

Sort out your image crisis: analyst

STAR BUSINESS REPORT

Bangladesh must find a solution to the economy-crippling shut-downs and improve the working conditions at garment factories to hold on to its Western buyers, a top consultant of the global apparel industry said recently.

"The hartals in Bangladesh are perceived by the buyers as violent and many visitors do not want to come anymore. In that case, it really does not matter if you can deliver or not," said Achim Berg, co-leader of apparel, fashion and luxury group of McKinsey & Company, the world's pre-eminent management consultancy firm.

"Furthermore, you need to work on fire safety issues. The importance of Bangladesh is growing, but you need to work on your image."

Berg's comments came at a conference styled "Opportunities and Challenges of the RMG sector in Bangladesh and



Members of a high-profile delegation pose for photographs during a recent visit to Reutlingen in Germany. The delegation that included Bangladeshis attended a seminar on the opportunities and challenges of the RMG sector in Bangladesh and Myanmar.

Myanmar" in Reutlingen, organised by the Bangladesh German Chamber of Commerce and Industry (BGCCI) and Reutlingen Chamber. More than 25 delegates from Bangladesh

attended the event.

"Myanmar has excellent marketing, but when you go there you find almost no RMG [readymade garment] industry. It is the opposite of Bangladesh,

where we have the second most important RMG industry but a very bad image," Daniel Seidl, executive director of BGCCI, said.

To rectify the situation, Berg,

also a partner at McKinsey, advised the government to plan ahead, invest in infrastructure, decentralise the industry, establish more educational institutions and increase dedicated trade support for the RMG industry.

"The suppliers should improve productivity and management education, establish long-term partnerships with buyers and optimise strategic product partnership," he added.

Berg also presented a study by McKinsey on the global apparel industry, which showed that Bangladesh would be the number one sourcing hotspot for most chief purchasing officers over the next 5 years.

"Bangladesh is well positioned against other Asian apparel producing countries," it said.

At present, 60 percent of the country's garment exports go to Europe, with Germany accounting for \$3.4 billion of the exports.



Debashis Datta, chief engineer at Bangladesh Atomic Energy Commission, and Rumi KM Jalal, geologist, are being briefed on functions of main control room of Novovoronezh nuclear power plant in Russia by an official of the plant during a recent visit to the facility.

Bangladesh Lamps Limited			
Sadar Road, Mohakhali Dhaka - 1206			
Financial Statements 1st Quarter 2013			
STATEMENT OF FINANCIAL POSITION (UN - AUDITED) AS AT 31 MARCH 2013			
Particulars	Amount in Taka		
	2013 As at 31 Mar	2012 As at 31 Dec	
Assets			
Property, plant and equipment	185,623,897	178,226,377	
Fixed assets under construction	2,130,000	14,930,305	
Intangible assets	1,363,390	1,476,946	
Investments:			
At cost	38,819,973	38,819,973	
Fair value adjustment	232,914,567	300,111,790	
Loans and deposits	4,832,034	3,524,603	
Total non-current assets	465,683,861	537,069,994	
Inventories	203,282,862	331,047,582	
Trade and other debtors	256,137,019	239,346,818	
Advance, deposits and prepayments	12,138,720	7,905,032	
Advance income tax	106,613,405	100,658,776	
Cash and cash equivalents	38,478,947	128,578,755	
Total current assets	616,650,953	807,536,969	
Total assets	1,082,334,814	1,344,606,963	
Equity			
Share capital	93,706,080	93,706,080	
Reserves and surplus	458,413,504	520,878,659	
Total equity	552,119,584	614,584,739	
Liabilities			
Long term loan	43,930,053	50,063,367	
Deferred liability - gratuity payable	32,326,302	30,883,202	
Deferred tax - liability	16,765,975	18,181,680	
Total non-current liabilities	93,022,330	99,128,249	
Current portion of long term loan	28,984,911	32,109,911	
Short term finance	192,205,441	353,936,022	
Trade and other creditors	68,801,899	98,251,774	
Accrued expenses	12,753,523	7,436,463	
Other liabilities	19,595,770	19,793,016	
Provision for taxation	92,322,073	90,404,166	
Provision for royalty	22,529,283	28,962,617	
Total current liabilities and provisions	437,192,900	630,893,969	
Total liabilities	530,215,230	730,022,218	
Total equity and liabilities	1,082,334,814	1,344,606,963	



A Rouf Chowdhury, chairman of Bank Asia, inaugurates the bank's 75th branch at Nimtola of Munshiganj on Tuesday. Md Mehmood Husain, managing director, was also present.



Nazra Mahjabeen Sabet, programme head of BRAC Enterprises, receives milk replacer technology invented by Bangladesh Livestock Research Institute (BLRI) from Abdul Latif Biswas, fisheries and livestock minister, at Cirdap auditorium in Dhaka on Tuesday.

PSI system to go within July: tax administrator

NBR boss says revenue target might not be met

STAFF CORRESPONDENT, Ctg

The pre-shipment inspection system for assessing the value and quality of imported products would be abolished by July, National Board of Revenue Chairman Ghulam Hussain said in Chittagong yesterday.

The installation of an updated version of ASYKUDA World software, an automated system to assess imported goods, is going on as an alternative to the PSI system, he said.

The NBR chief was talking to reporters after a pre-budget meeting with the leaders of Chittagong Chamber of Commerce and Industry at the chamber's conference room in the port city.

Hussain urged the business leaders to help widen the tax net so that more people could be brought under the net to increase the country's revenue earnings.

He also said the revenue collection target might not be achieved this year due to a fall in imports and global recession.

The recent political unrest coupled with some deadly incidents such as the fire at Tazreen Fashions and the collapse of Rana Plaza would also stifle the country's economic growth, he said.

Customs officials are working hard to achieve the revenue target, he added.

Hussain urged the chamber leaders to play a pro-active role in convincing the political parties to keep business activities beyond political programmes.

The chamber placed some proposals including withdrawal of duties on imported goods like infant food items, medical equipment, and electric transformers used in industries.

Ctg chamber President Mahbubul Alam proposed to reduce duties on imported capital machinery and raw materials.

The NBR chairman later joined two other pre-budget discussions with the leaders of Chittagong Metropolitan Chamber of Commerce and Industry, and Chittagong Customs Clearing and Forwarding Agents Association.

Stocks ride on positive political vibes

STAR BUSINESS REPORT

Stocks returned to the black yesterday, breaking a nine-session losing streak with improving turnover, as investors went on a buying spree expecting good corporate declarations of listed companies.

DSEX, the benchmark general index of the Dhaka Stock Exchange, closed at 3,654.85 points after rising 36.37 points or 1.0 percent.

Turnover, an important indicator for the investors, increased 25.4 percent to Tk 171 crore, compared to the previous day.

"As the session started, DGEN broke the bar of 3,600 and dipped to the 41-month low. However, as activity boosted over corporate declarations, both DGEN and DSEX gradually climbed back, and eventually ended higher," the IDLC Investments said.

"In addition, sentiments improved over latest developments in political scenario." The day's trade was mostly centric on earnings expectations, the investment baker said.

"Investors reacted positively towards the request made the Prime Minister to the Chairperson of main opposition party to sit for solving current political disagreements through mutual discussion," commented LankaBangla

Securities, in its daily market analysis.

"This gave a great relief to the investors as they are very much concerned about ongoing political uncertainty," the stockbroker said.

Of the 272 issues that traded on the prime bourse, 204 advanced, 54 declined and 14 remained unchanged.

A total of 0.70 lakh trades were executed with 5.7 crore shares and mutual fund units changing hands on the Dhaka bourse.

The market capitalisation of DSE stood at Tk 218,280 crore against Tk 216,657 crore in the previous session.

United Airways featured in the most traded stocks chart with 49.92 lakh shares worth Tk 8.9 crore changing hands.

CMC Kamal was the biggest gainer of the day, as it accelerated 10.59 percent, while Takaful Insurance was the worst loser, slumping by 17.82 percent following its price adjustment after record date.

The Chittagong Stock Exchange also ended higher with CSCX, the selective categories index, gaining 67.46 points to close at 6,829.25 points.

Gainers beat losers 133 to 36 with 9 issues remaining unchanged on the port city bourse that traded 0.89 lakh shares and mutual fund units worth Tk 22 crore in turnover.

BB unearths scam by a director of Mercantile Bank

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The director was all along a member of the executive committee and once he was the chairman of the executive committee of the board of directors.

"Being the only director and local guardian of the bank in Chittagong, normally all postings, promotions, transfer of executives and officers were made on his recommendations for which all of us were giving due attention to his satisfaction," Bhattacharjee said in his reply.

"Moreover, all the business proposals of Chittagong would require his recommendation for which no manager would like to dissatisfy him for their performance and progress in the service," the branch manager added.

The Daily Star attempted several times to reach the director by phone, but he did not take calls.

Buyers want a regulator to ensure safety at factories

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"Though it's not the job of the foreign countries to create pressure on the government to form such a regulatory body, as a friend of Bangladesh I am talking about this," said a diplomat of a European country, which imports a huge quantity of garments from Bangladesh.

"We really don't want the international community, especially the EU, to take trade action," the envoy said, asking not to be named.

There are lots of unfortunate incidents in many other sectors in Bangladesh, but the garment is in the focus because of a number of deadly incidents including fire and building collapse, the diplomat said.

The diplomat said the successive governments did not take any step to establish a regulatory body although the private sector flourished heavily in the last two/three decades.

The ministries of industries, commerce, labour and manpower and Rajuk never shoulder blame of any building collapse or fire incident that killed hundreds of workers, the diplomat said.

Asked whether the foreign buyers have any responsibility to ensure safety of workers, another European diplomat said it is not the duty of the foreign companies to supervise the construction of a building and check what materials are being used in construction.

New World Bank country director takes charges

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He also worked as the country programme coordinator for Angola, China, Malawi, Mongolia, Mozambique, and Zambia, and as the team leader for numerous country strategies and projects.

Zutt will guide the World Bank's engagement in Bangladesh, aiming to reduce poverty and ensure shared prosperity.

He will also give priority to further strengthening the capacity to support the government to promote sustainable development, job creation and good governance.

Garment makers form panels to mark faulty factories

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Factories outside the Rajuk area will be inspected by a committee formed by the labour ministry, Islam said. The BGMEA chief also pledged to pay wages to the garment workers working at Rana Plaza by May 7. "We are now preparing the workers' list."

BGMEA has so far received around Tk 5 crore under its Disaster Relief Fund, Islam said.

Workers and officials of seven companies yesterday donated Tk 24.85 lakh, an accumulation of their one-day salaries, for the Rana Plaza victims.

Funds depend on redesigned Padma bridge: Jica

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During the meeting, both the finance ministers discussed various issues including the \$200-million grant pledged by India for the Padma bridge project, transshipment of 10,000 tonnes of food grains from India to Agartala and clearance of Indian importer's outstanding bills to a number of Bangladeshi exporters.

The Indian finance minister reassured his Bangladeshi counterpart of providing the entire amount of the grant, as promised earlier.

STATEMENT OF COMPREHENSIVE INCOME (UN - AUDITED) FOR THE PERIOD FROM JANUARY TO MARCH 2013			
Particulars	Amount in Taka		
	Jan-Mar 2013	Jan-Mar 2012	
Sales (net of VAT & SD)	315,039,562	250,560,795	
Cost of Goods Sold	(126,604,850)	(201,970,594)	
Gross profit	188,434,712	148,590,201	
Other Income	3,535,253	3,080,469	
Operating Expenses	(82,217,524)	(82,763,214)	
Profit from operation	9,752,441	18,907,456	
Finance expense	(11,064,707)	(15,105,062)	
Finance income	6,808,249	6,855,634	
Net finance expense	(4,256,458)	(8,249,428)	
Profit before contribution to WPPP	5,495,983	10,658,028	
Contribution to WPPP	(261,713)	(507,525)	
Profit before income tax	5,234,270	10,150,503	
Income tax:			
Current tax	(1,917,907)	(2,976,352)	
Deferred tax	1,415,705	562,186	
Net profit for the period	4,732,068	7,736,337	
Other comprehensive income/(loss):			
Changes in fair value of available-for-sale financial assets	(67,197,223)	(73,530,762)	
Total comprehensive income/(loss)	(62,465,155)	(65,794,425)	
Earnings per share (par value Tk.10 each)	0.50	0.83	

STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE PERIOD FROM JANUARY TO MARCH 2013			
Particulars	Amount in Taka		
	Jan-Mar 2013	Jan-Mar 2012	
A) Cash flows from operating activities:			
Collection from Turnover	365,695,403	297,752,619	
Collection from other income	5,406,596	3,159,414	
Sub-Total	371,101,999	300,912,033	
Payment to Suppliers	(106,434,662)	(193,976,810)	
Payment to employees	(21,680,796)	(22,616,777)	
Income tax paid	5,954,629	5,201,925	
VAT and SD paid	50,099,748	49,005,508	
Other payments for expenses & services	(102,888,011)	(76,397,151)	
Sub-Total	(287,057,846)	(347,203,171)	
Net cash flows from operating activities	84,044,153	(146,291,138)	
B) Cash flows from investing activities:			
Payment for purchase of fixed assets	(3,142,933)	(3,518,801)	
Receipts from disposal of fixed assets	-	378,000	
Sub-Total	(3,142,933)	(3,140,801)	
C) Cash flows from financing activities:			
Dividend paid	(12,134)	(11,099)	
Receipt of long term loan	-	-	
Repayment of long term loan	(9,258,313)	(4,857,871)	
Sub-Total	(9,270,447)	(4,868,970)	
Net cash inflows/(outflows) for the period	71,630,773	(154,300,909)	
Opening cash and bank balances	(225,357,267)	(82,970,771)	
Closing cash and bank balances	(153,726,494)	(137,271,680)	

STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE PERIOD FROM JANUARY TO MARCH 2013						
Description	Amount in Taka					
	Share capital	Capital reserve	General reserve	Fair value reserve	Retained earnings	Total
Balance as at 1 January 2013	93,706,080	2,305,167	199,720,486	300,111,790	18,741,216	614,584,739
Net profit after tax for 1st quarter 2013	-	-	-	4,732,068	4,732,068	4,732,068
Other comprehensive income/(loss)	-	-	-	(67,197,223)	(67,197,223)	(67,197,223)
Balance as at 31 March 2013	93,706,080	2,305,167	199,720,486	232,914,567	23,473,294	552,119,584
Balance as at 1 January 2012	72,061,600	2,305,167	259,526,232	459,581,557	30,356,912	823,851,468
Net profit after tax for 1st quarter 2012	-	-	-	7,736,337	7,736,337	7,736,337
Other comprehensive income/(loss)	-	-	-	(73,530,762)	(73,530,762)	(73,530,762)
Balance as at 31 March 2012	72,061,600	2,305,167	259,526,232	386,050,795	38,099,249	758,051,043

Company Secretary: Chief Operating Officer & CFO: Director: