

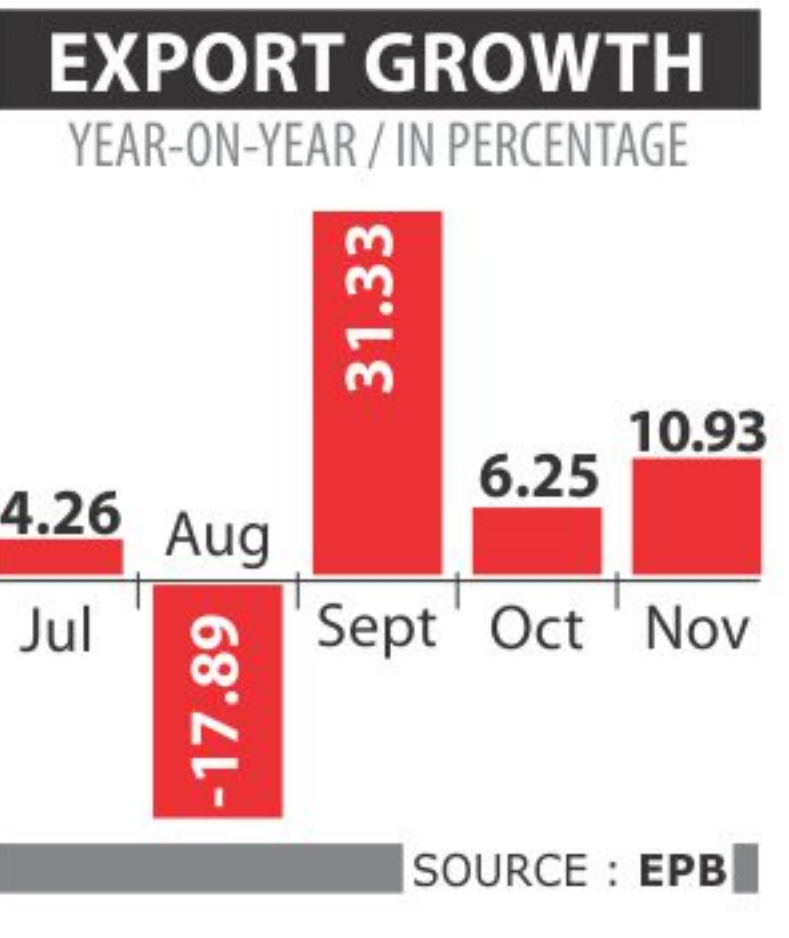
# Star BUSINESS

DHAKA WEDNESDAY DECEMBER 12, 2012, e-mail:business@thedailystar.net

## Exports rise 11pc in Nov

### Concern over future growth in RMG shipments

**SUMAN SAHA**  
The country's export earnings increased by about 11 percent year-on-year to \$1.76 billion in November, thanks to growth in readymade garment shipments.  
"Bangladesh's exports witnessed positive growth as it can offer products at competitive prices," said Shubhashish Bose, vice-chairman of Export Promotion Bureau (EPB).  
Bose also credited the new market explorations and product diversification -- thanks to participation in international fairs and opening new missions abroad -- for the positive turn of events for Bangladeshi exports.  
"We are happy over the positive



growth as most countries' exports are in a negative trajectory due to the debt crisis in Europe." The figure, however, fell short of November's target of \$1.99 billion.

In November, overall garment exports stood at \$1.36 billion, up 8.8 percent from the same month a year ago.  
Knitwear raked in \$653.96 million, while woven garments brought \$710.04 million, according to EPB.  
Although apparel exports registered decent figures, garment manufacturers are worried over growth prospects.  
"We are concerned about the future RMG export performance due to the recent fire at a garment factory and the ongoing political instability," said Faruque Hassan, vice-president of the Bangladesh Garment Manufacturers and Exporters Association.

READ MORE ON B3

## Govt to follow IMF recipe for banks' stock exposure

### The limit may be set at 25pc of their capital

**REJAUL KARIM BYRON**  
In line with an IMF prescription, the government has decided to set the exposure limit of a commercial bank in the stockmarket at 25 percent of the bank's total capital.  
A finance ministry official said the changes will be included in the draft amendment to the Banking Companies Act.  
However, the government wanted the exposure limit to be at 40 percent of a bank's total capital. The existing exposure limit of a bank is 10 percent of its deposits.  
A team of the International Monetary Fund came to Dhaka recently to

review the implementation of the lender's conditions tagged with the release of the second instalment of its \$1 billion loan.  
The finance ministry official said the amendment to the Banking Companies Act will be passed in parliament in March.  
Once the amendment gets passage in parliament, the central bank will give the banks two years' time to reset their stock exposure limits.  
Various quarters blamed the stockmarket debacle in 2011 on the banks' higher stock exposure.  
Banks saw falling profit and rising defaulted loans this year.  
Several bank officials said higher

stock exposure of banks has caused their defaulted loans to go up, which ultimately pulled down their profit.  
Bangladesh Bank had long been asking the government to tag the stock exposure limit of banks with their capital, instead of deposit.  
But due to pressure from some vested groups, the government had been avoiding the central bank's suggestion.  
After the debacle early last year, a stockmarket probe committee led by Krishi Bank Chairman Khondker Ibrahim Khaled had also suggested the banks' stock exposure limit at 25 percent of their capital, which is also a global standard.

READ MORE ON B3

## Inspectors target Ashulia factories

### Three teams to check around 600 plants by Dec 31

**SOHEL PARVEZ**  
A government agency assigned to ensure labour-law compliance will begin inspections of around 600 garment factories in Ashulia today.  
Three teams of the Department of Inspection for Factories and Establishments will list compliant and non-compliant factories in the clothing industrial belt by December 31.  
"Two inspectors, including an engineer, will be in each team. More teams will be formed if necessary," said Md Habibul Islam, chief inspector of factories.  
"We will also identify the factories that are yet to get licences from us," said Islam, adding that the drive may expand across the country in phases.  
As per law, inspectors can file cases with the labour court for non-compliance.  
The initiative comes amid criticism that the agency does not regularly inspect the factories, especially those in the \$20-billion export-earning apparel industry.  
Its role came to attention after 112 workers were killed in a devastating fire at Tazreen Fashions in Ashulia on



STAR

November 24. Factory management's non-compliance with workers' safety measures is blamed for the losses of so many lives.  
There had been no inspections of the Tazreen factory since the agency issued a licence for an expansion of the unit in August 2011, said an official, asking not to be named.

**Fiesta**

**BIG DEAL**  
Save BIG Right Now! ending Dec 31, 2012

BDT 23.50 Lac Now from

Inclusive of:

- 3 years /60,000 km Warranty
- 3 years /60,000 km Free Loaner/Replacement Car During Warranty Maintenance
- 3 years /30,000 km Free Service
- 3 years /30,000 km Ford Service Parts

Original Ford Merchandise with every purchase

AG AUTOMOBILES Ford 3S Centre, Uttara ford@anwargroup.com

01678 367 338 01613 091 275 01678 367 343 01678 367 331

Ford Go Further

## DSE to probe trading delay

**STAR BUSINESS REPORT**  
The Dhaka Stock Exchange has formed a five-member panel to investigate a delay in the start to share trading on two alternate working days.  
The premier bourse formed the panel on Sunday, after the stock trading started an hour late at 11:30am, an official of the Dhaka bourse said yesterday.  
Usually, trading on the DSE starts at 10:30am sharp and ends right at 2:30pm on each of the five trading days of a week, but trading started an hour late at 11:30am and closed at 3:00pm on Sunday and last Wednesday.  
The committee, headed by the bourse's Chief Financial Officer Shuvra Kanti Choudhury, was also asked to submit a report by today.  
In a statement on Sunday, the DSE attributed the delay to a technical glitch in its trading software, which arose while absorbing two new securities.  
Many brokerage houses were unable to view all the instruments code on their trading terminals, according to the DSE statement.

## US for a highly qualified MD for Grameen Bank

**DIPLOMATIC CORRESPONDENT**

The United States yesterday again called for selecting a highly qualified managing director for Grameen Bank who will ensure the integrity and effectiveness of the Nobel-winning microcredit lender.  
"We have also long noted our strong support for a timely and transparent selection of a highly qualified MD who will ensure the continued integrity and effectiveness of Grameen Bank as an institution," said US Assistant Secretary of State Robert O Blake.  
The new MD will also ensure that the interests of all of its shareholders, particularly women, are protected, he said.  
Blake arrived in Dhaka on Saturday on a four-day visit to attend the South Asia Women's Entrepreneurship Symposium.  
He said Bangladesh is a natural host for this gathering because the country is an example for the entire world of the positive impact of a vibrant civil society.  
"The world has especially been inspired by the work of BRAC and Grameen Bank, which have unleashed the potential of millions of women in Bangladesh and around the world."  
These women not only improved their own livelihoods but also contributed to long-lasting economic growth in their communities and countries, Blake said in his pre-departure press meet at the Westin Dhaka yesterday morning.  
He said the US is working with the Bangladesh government to improve labour conditions.  
Referring to his meetings with the government, manufacturers and buyers, he said he expressed US condolences for the devastating fire at the factory of Tazreen Fashions.  
Mentioning a fire incident in US, he said, "Just over a century ago in New York City, a fire at the Triangle Shirtwaist Factory killed 146 workers and galvanised public support for stronger worker protections."



Robert Blake

READ MORE ON B3

**Grameenphone STAR PROGRAM**

Dine Like a Star

Enjoy a complimentary meal with the purchase of one at Dhaka's top three 5 Star Hotels; The Westin Dhaka, Radisson Water Garden Hotel and Ruposhi Bangla Hotel. Walk-in with your companion to delight the taste bud with tantalizing dishes!

Radisson WATER GARDEN HOTEL DHAKA THE WESTIN DHAKA Ruposhi BANGLA Hotel

> The offer is applicable for Platinum STARs only > Send specific SMS to port to avail the offer at the hotel > This offer is valid for limited time period > To check your STAR status, dial \*111\*9\*1# > One Platinum STAR can avail the offer only once for one meal during the campaign period

grameenphone