

Star BUSINESS



Stocks rise 2.94% amid talks of policy support

Salehuddin visits BSEC

STAR BUSINESS REPORT

The stock market yesterday saw its highest single day rise in the past three months after an announcement by the Bangladesh Securities and Exchange Commission (BSEC) that the stock regulator would seek policy support from the government.

The DSEX, the key index of the country's premier bourse Dhaka Stock Exchange, went up by 147.51 points, or 2.94 percent from the previous day, to close at 5,164 yesterday.

On the same day, Finance Adviser Salehuddin Ahmed visited the regulatory body, where the commission placed its policy support proposals to boost investor confidence.

After the meeting, Ahmed said that the government would work closely to develop the market to international standards.

"We will take many steps and you will see the result gradually," the finance adviser said

"Today, we have discussed several issues and are taking swift steps to address the existing problems in the capital market," he said.

"We have discussed the development of the mutual fund sector and ways to raise investor confidence," he said while replying to a media query.

"We will take many steps and you will see the result gradually," the adviser said while leaving the BSEC.

In a press release, the BSEC said a presentation was given on the "Current Scenario of the Capital Market of Bangladesh: Challenges, Prospects, and Strategies" during the meeting with the finance adviser.

In the presentation, the stock regulator urged the government to rationalise capital gains tax, widen the tax gap between listed and non-listed companies and provide enough liquidity to the Investment Corporation of Bangladesh (ICB).

It also urged the government to bring state-run companies to the market and take necessary steps to attract multinational companies to the bourse. The BSEC also sought a guideline, making it mandatory for companies to go public if they borrow a certain amount from the banking sector.

Yesterday, the stock market extended its winning streak for the second consecutive day as investors continued

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Interim govt to strengthen universal pension scheme

AT A GLANCE

- Beneficiaries can see their dividend by October every year
- Pension authority may introduce health insurance
- Authority to consider one-time gratuity
- An ADB-funded project will be taken to strengthen the authority
- Most of the funds of beneficiaries have been invested in govt bonds
- Registration booths will be expanded to district and upazila levels

SCHEME-WISE ENROLMENT REPORT

(As of Oct 14, 2024)

Scheme	Enrolment	Amount
PROBASH	910	4.85
PROGOTI	22,410	47.25
SAMATA	285,884	41.7
SURAKKHA	63,174	37.16

[crore taka]

REJAUL KARIM BYRON and MD ASADUZZ ZAMAN

The interim government plans to strengthen the universal pension scheme (UPS) with the aim of bringing people from all walks of life under a sustainable social security framework.

As part of this move, the National Pension Authority (NPA) took a host of measures in the first meeting of its board of directors recently to boost confidence among subscribers.

To retain subscriber confidence, the authority decided to offer a profit of at least 8 percent on the money credited by October each year.

"The profit will not be less than 8 percent based on their initial year's deposit. Each account holder can see credited profit on their respective account by October," Md Golam Mostofa, a member of the NPA, said.

This calculation will be done by June each year and the profit will be credited to the beneficiary's account by October, he said.

The NPA board decided to examine the introduction of health insurance and one-time gratuity to make existing pension schemes more attractive, according to finance ministry officials.

In addition to treasury bonds, board members also suggested finding more profitable and low-risk sectors to invest in.

As of October 14, a total of 3.72 lakh beneficiaries had enrolled in the four pension schemes under the UPS, namely Probash,

Progoti, Surakkha and Samata, and have deposited nearly Tk 131 crore.

The pension authority has already invested Tk 125 crore in government treasury bonds as a safe and lucrative option, according to NPA data.

The Samata scheme, which targets low-income citizens, has become the most popular choice, drawing 78 percent of total subscribers.

The monthly instalment fee under the Samata scheme is Tk 1,000. But half of the fee will be provided from government funds.

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MABu Eusuf, executive director of Research and Policy Integration for Development (RAPID), welcomed the move.

"After the uprising in July, there is a scope for the interim government to revive and expand the schemes publicly," he said.

"The NPA can hold public hearings with the four respective groups to encourage them," he suggested.

The NPA will have to work to remove "any doubt" and assure security of the beneficiaries' deposits, he said.

At the meeting, the board also gave a green signal to adopt a separate project financed by the Asian Development Bank (ADB) to further strengthen the pension authority.

The board also directed NPA officials to engage with the Economic Relations Division to send a proposal to the ADB in this regard.

A finance ministry official said they had already drafted a project worth \$320 million or Tk 3,800 crore, adding that they would likely seek around \$250 million from the ADB.

The project is likely to be completed by 2028, the official added.

Infrastructure, capacity-building, training facilities for officials, hiring public relations firms, establishing a permanent NPA office, and hiring consultants were all included in the project.

"We have already had primarily discussions with the ADB and the lender has shown an interest to invest in the project," an official of the finance ministry said.

The NPA board also directed officials of commercial banks to participate in the Progoti scheme, which is designed for employees of private companies.

The past government introduced the UPS on August 17 last year, bringing citizens aged between 18 and 50 years under coverage with the aim of ensuring a safety net for them and providing a monthly stipend to support their daily expenses.

Robi's profit up 78% in third quarter

STAR BUSINESS REPORT

Telecom operator Robi Axiata's profit rose 78 percent year-on-year to Tk 188.7 crore in the July-September quarter of fiscal year 2023-24, thanks to significant cost optimisation.

However, the company's revenue declined by 5 percent in the third quarter compared to the previous quarter due to the prolonged internet shutdown and devastating nationwide flash floods, Robi said in a statement.

The company reported a revenue of Tk 2,474.4 crore in the July-September period, reflecting a year-on-year decrease of 2.7 percent.

However, its revenue amounted to Tk 7,594.6 crore in the first nine months of the year, marking a 2.2 percent year-on-year growth.

In the third quarter, voice revenue increased by 3.7 percent, while data revenue saw a significant decline of 15.5 percent compared to the previous quarter.

Voice revenue grew by 3.9 percent year-on-year, while data revenue decreased by 10.3 percent.

The company's active subscriber base decreased to 5.79 crore due to the overall downturn in the economy. Out of the active subscriber base, 4.43 crore were internet users, and 3.7 crore were 4G users.

With 249 new sites, Robi's total 4G site count reached close to 18,000 by the end of the third quarter this year, covering 98.96 percent of the population.

The company's earnings per share for the third quarter stood at Tk 0.36, posting a growth of 75.5 percent from the last quarter.

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Defying guidelines, NTTN operators yet to go public

SOHEL PARVEZ

Five of the six operators of Nationwide Telecommunication Transmission Network (NTTN) have not gone public despite being mandated to float shares on the stock market several years ago.

According to the NTTN licensing guidelines, which is primarily on laying underground optical fibres, an operator must file for an initial public offering (IPO) within five years of obtaining the licence.

Bangladesh currently has six NTTN licensees, including three state-run agencies and three private companies.

However, only the Power Grid Company of Bangladesh Ltd (PGCB) is listed on the Dhaka Stock Exchange.

None of the others, which were all awarded the licence between 10 years to 15 years ago, have floated shares to the public.

The companies are Fibre@Home Ltd,

Summit Communications Ltd, Bahon Limited, Bangladesh Railway, and Bangladesh Telecommunication Company Ltd (BTCL).

Fibre@Home secured the licence in January 2009 while Summit Communications, a concern of power sector heavyweight Summit Group, received theirs in December of the same year.

Bangladesh Railway, PGCB and BTCL received the licence in 2014, according to Bangladesh Telecommunication Regulatory Commission (BTRC).

Bahon Limited received its licence in December 2019.

Moydul Haque Siddiqui, chairman of Fibre@Home Ltd, said his company planned to go public long ago.

However, the previous government's decision to change the IPO valuation method discouraged companies with good

fundamentals from going public, he said.

"This is the reason behind the delay. Good companies are unwilling to come to the stock market with the current valuation method for share prices," he said, adding that they had already informed Bangladesh Investment Development Authority about the issue.

In a letter sent in May, the BTRC asked Fibre@Home to take steps to float shares.

"We expect to issue an IPO by December. We expect that policy regarding the valuation will change by this time," Siddiqui said.

Summit Communications, in an emailed response, said it had initially planned to file for an IPO, but outlined reasons it could not.

"Due to local market challenges, unforeseen global challenges, including the Covid-19 pandemic, which severely

READ MORE ON B3

National Bank incurs further losses

STAR BUSINESS REPORT

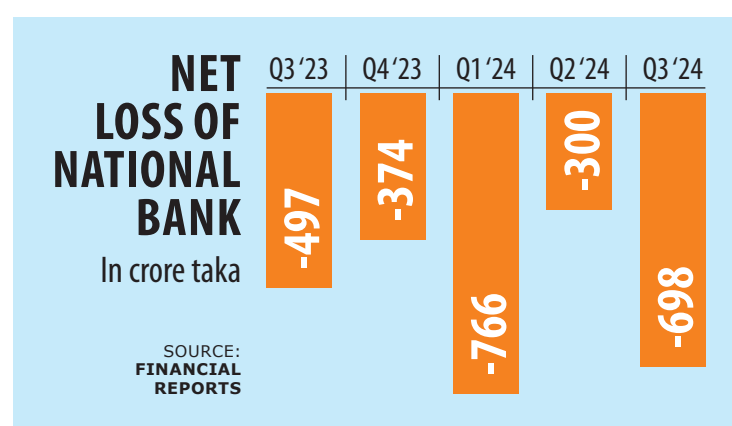
National Bank saw a huge amount of losses pile up during the July-September period this year, mainly due to the non-recovery of loans disbursed in the past 15 years.

The lender incurred losses of Tk 698 crore in the three-month period of the current year, whereas it was Tk 499 crore in the same period of 2023.

The bank could not book interest on loans and advances due to the non-recovery of loans from defaulters, which resulted in the losses, according to a company disclosure on the Dhaka Stock Exchange (DSE) website.

Furthermore, the bank incurred higher interest expenses on deposits and borrowings. Consequently, the period concluded with an operating loss, it added.

The current board is trying to regain the confidence of investors and depositors through ensuring



good governance in every sphere of business. Already, Bangladesh Bank has provided support to stabilise the situation.

Mid-level officials of the bank said the lender was once strong, but it started to become unhealthy after control was taken over by the Sikder family, which operated Sikder Group, which operated Sikder Group, which operated Sikder Group.

The lender is the first fully-owned private bank in Bangladesh and began its journey in 1983.

current year, its losses piled up to Tk 1,767 crore. Similarly, during the same period last year, the losses amounted to Tk 1,123 crore.

Its earnings per share stood at Tk 5.49 in the negative during the first three quarters of 2024 and Tk 3.49 in the negative during the same time of the previous year.

The lender is the first fully-owned private bank in Bangladesh and began its journey in 1983.

STOCKS	
DSEX ▲	CASPI ▲
2.94%	2.35%
5,164.83	14,347.77

COMMODITIES	
Gold ▲	Oil ▲
\$2,783.05	\$67.88
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.53%	▲ 0.96%	▼ 0.88%	▼ 0.61%
79,942.18	39,277.39	3,558.88	3,266.24

BB nod not needed for bandwidth import payments

STAR BUSINESS REPORT

Banks will no longer be required to take permission from the Bangladesh Bank to process import payments for internet bandwidth and related services.

The central bank issued a circular allowing the banks to make the payment abroad without its permission yesterday.

As per the circular, banks must obtain applications from the respective importers with some required documents, such as valid licences, copies of agreements with related parties, and a copy of regulatory approval from the Bangladesh Telecommunication Regulatory Commission (BTRC).

The bank will collect documents as well, including relevant invoices and proof of required tax payments. The bank will also collect an undertaking from the applicant, stating that in case of wrong or excess payment, the money will be repatriated to the country.

Business insiders hailed the move, saying it would ease the process of bandwidth and related service imports.

In a separate circular yesterday, the BB allowed banks to issue guarantees on behalf of suppliers in Bangladesh in favour of international agencies inviting tenders for supply of goods and services.

Also, banks will not require permission from the central bank for this.

Banks will also be able to issue guarantees against letters of credit, purchase/sale contracts, work orders or advance payments on behalf of resident exporters or sub-contractors.

This will ease business transactions and help promote exports and inward remittances against local delivery on behalf of foreign contractors, said an official of the central bank.

