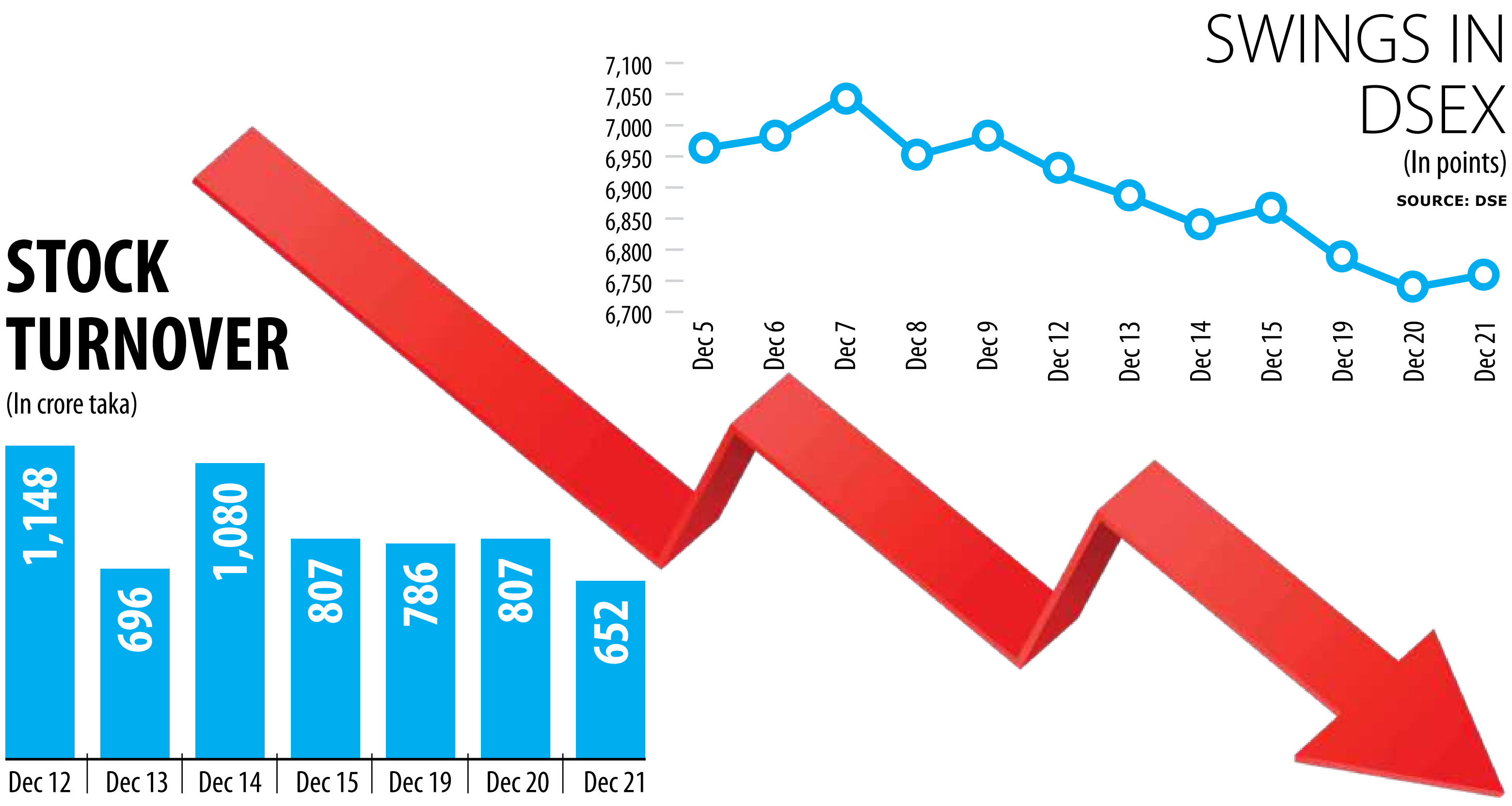
BB-BSEC row, Omicron taking a toll on stock turnover



STAR BUSINESS REPORT

Turnover in the domestic stock market nearly hit an eight-month low yesterday as investors are avoiding trade amid fears of a fresh wave of Covid-19 infections, according to analysts.

Besides, investors are shaky about making purchases at the moment as the market has been in a state of decline due to an ongoing tussle between the Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank.

Turnover plunged to Tk 652 crore at the Dhaka bourse yesterday, down 19 per cent from Tk 807 crore the previous day.

The last time turnover had reached such a level was on April 8, when the important market indicator stood at Tk 602 crore.

"Investors are quite unsure about investing considering the pandemic situation," a stockbroker said.

The highly infectious Omicron variant of Covid-19 is spreading fast in the EU and countries across the globe have already reinstated nationwide lockdowns to contain its transmission.

"So, this impact will soon fall on Bangladesh's economy as well," he added.

The stockbroker went on to say that the sour relations between Bangladesh Bank and BSEC is also impacting investor confidence.

However, the Dhaka Stock Exchange (DSE) ended the day on a positive note by adding 20.70 points to its benchmark index despite decreased investor participation, International Leasing Securities said in its daily market review.

The DSEX, the prime index of the Dhaka bourse, edged up 0.30 per cent to reach 6,757 points yesterday.

After the widely discussed disagreements between Bangladesh Bank and the BSEC recently came to the government's notice, the finance ministry asked the stock market regulator to step up its coordination with relevant parties, and strengthen its surveillance on suspicious transactions and price manipulation.

"This may have raised some level of confidence among investors, which helped the benchmark index stay in the green by the day's end," it added.

At the DSE, 176 stocks advanced, 147 declined and 55 remained unchanged.

Tamijuddin Textiles topped the gainers list, rising 9.95 per cent, followed by Fine Foods, Sonali Ansh, Hakkani Pulp, and Desh Garments.

Stocks of Beximco Ltd traded the most, worth Tk 102 crore, followed by One Bank, Eastern Lubricants, IFIC Bank, and GSP Finance.

Hwa Well Textiles shed the most, dropping 7.34 per cent, followed by Bangladesh National Insurance, Sonali Paper, Asia Insurance, and Sena Kalyan Insurance.

The Chittagong Stock Exchange (CSE) also rose yesterday as the CASPI, the main index of the port city bourse, increased 84 points, or 0.42 per cent, to 19,680.

Among the 302 traded stocks, 147 rose, 106 fell and 49 remained same.

CSR in the era of climate change and sustainability

MAMUN RASHID

Corporate social responsibility (CSR) puts the onus back on business enterprises themselves. Under this concept, it becomes the duty of businesses to be conscious of the kind of impact they have on various aspects of society from the economic, social, and environmental perspectives.

CSR requires businesses to self-govern, and become socially responsible and accountable corporate citizens for the sake of their stakeholders. This includes the public and, most importantly, itself because if the businesses ignore the principles of CSR, their stakeholders may very likely be unwilling to be engaged or associated with them.

There may be various rules, regulations, and guidelines which businesses must follow from a national, legal and regulatory standpoint but that is no longer enough. Companies cannot only do the bare minimum in terms of being complaint with the laws in place.

The public's expectations from business entities have increased in recent years and it is fully expected that those business entities which exist and operate within a society must also behave in a responsible and honourable manner.

The requirement nowadays is that such business entities must sincerely make an effort to also improve the environment in which they exist as well as be beneficial to the public in addition to running and operating their business model.

Well planned CSR initiatives can be strategic and useful marketing tools that may help a company establish itself favourably in the perceptions of consumers, investors, and regulators.

Even employee participation, engagement and satisfaction could be achieved, and this would favourably impact retention and employee morale. Many of today's employees tend to be socially and environmentally conscious and prefer to be actively involved in the betterment of the planet.

Therefore, those companies with genuine CSR initiatives may also be able to attract even more talent than those companies which may not be so CSR focused.

Good CSR initiatives by their own virtue and of an altruistic nature may push business decision makers into rethinking their existing practices regarding how their employees are hired and managed; the sourcing of products, supplies, and components; and how to deliver more value to their customers.

Well informed customers are increasingly avoiding environmentally irresponsible business entities. The old era of the "greed is good" mentality is long gone.

CLIMATE CHANGE: A PRIMARY DRIVER OF CSR

Climate change and the adverse impact it is having is already a major challenge across the globe in differing levels of intensity.

Such adverse effects of climate change have already manifested themselves in terms of depletion of the ozone layer, increase in global temperatures, acid rain, extended fires, melting ice caps, rise in sea level and other extreme events.

These alarming events certainly call for urgent and unified action at a local and global level.

The developed nations with large industrial facilities and manufacturing entities have already experienced the threat from climate change and now their own policy-makers have made the mitigation of the adverse effects from solid waste contamination and carbon gas emissions from industrial plants on people and the planet, a vital priority.

It is unfortunate that it's the developing countries that are most vulnerable to the threats from climate change and this is further complicated by the fact that these poorer countries cannot really do much to mitigate such threats because they are already overburdened from their own existing challenges of poverty, disease, and rampant corruption.

READ MORE ON B2

GLOBAL BUSINESS

Sri Lanka hikes fuel prices as economic crisis worsens

AFP, *Colombo*

Sri Lanka raised fuel prices Tuesday and warned of possible petrol rationing with importers struggling to pay for oil, in a worsening economic crisis that has also sparked food shortages.

The move comes just days after international ratings agency Fitch downgraded the country over fears of a sovereign default on its $26 billion foreign debt.

Foreign exchange reserves are almost depleted and authorities shuttered the island's only refinery last month.

"The latest price increase is aimed at discouraging consumption," an official from the state-run Ceylon Petroleum Corporation told AFP. "Given the dollar crisis, we may have to introduce fuel rationing unless consumption is brought down.

"The CPC and Lanka IOC, the island's sole fuel retailers, hiked petrol prices more than 10 per cent to 210 rupees ($1.05) per litre, with smaller raises for kerosene and diesel.

Traders in Sri Lanka have struggled to get dollars to finance imports of food, medicine and raw materials after the island's tourism-dependent economy was hammered by the pandemic.

Supermarkets have rationed staples such as sugar, lentils, tinned fish and rice.

The government had foreign reserves of just $1.58 billion at the end of November, down from $7.5 billion when President Gotabaya Rajapaksa took office in 2019.

The central bank has appealed for foreign currency -- even loose change that people may have after returning from overseas trips.

AFP

A worker fills the tank of a motorbike at a petrol station in Embilipitiya yesterday.

IMF approves final round of debt relief for poor countries

AFP, *Washington*

The IMF said Monday it had approved the fifth and final round of debt relief under a program meant to help the world's poorest nations weather the Covid-19 pandemic.

The $115 million in relief under the Washington-based crisis lender's Catastrophe Containment and Relief Trust (CCRT) affects debt service payments falling due for 25 member states between January 11 and April 13 of next year, the IMF said in a statement.

In the statement, the IMF said its directors view the CCRT relief as having "helped its poorest and most vulnerable members to free up resources to tackle the pandemic and its repercussions," though they warn not all money pledged for the trust has been received.

The CCRT enables the IMF to provide grants to the poorest and most vulnerable countries hit by a natural disaster or public health crisis, and was tapped by the fund in April 2020 to aid the response to the Covid-19 pandemic.

Businesses fret as South Korea reimposes Covid curfews

REUTERS, *Seoul*

As clocks struck 9 pm this week, customers packed up and left restaurants and other eateries across South Korea as a reimposed curfew designed to help stem a surge in coronavirus infections sparks fears of economic disaster for some businesses.

Last week authorities announced a series of social distancing measures lasting until at least January 2.

They include limiting gatherings to no more than four people and forcing restaurants, cafes and bars to close by 9 pm (1200 GMT).

The measures came just six weeks after highly-vaccinated South Korea eased many restrictions to try to "live with Covid-19."

Since then daily cases and serious infections have hit record highs, adding to strains on the country's medical system.

At one Korean barbecue restaurant in Seoul on Monday, customers hurriedly put on their jackets and face masks as the curfew arrived, with some expressing disappointment that the measures were imposed ahead of the holidays.

"It is the year end when we meet people we've been missing, but now we can't fully do that," said 39-year-old customer Kim Min-song.

Barbecue restaurant owner Lee Min-gyu said when restrictions were eased he hired more people and prepared a lot of ingredients in anticipation of a busy end to the year.

"Now, with the sudden change, all the ingredients are left unattended, and I have too many workers," he said.

The government has said it plans to pay 1 million won (839) each to small business owners.

But Lee said the planned compensation will not be enough, noting it is less than one part-time employee's monthly pay.

Associations of small business and restaurant owners have issued a series of statements protesting the decision and calling for measures to compensate their losses.

One of the associations has vowed to stage a rally this week.

WTO to weigh in on EU-Russia spat over imports

AFP, *Geneva*

The World Trade Organization will appoint experts to examine a European Union complaint against Russia over allegations its state-run companies disadvantage imports from the bloc, a Geneva-based trade official said Monday.

The decision was reached during a meeting of the WTO's Dispute Settlement Body meeting Monday, the source said. Brussels first launched the dispute last July, and after consultations between the two sides failed, it called last month for a WTO panel of experts to weigh in.

Moscow blocked that first request, but according to WTO rules, second requests are basically granted automatically. Brussels charges that Russia has developed measures that seriously disadvantage EU companies when selling goods and services to Russian state-related enterprises and other entities through commercial procurement, in what it says is a violation of international trade rules.

The EU has said a lot of business is at stake, pointing out that Russian state-owned enterprises issued tenders amounting to around 290 billion euros in 2019, equivalent to around a fifth of Russia's gross domestic product.

Japan enacts record extra budget to boost virus-hit economy

AFP, *Tokyo*

Japan's parliament enacted a record supplementary budget worth over $300 billion on Monday as part of measures to bolster the world's third largest economy as the pandemic threat drags on.

The extra budget -- larger than the total annual GDP of countries such as Colombia, Vietnam and Finland -- will fund part of the massive virus stimulus package announced last month by new Prime Minister Fumio Kishida.

Upper House lawmakers approved the 35.98 trillion yen ($317 billion) supplementary budget for the current fiscal year, with the majority allocated for economic measures.

They include cash handouts for children under 18, subsidies for small businesses, and pay rises for nurses and care-givers.

Japan passed three extra budgets in fiscal 2020-21 as manufacturing slowed during the pandemic and restrictions hit nightlife and tourism, but this marks the first for 2021-22 and the biggest yet.

Kishida became prime minister in October after his predecessor Yoshihide Suga stepped down partly over public discontent with his pandemic response.

After leading the ruling coalition to election victory, Kishida quickly announced a record 56 trillion yen in stimulus spending, roughly 10 per cent of Japan's total GDP.

The country has recorded fewer than 18,400 Covid-19 deaths in its population of 126 million, despite avoiding harsh lockdowns.

Emergency measures targeting evening entertainment and crowd sizes at events were in place in major cities and other parts of Japan for much of the year, but were lifted in October.

This month, the Bank of Japan's latest quarterly Tankan business survey showed major manufacturers remain cautious about the economy's trajectory, with business sentiment flat for the quarter.