeed in blending wireless strengths with telephonic concepts to develop the first-ever mobile telecommunication network.

This is how the telecommunication era made its evolution over the years, facilitating us with enormous comfort, increased efficiency, well-knit networking, and, above all, a plethora of conveniences.

There has been progressive development and continuous refinement of the telecommunication system, its network, devices, and outreach benefits. Globally, the telecommunication sector had the most vigorous research and development in pursuit of enabling people with as many benefits.

In the last five decades, cutting edge technological innovations were made in devising appropriate network architecture while at the same time developing devices to integrate as many services, from dialogues to conferencing, from sending messages to interacting on internet, from shopping to photographing and so forth.

Today, the mobile phone is almost like an inseparable part of our daily life. Perhaps, more people in the planet have mobile phones than a toothbrush, wristwatch, or pen.

During the last decade, the usefulness of mobile phones has reached phenomenal altitude. It is no more merely a device to communicate but to facilitate our lives on as many fronts, particularly for financial services. In fact, the mobile financial service (MFS) has brought revolutionary benefits for all and sundry.



OPINION

One can now use the small device to send or receive money to make payments for online shopping, travel tickets, hotel reservations, utility services bills, educational fees, and many other services. The MFS industry is rendering wide-angled conveniences, ensuring ease and comfort to our lives.

It has been a decade since the MFS has been rolled out in Bangladesh, extending great relief to the vast unbanked population, particularly in the rural and offshore areas.

Even the banked people felt the relief of carrying out transactions without the need of physically going to a bank branch, whether near or far. So, a revolutionary change was apparent in the banking sector in the country.

segment of the MFS seekers.

In recent weeks, another MFS provider, tap, has begun its commercial activities. The entry of tap, a joint venture between Trust Bank Ltd of Bangladesh and Axiata Digital Services of Malaysia, indicates the growing opportunities of the MFS market here.

Remittance inflow has increased in recent times as MFS ensures conveniences of both the senders and the beneficiaries, with time and security of the transactions. MFS providers have been playing a dominant role during the pandemic when much of the transactions are being done through them, enabling social distancing and respecting other restrictions.

As it seems, MFS is a fast-growing



Money transferred through mobile financial services rose 40.50 per cent year-on-year to Tk 62,993 crore in June as people continue to rely on the digital platform amid the coronavirus pandemic.

STAR/FILE

Dutch Bangla Bank Ltd and bKash, as a subsidiary of Brac Bank Ltd, were the front-liners.

Two years ago, the MFS landscape saw the emergence of Nagad as a digital financial service of Bangladesh Post Office. Though it is yet to obtain its formal licence from Bangladesh Bank, it has been operating under a no-objection certificate from the central bank. Through massive campaigns and tempting offers, it has succeeded in enrolling a sizeable

sector and becoming a one-stop solution for various services and massively contributing to socio-economic progress. The operators are bringing in conveniences to the people, making their life easier.

MFS providers are not only helping the state attain financial inclusion of a vast majority of the people but also greatly contributing to the national exchequer through paying VAT and other taxes.

READ MORE ON B3

Govt moves to speed up vegetable exports

Tk 156cr project to improve testing capacity at plant quarantine lab

STAR BUSINESS REPORT

The government yesterday approved a Tk 156 crore project to improve the testing capacity of a central plant quarantine laboratory in a bid to increase the export of locally-grown fruits and vegetables.

Under the project, the existing laboratory complex will be expanded, new equipment will be purchased, and 180 officials at home and six officials abroad will be given training, according to the Executive Committee of the National Economic Council (Ecnc).

"We have taken the project to ensure the export of quality products and diversify our export basket," Planning Minister MA Mannan said after the Ecnc meeting where this decision was taken.

The move comes as Bangladesh's exporters face difficulty to test their exportable crops and get timely results from labs at public agencies, delaying shipments in the process.

The laboratory at the central packing house at Shyampur of Dhaka city has some machinery to test plants and plant products.

"But these testing equipment are also not enough," said an official of the agriculture ministry.

"Besides, the lab is now inactive," said Mohammed Mansur, general secretary of the Bangladesh Fruits, Vegetables & Allied Products Exporters' Association.

"This is really good news. The lab was supposed to be operational along with the beginning of operation of the central packing house. However, the latest decision will be instrumental for increasing exports," he added.

READ MORE ON B3

GLOBAL BUSINESS

Delta knocks wind out of Asia's economic recovery

REUTERS, Tokyo

Asia's robust economic recovery from last year's coronavirus low is losing momentum as a surge in Covid-19 cases sees shops empty again and factories close, dimming prospects for corporate profit growth after a blockbuster half year.

The rapid spread of the highly infectious Delta variant of the novel coronavirus and low vaccination rates have caught much of the region off-guard, especially in emerging markets, even as economies in Europe and North America reopen.

"It's clear that economies across the region are suffering more from Covid-19 than they previously did. The biggest factor is that Asia is poorly vaccinated," said Rob Carnell, Asia-Pacific head of research at ING in Singapore.

While year-on-year corporate and economic indicators continue to show strong recovery, flattered by comparisons with 2020's sharp declines, quarter-on-quarter indicators reveal flagging momentum.

Asia's biggest firms are likely to post their first quarter-on-quarter profit decline in six quarters in July-September, falling 6.19 per cent, showed a Reuters calculation based on Refinitiv Eikon analyst data of 1,069 companies with a market capitalization of



General view inside the Pondok Indah shopping mall as the Indonesian capital reopens its shopping malls with a new policy requiring shoppers to show a coronavirus disease vaccination certificate, in Jakarta, Indonesia on August 13.

REUTERS

at least \$1 billion.

"There's no mistake there will be a slowdown in the third quarter," said Norihiro Fujito, chief investment strategist at Mitsubishi UFJ Morgan Stanley Securities in Tokyo. In the near term, much depends

on vaccination progress in Southeast Asia – a major production base – and whether China takes extra steps to support its economy, Fujito said.

Vehicle sales in China, the world's second-largest economy, slipped 11.9 per

cent in July versus the same month last year, falling for a third consecutive month amid virus outbreaks and a global semiconductor shortage which is curbing output.

Toyota Motor Corp, the world's largest automaker by sales volume, said last week it would cut September production by 40 per cent from its previous plan due to the chip crunch, though it retained production and sales targets for its fiscal year.

Regarding broader parts supply, Toyota executive Kazunari Kumakura said, "The spread of the coronavirus and lockdowns in Southeast Asia had a major impact."

In Southeast Asia, soaring Covid-19 cases and subsequent lockdown measures have hit economic activity in both the services and manufacturing sectors.

Factory activity in the region contracted in July at the fastest pace since June last year, IHS Markit data showed.

"That's quite a strong signal that the economic momentum in Southeast Asia will slow in the third quarter," said Rajiv Biswas, Asia-Pacific chief economist at IHS Markit in Singapore.

Delta outbreaks in Southeast Asia have caused supply chain headaches for many of the world's largest manufacturers, many of which rely on auto parts and semiconductors made in low-cost bases such as Thailand, Vietnam and Malaysia.

Democratic infighting delays Biden's vast US investment plans

AFP, Washington

A dispute within the Democratic party has stalled US President Joe Biden's massive spending plans for the United States as Congress postponed a key vote on the measures Monday.

The delay is a setback for the Democratic president, who intends to make American history with the two titanic funding projects -- on infrastructure and social spending -- worth a total of nearly \$5 trillion.

Despite hours of negotiations, no agreement had been reached by midnight and Democratic leaders decided to resume the session on Tuesday at midday (1600 GMT).

If agreement is reached, the vote may be held Tuesday afternoon. Earlier this month, the Senate approved a \$1.2 trillion infrastructure investment plan, with some Republicans crossing the aisle to support the measure.

But a squabble has arisen in the House over whether to pass that bill first, or a separate \$3.5 trillion plan supported only by Democrats that would allocate money towards education, health care, the labor market and fighting climate change.

Biden's Democratic allies controlling the House and Senate have for months been considering the two measures aimed at overhauling the world's largest economy through massive injections of cash into an array of programs.

The dispute erupted when moderate Democrats in the House demanded the popular infrastructure measure be approved without delay.

Taliban name acting head of central bank

REUTERS

The Taliban have appointed an acting head of Afghanistan's central bank to help ease growing economic turmoil, more than a week after the Islamist movement seized the capital Kabul, a statement said on Monday.

Haji Mohammad Idris was named as acting governor of the bank to help bring order to a war-crippled economy, which has been adrift for more than a week with banks closed and many government offices empty.

He was expected to help organise institutions and address the economic issues facing the population, a statement from Taliban spokesman Zabihullah Mujahid said. Afghanistan's lenders would likely require central bank support to manage afghani and US dollar liquidity once they reopen, said a senior Afghan

banker, who asked to remain anonymous.

"If this uncertainty remains, then customers will withdraw more funds and banks would need bigger support from (the central bank)," the banker said, referring to withdrawals in the immediate run-up to the bank closures.

The appointment, which came as Iran resumed fuel exports to Afghanistan, comes amid increasingly acute economic problems, with government workers unpaid, many businesses closed and growing pressure on prices of staples including food and fuel.

With many senior officials and others associated with the Western-backed government in hiding or exile, the Taliban have been trying to persuade specialists and technical experts to return to work to get the economy back on its feet.

UK businesses fear for Afghan rug weavers

AFP, Hebdon Bridge

Overseas businesses selling colourful handwoven rugs and vivid handblown glass from Afghanistan are concerned for their suppliers as the Taliban's takeover of the country threatens those with links to the West.

British businessman James Wilthew has built up close ties with Afghan rug weavers and sellers, buying the sought-after carpets directly from the northern provinces, where the industry is traditionally based.

The ex-serviceman sells the carpets at his shop in Hebdon Bridge in Yorkshire in northern England and estimates that his company, The Afghan Rug Shop, supports about 200 families.



Afghan rugs are a major commodity and the country's second largest non-agricultural export, according to the World Trade Organisation.

A share of the proceeds goes to Afghanaid, a British charity supporting people in Afghanistan.

Now he is battling to fly out contacts he believes will be Taliban targets due to their association with a former NATO base in the region.

"As a result of that, they are now in immediate danger," as they do not fall under the British government criteria for evacuation, Wilthew told AFP.

He said he was frustrated by the British government's response, despite an emotive emergency debate on the crisis in parliament and urgent calls for help. "Nothing happens, there's been no action," he said, warning: "Government bureaucracy will result in the death of thousands of people."