

STANDARD CHARTERED BANK

IDLC

financing happiness

টাকা পাঠাই ফোনে ফোনে

Send Money thru Phone

NCC Bank Ltd.

Where Credit and Commerce Integrates

www.nccbank.com.bd

star

BUSINESS

DHAKA FRIDAY NOVEMBER 22, 2013, e-mail:business@thedailystar.net

Factory inspections start today, at last

STAR BUSINESS REPORT

Garment factory inspections on a full-fledged basis will at last take off today, with 200 units to come under the microscopes of BUET experts over the next eight weeks. The development comes following a meeting yesterday at the ministry of labour, where a common checklist for inspection on the country's 4,000-odd active garment factories was agreed upon. The 200 factories to be inspected, both for structural integrity and fire and electrical safety, would fall under the 2,000 factories that the government agreed to as part of the International Labour Organisation's (ILO) efforts to improve factory safety in Bangladesh. The Accord on Fire and Building Safety, an alliance of more than 100 European-based retailers, would inspect another 1,500 factories, while the Alliance for Bangladesh Worker Safety, another coalition of 26 retailers mainly based in North America, would look into 500 more. "The agreement today forms a major breakthrough which will help ensure the safety of all workers in the garment industry in Bangladesh and prevent tragic events like Tazreen and Rana Plaza from happening again. No worker in Bangladesh should die because of unsafe work places," said Labour Secretary Mikail Shipar. ILO Country Director Srinivas Reddy said these standards align with the Bangladesh National Building Code and also support the National Tripartite Plan of Action. "The challenges in Bangladesh are many and complex, and the solution requires collaboration across all interested parties," said Jeffrey Krilla, president of the Alliance, in a statement.

READ MORE ON B3

It's final: 77pc hike in garment wage

Pay for workers under other grades also rises proportionately

STAR BUSINESS REPORT

Minimum wage rose about 77 percent to Tk 5,300 a month for garment workers, but their basic salary will be lower than the previous recommendation. A trainee or apprentice worker will get Tk 4,810 as the minimum salary. The working period for a trainee worker will be three months, extendable by another three if owners fail to see an improvement in standards. After that period, trainees will be appointed as permanent workers under Grade 7, the lowest rung. As per the revised structure, a Grade 7 worker will receive Tk 3,000 in basic salary that had previously been recommended at Tk 3,200 on November 4. Furthermore, Tk 1,200 will be for house rent, Tk 250 for medical purposes, Tk 200 for transport and Tk 650 for food subsidy. The wage board finalised a 5 percent increment on basic salary a year, which was absent in the previous structure. The new pay structure will be effective from December. AK Roy, chairman of the board respon-

sible for setting the wage structure, informed reporters about the new salary level at a briefing after the board's tenth meeting in Dhaka yesterday. If a worker's existing salary surpasses the newly announced wage structure, his or her salary cannot be decreased from the current level, according to a notice by the minimum wage board. On a decrease in basic salary, Md Kamal Uddin, independent member of the wage board, said the owners did not accept the previous recommendation. "But a consensus of all parties is needed to finalise the wage structure and the basic salary was revised." The revised and final recommendation will now be sent to the law ministry for vetting, and then to the BG Press for gazette notification, Labour Secretary Mikail Shipar told The Daily Star. "The salary for garment workers under six other grades also increased proportionately," he said. Arshad Jamal, owners' representative in the wage board, said: "We can't afford it, but we accepted the new wage structure considering the current political situation and labour unrest and to save the garment industry."

READ MORE ON B3

Ronald Edward Garrow

MasterCard to roll out multipurpose cards

SUMAN SAHA

MasterCard, an American multinational financial services corporation, plans to work with the Bangladesh government to roll out smart cards that will serve dual purposes: national identification and e-payment. Ronald Edward Garrow, member of MasterCard's executive committee, said the move would make the transaction process easier and efficient. The company has already struck up an agreement with the Nigerian government to roll out 13 million of these multipurpose identity cards on a pilot basis. It would be the largest formal electronic payments solution roll-out and the broadest financial inclusion initiative in Africa. "We plan on working closely with regulators, customers and merchants to replicate a similar experience and stimulate a robust payment ecosystem in Bangladesh," he said at an interview with The Daily Star. Garrow, who has been with the MasterCard since 2010, was in Dhaka recently to open MasterCard's first country office in Bangladesh. "Bangladesh is an important market for the electronic payments industry as it is relatively untapped." Nearly \$100 billion is spent every year on private consumption in the country, of which only 0.5 percent, or \$500 million, is done through electronic payment means such as debit or credit cards and mobile wallet. The company, however, expects annual value of electronic payments to hit \$10 billion from \$500 million in the next five years. Bangladesh has around 1.2 million credit cards and 1.7 million debit cards, while mobile subscription is more than 100 million. "So it presents an opportunity to offer innovative payment services spearheaded, in particular, by mobile phones," said Garrow, also the chief human resources officer of the company. MasterCard is also looking for opportunities to introduce prepaid cards for government subsidies and payments, payroll management for businesses, e-welfare payments for NGOs and mobile payment solutions, he said.

Demand for industrial loans drops amid political turmoil

SAJJADUR RAHMAN

The disbursement of industrial term-loans continues to slide on the back of growing political unrest. Between July and September, banks and non-bank financial institutions disbursed over Tk 8,880 crore of term loans, down 8.63 percent year-on-year and 15.53 percent from the previous quarter, according to data from Bangladesh Bank. The disbursement of industrial term loans were Tk 10,061 crore and Tk 10,513 crore in the first and second quarters of the year respectively. Industrial term loan includes disbursement of fresh credit, rescheduling of term loans and fund release for balancing, modernisation, rehabilitation and expansion of industrial units. Bankers said uncertainty in the run-up to elections has acted as the biggest reason for the slowdown in industrial activities, but the tight BB policies and extra cautiousness by banks in the wake of rising fraudulence, has not helped matters either. But Helal Ahmed Chowdhury, managing director of Pubali Bank, pointed out the recent trend of taking out low-cost loans from foreign sources and adjusting their term loans domestically, as the reason for the banks' falling disbursement of industrial term loans. The rising non-performing loans, of nearly 13 percent, have also squeezed many banks' hands, he added. "Borrowers and bankers, both are cautious as it is an election year," said Nurul Amin, managing director of NCC Bank. The accompanying political turmoil, together with the existing constraints of poor infrastructure and scarcity gas and electricity, has made business conditions "very tough", he added. The development, however, does not bode well for the country's economy, as the industrial sector has been vital in sustaining the steady economic growth over the past one decade. The sector's contribution to gross domestic product (GDP)

INDUSTRIAL LOAN DISBURSEMENT

IN CRORES OF TAKA

9,720.3	12,233.5	10,061.24	10,513.27	8,880.79
JUL-SEP	OCT-DEC	JAN-MAR	APR-JUN	JUL-SEP
FY12-13				FY13-14

Flamingo Fashions Ltd., a concern of DBL Group, was awarded the National Export Trophy (Silver) FY 2010 - 11 for outstanding performance in 100% Export-Oriented RMG industry (KNIT). Honorable Prime Minister H. E. Sheikh Hasina handing over the award to the Honorable Chairman of DBL Group, Mr. Abdul Wahed (CIP).

Central bank changes loan write-off rules

STAR BUSINESS REPORT

The central bank yesterday altered the rules for writing off bad loans, it said in a notice. From now on, lenders do not have to file cases for bad loans -- Tk 50,000 or less -- to be written off from balance sheets against full provisioning. In 2007, Bangladesh Bank made the filing of cases mandatory before writing off any loan, irrespective of the amount. "We have observed that, in many cases, especially with a small amount of loans, expenditure relating to court cases exceeds the loan amount," the central

India PM opens bank for women

BBC

India's Prime Minister Manmohan Singh has inaugurated the country's first state bank for women in Mumbai. The Bharatiya Mahila Bank, which begins with seven branches, will employ women, accept deposits from and lend mostly to women. The bank will open 500 branches by 2017. Just 26 percent of women in India have an account with a formal financial institution, compared with 46 percent of men.

M. Nasir Uddin, Chairman, Pacific Jeans Group, CEPZ is seen receiving the National Export Trophy from Hon'ble Prime Minister Sheikh Hasina on 20th November, 2013.

In recognition as the leading Exporter of Bangladesh EPZ and for the contribution towards the National Economy, **Universal Jeans Ltd & Jeans 2000 Ltd**, two companies of Pacific Jeans Group have been awarded with the highest honor **"National Export Trophy" for the year 2010 - 2011.** Heartiest Congratulations to our mentor M. Nasir Uddin, Chairman of Pacific Jeans for being awarded two prestigious trophies for our group. His leadership, integrity, determination and dedication have paved our way to many milestones. Yet every milestone is a beginning of a new journey of excellence.

All Employees of : **PACIFIC JEANS GROUP**

Trust Lucas

50 YEARS

TRUSTED OVER

MILLIONS

OF MOTORISTS IN BANGLADESH TRUST LUCAS

12 MONTHS WARRANTY

18 MONTHS WARRANTY

Customer Care Center 16213