

# Star BUSINESS

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## Questions over Rupali's high loan growth

REJAUL KARIM BYRON

The comparatively high loan growth of Rupali Bank among state banks this year has raised suspicions of the International Monetary Fund.

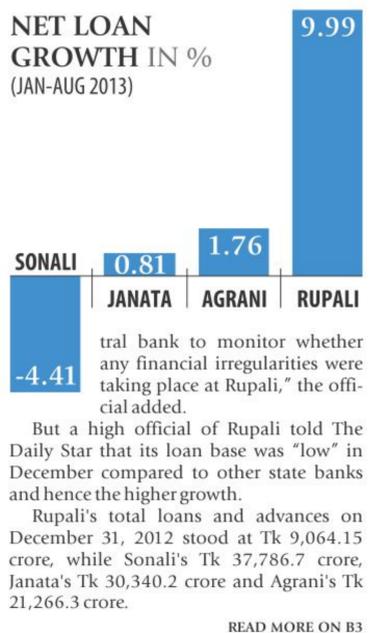
Rupali's net loan growth between December 31, 2012 and August 31, 2013 stood at 9.99 percent against Sonali's -4.41 percent, Janata's 0.81 percent and Agrani's 1.76 percent, according to central bank statistics.

The IMF mission, which left Dhaka on October 6, raised questions as to why Rupali's loans shot up when Janata's and Agrani's increased slightly and Sonali's even declined, a central bank official said, asking not to be named.

"Given the political uncertainty, most banks are struggling to disburse loans. Rupali's exceptionally high loan growth in such a scenario made the IMF suspicious of wrongdoings in the bank," the official said.

Rupali's loan growth target for the whole year was 10 percent but by August the bank's total loan growth overshoot the target by 1.24 percent, while its net loan growth almost reached that figure.

"They [the IMF mission] urged the cen-



## Bangladesh still a top choice for garment buyers

Participants in Batexpo say factory disasters did not impact orders

REFAYET ULLAH MIRDHA

Despite frequent factory disasters, Bangladesh remains the favourite of international garment retailers mainly due to the competitive prices the country offers, participants in a textile show said yesterday.

Now Bangladesh is considered an alternative to China, the largest apparel exporter worldwide, as the prices of garment products in the Asian giant have gone up due to higher cost of production and a shortage of workers, they said.

"We have no shortage of orders," said Mohammad Delwar Hossain, a senior marketing officer of Beximco Textiles, a leading garment maker, at a pavilion at the 24th Batexpo at Sonargaon Hotel in Dhaka.

The three-day annual extravaganza -- Bangladesh Apparel and Textile Exposition -- kicked off yesterday.

Hossain said many had thought after the Tazreen Fashions fire and Rana Plaza building collapse that the global retailers would shy away from placing orders in Bangladeshi factories.

But that did not happen, he said, adding: "The retailers are coming in increasing numbers though they are now more cautious about the compliance issues."



Prime Minister Sheikh Hasina takes a look at a piece of cloth at an apparel and textile exposition after opening the show at Sonargaon Hotel in Dhaka yesterday.

## Eid rush hits banks

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Commercial banks yesterday witnessed a frenzy of activity yesterday as customers rushed to withdraw cash ahead of the Eid-ul-Azha festivity, officials said.

However, the inter-bank call money market remained well within the single-digit level as most banks have adequate funds to handle the withdrawal pressure.

In the past week, banks in Dhaka were packed with customers, especially to withdraw remittance, officials added. Bangladeshi expatriates sent home over \$1 billion in September.

"We found it difficult to tackle the rush. Our servers often failed to take the load," said Sharifur Rahman, executive vice president and manager of IFIC's Kawran Bazar branch.

People were seen standing in queue for more than half an hour to complete their banking needs at the branch.

"We handled around 30 percent more clients yesterday than usual," said Waliur Rahman, operation manager at the Nawabpur branch of Dutch-Bangla bank.



An official stacks bundles of banknotes at a Dutch-Bangla Bank branch in Dhaka yesterday.

## Pressure grows on apparel sector for compliance

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Srinivas Reddy, country director of International Labour Organisation (ILO), said manufacturers should not see the issue of labour compliance as a cost issue.

"Rather, they should look at it as an investment that pays back later, increases productivity and saves lives." He also reminded brands about their roles so that their sourcing practices do not lead to non-compliance in the country. "They need to promote compliance."

He started the factory in September 2010, investing around Tk 2.5 crore from the savings of his father, who is a retired pilot of Biman Bangladesh Airlines.

"We had no way but to close the factory as the workers are constantly threatening us with trade unionism," Khan said.

The factory formally introduced the trade union in November 2012.

## RMG factory comes to a close

Owner points finger at trade union

SUMAN SAHA and SHAHEEN MOLLA

Yasser Yousuf Khan is now struggling to pay the salaries of around 550 workers in his factory, Rebecca Fashions Ltd -- unit 2.

It is a tricky business as he has to sell his personal car even to clear the dues tagged with his factory at Kafrul in Dhaka.

With his total bank liability crossing Tk 16 crore, it is a pity he has to stop operations and comply with the demands of his union leaders.

"I don't know what to do now. I am in peril. Even I don't take any unknown phone call as some workers threaten me for withdrawing the case from the police station," Khan told The Daily Star.

Khan is the managing director of the factory that was closed down on the 15th of September. "My family and I are totally shattered as we are in a big financial mess."

He started the factory in September 2010, investing around Tk 2.5 crore from the savings of his father, who is a retired pilot of Biman Bangladesh Airlines.

"We had no way but to close the factory as the workers are constantly threatening us with trade unionism," Khan said.

The factory formally introduced the trade union in November 2012.

"After that, the workers used to stop work and start making unnecessary demands, even after receiving their salaries and overtime altogether on the 10th of every month."

Some of the demands included lunch bills for each employee, increasing attendance bonus from Tk 300 to Tk 500, and providing salaries including overtime by the 7th of each month, Khan said.

"These demands can only be fulfilled by large factory owners. It is almost impossible for a factory like Rebecca Fashions as it is a small factory," he said.

Each month, workers used to work a maximum of 15 days, he said. "We, therefore, were not being able to make any shipments on time. All my goods were either sent by air or had to face huge discounts and order cancellations."

The factory that produces trousers generally used to export goods worth \$1 million a year mainly to Canada, the UK and other European countries.

The situation, however, got critical on September 19 when the factory owner started paying layout compensation to the workers.

"Workers vandalised the factory and some were involved in looting fabrics and readymade goods that were going to be exported, while the company was paying compensation to them," Khan said.

He had to sell off the full factory setup, including machinery, tools, furniture, lights and fans, to pay the wages and service benefits for a total of three months as per the labour law under the strict supervision of the police.

Md Imran Hannan, president of the factory's trade union, however, refuted the allegation that the trade union leaders were responsible for the factory's closure.

"We always made logical demands. The workers used to do their job regularly," he said, adding that the trade union leaders do not know the reason behind the shut-down.

Hannan said: "No single worker was involved in stealing or looting on September 19 as the police was present at the time."

There had been unrest in the factory for a long time, said Kazi Wazed Ali, officer-in-charge of Kafrul Police Station. The owners shut the factory as they were incurring losses, he added.

However, the managing director of the factory lodged a complaint with the Kafrul Police Station to arrest the culprits behind the vandalism and looting on September 19, Ali said.

The case is now under investigation, he added.

দেশের অন্যতম বৃহৎ স্থাপনা  
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(গুলিস্তান-যাত্রাবাড়ী)  
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