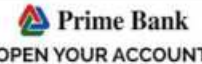


STOCKS		COMMODITIES	ASIAN MARKETS	CURRENCIES
DSEX	CSCX	Gold  \$1,870.75 (per ounce)	Oil  \$82.54 (per barrel)	USD  84.85
1.65%	1.57%			EUR  95.52
7,056.57	12,407.79			GBP  114.23
				CNY  13.09
				BUY TK 85.85
				SELL TK 85.85
				99.32
				118.03
				13.76





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BUSINESS

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When central bank breaches own rules

Aviva Finance allowed to open branches flouting rules

AKM ZAMIR UDDIN

In an ominous sign, the central bank has flouted its own rules when it permitted Aviva Finance Ltd to open five more branches although the financial health of the non-bank financial institution has been in a bad shape.

Aviva Finance, which changed its name from Reliance Finance in November last year to brighten its image and restore depositors' confidence, also secured permission from the central bank to establish four more outlets last year. The Bangladesh Bank breached its rules this time as well.

As per BB rules, no NBFI is allowed to open branches if its default loans surpass 10 per cent of the outstanding loans in the preceding year before an application is filed.

The non-performing loans (NPLs) of Aviva Finance have stayed above the threshold last year. The default loan rose to 26 per cent in September this year, up from 16 per cent towards the end of December in 2020.

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Proposed EU move could strip garment shipment of duty benefit

REFAAT ULLAH MIRDHA

A measure proposed by the European Union may affect Bangladesh's robust apparel shipment to the bloc even if the country is awarded the Generalised System of Preferences (GSP) Plus status after its graduation to a developing nation.

In the proposed GSP Plus scheme, the EU said if the value of a particular garment item from a country eligible for duty-free export benefit under the bloc's Everything But Arms (EBA) facility crosses 6 per cent of the total imported value of apparel, the zero duty facility will not be applicable for the product even if the GSP Plus status is granted, said Commerce Secretary Tapan Kanti Ghosh.

The value of the total imported apparel from Bangladesh to EU countries has already gone past the threshold and now stands at more than 9.74 per cent if the import value of clothing items in 2019 is considered.

EU member states bought clothes worth 154 billion euro from outside of the bloc in 2019. Of the sum, 15 billion euro went from Bangladesh, which is 19 per cent of the total, Eurostat data said.

"We will launch an intense negotiation with the EU about the 6 per cent safeguard measure," said Ghosh.

The secretary also said a technical committee of the ministry was working on the issue to get the detailed picture and assess the implication of the safeguard measure.

Ghosh will raise the issue when he meets with Charles Whitley, the EU ambassador to Bangladesh, at his office at the secretariat today.

"If necessary, we will launch negotiation with the EU Trade Commissioner," said the secretary.

Rubana Huq, a former president of the Bangladesh Garment Manufacturers and Exporters Association, said the safeguard measure would be applicable to higher value-added products, not volume.

"This will give us a serious advantage," Huq replied in a message on WhatsApp.

The EU is the largest export destination for Bangladesh.

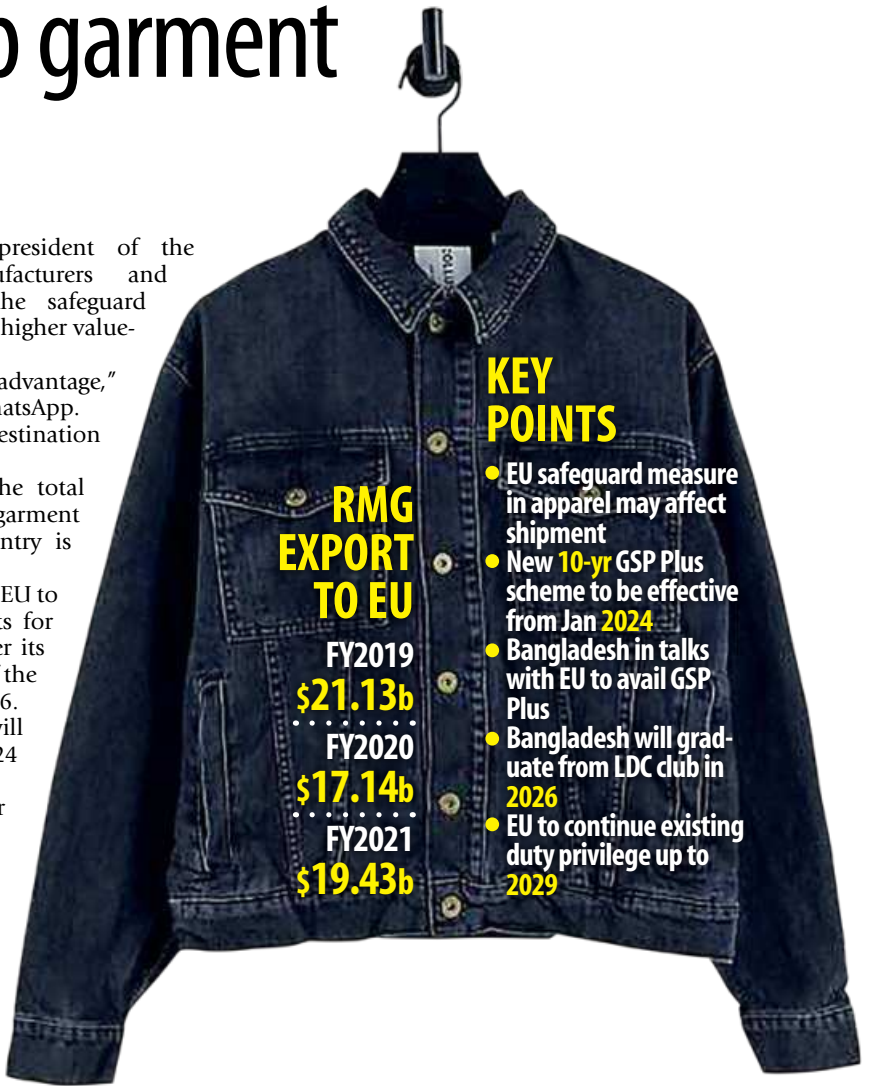
Currently, 58 per cent of the total export and 64 per cent of total garment items in particular of the country is destined to the continent.

Dhaka is negotiating with the EU to continue enjoying trade benefits for a three-year period to 2029 after its graduation from the grouping of the least-developed countries in 2026.

The new GSP Plus scheme will come into effect from January 2024 and will continue up to 2034.

Abdur Razzaque, a director of the Policy Research Institute of Bangladesh, said as per the proposed GSP provisions, Bangladesh is likely to qualify for the GSP Plus after the graduation. But the specified EU 'safeguards' would exclude the country's clothing exports from any tariff preferences.

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KEY POINTS

- EU safeguard measure in apparel may affect shipment
- New 10-yr GSP Plus scheme to be effective from Jan 2024
- Bangladesh in talks with EU to avail GSP Plus
- Bangladesh will graduate from LDC club in 2026
- EU to continue existing duty privilege up to 2029

RMG EXPORT TO EU

FY2019 \$21.13b

FY2020 \$17.14b

FY2021 \$19.43b

Most listed power companies see profits rise in first quarter

AHSAN HABIB

Most listed power generation companies saw their profits rise in the July-September period of the ongoing financial year as the economy is recovering from Covid-19, according to industry people.

"The economy is rebounding after the coronavirus pandemic so power utilisation rose," said Badrul H Khan, company secretary of United Power Generation.

For example, production at the country's export processing zones recovered strongly and so, the company's profits surged as well thanks to increased power demand.

"But although profitability rose in the quarter, our earnings per share fell slightly due to the effect of a subsidiary company's dividend adjustment," he added.

Of the nine listed power generation companies, six logged higher profits, two registered lower profits and one incurred losses during the July-September quarter.

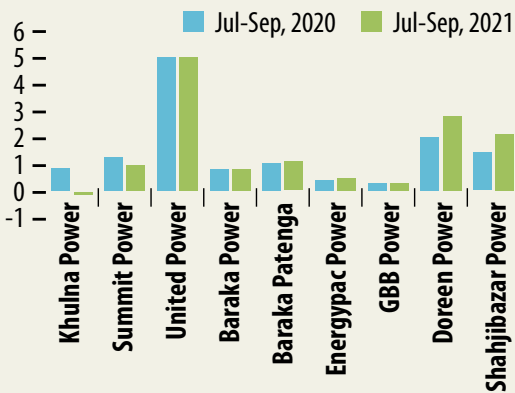
Profits of Baraka Power, Doreen Power, GBB Power, Shahjibazar Power Generation, Baraka Patenga Power and Energypac Power Generation rose while that of Summit Power and United Power Generation dropped. Meanwhile, Khulna Power Generation incurred losses in the quarter despite being in the green a year earlier.

"The drop in net profits occurred because there was no operation of the Madanganj Power Plant (Unit 1), a 102-megawatt (MW) HFO-fired power plant, due to the expiry of our power purchase agreement (PPA)," Summit Power said in its financial report.

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EPS OF LISTED POWER COMPANIES

(In taka); SOURCE: DSE



FIRMS WITH HIGHEST PROFIT GROWTH

Jul-Sep 2021; year-on-year

COMPANY	GROWTH
Shahjibazar Power	47
Doreen Power	40
GBB Power	13
Energypac Power	11
Baraka Patenga Power	5

REASONS BEHIND CHALLENGES

- Higher demand for power
- Lower cost of bank loans
- Overcapacity in power generation
- Slow power consumption amid advanced tech
- Uncertainty over extension of power purchase deals by BPDB

Online entity in Tk 15cr fraud case

Jeka Bazar ripped off thousands with video views monetising offer

AHMED HUMAYUN KABIR TOPUI, Palma

A fraudulence case involving Tk 15 crore has been filed against four persons of a Rajbari business which had been sealed off and fined Tk 2 lakh earlier this month for selling substandard products.

Jabirul Islam, managing director of Jeka Bazar, is the prime accused in the case filed by one of its executive officers, Ishanur Rahman, with Rajbari Sadar Police Station on Monday, said Officer-in-Charge Md Shahdat Hossain.

Rahman has substantial investments in the entity, though the amount is unknown, he said.

"The complainant alleged that the accused went into hiding embezzling Tk 15 crore of customers. Police are trying to nab the accused," he added.

The complainant did not receive calls from this correspondent.

Earlier, the Directorate of National Consumer Rights Protection had conducted a raid on Jeka Bazar's shops in Nannu Tower at Rajabari sadar upazila and placed a bar on their trade.

During a visit, this correspondent found the products to be garments, cosmetics, electronics and bottles labelled as spices, vitamins, stomach cleansers and items made of soyabean.

"They don't have proper papers...everything is substandard and a rip-off," Md Shoriful Islam, assistant director of the directorate's Rajbari unit, told The Daily Star.

Inquiring around, The Daily Star came to know that Jeka Bazar had been offering Tk 10 to people who watched videos and ads on its online platform for some time every day.

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Stock market to get Tk 100cr from stabilisation fund

STAR BUSINESS REPORT

The stock market regulator yesterday approved an Investment Corporation of Bangladesh (ICB) investment of Tk 100 crore from a capital market stabilisation fund to ensure liquidity in the secondary market.

The decision came in a Bangladesh Securities and Exchange Commission (BSEC) meeting at its building in the capital chaired by Chairman Prof Shibli Rubayat Ul Islam.

The BSEC in June passed a rule that formed the fund using undistributed and unclaimed dividends of listed companies. The aim is to use the funds to safeguard the interests of the stock market and general investors.

The meeting also approved a closed end mutual fund of Tk 50 crore sponsored by the stabilisation fund.

ICB Asset Management Company is the manager of "Shuborno Joyonti Fund", having a tenure of 10 years and planned marking the country's 50 years of independence.

For the celebrations, the BSEC also decided to award the top-performing market intermediaries -- stock broker, merchant bank and asset management company.

The meeting sanctioned formation of two open ended mutual funds -- Bangladesh Race Management Private Fund and HF Asset Management Limited Shariah Unit Fund -- each of Tk 25 crore.

Each company, whose names the funds have taken after, would each sponsor Tk 2.5 crore of their respective funds, having a face value of Tk 10, while general investors would subscribe to the rest.

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Lighter vessel fare raised by 15pc

STAFF CORRESPONDENT, Cig

Owners of lighter vessels recently announced a 15 per cent increase in the fare for transporting imported goods on inland water routes due to the recent hike in fuel prices.

The new rates became effective from November 15, according to a circular from the Water Transport Cell (WTC), a private organisation that coordinates the allocation and schedules of lighter vessels.

Leaders of the Bangladesh Cargo Vessel Owners Association, Coastal Ship Owners Association of Bangladesh, Container Ship Owners Association of Bangladesh, Inland Vessel Owners Association of Chattogram, WTC Goods Agent Association, and WTC Local Agents Association took this decision during a meeting at a hotel in Dhaka on Monday, sources said.

The WTC coordinates around 1,800 lighter vessels engaged in unloading imported bulk cargoes from mother vessels at the outer anchorage of Chittagong Port and carrying the goods to some 40 destinations across the country through inland waterways.

According to the circular, the 15 per cent additional fare has been added to the existing fare mentioned in the WTC fare chart for transporting goods from

Kutubdia, the outer anchorage of Chittagong Port and different ghats of Karnaphuli river to adjust to the increased price of diesel.

Besides, 15 per cent fare

has been added to the existing additional charges taken for transporting corrosive goods like steel scraps, HR coil, coal and so on, it said.



Importers expressed concern over the fare hike by lighter vessels' owners since it would affect prices of imported commodities as well as industrial products.

A WTC official said it would previously cost an average of Tk 415 per tonne for transporting cement clinker or other raw materials of cement factories from Chattogram to Dhaka.

But now, the new fare for transporting these raw materials will be Tk 477 per tonne, he added.

Around 93 per cent of the country's total imports are delivered to Chittagong Port, where around 70 per cent of them are released at the outer anchorage.

In 2020, around 1.47 crore tonnes of different types of imported cargoes were transported using the lighter vessels under WTC.

Importers expressed concern over the fare hike since it would affect prices of imported commodities as well as industrial products.

According to the importers, such fare hike would add additional cost of around Tk 75,000 to Tk 1 lakh for a medium size vessel which would raise costs of importers by over Tk 100 crore annually.

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