

**STOCKS**

DGEN <span style="color: green;">▲ 5.49%</span> 4,210.58	CSCX <span style="color: green;">▲ 5.57%</span> 8,166.90
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**COMMODITIES**

Gold <span style="color: red;">▼ \$1,724.60 (per ounce)</span>	Oil <span style="color: green;">▲ \$86.93 (per barrel)</span>
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**ASIAN MARKETS**

MUMBAI <span style="color: green;">▲ 1.75% 19,170.91</span>	TOKYO <span style="color: green;">▲ 0.99% 9,400.88</span>	SINGAPORE <span style="color: green;">▲ 1.13% 3,045.90</span>	SHANGHAI <span style="color: red;">▼ 0.51% 1,963.49</span>
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**CURRENCIES**

STANDARD CHARTERED BANK				
BUY TK	81.10	103.02	129.02	0.96
SELL TK	82.09	107.02	133.00	1.07

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**STAR BUSINESS REPORT**

# BUSINESS

DHAKA FRIDAY NOVEMBER 30, 2012, e-mail:business@thelaststar.net

## BGMEA wakes up, but slowly

### Garment owners promise to bear expenses of fire victims' families for 10 years

**STAR BUSINESS REPORT**

It took four days for the trade body of garment makers to take a mere decision to form a taskforce that will give the factory owners a deadline to upgrade their fire safety measures. The BGMEA still does not know when the taskforce will be formed and when the factory owners will be given the deadline. The BGMEA came up with a promise never heard of: If the owners do not meet the deadline, the taskforce will close their factories. The announcement came from Shafiq Islam Mohiuddin, president of Bangladesh Garment Manufacturers and Exporters Association, after the fire killed more than 100 workers at Tazreen Fashions in Ashulia on November 24.

**Emami to set foot in Bangladesh soon**

**PTI, Kolkata**

Emami, an Indian fast-moving consumer goods company, is set to start commercial production in Bangladesh soon from an Rs 20 crore facility, a senior company official said. "We had got the licence from the Bangladesh government to set up a factory there. Everything is in place and trial production is going on and commercial operations will start soon," said N Krishna Mohan, chief executive officer of Emami Ltd.

Emami would be the second Indian FMCG company to start operations in Bangladesh after Dabur.

Mohan said that the company would also set up a manufacturing unit in Egypt to serve the Middle-East North African (MENA) region. He said the plans were delayed due to the recent political turmoil there.

"But we hope to kick start operations after obtaining land", Mohan said.

**TAZREEN FIRE**

## Labour rights group presses for binding safety agreement

**STAR BUSINESS DESK**

International labour rights group Clean Clothes Campaign (CCC) yesterday called for international pressure on Bangladeshi garment makers to get them to sign the Bangladesh Fire and Building Safety (BFBS) agreement. The purpose of the agreement is to prevent and correct the dangerous fire safety risks prevalent at many of the garment factories in Bangladesh. The move comes in the wake of the 111 deaths due to inadequate fire safety precautions at Tazreen Fashions Ltd in Ashulia.

CCC, based in Amsterdam, is an alliance of trade unions and nongovernmental organisations from 15 European countries, geared towards the improvement of working conditions in the garment industry.

"Brands need to prevent any more unnecessary factory worker deaths. Signing this agreement and

working with trade unions in Bangladesh is the first essential step," said Tessel Pauli, president of CCC in Europe.

"Proper worker safety measures, such as those that will be required by the Bangladesh Fire and Building Safety Agreement, could go a long way towards saving lives in cases of fire, or even preventing fires from occurring," said Judy Gearhart, executive director of the International Labour Rights Forum.

"Workers need to be central to the solution, not victims of bad management," she said.

"The agreement we are proposing involves a number of critical elements that distinguish it from the voluntary corporate social responsibility programs that have allowed these deadly fires to continue," said Scott Nova, executive director of the US-based Worker Rights Consortium.

Inspections by trained fire safety experts operating independently of the brands and the facto-

ries being inspected and making the results of the inspections are the major stipulations of the proposed agreement.

Other noteworthy demands include: mandatory renovations to address all identified hazards, and a requirement that brands cease doing business with any supplier that refuses to do so; a binding contract between the brands and worker representatives to make these commitments enforceable.

The agreement -- already signed by PVH, owner of Calvin Klein and Tommy Hilfiger, and the German retailer Tchibo -- also asks for a central role for unions for the purpose of educating workers on how to protect their rights and safety, including their rights to refuse unsafe work.

Meanwhile, 85,000 Walmart customers and SumOfUs, a global movement of consumer and investors, have started a campaign to get the US retail giant to get on board with the BFBS agreement as well.

## Robi posts Tk 66cr net loss in Q3

**STAR BUSINESS DESK**

Robi, the country's third largest mobile operator, yesterday posted losses of Tk 66 crore in net profits for the third quarter (Q3) of 2012. The high tax regime that includes the SIM tax and other regulatory charges is to blame for Robi's failure to rake in profits in Q3, said Mahtab Uddin Ahmed, the company's chief financial officer.

Robi's revenues in Q3 stood at Tk 1,014.6 crore, a 29.7 percent year-on-year increase.

"During the third quarter, Robi continued with its strong revenue growth, primarily driven by new subscribers," Ahmed said.

But the mobile phone operator's EBITDA (earnings before interest, taxes, depreciation and amortisation) were impacted by the tax charges.

The company has crossed the 2 crore subscriber-mark during the quarter, adding 16 lakh subscribers along the way.

"Over the years, Robi has made significant contributions to the national exchequer and has actively contributed towards the development

of the mobile telecommunications industry. But, it could not generate enough profits to give returns to its shareholders -- since 2006."

Robi's total capital investment since its inception 16 years ago stands at Tk 9,600 crore, while it deposited a total of Tk 8,800 crore to the state coffers, Ahmed said.

The investors or shareholders of the company have taken Tk 170 crore in dividend and technical and management fees, he said.

The quarter saw Robi add 203 new base-transceivers, bringing the total number of BTS stands to 8,595.

The country's business environment is not yet conducive to profit-making, said Michael Kuehner, Robi's managing director and chief executive officer.

He further said the current estimation for third generation spectrum licences is not economically feasible, and he hopes the government would decrease the proposed price.

The telecom ministry has proposed \$20 million for per megahertz spectrum in the 2,100 MHz band for 3G or 4G technology service.

## IMF wants changes in six sections of Banking Companies Act

**REJAUL KARIM BYRON**

An IMF mission yesterday suggested the government amend six specific sections of the Banking Companies Act for getting the second instalment of a \$1-billion loan from the lender.

One of the recommendations was to increase the number of independent directors in private banks.

Government officials held a meeting with the IMF team at the finance ministry yesterday.

Fazle Kabir, the finance secretary, led the Bangladesh side, while David Cowen, deputy division chief of the International Monetary Fund in the Asia Pacific, represented the lender.

The IMF mission has been continuing discussions with different government ministries and departments since November 27 on the implementation status of various conditions tagged with releasing the second instalment -- \$140 million. The talks will continue till December 6.

A finance ministry official said the IMF mission has demanded amendment to articles of some sections, including 4, 15, 46, 47 and 121, of the Act.

Earlier a technical assistance team of the lender reviewed the existing Act and suggested amendment to several articles and sections.

The IMF team has told the government that if the six specific sections are not amended, the draft Act would not be acceptable, said the ministry official.

However, the government has already finalised a draft amendment to the Act, without changing any of the six sections.

**Stocks leap on positive news from ADB, SEC**

**STAR BUSINESS REPORT**

Stocks yesterday went up almost 5.5 percent, putting an end to the downward trend of the past eight sessions.

DGEN, the benchmark General Index of Dhaka Stock Exchange (DSE), gained 219 points to finish the day at 4,210 points.

Regulatory measures on share credit and news of loan sanction by a multilateral donor agency for capital market development, created positive sentiments in the market.

The Securities and Exchange Commission yesterday suspended the clauses of its earlier directives which barred investors from taking margin loans to purchase shares of a company within 30 days of its listing or changing the category.

The Asian Development Bank, in another move, announced on Wednesday that it would provide

\$300 million in loans to develop the country's capital market.

Coupled with the compulsion to buy due to the market being at a four-month low, the bourse experienced the highest single session gain -- of 219.07 points --

**DSE GENERAL INDEX**

since February 7, IDLC Investment said.

"News regarding the DSE's meeting with Bangladesh Association of Banks also spurred enthusiasm among the investors," LankaBangla Securities said.

Turnover on the premier bourse went up 80 percent to Tk 336 crore, with 9.21 crore shares and mutual

fund units changing hands.

Gainers outnumbered losers by a huge margin 266 to 3, with only 2 securities remaining unchanged on the DSE floor.

All the major sectors ended in the black, with banks gaining by 6.98 percent, followed by non-banking financial institutions of 6.08 percent, power 5.99 percent, pharmaceuticals 3.79 percent and telecommunications 3.54 percent.

Chittagong stocks also surged yesterday, with the Selective Categories Index gaining 430 points to close the day at 8,166 points.

A total of 1.40 crore shares and mutual fund units changed hands on the Chittagong Stock Exchange, generating a turnover of Tk 44.24 crore.

Of the traded issues on the port city bourse, 170 advanced, 8 declined and 2 remained unchanged.

## BB spurs financial institutions on e-statements

**STAR BUSINESS REPORT**

Bangladesh Bank yesterday asked all financial institutions to submit some of their statements through the electronic system instead of presenting those manually.

Statements on net asset, call money, cash reserve requirement, statutory liquidity ratio, business activities, interest rate in lending and deposit, loan/lease rescheduling and loan/lease write-off will have to be sent through the electronic system from November 30, said a circular.

Other statements can be sent through the manual system until further instruction.

The BB in another circular asked all scheduled banks to open 50 percent of their branches in the rural areas. Rural branches must be outside the metropolitan, city corporation and pourashava areas.

**READ MORE ON B3**