

Stocks fall slightly

STAR BUSINESS REPORT

Stocks in Bangladesh inched down yesterday as most investors were cautious over macroeconomic concerns.

The DSEX, the benchmark index of Dhaka Stock Exchange (DSE), lost 0.7 points, or 0.01 per cent, to reach 6,191 points.

However, the DS30, the blue-chip index, fell 0.01 per cent to 2,191 points while the DSES, the Shariah-compliant index, rose 0.02 per cent to 1,352 points.

Turnover, an important indicator of the market, rose 17.6 per cent from that on the previous session to stand at Tk 334 crore.

Of the securities, 32 advanced, 131 declined and 168 did not show any price movement.

Gemini Sea Food topped the gainers' list with a 5.59 per cent increase. eGeneration, Bashundhara Paper Mills, Eastern Housing and BDCOM Online were also on the list.

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Pragati Life Insurance suffered the most shedding 4.8 per cent. Popular Life Insurance Company, Fareast Islami Life Insurance Company and Premier Bank also suffered significant losses as well.

Bashundhara Paper Mills was the stock to be traded the most, with shares worth Tk 30 crore changing hands. Genex Infosys, Intraco Refueling Station, Bangladesh Shipping Corporation and Navana Pharmaceuticals also saw significant turnovers.

Meanwhile, stocks on Chittagong Stock Exchange also fell slightly.

The Caspi, the all share price index of the bourse in the port city, dropped 4.4 points, or 0.02 per cent, to close at 18,301 points.

Of the issues, 27 rose, 45 declined and 76 did not see any price movement.

Turnover plummeted by more than 6.39 per cent from that on the day before to Tk 7.8 crore.



The policy has been designed incorporating some goals and targets in a bid to modernise the marketing system of agricultural goods, said Cabinet Secretary Mahub Hossain.

PHOTO: STAR/FILE

Cabinet approves draft agri marketing policy

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The Cabinet yesterday approved a draft of National Agricultural Marketing Policy, 2023 aiming to ensure fair prices for consumers and maximum benefits for farmers through the modernisation of the market.

The Cabinet meeting was chaired by Prime Minister Sheikh Hasina at her office.

"The policy has been designed incorporating some goals and targets in a bid to modernise the marketing system of agricultural goods," said Cabinet Secretary Mahub Hossain while briefing reporters at Bangladesh Secretariat after the meeting.

The prime minister also directed to formulate an agricultural goods processing policy with a view to modernising the sector, maintaining international standards of products and thus promoting the export of processed goods, he said.

He said the directive came as demand has been growing for processed agricultural goods among the Bangladeshi diaspora alongside foreigners abroad.

Regarding the marketing policy, Hossain said it focuses on how the market of agricultural goods can be monitored and farmers provided the highest benefits.

"Steps will be taken to fix and implement

the minimum and maximum rational prices of agricultural goods," he said, adding that a total of 19 targets have been fixed in the draft policy.

The policy also speaks of enhancing links between farmers and markets, strengthening information management, improving marketing infrastructures, promoting e-agricultural marketing system and digital markets, strengthening community, group and contract-based marketing; and developing the overall supply chain, he said.

At the meeting, the prime minister said to have also directed considering jute goods as agricultural products, saying that the jute sector should get all sorts of facilities entitled for the agricultural sector, said Hossain.

Jute goods have been treated as industrial products. But the use of jute fibre has significantly increased and created a huge prospect for the goods locally and internationally, he said.

So, now jute goods need to be considered as agricultural ones to unlock this huge prospect, he added.

The Cabinet also approved in principle a draft of Sheikh Hasina Agricultural University Act, 2023 to establish the country's 9th agricultural university in Shariatpur. "It will

be an institute like the existing agricultural universities," said Hossain.

With this, the total number of public universities will stand at 54.

Besides, the Cabinet cleared a draft of Bangladesh Energy Regulatory Commission (Amendment) Act, 2023 to replace an existing ordinance that paved the way for the government to adjust prices of gas and electricity without public hearings.

On December 1, 2022, "Bangladesh Energy Regulatory Commission (amendment) Ordinance, 2022" was promulgated amending Bangladesh Energy Regulatory Commission (BERC) Act 2003.

The new ordinance was last placed in parliament on January 5.

"This ordinance is now being turned into an act. No change was made here. It is the same as the ordinance," said the top bureaucrat.

Replying to a question, the Cabinet secretary said the prime minister had asked commuters of the Dhaka metro rail to follow guidelines in ensuring cleanliness and so that the service could be maintained in a smooth manner.

She directed officials concerned to run campaigns to make people aware of following the rules and guidelines while traveling on the Dhaka metro rail.

Remove complexities for more British investment

Rushanara Ali MP says

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Bangladesh will attract more British investment if the existing business-related "complexities" are removed, said Rushanara Ali, the British prime minister's trade envoy to Bangladesh.

"The United Kingdom wants to enhance trade and commerce with Bangladesh. If the complexities are removed, the British investment would increase," said Ali, also a British parliament member.

Ali made the remark when she met Commerce Minister Tipu Munshi at the secretariat office in Dhaka yesterday, according to a press release.

She also said that the "Made in Bangladesh" is a popular brand in the UK. She mentioned that many British companies have been working in Bangladesh with reputation while British businesses are interested to invest in Bangladesh, especially in the education and services sectors.

If the bilateral trade increases between the two countries, then scope would be created for the operations of cargo vessels, she opined.

Tapan Kanti Ghosh, senior secretary to the commerce ministry, and Robert Chatterton Dickson, British high commissioner to Bangladesh, among others, were present.

Commerce Minister Munshi said Bangladesh is now the best profitable destination for making investments.

Munshi said that Bangladesh has long-standing trade and economic relations with the UK while more than 200 British companies have invested around \$2.5 billion in Bangladesh.

"The investment procedures have been simplified in Bangladesh while the country has been providing a set of facilities for attracting foreign investment," said Munshi.

The minister said there is a huge potential for making investments in the country's energy, railway, telecommunications, information technology, pharmaceuticals, light engineering, services, education and readymade garment sectors where the British investors could avail such opportunities, said the press release.

He also sought British investments in special economic zones and hi-tech parks of the country.

Oil price rises

REUTERS, London

Oil prices climbed more than 2 per cent on Monday as China's move to reopen its borders boosted the demand outlook and overshadowed global recession concerns.

The rally was part of a wider recovery in risk sentiment supported by both the reopening of the world's biggest crude importer and hopes for less-aggressive increases to US interest rates based on recent US data, with Asian equities rising and the dollar weakening.

Brent crude was up \$2.22, or 2.8 per cent, at \$80.79 a barrel by 0913 GMT while US West Texas Intermediate crude rose \$2.04, or 2.8 per cent, to \$75.81.

Dollar slips near seven-month lows

REUTERS, London

The US dollar on Monday neared its lowest in seven months against other major currencies, after data last week suggested the Federal Reserve could slow the pace of its rate hikes, while China re-opening its borders boosted riskier currencies.

China's offshore yuan neared its highest in five months against the US dollar, while the Australian and New Zealand dollars - generally regarded as more liquid proxies for the Chinese currency - rallied sharply.

The dollar posted its biggest quarterly loss in 12 years in the last three months of 2022, driven mainly by investors' belief that the Fed won't raise rates beyond 5 per cent, from its current range of 4.25 per cent-4.50 per cent, as inflation

and growth cool.

Two separate reports on Friday painted a picture of an economy that is growing and adding jobs, but where overall activity is tilting into recession territory, prompting traders to sell the dollar against a range of currencies.

Friday's monthly employment report showed an increase in the number of workers on non-farm payrolls, and a slowing in wage growth - welcome news for the US central bank.

A separate report from the Institute for Supply Management showed activity in the service sector contracted for the first time in 2-1/2 years in December. The ISM's non-manufacturing PMI came in at 49.6, its weakest since 2009, excluding the collapse during the pandemic in 2020.

German industrial output ticks up

AFP, Frankfurt

German industrial production recovered slightly in November, official figures published Monday showed, as fears of an energy crisis eased although prospects for Europe's top economy still looked gloomy.

Output rose 0.2 per cent on the previous month, according to preliminary data from federal statistics agency Destatis.

Updated figures showed that production dropped 0.4 per cent in October, a steeper fall than initially reported.

"Business sentiment has brightened recently, and in the coming months, easing material bottlenecks could provide further

support for the industrial economy," the economy ministry said in a statement.

"Nevertheless, the prospects for industrial activity in the first quarter remain subdued." Moscow's invasion of Ukraine and subsequent move to slash crucial gas exports sent inflation soaring in Germany, which relied heavily on Russian energy before the war.

Germany is heading for a recession this year but government relief measures, including an energy price cap, mean the downturn is now expected to be less severe than earlier feared.

Despite the slight improvement in November's figures, analysts said it did not indicate a major turnaround.

Bangladesh expands

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ships after the NBR reinstated the VAT exemption in 2018 to accelerate the shipping industry's growth.

Entrepreneurs earlier said Bangladesh spends \$7 billion to \$8 billion as freight charges every year to carry goods for its imports. But the country can retain a portion of freight charges by encouraging investment in the sector, they said.

Since then, the number of locally owned ships has started increasing as the volume of imports and exports for the growing economy has increased.

Mohd Mehrul Karim, chief executive officer of SR Shipping, a concern of KSRM Group, said a number of new investors have signed up in the trade of oceangoing ships in recent years. As a result, the number of vessels has increased.

"It is a big improvement. It has increased the capacity of Bangladesh significantly," said Karim of SR Shipping which has 23 vessels.

Shafiqur Rahman, deputy adviser of the Meghna Group of Industries (MGI), said the group has 52 industrial units and its vessels mainly carry its own goods imported from abroad for processing.

The MGI has 19 vessels of its own. The fleet size will increase to 22 after it gets delivery of three of its newly purchased ships.

"On occasions, we could not get ships to charter. The expansion of vessels has made it convenient for us to carry our own cargo," he said.

Sarwar Jahan, deputy managing director of SR Shipping, said the group did not expand its fleet in 2022. "We are observing," he said.

He said global trade has slowed. Besides, the restriction imposed by Bangladesh Bank to curb import of non-essentials has led to a reduction of freight, he said.

The freight rate has also dropped, said Karim. He, however, expects this year to be better for the industry.

BB team was negligent in detecting BIFC irregularities

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"It was BB's responsibility to detect the irregularities as per rules but its physical inspection was not carried out in a serious manner."

The team found that the NBFIs provided more funds in loans than the amount approved and extended finances to a company against a loan that was actually sanctioned for another company.

The lender also did not classify some loans although instalments were not paid on time. No irregularities were detected by the BB as the inspection was completed without due importance, said the report.

The external auditor also failed to spot all the irregularities year after year. But if it had raised the flag earlier, funds embezzlement would not have happened, it said.

Speaking to The Daily Star yesterday, Abdul Mannan said: "The fund was lent to 42 companies in the span of 11 years and they paid back a significant portion of the fund. Then how could it be an embezzlement?"

"The companies already returned Tk 319 crore and it is audited. The companies are ready to pay back the rest of the fund, but BIFC filed a case against them so they are not paying the fund."

"My relatives are established industrialists, so they received the loans," Mannan said.

He claimed that when PK Halder took over the company in a hostile manner from him, a huge amount of funds was siphoned.

"So, they should be brought to book," he said.

Halder, a former managing director of Reliance Finance, and NRB Global Bank, and his associates swindled thousands of crores of taka from four financial institutions between 2009 and 2019, according to investigators of the Anti-Corruption Commission. The NBFIs include BIFC.

The fact-finding committee

recommended taking action against all the culprits who were engaged in the irregularities at BIFC and making sure that they don't get appointments in any other banks or financial institutions.

It recommended allowing NBFIs to participate in the call money market and meet their fund requirements by issuing bonds.

The BB should take steps to improve the equity position of NBFIs and increase coordination among other regulators, the committee said.

"The central bank should make it mandatory for NBFIs to take approval from it before appointing directors."

If an external auditor is punished for any wrongdoing, it should be announced to be incompetent to audit financial institutions, the committee recommended.

The central bank's officials should put their signature and their names on every page of an inspection report so that they can be identified.

The committee recommended including the officials of the Credit Information Bureau of the central bank in the inspection teams. It also suggested running special audits into NBFIs every year.

"The efficiency of the inspection teams should be enhanced," it added.

Forex reserves fall below \$33b

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receipts have not gone up proportionately.

Thus, the reserves declined from \$44.95 billion in early January of 2021 to \$32.52 billion.

India, Bhutan, Iran, the Maldives, Myanmar, Nepal, Pakistan and Sri Lanka are the other members of the Tehran-headquartered ACU. The members clear the payments every two months.

BGMEA leaders

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It cited excuses of bad business conditions following the Russia-Ukraine war, severe fallout of the Covid-19 and lower inflow of work orders from international clothing retailers and brands.

"We have taken the mandate from the board members for extension for six months," said Md Shahidullah Azim, vice president of the BGMEA.

"We will submit an application to the Department of Trade Organisation (DIO), under the commerce ministry, at the end of this week for its final approval from the government," he said.

"At the same time, we are also forming the new election commission for holding the election timely if the DIO does not approve our extension," Azim told The Daily Star over the phone.

On the other hand, Faisal Samad, leader of Forum, another panel of the BGMEA, said he would also submit an application to the DIO this week asking not to extend the tenure of the current board as the BGMEA constitution does not allow it.

The board should hold the election timely according to the constitution and citing of the war is an excuse only, he said.

Former BGMEA presidents Siddiqur Rahman and Atiqul Islam had also extended their time at the helm of the BGMEA.

However, the immediate past president of the BGMEA, Rubana Huq, from Forum did not extend her board's duration and held the election on time, Samad said.

He said since the BGMEA constitution was not allowing the extension, the Sammilito Parishad is going to the DIO for the extension. The BGMEA constitution states that the election should be held 15 days prior to the date the board had taken over after it has served for two years.

Hassan called an emergency meeting of the board on Sunday to take the mandate for extension by six months.