

**STOCKS**

DGEN <span style="color: green;">▲ 1.26%</span> 4,465.47	CSCX <span style="color: green;">▲ 1.16%</span> 8,241.82
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**COMMODITIES**

Gold <span style="color: red;">▼ \$1,229.13 (per ounce)</span>	Oil <span style="color: red;">▼ \$94.58 (per barrel)</span>
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**ASIAN MARKETS**

MUMBAI <span style="color: red;">▼ 0.41% 18,522.12</span>	TOKYO <span style="color: red;">▼ 1.04% 12,834.01</span>	SINGAPORE <span style="color: green;">▲ 0.47% 3,104.40</span>	SHANGHAI <span style="color: red;">▼ 0.41% 1,951.50</span>
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**CURRENCIES**

BUY TK 77.10	SELL TK 78.10	USD 99.97	EUR 116.76	GBP 0.74	JPY 0.84
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# BUSINESS

DHAKA THURSDAY JUNE 27, 2013, e-mail:business@thelaststar.net

## BB buys dollars to prop up exchange rate

*The central bank purchases \$5.14b in the outgoing fiscal year to create artificial demand for greenback*

**SAJJADUR RAHMAN**

The central bank bought a record \$5.14 billion from the market in the outgoing fiscal year to create artificial demand for the greenback in an effort to stabilise the exchange rate. The amount was only \$157 million in fiscal 2011-12 and \$316.50 million in the previous year.

On the other hand, Bangladesh Bank sold no dollars in the market in the outgoing fiscal year. The BB sold dollars only once in fiscal 2006-07 since the country has adopted the floating exchange rate regime in May 2003.

The BB's effort helped raised the country's foreign exchange reserve to more than \$15 billion and cushioned the remitters and exporters against deeper shocks. Conversely, it pushed inflation up and made the exchange

rate policy inconsistent, analysts said. "The BB should not intervene in such an aggressive way, which is inconsistent with its floating exchange rate policy," said Monzur Hossain, a research fellow at Bangladesh Institute

**DOLLAR PURCHASE BY BANGLADESH BANK IN MILLIONS OF DOLLARS**

Year	Purchase (in millions of dollars)
2004-05	64.7
2005-06	79.99
2006-07	649.5
2007-08	202.5
2008-09	1,484.2
2009-10	2,161
2010-11	316.5
2011-12	157
2012-13*	5,114

\*Up to June 24

**STAR BUSINESS REPORT**

Local administrators yesterday closed down Razzak Plaza, an eight-storey building in Savar housing two garment factories and a shopping centre, after cracks surfaced at a room on the top floor.

"There is a tin-shed room with brick walls on the roof of the building, where some cracks have developed. Besides, there are towers of mobile phone companies on the rooftop," said Kamrul Hasan Mollah, upazila nirbahi officer of Savar.

The decision was taken in consultation with factory inspectors, he said.

If the Bangladesh University of Engineering and Technology inspection team declares the construction safe, Razzak Plaza will be re-opened, Mollah said.

"Our engineer had reached Rana Plaza a few minutes before 9:30am, only to witness the building cave in," said SM Mannan Kochi, a vice-president of BGMEA.

With it, went 1,132 lives, the health of thousands and the reputation of an industry contesting to cement the top spot globally.

Following the catastrophe on April 24,

**Eight-storey building shuts as cracks open on walls**

**REFAYET ULLAH MIRDHA**

It was on April 23 that Sohel Rana, the local administration officers, municipality authorities, upazila nirbahi officer and few others gathered to say a special prayer for Rana Plaza, that it holds up for the next 100 years.

Their wish, after all, was not unreasonable: a local engineer had assured Rana that the building was solid enough to stand for a very long time, despite a big crack surfacing that day, near a pillar on the third floor.

Hearing the news of the crack, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) summoned an engineer to the site the following morning to evaluate the state of the building.

"Our engineer had reached Rana Plaza a few minutes before 9:30am, only to witness the building cave in," said SM Mannan Kochi, a vice-president of BGMEA.

For a construction of the ilk of Rana Plaza, the pillars needed a minimum pressure bearing capacity of 3,500 units per square inch (psi), but, it had just 2,300psi.

The huge stacks of raw materials and finished items and the housing of more than 3,500 workers at any one time on each of the 20,000 square feet wide floors, mounted the pressure on the weak foundations.

**REHAB fair starts amid calls for low-cost flats**

**SAJJADUR RAHMAN**

BRAC has bought a 56.6 percent stake in Nanda Investment and Finance Company of Sri Lanka for nearly \$4.03 million.

LOLC Micro Investments, a Sri Lanka-based leasing company, has bought another 33.4 percent in Nanda for \$2.37 million.

The deal was signed yesterday," Tanvir Rahman, director of finance at BRAC and BRAC International, told The Daily Star by phone.

Netherlands-based Triodos Bank is in talks to buy the remaining 10 percent stake, Rahman said.

Nanda Investment and Finance Company is a publicly listed company in Sri Lanka.

BRAC, the world's largest NGO, has microfinance operation in Sri Lanka since 2005 when a devastating tsunami had hit the island nation.

BRAC started work there with relief and rehabilitation activities.

BRAC, which was founded in Bangladesh in 1972, is a non-government development organisation dedicated to alleviating poverty by empowering the poor.

**STAR BUSINESS REPORT**

A real estate and housing fair began yesterday in Dhaka with a call to build low-cost apartments.

"Urbanisation is the future demand of people. But it also increases the number of slum dwellers due to an unavailability of low cost apartments," said Hasanul Haq Inu, information minister.

Realtors should build more low-cost housing projects in the major cities to meet the growing demand of the lower income group, Inu said.

The minister spoke at the launch of the four-day REHAB Summer Fair 2013 organised by Real Estate and Housing Association of Bangladesh at Ruposhi Bangla Hotel in Dhaka.

"It is the government's duty to ensure housing facilities for all. Private sector entrepreneurs should prepare a detailed

plan on how to develop low-cost apartments by involving the sellers, buyers and financial institutions."

The government will support the private initiative, he said. "You (realtors) can definitely come up with low cost housing solutions if you are determined."

Inu stressed the need to prepare a master plan for the housing sector across Bangladesh.

The country's population is estimated to reach 20 crore by 2040 and half of the population will live in urban areas, Inu said.

"It is a big challenge for both the government and private sector developer."

Real estate is a growing sector in the country with an annual turnover of Tk 24,000 crore, he added.

The minister agreed that the current rate for apartment registration is high. "It should be reduced to develop the sector."

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**German partner GIZ stresses upgrade to garment factories**

**STAR BUSINESS REPORT**

Social and environmental standards in the garment industry became more crucial in Bangladesh as more than 1,700 people lost lives in the Rana Plaza and Tazreen incidents, said a top official of a German development partner.

The RMG sectors needs to rethink its standards, said Promita Sengupta, acting country director of GIZ.

"We have to take the responsibility of ensuring social and environmental standards and workers' rights at the beginning of any business plan," she said.

A value related cost and benefit analysis can be key to maintaining social and environmental standards, she said yesterday at a workshop on researching and analysing the export market.

The workshop was organised by the Promotion of Social and Environmental Standards in the Industry, a project of GIZ, and sponsored by the International Trade Centre (ITC), Bangladesh German Chamber of Commerce and Industry and the European Union (EU).

**STAR BUSINESS REPORT**

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