

Benapole, Hili ports bear the brunt of hartal

STAR BUSINESS REPORT

Shutdowns are derailing the transportation of goods through Benapole and Hili land ports and affecting the ports' revenue earnings badly.

Truck owners in Benapole port have incurred a loss of around Tk 13 crore in the 15 days of hartal since February 28, said Sirajul Islam, president of Benapole Truck and Tank Lorry Owners Association.

No driver wants to carry products during shutdowns for security fears, our correspondent reported from Jessore.

To transport a tonne of imported goods, traders in Benapole port now pay Tk 1,800 for Dhaka and Tk 2,600 for Chittagong, which were earlier Tk 1,200 and Tk 1,800 respectively, according to a clearing and forwarding agent of the port.

A huge quantity of goods got stored in

the warehouses at Benapole port due to the strikes, said Abdul Awal, director of Benapole Land Port Authority. "Traders are loading trucks to transport goods even on Fridays and Saturdays, as we have stretched our storage capacity."

Revenue earnings of Hili Land Port in Dinajpur dropped by around Tk 1.5 crore a day due to the strikes, said Humayun Akter, assistant commissioner of Hili customs.

Around 65 trucks now enter Bangladesh a day from India, down from 130 before the beginning of the shutdowns, traders at the Hili port told our correspondent in Dinajpur.

In absence of the most of the truckers, some agree to carry products but they charge too much, said Shafiqul Alam, a trader of Hili port.

Onion import is also bearing the

brunt of the shutdowns in absence of the carriers of the perishable commodity, said Md Mobarak Hossain, an importer.

"We may have to suspend onion import, if the hartals continue."

Obaidur Rahman, a wheat importer, said he has imported 200 tonnes of wheat, but failed to unload the shipment as he found no vehicle for transportation.

Another trader, Alamgir Hossain, said he hired a truck three days back to send maize to Dhaka from Hili at Tk 25,000, much higher than its regular rent of Tk 16,000 to Tk 17,000.

Political leaders should find an alternative to the hartals for the sake of the economy, said Md Abdul Kalam Azad, president of the C&F Agent Association of Hili Land Port.

Govt signs deal with India on small projects

DIPLOMATIC CORRESPONDENT

Bangladesh and India yesterday signed a memorandum of understanding on the implementation of "small developmental projects" in Bangladesh.

Secretary to Economic Relations Division of Bangladesh Abul Kalam Azad and Indian High Commissioner Pankaj Saran signed the MoU on behalf of their respective governments.

Bangladeshi local government bodies and educational and vocational institutions will implement the projects with Indian grant.

Project proposals, not exceeding Tk 25 crore, will be routed through the finance ministry of Bangladesh, said a statement of the Indian High Commission in Dhaka.

The deal is meant for small infrastructure projects in the areas of livelihood activity, education, health or community development.

Conservation of the environment, empowerment of women and child welfare are expected to be the primary focus of such projects.



Lynne Lim, regional head of Astalift, speaks at the launch of the company's new product -- LunaMer -- at the FujiFilm Experience Zone in Niketan, Dhaka yesterday. Farhana Monem, chairman of Astalift Bangladesh, was also present.

Regional SME fair begins in Sylhet Sunday

STAR BUSINESS REPORT

A three-day regional fair to showcase products made by small and medium enterprises will begin in Sylhet on Sunday.

The fair aims to promote products the SMEs produce for both local and international markets, said officials of the SME Foundation, the organiser, in Dhaka.

Sylhet City Corporation Mayor Badruddin Ahmed Kamran is expected to open the fair.

The main objectives of the fair are to expand the markets of SME goods and products at home and abroad, help build bridges among the SME entrepreneurs and exchange ideas.

At the fair, SMEs from all over the country will display their products in 55 stalls with jute and leather products, footwear, handicraft, agro-processed items, cosmetics, electronic goods and clothes, including the special Monipuri traditional handloom variety.

The fair is open for visitors from 10am to 8pm everyday.

Businesses lose appetite for credit

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In the July-February period, private sector credit augmented 6.31 percent, a drop from the 11.68 percent growth experienced during the first eight months of last fiscal year.

The latest batch of private sector credit data comes as a blow to the central bank's attempts to maintain the growth momentum and contain inflation to tolerable levels for the rest of the fiscal year.

As means to achieve that, the central bank in January set the target of 18.5 percent for private sector credit growth.

The declining imports and the recent bank scams are to blame together with the precarious political scenario, for the slow growth in private sector credit, said Zahid Hussain, World Bank's lead economist.

Imports fell around 7 percent year-on-year between July and February, when in the same period last fiscal year, it increased by nearly 14 percent, according to BB.

"A big portion of the country's trade financing goes to import. As imports have fallen, so too have credit," he said.

"Secondly, the various scams the banks have encountered in recent times have made them very conservative in their lending activities," Hussain added.

However, Helal Ahmed Chowdhury, managing director of Pubali Bank, said banks have gone easy on the businessmen following BB's directive earlier in the year.

Market PE hits nine-year low

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The continuous downtrend not only pulled down the PE ratio to a record low, but also eroded confidence, said Mahmood Osman Imam, who teaches finance at Dhaka University.

"Many of the investors got stuck with margin loans, while others are not injecting fresh funds fearing further losses," he said, adding that most of the institutional investors are also on the sidelines.

Unless the institutional investors actively participate in the market, the expected hype will not be created among the retail investors, said Fakhor Uddin Ali Ahmed, a former president of the Chittagong Stock Exchange.

He urged political parties to think alternatives to shutdowns for the sake of the economy.

The overall market PE ratio hit the highest record at 30.58 at the end of February 2010.

A recent survey conducted by LankaBangla Securities, a stockbroker, found that political instability poses the biggest risk to the economy and the capital market in 2013.

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Abu NM Mahfuz, general manager for premium banking at Standard Chartered Bank, and Md Hamidur Rahaman, head of sales and marketing of Navana Ltd, exchange documents of a deal at a programme recently. The bank's priority banking customers and Visa Signature Credit cardholders will get Tk 150,000 discount on purchase of Toyota Camry Hybrid car from the Navana Toyota 3S centre.



Arif Mehmood Malik, sales director for Icon brand of Banglalink, attends the launch of a special service for Icon customers at a ceremony in Gulshan, Dhaka recently. Icon customers can now enjoy complimentary meals at any Nando's outlet in Dhaka.

Small businesses protest shutdown

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"We will hold a massive rally in front of all markets of Dhaka city on Friday, to protest strikes," said Robin Ahsan, convener of small shop owners' platform.

The shop owners of Aziz Super Market will also hold regular half-hour rallies in front of the market from Monday onwards.

"Don't impede our way of livelihood by enforcing your so-called strikes," he said, urging political parties to sort out differences and give the business community and the economy a much-needed respite.

Ahsan, also the proprietor of Srabon Prokashoni at Aziz Super Market, called for interest waiver for small shop owners. "If we cannot sell, how can we pay the instalments on our bank loans?"

"Four people work at my shop, but I am yet to pay their salaries for March due to sluggish sales," he said, adding that many businesses would go bust if the situation persists for even a month.

He suggested the government extend the business hours for shops to 10 pm to let them recuperate the losses.

Another new bank gets nod

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Later, two more banks -- Midland Bank and Farmers' Bank -- were given a go-ahead.

The BB in April last year issued "letters of intent" to the sponsors of nine proposed banks, including three to be set up by non-resident Bangladeshis.

The sponsors of the proposed banks are either from the ruling Awami League-led alliance or businesspeople backed by the ruling party. Awami League lawmaker Sheikh Fazle Noor Taposh is a key sponsor of Modhumoti Bank.

NRB Global Bank, initiated by Nizam Chowdhury, an expatriate Bangladeshi, is yet to get the final approval from the central bank.

BB promises to reduce hassles of borrowers in garment sector

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However, the central bank did not say when the committee will be formed.

Since the scams were unearthed last year, the garment makers have been persuading the central bank to ease the conditions of IBP acceptance.

"Everyday I hear complaints from my members that the banks are not accepting their IBPs. We need a solution," the BGMEA president told reporters after the meeting.

Islam also said banks should not harass the real businesses.

Currently, the number of "sick factories" in the garment sector is 270. "We don't want the number to rise further," he said.

The apparel makers also urged political leaders to keep the goods-laden trucks and vans of the sector out of the purview of shutdowns.

On the ongoing political unrest, the BGMEA president said international buyers are sending ominous messages.

The garment makers often fail to maintain the lead time due to the shutdowns.

They can neither transport raw materials to factories nor take the finished goods to port for shipment, Islam added.

BMET sues recruiting agencies' body

STAFF CORRESPONDENT

The Bureau of Manpower, Employment and Training (BMET) filed a case against the president and secretary general of Bangladesh Association of International Recruiting Agencies (Baira) allegedly for their involvement in an attack on its office on Wednesday.

The case was filed when Baira started its strike through suspending manpower export activities on Monday, blaming the government for losing foreign job markets.

Abul Kalam Azad, BMET assistant director, filed the case with Ramna Police Station against 20 to 25 officials of Baira.

Begum Shamsun Nahar, director general of the BMET, alleged that Baira president and secretary general led the attack.

However, Ali Haider Chowdhury, Baira secretary general, denied the allegations. "None of us (president and

secretary general) went to the BMET office yesterday (Wednesday). It is really sad that the BMET DG brought allegations against us," Chowdhury told The Daily Star.

After the suspension of manpower export activities, owners of some recruiting agencies and staffs of Baira were going to the BMET office and checking whether any of its members went there in violation of the suspension, he said.

On Wednesday, some Baira staffs went to the immigration section of the BMET and got into an argument with its officials but the incident ended immediately, according to the officials.

Earlier, Khandker Mosharraf Hossain, expatriates' welfare minister, said around 72 female workers may leave the country for Hong Kong by the end of April.

The workers will be employed as domestic maids in Hong Kong and get minimum TK 40,000 per month as salary, Hossain said.

Demutualisation bill goes to parliament soon

STAR BUSINESS REPORT

The draft of the demutualisation bill will be placed in the next Parliamentary session to pass the law that will separate the bourses' management from ownership to ensure transparency in the market.

The demutualisation would be very positive for the stockmarket. It is expected to revive the market," said AHM Mustafa Kamal, president of a parliamentary standing committee on finance ministry.

The committee met yesterday to scrutinise the proposed demutualisation act and brought in a few changes, he said.

"The bill is now ready to be placed before the Parliament on April 22."

After the stockmarket crash of 2011, a probe committee recommended demutualisation of the bourses, a process which would transform the entities currently owned predominantly by stockbrokers into public companies owned by shareholders.

Meanwhile, the stock exchanges have sought tax-free benefits for the first five years after demutualisation and the finance minister have agreed to it, according to Kamal.

"But there is no provision in the draft demutualisation act. So, the finance minister will take necessary steps in this regard in the upcoming national budget."



BEACON PHARMA

Gennady Godovalnikov, Belarusian deputy minister of health, visits the manufacturing facility of Beacon Pharmaceuticals Ltd at Bhaluka in Mymensingh on Wednesday. Md Ebadul Karim, managing director of Beacon, was also present.



GPIT

Raihan Shamsi, chief executive of GPIT, and Rafiqul Islam, managing director of South Bangla Agriculture and Commerce Bank, sign a deal recently to implement a core banking solution: Temenos T24.