

Paramount Textile to issue bonds worth Tk 250cr

STAR BUSINESS REPORT

Paramount Textile Limited has decided to raise Tk 250 crore by issuing bonds to pay off existing liabilities and expand.

The funds would be mobilised by issuing non-convertible, transferable, and fully redeemable unsecured zero-coupon bonds through private placement, said the company in a filing on the Dhaka Stock Exchange.

One of the top manufacturers of fabrics, Paramount Textile exports products to various countries.

Shares of Paramount Textile were unchanged at Tk 77 on the DSE yesterday.

Rupee gains on dollar index weakness

REUTERS, Mumbai

The Indian rupee advanced against the US currency on Thursday, tracking a fall in the dollar index ahead of US data.

The rupee last traded at 82.7625 per US dollar, up marginally from 82.81 in the previous session. The rupee held an 82.65 to 82.80 range on volumes that were better than Wednesday, but lower than usual.

The volume on the interbank order matching system was \$4.6 billion, compared to \$4.4 billion the day before and this month's daily average of \$5.6 billion.

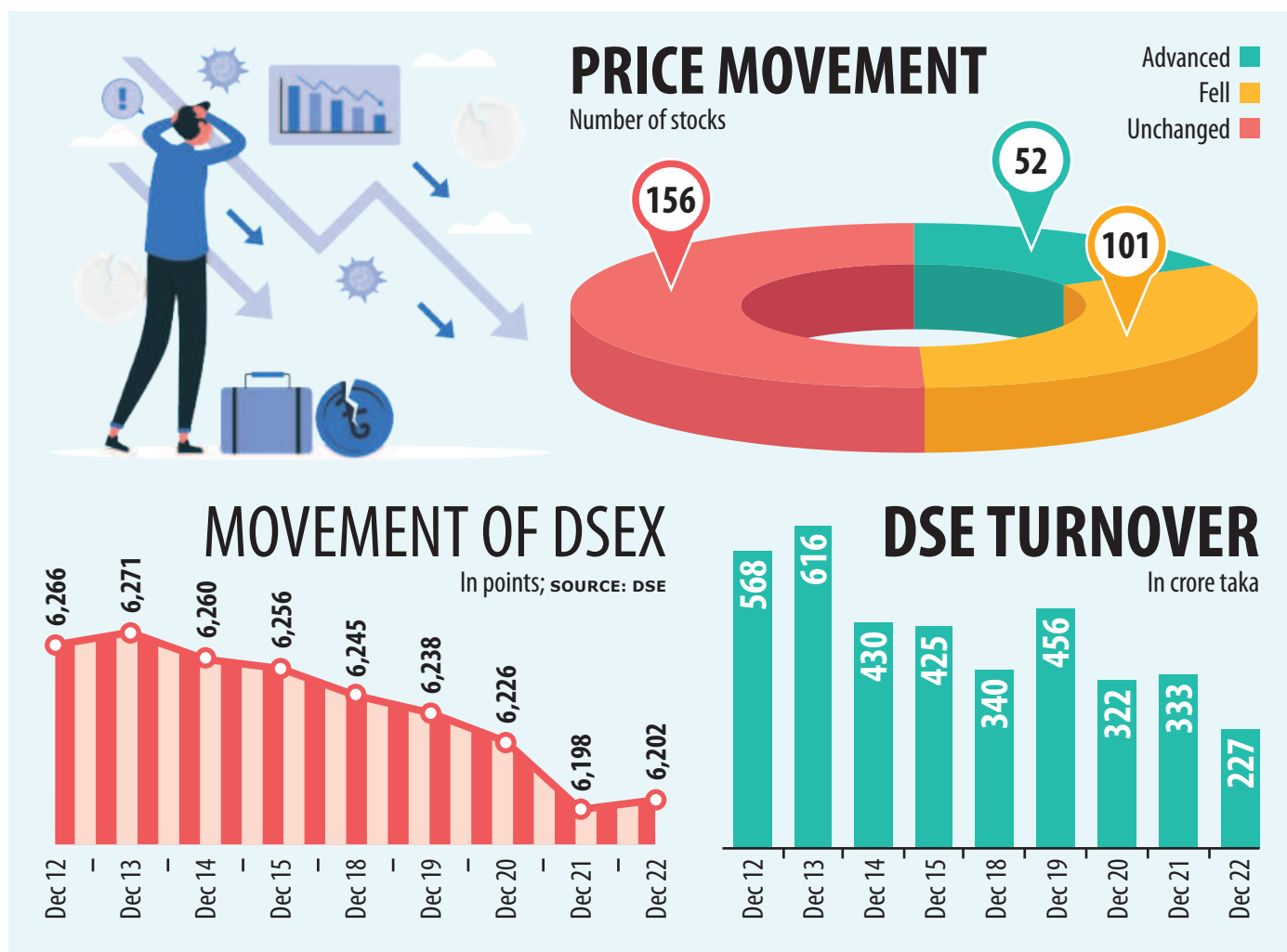
Yet again, it was a nothing kind of a session and we think it will remain like this till the New Year, a trader at a public sector bank, who did not wish to be named, said.

The rupee's volatility has come off. The realised volatility, measured in terms of the last 10 days' prices, has dropped to 4.1 per cent.

"Today, the focus will be on the final GDP number from the US," Motilal Oswal said in a note. "We expect USD/INR to trade sideways and quote in the range of 82.40 and 83.05."

Economists polled by Reuters expect the final third-quarter GDP number to come in at 2.9 per cent. The core PCE (Personal Consumption Expenditures) Price Index number for the same quarter and the latest US jobless claims data are due for release alongside the GDP data.

The key for the rupee and other emerging market currencies next year will be contingent on how the US inflation and growth data shape up and how they affect the US Federal Reserve rate expectations.



Stock indices see small climb as turnover falls

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Major indices of the stock market in Bangladesh rose slightly even though the floor prices of 169 companies were lifted yesterday while turnover of the country's premier bourse in Dhaka fell to a 29-month low.

The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), edged up 3 points, or 0.05 per cent, to close the day at 6,202 points following six consecutive days of decline.

The DS30, which represents blue-chip companies, added 0.06 per cent to hit 2,194 points while the DSEX, an index that represents shariah-compliant companies, advanced 0.17 per cent to 1,357 points.

Among the traded companies, 52 advanced, 101 declined and 156 remained the same.

Many investors thought the market indices would fall for the lifting of floor prices. However, the indices rose as investors had refused to sell their shares in stocks that were previously stuck at floor prices in wait of better returns, a stockbroker said.

The stock market regulator lifted the floor prices of 169 stocks while imposing

a 1 per cent lower circuit breaker effective from Thursday.

The stockbroker went on to say that investors should have patience in selling shares if they invested in good stocks without taking any margin loan.

Turnover, an indicator of the market's liquidity, dropped 31 per cent to Tk 227 crore while it was Tk 333 crore the previous day. This was the lowest daily turnover on record since July 16, 2020, when it stood at Tk 225 crore.

Stocks in Dhaka inched up following a sideways movement as risk-averse investors maintained a "wait and see" approach due to the lack of a clear direction in the market amid the partial withdrawal of floor prices, International Leasing Securities said in its daily market review.

The market had started the day on a downward trend that later bounced back to a middling position that remained until closure, the stockbrokerage added.

Among the sectors, jute rose 4.7 per cent, travel advanced 2.8 per cent and IT gained 1.1 per cent while tannery dropped 2.1 per cent, ceramic fell 0.3 per cent and bank edged down 0.1 per cent.

Investor activity was mostly focused

on the pharmaceutical (18.7 per cent), engineering (15 per cent) and travel (10.1 per cent) sectors.

Islami Commercial Insurance posted the highest appreciation, rising 9.65 per cent, while Union Capital surged 8.9 per cent. Meanwhile, Intraco Refueling Station, Sonali Aansh Industries and Monno Agro & General Machinery each advanced by more than 5 per cent.

Orion Infusion suffered the steepest fall, sliding down by 7.4 per cent. Similarly, Fortune Shoes dropped 4.7 per cent, Coppertech Industries shed 3.9 per cent, and Kohinoor Chemical Industries eroded 2.3 per cent.

Monno Ceramic Industries was the most-traded stock on the day with shares worth Tk 16 crore being transacted. Sea Pearl Beach Resort & Spa, Monno Agro & General Machinery, Bashundhara Paper Mills, and Intraco Refueling Station also saw significant transactions.

The Caspi, the all-share price index of the Chittagong Stock Exchange, rose by 19 points, or 0.10 per cent, to end the day at 18,327 points.

Of the securities traded, 26 advanced, 29 declined, and 79 did not show any price movement.

Protect IP rights for 'Smart Bangladesh'

Experts say

STAR BUSINESS REPORT

The protection of intellectual property rights is key to transforming the country into "Smart Bangladesh," according to Telecom Minister Mustafa Jabbar.

"I notice a lot of disinterest among people in ensuring copyrights. There will be no smart Bangladesh without innovation. So, it is very crucial to protect the intellectual property rights of digital innovations," he said.

Mustafa was speaking at an event, styled "Importance of Preserving Intellectual Property in Implementing Smart Bangladesh," jointly organised by the telecom ministry, Technology Reporters' Network Bangladesh (TRNB) and Robi Axiata.

The event was held to celebrate Robi's 25th anniversary at the mobile network operator's head office in Dhaka yesterday.

Jabbar said there should be a single intellectual property office, where copyright and patent certificates can be obtained.

"Pharmaceutical companies have been the most profitable sector since the coronavirus pandemic began, and it is because their intellectual property rights are very strong," said Rajeev Sethi, CEO of Robi Axiata.

"Copyright and patent law should be given importance so that others cannot take away our rights," he added.

Mohammed Shahedul Alam, chief corporate and regulatory officer of Robi Axiata, said some attention needs to be paid for protecting copyrights, trademarks and patents to build Smart Bangladesh.

Brigadier General (ret'd) SM Farhad, secretary general of the Association of Mobile Telecom Operators of Bangladesh; Russell T Ahmed, president of the Bangladesh Association of Software and Information Services; Rashid Mehedi, president of the TRNB, and Masuduzzaman Robin, general secretary, also spoke at the event.

Oil rises on tight US stocks

REUTERS, London

Oil prices climbed for a fourth straight day and hit their highest in two and a half weeks on Thursday with US crude, heating oil and jet fuel stocks growing tighter just as a wintry blast hits the United States.

Brent crude futures gained \$1.17, or 1.4 per cent, to trade at \$83.37 at 1235 GMT, extending gains of around 2.7 per cent from the previous session.

US West Texas Intermediate (WTI) crude futures were up \$1.11, or 1.4 per cent, at \$79.40 a barrel.

Both benchmark contracts jumped on Wednesday after government data showed US crude inventories fell by much more than analysts had expected, posting a drop of 5.89 million barrels for the week ending on December 16.

Distillate stocks, which include heating oil and jet fuel, also declined, going against expectations for a build, in what PVM analyst Stephen Brennock called "an overwhelmingly price-supportive stock report from the EIA".

When should Bangladesh

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The country lagged behind many countries for over 10 years before entering the 3G era in 2013. During that time, many countries deployed 4G.

The regulator assigned 35 MHz frequency for five mobile phone operators to provide services through 3G.

"That time we had said we should skip 3G and introduce 4G directly. But nobody listens to us. Now we have to phase it out after making significant investment," said an official of an operator.

In 2017, the number of 3G subscribers crossed 7 million, its peak. However, the 3G subscriber count started to fall in 2018, when Bangladesh adopted 4G.

As of September this year, there were 81.4 million 4G subscribers. Out of them, 73.9 million used internet over 4G. Meanwhile, there were still 71.4 subscribers of 2G as over 50 per cent of mobile users still use feature phones.

"I have recently attended the Executive Committee of the National Economic Council meeting with a 5G project for Teletalk," said Telecom and ICT Minister Mustafa Jabbar at an event recently.

"During the meeting, the prime minister clearly instructed me to keep 2G service for a few more years, because many people still use feature phones," he said.

"There is no reason to continue 3G service after introducing 4G. Because, 3G will no longer bring any fruits to the customers," he added.

From January 1, there will be no 3G set production and import in Bangladesh, said Jabbar.

"The people who still own a 3G phone will continue to use it. When lifetime of their 3G set ends, 3G service will be automatically shut down," he said.

He said they were discouraging the operators from going for 3G expansion.

"If you could provide 3G, you wouldn't need 4G. The technology is such a thing where a new one overtook the old ones," he added.

However, industry people said

there should be a regulatory directive for the 3G shutdown.

Unlike Grameenphone and Banglalink, 3G shutdown will be much easier for Robi, which has the largest 4G customers base in the country despite being the country's second largest mobile operator in terms of customer numbers and revenue generation.

As of November, the total number of 3G-only customers of Robi stood at 3.45 million. It has a total of over 54 million customers.

The number of 3G subscribers of the top operator, Grameenphone, which has over 81 million customers, stands at about 9 million as of October 2022.

The operator said a decision for the 3G shutdown would be an important milestone for improving customer experience, subject to the regulatory directives.

"For achieving this milestone, customer awareness and a systematic approach to 3G to 4G migration will expedite the implementation process," said Grameenphone in a statement.

The third-placed operator, Banglalink, with its 39.2 million customers, has about 9 million 3G subscribers now. Of them, 2.5 million use 3G internet, said an official of the operator wishing anonymity.

"Ultimately, we have to shut down 3G. We have to ensure that the customers do not face any problem," said Taimur Rahman, chief corporate and regulatory affairs officer at Banglalink.

"Utilising the same spectrum, more people can be provided with 4G than 3G," he said.

Lubricant import

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In July, the BB asked banks to take up to 100 per cent of import payments in advance from businesses while opening LCs for luxury and non-essential items, all in an effort to keep the foreign exchange reserves stable.

The reserves fell from \$39.60 billion in July to \$34.01 billion as of December 22.

2022: Soaring prices gave consumers a hard time

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prices under the open market sales initiative of the Directorate General of Food. But such a crowd was not seen before Covid-19 and even in 2020 and 2021, highlighting the financial struggle households are going through.

Mosharrar Hossain was one of them. He was standing in line in the capital's Panthapath on Tuesday since his salary is not enough to afford the family expenses. He comes there twice a week.

"I have been buying subsidised rice and flour from the truck regularly for the last three months," said Mosharrar.

Chandan Dev, a resident of Rahman Nagar in Chattogram's Sholshahar, has not been able to save any money in the last 11 months due to the spike in the cost-of-living.

Even the representative of a pharmaceutical company had to borrow from his colleagues during the four out of the 11 months to meet family expenses.

Dev has a 15-month-old daughter and he is worried about her future as he can't set aside any funds for her currently.

He also had thought of renting a large flat in January this year when the girl was growing up. Now he has dropped the plan.

"I can no longer fulfil many wishes of my wife and mother. As the days

pass, I am becoming frustrated," Dev said.

The squeezing budget has forced Nazir Hossain to work in a factory till 2pm and then begin selling tea from 3pm to 10pm in the city's Farmgate area.

In the last two months, his employer has provided him with a salary of Tk 8,000, down from Tk 10,000 previously.

At the beginning of the year, selling tea would fetch him Tk 400-500 a day.

"Now it is very difficult to sell tea worth Tk 300. Sometimes I can't sell tea worth even Tk 200," Nazir said.

His daughter wants to visit their village home during the third-grader's ongoing winter vacation.

"She also wanted a new dress. But I couldn't afford that. It is very painful for me," said the vendor.

Khondaker Golam Moazzem, research director of the Centre for Policy Dialogue, said the price of essential products was higher in 2022 than normal times.

"Although the government has taken some initiatives to help the poor and low-income groups by supplying them with subsidised food, they have not yielded much relief."

Ghulam Rahman, president of the Consumers Association of Bangladesh, said: "This year, consumers have gone through a lot of crises. 2022 was a very tough year for them."

Ensure conducive

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The government ensures social acceptance of freelancers in society and so, they are increasingly contributing to the economy, Rahman said.

Now, the main challenge for Bangladesh is to step forward from a middle-income country by avoiding the middle-income trap.

"NRBs could play a key role to this end in the healthcare and education

sectors," he added.

Moynul Haque Siddiqui, chairman of Fiber@Home Ltd, Celia Shahnaz, a professor of the Electrical and Electronic Engineering department at BUET, Bikarna Kumar Ghosh, managing director of the Bangladesh Hi-Tech Park Authority, Farooq Sobhan, chief adviser of NRB World, and Sakawat John Chowdhury, president, also spoke at the event.

UK economy contracts more than thought

AFP, United Kingdom

Britain's economy contracted slightly more than thought in the third quarter, revised official data showed on Thursday.

Gross domestic product shrank 0.3 per cent in the July-September period compared with an original reading of minus 0.2 per cent, the Office for National Statistics said in a statement.

The ONS added that the UK economy grew weaker than expected in the first half of 2022.

It comes after the UK government

said it believes the economy is already in recession on fallout from sky-high inflation.

Darren Morgan, director of economic statistics at the ONS, said the "revised figures show the economy performed slightly less well over the last year than we previously estimated, with manufacturing and electricity generation notably weaker".

It comes as Britain experiences severe strike action by workers across public and private sectors, as wage increases fail to keep pace with the country's annual inflation rate of nearly 11 per cent.

Banks can show

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per cent provision for the cottage, micro, small and medium enterprises. They usually keep a 0.25 per cent provision for such borrowers.

The provisions have to be transferred to the Special General Provision-Covid-19 sector and they can't be shifted to any other sector until further directive from the central bank.

A BB official says that banks will be able to transfer the interest receivables of the loans that have enjoyed the relaxed repayment facility, to their income segment. But it will inflate the profit of banks artificially.

Such inflated profits can be tackled by the way of imposing an additional provision on the loans, he said.

The BB circular says that if the loans are fully repaid, banks can move the additional general provision to the income segment of their books at their own discretion. And when the classified loans are backed by a required specific provision, the additional general provision can be shifted to proper sectors.

Term loans carry a repayment tenure of more than a year.

The latest extension in the repayment period came less than two weeks after the Federation of Bangladesh Chambers of Commerce and Industry pressed for a relaxed loan classification policy until June next year.

Experts, however, warn that default loans in the banking sector may increase further once the relaxed facility is withdrawn.

Bad loans hit a record Tk 134,396 crore in September, accounting for 9.36 per cent of the total outstanding loans of Tk 1,436,200 crore in the banking industry, BB data showed. A year earlier, the ratio was 8.12 per cent.

The loan repayment rules were relaxed at a time when banks are facing a liquidity crisis due to the shortage of loanable funds.

So, if borrowers pay their instalments partially, the ongoing fund shortage will deepen further, said the managing directors of two banks earlier.