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BUSINESS

DHAKA WEDNESDAY DECEMBER 4, 2013, e-mail:business@thedailystar.net

Hasina vows action against factory arsonists

STAR BUSINESS REPORT

Prime Minister Sheikh Hasina yesterday visited Standard Group's burnt-out factory complex in Konabari of Gazipur to see for herself the devastation from a fire set allegedly by outsiders.

"The fire at the Standard Group factories was planned," said Hasina. The prime minister spent more than an hour at the factory, speaking to the owners and workers of the compliant factory.

"The building and its contents could not have been burnt so easily."

The fire did not affect 19,000 workers alone, it gave a blow to thousands of families, she said.

The prime minister said her government would not let go of the perpetrators. "We will take action against the perpetrators."

The fire that began in the early hours of Friday has left at least 19,000 garment workers, mostly from the impoverished rural areas, jobless.

Hasina was shocked to imagine that the invaders used a horn speaker of the mosque built by Standard Group to instigate the workers living nearby to join them and to go on a rampage and burn the factory.

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Sonali, Agrani to get Tk 2,000cr to fix capital deficit

The state banks will go through tough reforms to get the funds

REJAUL KARIM BYRON

The government will next week provide around Tk 2,000 crore to Sonali and Agrani banks to help meet their capital shortfalls on condition that the state-run banks will go through credit risk-related reforms.

The central bank last week sent the 'business plans' of the banks to the Banking Division, credit risk management policy being a major component of the plan, a finance ministry official said.

In the first phase, the government will give four state banks Tk 4,100 crore against their capital shortfall of Tk 8,863 crore.

In line with Bangladesh Bank's recommendations, Sonali will receive around Tk 1,200 crore and Agrani Tk 800 crore, but Janata and Rupali will get funds next year, the official said.

Sonali and Agrani drew a sector-wise credit growth plan in their credit risk management policy, according to the business plans of the banks.

Sonali Bank showed that its highest credit growth would not exceed 8 percent

in the trading sector and 2 percent in the industrial sector.

In line with the International Monetary Fund's conditions tagged with loans under its Extended Credit Facility (ECF), the government has taken initiatives to meet the capital shortfall of the banks in two phases.

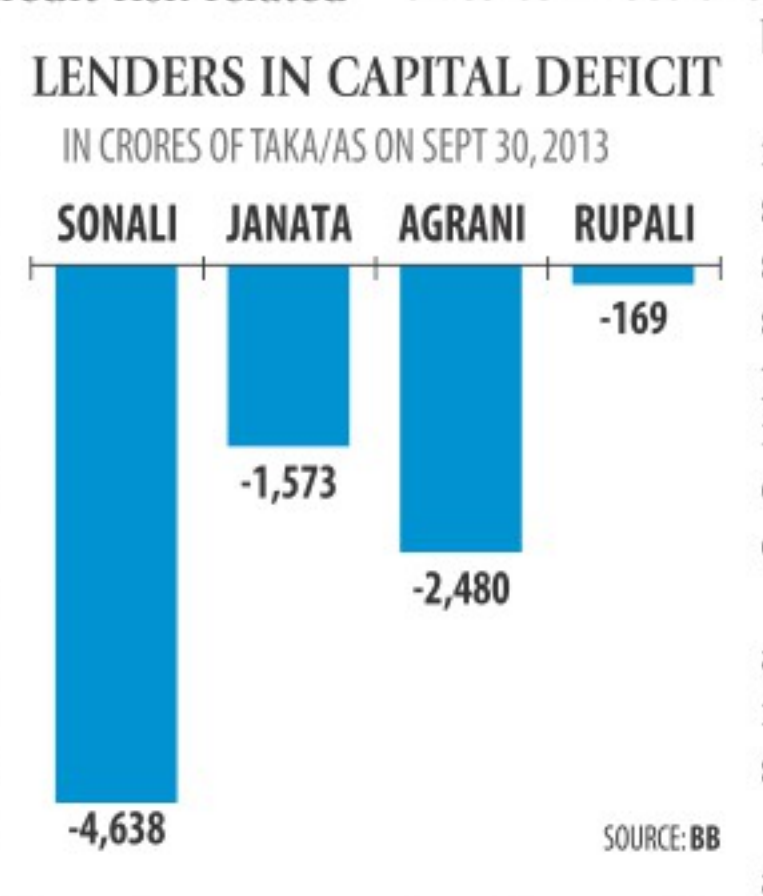
As the banks are facing a huge capital shortfall due to various scams last year, the IMF set a condition that public money will be injected into the banks only if they go through drastic reforms.

The government also apprised the IMF of the reforms, the official said.

Before the IMF approved the fourth instalment of an ECF credit on November 27, the government made a detailed commitment about the reforms.

The government will gradually restore the capital positions of the banks in line with the regulatory capital adequacy standards, conditional on progress on actions agreed under the revised memorandum of understanding, which was signed in September.

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Bali summit starts amid hopes to improve farmers' lives

REFAYET ULLAH MIRDHA, from Bali

Roberto Azevedo, director general of World Trade Organisation, yesterday said if the Bali package fails farmers of the developing countries will be losers.

Subsequently, poverty and unemployment rates in many countries will increase, he said at a press conference at the ninth Ministerial Conference of the WTO in the Indonesian resort island of Bali.

Trade ministers are focusing on agricultural subsidies, proposals to simplify customs procedures, and measures to aid least-developed countries.

The WTO chief urged delegates to reach a modest agreement on key trade issues in hopes it will keep alive the stumbling 12-year-old drive to slash international trade barriers.

"In failing to reach a consensus in Bali, we will simply not disappear with the passage of time. We will continue delivering, but we need to reach consensus for the reduction of poverty and for more employment," he said, while leaving the fate of Bali negotiations to the trade ministers.

Even if the governments of developing countries reduce subsidy in agriculture significantly, still the farmers of those countries have good opportunity for marketing their goods. "This is an opportunity for the farmers. If we do not reach consensus in Bali package, they will lose this opening."

The Bali summit faces India's insistence that it be allowed to offer subsidies to its millions of poor farmers to keep food prices down.

"We can no longer allow the interests of our farmers to be compromised at the altar of mercantilist ambitions of the rich," Commerce and Industry Minister Anand Sharma, who leads India's delegation, was quoted as saying on Monday by Indian media.

Azevedo said he has been negotiating with the leaders of different countries bilaterally and multilaterally for consensus in the Bali meeting. "It is there for the taking. It is a matter of political

Indonesian President Susilo Bambang Yudhoyono (R) bangs a gong to mark the opening of the WTO ministerial meeting in Bali yesterday.

AFP

Standard Group claims Tk 500cr from its insurer

GAZI TOWHID AHMED

Standard Group has claimed Tk 500 crore from its insurer after two manufacturing units of the garment maker were devastated by a deliberate fire that caused losses worth around Tk 1,200 crore.

Due to higher premium, the garment maker had insured a portion of the assets in the manufacturing units, according to Atiqur Rahman, chairman of Standard Group.

"We have never imagined all our buildings, capital machinery and other assets will be damaged completely," Rahman said.

Standard Insurance Ltd, the insurer, has already appointed 10 surveyors to inspect the ravaged plants and assess the losses.

The surveyor firms, registered with the Insurance Development and Regulatory Authority, will set the financial value of the accident after visiting the site.

"We will pay Standard Group based on reports of government intelligent agencies and the surveyors," said Amar Krishna Saha, managing director of Standard Insurance.

The government has already formed several probe committees,

including one that comprises members of different intelligence agencies, to find out the reasons behind the fire.

"We are waiting for their reports," Saha said.

Enraged by a rumour that police killed two factory staff, garment workers torched the 10-storey factory building of Standard Group in Gazipur on Friday. Four other buildings in the complex were reportedly damaged, along with 22 trucks loaded with garments.

The fire damaged capital machinery, finished garments, fabrics and raw materials housed in more than 8.5 lakh square feet of floorspace in the buildings.

Standard Group employs about 50,000 workers in its 23 units. The factory complex that was destroyed by the fire employed about 19,000 workers.

The Group exports garment products worth \$325 million a year and saw a year-on-year growth of 13 percent in shipment last year.

A number of international brands such as Sears, American Eagle, GAP, Uniqlo, Zara and Abercrombie & Fitch are the clients of Standard Group, according to its website.

Regulator extends provisioning time for merchant banks, stockbrokers

DSE urges central bank to release Tk 600cr

STAR BUSINESS REPORT

Merchant banks, stockbrokers and stock dealers would get one more year to continue provisioning unrealised losses in their own portfolios.

The Bangladesh Securities and Exchange Commission extended the provisioning timeframe up to December 2014 at a meeting yesterday with the regulator's Chairman M Khairul Hossain in the chair.

The provisioning facility will be applicable to the losses counted against the own portfolios of merchant banks, stockbrokers and stock dealers in the calendar years of 2012 and 2013, the BSEC said in a statement.

Earlier on January 29, the regulator allowed the merchant banks for provisioning their unrealised losses of 2012 by December this year.

Later, the regulator provided the similar facility to the stockbrokers and stock dealers.

At yesterday's meeting, the BSEC also fined a listed firm and five stockbrokers a total of Tk 23 lakh for breaching securities rules.

The regulator fined Delta Spinners Tk 10 lakh, as the listed company broke securities rules by providing inconsistent information in its audited financial statement for 2012.

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BB urges police to provide security to refill ATMs

STAR BUSINESS REPORT

The central bank yesterday requested the Dhaka Metropolitan Police (DMP) to extend security to banks that want to load money into automated teller machines (ATMs).

The Currency Management and Payments Systems of Bangladesh Bank held a meeting with the bankers to let them know about the update it has taken to ensure security in loading cash into ATMs.

"The BB has written a letter to the DMP requesting it to give security to banks, which want to load money into the ATMs," Mahfuzur Rahman, executive director and spokesperson for the BB, told The Daily Star.

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