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DHAKA WEDNESDAY DECEMBER 19, 2012, e-mail:business@thedailystar.net

100 garment factories take a hit from hartal

STAR BUSINESS REPORT

Production in at least 100 garment factories in the Tongi-Gazipur industrial belt came to a halt yesterday due to the countrywide shutdown enforced by left-wing political parties.

Factory owners and labour leaders said workers of the factories, mainly on the Tongi-Gazipur road, took to the streets, joining hands with the pickets.

However, production at factories at another major hub, Ashulia, was on.

Demonstrators also broke the glasses of two factories, Viyellatex Group and TRZ Garments, said Rafiqul Islam, joint secretary (labour) of Bangladesh Garment Manufacturers and Exporters Association.

The daylong strike was enforced demanding a ban on communal politics, a speedy trial of war crime suspects, and arrest and punishment to those responsible for the fire at Tazreen Fashions last month.

Communist Party of Bangladesh (CPB), Socialist Party of Bangladesh, and Democratic Left Alliance, who called the strike, also demanded workers' safety, fair wages and workers' right to trade unionism.

David Hasanat, chairman of

Viyellatex, said many of the factories adjacent to the Dhaka-Mymensingh highway had to stop production early in the morning in the face of picketing.

The number of factories that suffered production losses will be more than 100, said a BGMEA official, on condition of anonymity as he is not authorised to speak to the media.

Hasanat, whose factory is in Gazipur, said the pickets broke the glasses of the reception room and some vehicles, asking the management to allow the workers to leave.

"We let the workers leave as soon as the demand came. But in the meantime, the picketers entered the factory complex and broke the glasses," he said.

Hasanat put the blame on the CPB. "It's very unfortunate."

In the past, the export-oriented garment factories were unofficially kept out of the purview of strike, he said.

"I also did not see any vandalism in my factory during the strikes in the past called by BNP and Awami League," he said.

Ruhul Amin, general secretary of CPB's garment workers' wing -- Grament Sramik Trade Union Kendra, said workers joined the 'peaceful' procession 'spontaneously', expressing solidarity to the shutdown.

More than 100 factories in Tongi-Gazipur industrial belt suspended production as workers took to the streets to support the shutdown

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Migrant workers drive economy

Muhith says on International Migrants Day

STAR BUSINESS REPORT

Bangladesh's economic development largely depends on remittance sent by migrant workers, which is one of the sources of earning foreign currencies, Finance Minister AMA Muhith said yesterday.

A third of the 18 lakh people who enter the job market a year go abroad for work, Muhith said, adding that remittance inflow will increase significantly if the figure can be increased to 10 lakh in five years.

The minister spoke at a discussion at Bangabandhu International Conference Centre in the city. The expatriates welfare and overseas employment ministry organised the event on the second day of a three-day programme to mark International Migrants Day. The minister hoped the remittance inflow would cross \$14 billion mark this year.

The country exports goods worth around \$26 billion a year, but its net export stands at around \$6 billion to \$7 billion a year, as most of the raw materials of the exported goods are imported, he said.

The incumbent government sent about 2 million Bangladeshis from January 2009 to October 2012 and the country received around \$44.22 billion in remittances during the period, said Expatriates' Welfare Minister Khandaker Mosharraf Hossain.

Expatriates' contribution to the national GDP (gross domestic product) is 11 percent, Hossain said.

Over 30,000 female workers go abroad a year to work, and the government has been working to transform them into skilled hands to create more jobs, he said.

The government has also taken some steps, including rehabilitations of the returned migrant workers and scholarships for their children, to ensure better facilities for the expatriates and their families, the minister said.

Around 25 percent of the total employment comes from overseas employment, which should be increased to 50 percent in five years, said Barrister Anisul Islam Mahmud, chairman of the standing committee on the expatriates' welfare ministry.

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Dhaka bourse set for a new price index

SARWAR A CHOWDHURY

A fresh index with a base point of 1,000 will be introduced to the Dhaka Stock Exchange early next year to replace the flawed existing indices.

A team from Standard and Poor's (S&P) arrived on Monday to conduct the final trial before the index goes live, the DSE officials said.

"The index's calculation methodology is now being tested. After that, it will be rebalanced and then tested for another week," said Ahmad Rashid Lali, senior vice-president of the premier bourse.

"After successful completion of trials we will apply to the Securities and Exchange Commission for regulatory approval. We hope to launch the new index by the end of January next year."

The existing indices, however, will not be eliminated right away after the introduction of the new one, he added.

"They [existing indices] will be taken off in phases once the investors have become accustomed to the new one," he said.

The DSE has appointed S&P, one of the world's pre-eminent credit-rating agencies, a few months ago to design the new index to be based on the free-float methodology used by most of the world's major indices, including the Dow Jones Industrial Average and the S&P 500.

Under the free-float methodology, market capitalisation of an index's underlying companies is calculated by taking the equity's price and multiplying it by the number of shares available for trading.

The method provides an accurate reflection of market movement and is deemed to be a robust way of calculating market capitalisation.

Although the DSE was prescribed by the stockmarket regulator to introduce a new index by April this year, the prime bourse took its time to ensure that the index met international standards.

Furthermore, failure of many listed firms to provide information on the number of their tradable shares delayed the launch of the new index.


At present, the Dhaka bourse has three types of indices: the general index, DSE All Share Price Index and the DSE-20.

The call for a fresh index came in October 2010 from the media, following discovery that the Dhaka bourse did not follow the correct method of index calculation while incorporating new securities.

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Under the free-float system, market cap of an index's underlying companies is calculated by taking the equity's price and multiplying it by the number of shares available for trading

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Forex reserves hit new high of \$12.4b

STAR BUSINESS DESK

Bangladesh's foreign exchange reserves hit a record high of \$12.4 billion yesterday, breaking the October figure of \$12.36 billion, a senior Bangladesh Bank official said yesterday.

"By the end of this week the reserves will reach \$12.5 billion," said Kazi Sayedur Rahman, general manager for the central bank's forex reserve and treasury management department.

Rahman said strong flow of remittance, an Asian Development Bank fund, UN peacekeepers' sent money and buying of the greenback from the market have fuelled the reserve.

The country's imports fell 11.04 percent to \$10.75 billion during the July-October period from the same period last year.

The country imported goods and services worth \$2.65 billion in October, down from \$2.73 billion in September.

The total value of import LCs opened by authorised dealer banks declined 11.54 percent to \$11.52 billion in first four months of the current fiscal year, according to data from the central bank.

LC openings increased for wheat by 84.49 percent while it decreased for rice by 86.71 percent, sugar 71.17 percent, onion 39.04 percent and milk food 20.28 percent.

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