

# Stocks fall after two-day rise

STAR BUSINESS REPORT

Major indices of the stock market in Bangladesh fell yesterday, snapping a two-day gaining streak as investors cautiously traded select shares to pocket short-term gains amid price fluctuations resulting from earnings disclosures by listed companies.

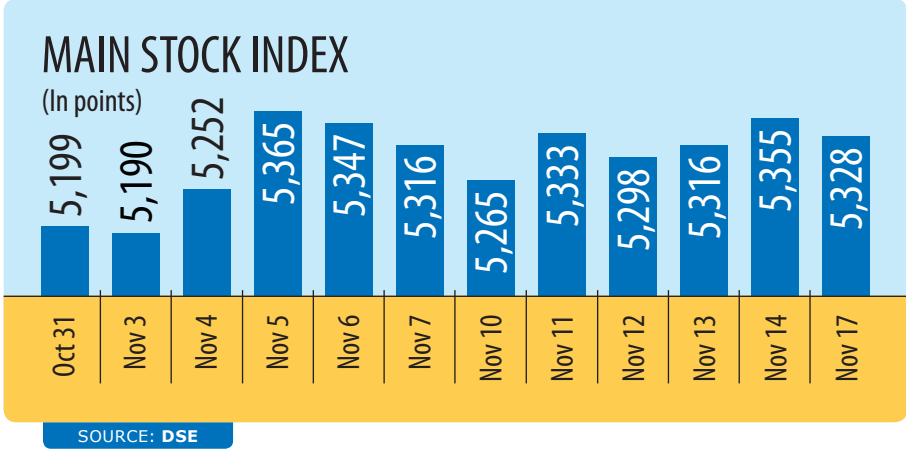
The DSEX, which reflects the cumulative value of shares listed at the Dhaka Stock Exchange (DSE), receded by about 0.50 percent from the previous session to close at 5,328 points.

The DSES, an indicator of how Shariah-compliant companies are performing, saw a similar decline as it retreated by 0.55 percent to settle at 1,182 points.

Likewise, the DS30 representing stock values in the blue-chip category edged down by 0.48 percent to end at 1,976 points.

Of the issues traded at the DSE yesterday, 150 notched a rise in share value while that of 185 closed lower and the remaining 48 did not see any price fluctuation.

The DSE's daily turnover, which indicates the combined value of shares traded at the country's premier bourse,



decreased by 12.21 percent from the previous trading session to Tk 506 crore.

The pharmaceuticals sector made the biggest contribution by accounting for 14.76 percent of the total.

In terms of sectoral performance, jute, services and real estate, and life insurance were the top three to close in positive territory, UCB Stock Brokerage said in its market update.

The telecom, non-bank financial institutions (NBFIs), and travel and leisure sectors were the top three to close in negative territory. The large-cap sector comprising companies with high market capitalisation, which refers to the value of their outstanding shares, posted a mixed performance, according to BRAC EPL Stock Brokerage.

The fuel and power sector notched the

highest gain of 0.95 percent, followed by Food and Allied with 0.45 percent and pharmaceuticals with 0.08 percent.

On the other hand, the engineering sector logged the deepest loss of 0.84 percent, followed by the banking with 0.93 percent, NBFi with 1.14 percent and telecommunication with 1.41 percent.

Block trades, meaning high volume securities transactions that are privately negotiated and executed outside of the open market, contributed 3.2 percent to the DSE's total turnover.

Far East Knitting and Dyeing Industries emerged as the most traded share with turnover of Tk 203 crore.

Investors were largely interested in shares of Beximco Pharmaceuticals, Kohinoor Chemicals, BAT Bangladesh, Navan Pharma, Confidence Cement, Summit Alliance Port, Eastern Housing, JMI Hospital Requisite Manufacturing, Aftab Automobiles and Pubali Bank.

However, none of these companies saw double-digit growth in their share value as Beximco Pharmaceuticals showcased the highest gain among them with 3.03 percent.

## UK unveils finance reforms

AFP, London

Britain's Labour government has announced reforms to its financial sector in a bid to grow the economy, including a plan to allow greater risk-taking.

Finance Minister Rachel Reeves outlined the plans in her first Mansion House speech -- an annual address by the chancellor of the exchequer to business leaders -- on Thursday.

She announced plans to create mega pension funds, potentially boosting investment in the country by around £80 billion (\$104 billion) in a move that mirrored schemes in Australia and Canada.

Reeves used her Mansion House address to say that measures brought in since the 2008 global financial crisis to "eliminate risk" have had "unintended consequences" in holding back growth.

"While it was right that successive governments made regulatory changes after the global financial crisis to ensure that regulation kept pace with the global economy of the time, it is important that we learn the lessons of the past," she said.

"These changes have resulted in a system which sought to eliminate risk-taking. That has gone too far and, in places, it has had unintended consequences which we must now address."

## Graft biggest obstacle

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the top priority among ongoing reform initiatives," Ehsan stressed.

**Remove red tape to improve ease of business**

Business leaders also discussed how bureaucratic red tape, which was identified as one of the major business obstacles, is costing entrepreneurs.

AKM Fahim Masroor, former president of the Bangladesh Association of Software and Information Services, said the cost of business entry is much higher than the cost of doing business, mainly due to red tape.

"Availing almost 30 types of licences and completing related formalities has become a major headache for young entrepreneurs," he said.

While navigating these barriers, it becomes difficult for new entrepreneurs to decide whether to comply or continue the business, he said.

Other speakers at the event also shared similar experiences regarding red tape delaying businesses.

For instance, fast-moving consumer goods giant Unilever Bangladesh needed 30 months for the simple task of land acquisition, according to its Chairman and Managing Director Zaved Akhtar.

Akhtar, also the president of the Foreign Investors' Chamber of Commerce and Industry, called for policy continuity and eliminating red tape. He also called to reduce the effective tax rate and restore law and order immediately.

Ashraf Ahmed, president of the Dhaka Chamber of Commerce and Industry (DCCI), said automation can be an effective solution to minimising the cost of doing business and rooting out corruption.

**Businessmen critical of BB role in ailing banks, inflation**

The CPD survey also flagged inflation as a major risk factor for the economy over the next two years.

Former FBCCI President Abdul Awal Mintoo criticised the central bank's approach of adopting a contractionary monetary policy to cool off stubbornly high inflation.

He said there are nearly 18 factors that can cause inflation to go up.

"If the central bank undertakes the responsibility to tame inflation through the monetary policy alone, they are living in a fool's paradise."

Mintoo also criticised the proposal to close weak banks and asked economists and business leaders to refrain from making wholesale comments on such topics.

"I established a bank that became one of the top banks in the country in 2008. Now, it has become the worst bank," added Mintoo, currently chairman of the National Bank.

He instead questioned why the situation of the banks had deteriorated, who did it and who allowed it.

"The central bank distorted commercial banks and has become the most dictatorial institution in Bangladesh," Mintoo commented, calling for restructuring of the central bank immediately to end its "dictatorial approach".

Offering a different perspective, DCCI President Ahmed said, "When a bank faces bankruptcy, why are you allowing it to flounder? If a bank becomes bankrupt, it should die."

"Call it bankrupt and let it die."

**Can this govt deliver the full reform tonic?**

CPD Research Director Moazzem said the absence of substantial reforms in policies, laws, institutions and operations hinders the development of a participatory and competitive business environment.

The paper said that businesses faced prolonged uncertainty during the student-led protests against the previous regime, with its impacts persisting even after the country transitioned into a new phase.

Lutfey Siddiqi, the chief adviser's

special envoy for international affairs, said the government needs to further improve its efforts to enhance the ease of doing business.

"But there is also a nexus -- a devil's pact -- among a small number of large businesses that do not want business processes to become easier since they have figured out shortcuts," he said.

According to business leader Mintoo, reform is a continuous process and businesspeople should not expect all reforms to be implemented by this interim government.

"If we really want reforms to get a better country, the first reform should be in politics," he said.

He added that the country's political scene has been criminalised over the past 20 to 30 years. Criminalised politics has been created for vested interest groups in every sector like power, energy and banking.

Mintoo added that there are two groups in society: one creating money and wealth, and another looting the money.

**Bida shares reform plans**

Chowdhury Ashik Mahmud Bin Harun, the executive chairman of the Bangladesh Investment Development Authority (Bida), the country's apex investment promotion agency, said the current Bida office sometimes functions like a "post office", with many checkpoints that obstruct progress.

He shared plans to redesign the institution into a streamlined, customer-centric model, akin to an "Apple store".

Under this model, he said investors will be greeted by customer relationship managers upon entry, who will guide them and provide necessary services.

He said that officials from the National Board of Revenue, the Ministry of Environment, and other government agencies will possibly need to be co-located at Bida to ensure smooth and efficient service delivery.

## SMEs bear the full brunt

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He reported a drastic fall in sales, which declined from Tk 10 lakh in October 2023 to barely reaching Tk 1 lakh in October this year.

As a result, he said he had dipped into his savings and borrowed whatever else he required from friends to meet operating expenses.

Akul said that the peak season for selling jute products runs from October to April, when different fairs for SMEs are typically held across the country.

Similarly, Sheuli Akter, an entrepreneur from Dinaipur specialising in jute goods, said she is struggling to pay staff salaries and loan instalments on time.

"I have been using my savings to keep the business afloat."

From June to August 2023, Akter sold products worth about Tk 1.17 lakh. But in the same period this year, sales dropped to only Tk 47,000.

In the past, Akter paid staff salaries and loan instalments by the 10th of each month.

However, over the past four to five months, she has had to delay salary payments until the 15th and loan instalments until the end of the month. "There is constant stress about being unable to meet financial obligations," she said.

Akter employs eight permanent workers and usually hires 35 temporary workers during the peak season. However, she has not been able to offer any work to her temporary staff in recent months.

Shahabiah Jahan Siddiqua, an entrepreneur from Jamalpur district who sells women's clothing and Nakshi Katha, said her business is in a precarious situation.

"Previously, monthly sales ranged from Tk 6 lakh to Tk 7 lakh. But they have now plummeted to Tk 1 lakh," she said, adding that salaries, which used to be paid by the 1st or 2nd of each month, were now being delayed until the 14th or 15th.

She added that she had to withdraw funds from a fixed deposit scheme last month to sustain the business. Siddiqua employs seven permanent workers but recently laid off one employee due to declining business.

Selim Raihan, a professor of economics at the University of Dhaka, told The Daily Star that SMEs are suffering the most due to the current state of the economy.

"Due to inflationary pressures, the raw material costs have increased a lot. One of its impacts is on the production process."

## Economic expectations

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October 22 this year, has led businesses to voice complaints about rising interest rates on loans.

Furthermore, although the vicious cycle of extortion appeared to have been broken following the political changeover, such unscrupulous practices have returned, with even "higher rates" being charged by other parties.

This has worsened the business climate and contributed to increased costs of production.

The interim government inherited an economic outlook darkened by double-digit inflation, massive capital flight, shrinking reserves and a heavily strained banking system -- a legacy of Sheikh Hasina's regime.

So, taskforces were formed to address key issues. For example, the Bangladesh Bank and the Bangladesh Securities and Exchange Commission (BSEC) took steps to prevent any further damage to their respective sectors, forming several taskforces and investigation committees.

Chief Adviser Yunus formed a committee to prepare a white paper on the state of the Bangladesh economy while the planning ministry formed a taskforce to develop strategies to boost the economy and mobilise resources for equitable and sustainable development.

In total, several committees were formed and are preparing their tasks. Most were asked to submit reports within three months, meaning that some are due by the end of this month while some will take a little longer.

However, no significant steps aside from changes to the top brass of the Insurance Development and Regulatory Authority were taken to revive the insurance sector.

Prof Muinul Islam, a former president of the Bangladesh Economic Association, said the interim government came to power at a time when significant capital had been siphoned abroad, foreign exchange reserves were depleting fast, and the local currency was depreciating

significantly.

"It managed to stop all of these," he added, crediting the interim government's success in combating the US dollar crisis.

"However, inflation is still high and the law-and-order situation is not up to the mark," he said, expressing hope that the rise in prices could be tamed within January or February.

Regarding the ongoing reform activities, Islam said: "I cannot comment on the matter before they complete their activities. After reports are submitted, this government will start reforms. Some reforms may be left to be implemented by the next elected government," he added.

People are still facing serious problems in getting their deposits back from some ailing banks, whose dire conditions are common knowledge, he said.

Abdur Razzaque, chairman of the Research and Policy Integration for Development (RAPID), said the credibility and depth of the monetary policy has increased under the interim government, which is very important in the fight against any economic crisis.

Under the new governor, the central bank continued with a contractionary monetary policy to reduce inflation. Yet, inflationary pressures remain stubborn, especially after the production of several crops was hampered by flooding in several districts within weeks of the political changeover.

By credibility, he indicated that the central bank is not providing loans to the government by printing money while simultaneously claiming to implement a contractionary monetary policy to tame inflation as it had done in the past.

"So, people can believe the central bank now," Razzaque said.

"Raising interest rates is a non-populist measure, but the central bank's implementation is adequate and reflects that the policy has depth," he added.

The RAPID chairman also said that reform activities may appear a bit slow, but in reality, the interim government is cautious about policies.

"For a proper reform, policies must be informed and inclusive," Razzaque said, adding that all reform-related committees have held talks with stakeholders.

"So, it may take time but it will be proper," he added.

Razzaque informed that after getting reports from various committees and taskforces, the government will start significant reform activities in the next six months.

"So, the next budget is very important, especially in terms of allocating enough for reform activities," he said.

Stock market investors are also feeling the pinch. As a result of the political turmoil in July and August, most listed firms saw an erosion in profits in the first quarter of the current fiscal year.


Moreover, manipulators, perhaps wary about impending reforms, are making off with their stakes.

So far, the BSEC has formed an investigation committee to probe any anomalies in the stock market, including allegations concerning the issuance of Beximco Green Sukuk Bond and IFIC Granted Sreepur Township Green Zero Coupon Bond as well as irregularities involving around nine other listed companies.

The regulator also appears to have moved away from the tradition of slap-on-the-wrist fines, imposing an unprecedented penalty of Tk 428.52 crore on several investors for manipulating prices of Beximco Ltd's stocks in October.

Alongside that, it has taken steps to avoid any deficit in consolidated customer accounts, which previously created a scope for embezzlement, and has taken a tough stance against directors of several listed firms that have not been providing dividends properly.

READ FULL STORY ONLINE

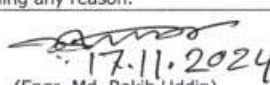


**WEST ZONE POWER DISTRIBUTION COMPANY LTD.**  
(An Enterprise of BPDB)  
Smart Pre-Payment Metering Project for West Zone Power Distribution Company Ltd. (WZPDCL)  
Area(Phase-II), Bidyut Bhaban, WZPDCL, Boyra Main Road, Khulna-9000

Memo No: 27.22.4785.700.50.008.24/48Dated: 17/11/2024

**INVITATION FOR INTERNATIONAL TENDER (ICT)**

1.	Ministry / Division	Ministry of Power, Energy & Mineral Resources/ Power Division.
2.	Agency	West Zone Power Distribution Company Limited (WZPDCL), Khulna (An Enterprise of Bangladesh Power Development Board)
3.	Procuring Entity Name	Project Director, Smart Pre-Payment Metering Project for West Zone Power Distribution Company Ltd. (WZPDCL) Area (Phase-II), WZPDCL, Khulna.
4.	Invitation for	Design, Manufacture, Supply, Installation, Testing & Commissioning of 51,801 nos. Smart Pre-Payment Meter with related Equipment and Services on Turn-key Basis.
5.	Invitation Ref No. & Date	27.22.4785.700.50.008.24/48Date : 17/11/2024
6.	KEY INFORMATION	
6.	Procurement Method	Open Tendering Method (ICT) ( One Stage Two Envelope)
7.	FUNDING INFORMATION	
7.	Budget and Source of Funds	Development Budget and GOB
8.	PARTICULAR INFORMATION	
8.	Project code (If applicable)	224401000
9.	Project Name (If applicable)	Smart Pre-Payment Metering Project for West Zone Power Distribution Company Ltd. (WZPDCL) Area (Phase-II), WZPDCL, Khulna.
10.	Tender Package No.	GD4
11.	Tender Package Name	Design, Manufacture, Supply, Installation, Testing & Commissioning of 51,801 nos. Smart Pre-Payment Meter with related Equipment and Services on Turn-key Basis.
12.	Tender Publication Date	17.11.2024
13.	Last Date and Time for selling the Tender document	Date: 30.12.2024 Time: during Office Hour (9:00AM – 5:00PM) BST
14.	Tender Closing Date and Time	31.12.2024 at 11:30 AM (BST)
15.	Tender Opening Date and Time	31.12.2024 at 12:00 PM (BST)
16.	Name & Address of the office(s)	
-	Selling Tender Document (Principal)	Project Director Smart Pre-Payment Metering Project for West Zone Power Distribution Company Ltd. (WZPDCL) Area(Phase-II), WZPDCL, Boyra Main Road, Khulna.
-	Selling Tender Document (Others)	I. Office of the Divisional Commissioner, Khulna II. Office of the Director of Purchase, BPDB, WAPDA Building (9 <sup>th</sup> Floor), Motijheel C/A, Dhaka-1000.
-	Receiving Tender Document	Office of the Director of Purchase, BPDB, WAPDA Building (9 <sup>th</sup> Floor), Motijheel C/A, Dhaka-1000.
-	Opening Tender Document	Office of the Director of Purchase, BPDB, WAPDA Building (9 <sup>th</sup> Floor), Motijheel C/A, Dhaka-1000.
17.	Place, date & time of Pre-Tender Meeting	"Conference Room", 1 <sup>st</sup> floor, Bidyut Bhaban, WZPDCL, Boyra Main Road, Khulna. Date: 08.12.2024 at 10:00 AM (BST)
18.	INFORMATION FOR TENDERER	
18.	Eligibility of Tenderers	As per Tender Document.
19.	Brief description of Goods / Works/Services	Design, Manufacture, Supply, Installation, Testing & Commissioning of 51,801 nos. Smart Pre-Payment Meter (Single Phase – 50,913 nos., Three Phase – 888 nos.) and 384 nos. Data Concentrator Unit (DCU) with related services on Turn-key Basis in Kushtia, Kumarkhali, Bheramara and Meherpur under WZPDCL area.
20.	Price of Tender Document	Tk. 15,000.00 (Tk.Fifteen Thousand only) as non refundable demand draft (for other district)/ Pay order (for Khulna district) in favor of Project Director, Smart Pre-Payment Metering Project for West Zone Power Distribution Co. Ltd. (WZPDCL) Area(Phase-II), WZPDCL, Khulna for each set of tender document.
21.	Amount of Tender Security	BDT <b>90,00,000.00</b> (in word: Ninety Lac BDT) or USD <b>75,000.00</b> (in word: Seventy Five Thousand USD)
22.	Validity of Tender	150 (One hundred and Fifty) days after the date of Tender submission deadline.
23.	Validity of Tender Security	178 (One hundred and Seventy eight) days after the date of Tender submission deadline.
24.	Completion Time	365 (Three hundred and Sixty Five) days from the effective date of contract.
25.	Special Instructions	I. Any tender received by the purchaser after the deadline for submission of tenders shall be declared late and will be rejected and returned unopened to the tenderer. II. Tenders submitted by Fax, Telex, Swift, Cable, E-mail & by post/courier shall not be accepted.
26.	Name of official Inviting the Tender	Engr. Md. Rakib Uddin
27.	Designation and address inviting the Tender	Project Director Smart Pre-Payment Metering Project for West Zone Power Distribution Company Ltd. (WZPDCL) Area(Phase II), Bidyut Bhaban, WZPDCL, Boyra Main Road, Khulna-9000. Mobile: +88 01766-690830, E-Mail: sppmp2@gmail.com
28.	This tender will be performed according to	"The Public Procurement Rules-2008".
29.	The authority reserves the right to accept or reject the tender without assigning any reason.	



(Engr. Md. Rakib Uddin)  
Project Director  
Smart Pre-Payment Metering Project for West Zone Power Distribution Company Ltd. (WZPDCL) Area(Phase-II), Bidyut Bhaban, WZPDCL, Boyra Main Road, Khulna-9000

GD-974