

যুক্তরাজ্য থেকে মুহুর্তেই
টাকা পাঠান

NCCB EXCHANGE
NCCB Exchange (UK) Limited
(a 100% owned subsidiary company of NCC Bank Limited)
Committed to serve the expatriates
13 Vallance Road, London E1 5HS
www.nccbexchangebd.co.uk

Garment subcontracts avoidable? Far from it

Exporters say they need to give work to outsiders to meet tight deadline

SAJJADUR RAHMAN

Poor road infrastructure, political unrest and pressure to meet the deadline force many garment exporters to resort to sub-contracts, industry people said.

Of the 3,500-odd active garment factories, at least 500 run purely on a subcontract basis, according to Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

The remaining 3,000-odd factories also produce garments on subcontracts when they have no orders of their own.

Also, there are several hundred non-BGMEA factories engaged in subcontract activities.

"We cannot keep our factories idle. It's a labour-intensive industry and the operating cost is very high," said Mahmud Hasan Khan, managing director of Rising Group of Industries.

Khan said buyers want their products to reach on time, and they are least bothered about Bangladesh's poor infrastructure conditions and political unrest.

"There is nothing wrong in subcontracts. It is contributing to export growth," said Nasir Uddin Chowdhury, acting president of the BGMEA.

Chowdhury, who owns five factories, said three of his factories work directly on orders, while the rest two produce garments for those three factories.

"Buyers should not cancel the orders [subcontracts] if an accident occurs in a factory," he said. The issue of subcontract came in the spotlight after the recent fire incidents at Tazreen Fashions and Smart Export Garment Ltd.

Tazreen was manufacturing garments for the US retail giant Wal-Mart under a subcontract from a local firm, at the time of fire on November 24 last year that killed at least 112 workers.

READ MORE ON B3

Bangladesh growing faster: EU envoy

STAFF CORRESPONDENT, Ctg

Bangladesh has been growing faster than other developing countries for the last three years, European Union Ambassador William Hanna said yesterday.

The country's economy has gained a good momentum towards becoming a middle-income country, Hanna added.

The good prospect of the shipbuilding industry has helped attract European investors into the sector, he said.

The envoy spoke at a press conference at a shipbuilding plant of FMC Dockyard Ltd at Boalkhali upazila in Chittagong.

READ MORE ON B3

Business travel on a roll, good times for airlines

SUMAN SAHA

Domestic air travel rose 11.58 percent last year on the back of countrywide expansion of business activities and poor conditions of roads and railways.

In 2012, some 589,108 people travelled nationally by air, up from 2011's 527,950 passengers, according to data from Civil Aviation Authority of Bangladesh.

"Air travel has registered steady growth last year for two reasons: the higher economic growth and the long tailbacks at roads," said Imran Asif, chief executive of Regent Airways.

At present, the journey time from Dhaka to Chittagong by road is 10-18 hours, which, earlier, used to be 5-6 hours.

"Corporate travellers have business urgency to meet and cannot afford to waste time that a road or rail journey invariably leads to. By need, air travel has become their preferred mode."

Buying house officials form the bulk of corporate travellers, who fly into their offices in Chittagong in the morning and return to Dhaka on the last flight, said Nasir Uddin Chowdhury, vice-president of Bangladesh Garment Manufacturers and Exporters Association.

"We feel confident of reaching our destination in time when travelling by air as most domestic airlines maintain a strict schedule," said Chowdhury, who travels by air 2-3 times a month.

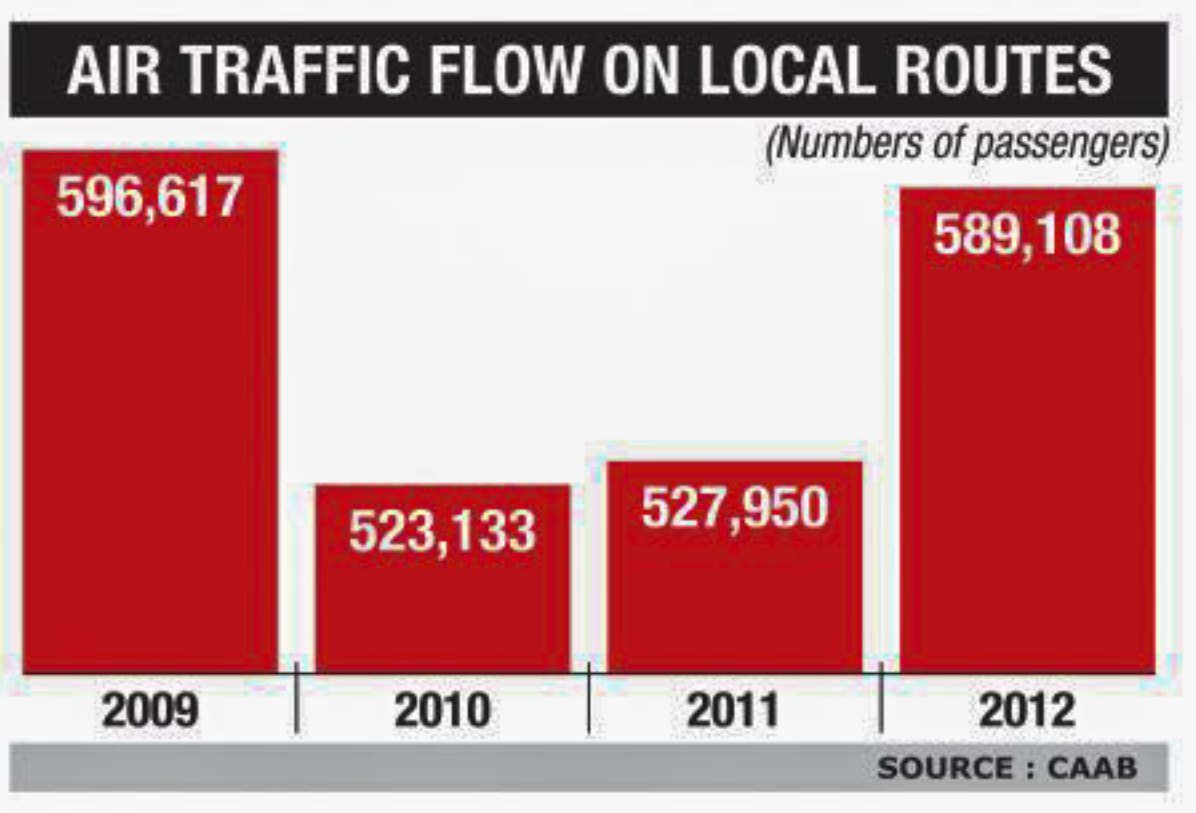
But it is the Dhaka-Cox's Bazar route that has particularly seen a jump in passengers, according to Asif, as getting to the beach town has increasingly become a drawn-out exercise.

Owned by the Chittagong-based Habib Group, Regent Airways has become the top domestic carrier since its launch in 2010.

Last year, it transported more than one-third of the total domestic traffic.

Currently, the local carriers fly mainly on four domestic routes out of Dhaka -- Chittagong, Cox's Bazar, Sylhet and Jessore -- with the Dhaka-Chittagong seeing the most traffic flow, followed by Dhaka-Jessore.

READ MORE ON B3



New banks to get licences soon

Six banks present business plans to BB

STAR BUSINESS REPORT

Bangladesh Bank is likely to award licences to new banks soon to allow entry of a fourth set of private banks in the country.

Six banks, out of nine proposed new banks, have already submitted their business plans to the BB. The board of directors of the BB yesterday completed reviewing the business plans of three banks -- NRB Commercial, Union and South Bangla.

Chief executive officers of the three banks presented their respective business plans to the BB when chairmen of these banks were also present.

"Today's (Sunday's) board meeting has been adjourned. The board will sit again on Tuesday (tomorrow) to review the business plans of the rest three banks," SK Sur Chowdhury, deputy governor of the central bank, told reporters after the meeting.

These three banks are Midland, Meghna and NRB, he said. The rest three of the proposed banks have sought time to arrange capital, sponsors and other papers before meeting the board of directors of the central bank, the BB official said.

The central bank in April 2012 issued "letters of intent" to nine newly-approved commercial banks, allowing maximum 20 directors in their boards instead of 13.

READ MORE ON B3

Industrial output growth slows on sluggish exports

SOHEL PARVEZ

Growth in industrial production slowed down in the first quarter of the current fiscal year, compared to the same period a year ago, due to sluggish exports and higher interest rate of bank loans.

Production of manufactured goods grew 10 percent in July-September of the current fiscal year, down from 13.4 percent during the same period a year ago, according to Bangladesh Bureau of Statistics.

Zaid Bakht, research director of Bangladesh Institute of Development Studies, blamed the slow-down in industrial production on sluggish exports.

"Recovery of the global economy from recession remains sluggish. It has affected exports and production in exportable industrial sectors," Bakht said.

In July-December, export earnings grew 7 percent, down from 14.72 percent in the same period last fiscal year, according to Export Promotion Bureau.

The apparel industry bore the brunt of the sluggish demand due to the faltering recovery in a major market, Europe.

Production in the jute, cotton, apparel and leather sectors, which are the major export-oriented industries, grew only 7.76 percent during the first quarter, down from 25.49 percent in the same period of fiscal 2011-12, according to the BBS.

Export receipts from jute and jute goods were marginally higher in the first half of the current fiscal year. Growth in earnings from leather and footwear exports was also slower than that in the same period last year.

Falling import of capital machinery, a lack of gas connections to new industrial units and banks' shyness towards lending to entrepreneurs against export orders, also affected industrial output, Bakht said.

"Credit flow has been affected after the Hall-Mark scam," he said, adding that banks have become cautious in lending to entrepreneurs for internal purchase against export orders.

Import of capital machinery fell 28 percent to \$803 million in July-November from \$1.11 billion during the same period a year ago, according to Bangladesh Bank.

"The delay in providing gas connections to already established factories also affects new investment," said Bakht.

READ MORE ON B3

Japan to mint 50cr coins of Tk 2

BSS, Dhaka

Japan Mint, the Japan government's incorporated administrative agency, yesterday signed a deal with Bangladesh to procure 50 crore new coins of Tk 2 denominations.

Joint Finance Secretary Akhlaasur Rahman and President of Japan Mint Yoshiaki Shinohara inked the deal at Bangladesh Bank's headquarters in the capital in presence of Japanese Ambassador Shiro Sadoshima and BB Governor Atiur Rahman.

READ MORE ON B3

COMMERCIAL BANK

We change, to be of greater convenience to you...

Our Gulshan and Panthapath booths have been converted to full Branch status to provide you full fledged Branch Banking Services.

Our Branches:
Chittagong Dhanmondi Gulshan Mirpur Motijheel Narayanganj Panthapath Sylhet Tejgaon Uttara
Tel: 713325-7 Tel: 8622784-5 Tel: 8624275 Tel: 8035908 Tel: 7114125 Tel: 7642288 Tel: 9103430 Tel: 728351-2 Tel: 9831102-07 Tel: 8964042
SME Centres: CDA Avenue; Tel: 2551325, Jubilee Road; Tel: 2857557, Old Dhaka; Tel: 7111438, Progati Sharani; Tel: 8415164, Shantinagar; Tel: 8312380, Tongji; Tel: 9816863

www.combank.net

COMMERCIAL BANK OF CEYLON PLC

Legacy Footwear, three brokers fined for breaching rules

STAR BUSINESS REPORT

Bangladesh Securities and Exchange Commission yesterday fined Legacy Footwear Ltd Tk 5 lakh on charges of breaching trading regulations.

The regulator also slapped a fine of Tk 1 lakh each on three stockbrokers -- AB Securities Ltd, PHP Stocks and Securities Ltd and GMF Securities Ltd -- for taking part in suspicious trading.

GMF was fined for unusual trading in shares of Paramount Insurance Company Ltd and Global Insurance Ltd, BSEC said in a statement on its website.

But the stockmarket regulator would not give further details on AB Securities and PHP Stocks.

Dhaka stocks gained for the second day, as investors went on a buying spree in anticipation of a bull-run in the market.

DSEX, the benchmark general index of the Dhaka bourse, finished the day at 4,163.82 points, after surging 27.51 points or 0.67 percent.

"Monetary policy statement for the second half of the ongoing fiscal year created new hope in the market contributing a positive session today [yesterday], in terms of both price and volume, to give February a gentle start-up," said IDLC Investments its market analysis.

Turnover at the premier bourse crossed Tk 300 crore for the second time this year, indicating a pause in the crisis for the time being, the investment banker said.

Turnover at the DSE floor advanced 7.19 percent to Tk 319 crore, which is the highest in the last two and a half month, compared to the previous day.

During the day's movement, 19 out of 22 non-bank financial scrips, 30 out of 34 non-life scrips and all energy sector scrips gained.

READ MORE ON B3

Every residential and commercial building developed by us is a rarity in engineering and architectural excellence. Each stands in its own right with its distinctive appeal and promises a great time for you.

Apartments

South Shama
Rd. 6, Plot 13, Baridhara
Sizes : 3,468 sft.

South Haven
Rd. 50, Plot 2/B, North Gulshan
Sizes : 3,905 sft.

Office Spaces

South Square
52 Gulshan Avenue
Sizes : 5,950 to 9,600 sft.

SOUTH BREEZE HOUSING LTD.
Rd.11, Building 155, Block E, Banani, www.southbreezebd.com
Tel: 9892370, 9892394, 9891467, 9895703, southbze@citech.net
01729-220011, 01713-043892, 01729-292989, 01729-094674

SOUTH BREEZE