

Shutdowns, blockades take toll on LPG plant in Sylhet

The state-run unit loses Tk 22 lakh a day

STAFF CORRESPONDENT, Sylhet

The LPG bottling plant of Petrobangla in Sylhet is counting a loss of Tk 22 lakh a day, as the unit remains closed due to continued shutdowns and blockades.

The plant was kept shut as there was no supply of gas from Rupantarito Prakritik Gas, another concern of state-run Petrobangla, said Mosharraf Hossain, manager of the unit for processing liquefied petroleum gas (LPG) in Golapganj.

Shutdowns and blockades disrupted the supply of LPG cylinders in Sylhet and other areas, he said.

The plant has counted around Tk 3 crore in accumulated losses since November 27, according to Hossain.

Around 3,000 cylinders of 12.5 kg gas each are supplied a day by the plant, through the three companies of Bangladesh Petroleum Corporation—Padma, Meghna and Jamuna—in Sylhet and other parts of the country.

The plant, one of the two state-run plants, processes around 6,000 tonnes of LPG to bottle around five lakh cylinders a year, Hossain said.

Data market booming: outgoing Robi chief

STAR BUSINESS REPORT

Michael Kuehner, the outgoing chief executive of Robi, said the voice market in Bangladesh is stagnating while the data market is booming.

"Voice revenue is flattening out whereas data market growth is really fast in Bangladesh, although the use of data is still very low."

Kuehner, also the chairman of Association of Mobile Telecom Operators of Bangladesh, spoke to representatives of Telecom Reporters' Network Bangladesh, an association of telecom journalists, in his office yesterday.

Kuehner worked in Bangladesh for the last four and a half years as the managing director and CEO of Robi. He is retiring this month.

He will continue to work as a consultant for the Kuala Lumpur-based Axiata group, the majority shareholder of Robi.

It is surprising to see that the nation's GDP continues to grow at around 6 percent despite political and other problems, he said.

Kuehner termed the telecom industry the highest tax provider but



Michael Kuehner

the lowest revenue market, which is the most challenging part for the industry.

"My main focus was not revenue or the numbers, though it was important. I concentrated on the culture of the company to develop."

Under his leadership, Robi became the second largest operator in the country in terms of revenue and is now making profit. Robi rebranded from Aktel in his term.

His successor is expected to join Robi on January 1.

US economy grows faster than thought

BBC NEWS

The US economy grew at an annual pace of 3.6 percent in the third quarter of the year, up from an initial estimate of 2.8 percent, revised figures have shown.

The growth rate was the fastest since the first quarter of 2012.

The third-quarter performance was an improvement on the 2.5 percent pace seen in the previous three months.

But the upward revision was mainly driven by a big jump in businesses restocking their inventories, the Commerce Department said.

The annualised growth figure was equivalent to a quarter-on-quarter increase of 0.9 percent, revised up from 0.7 percent.

The pace of growth in consumer spending - which accounts for about two-thirds of US economic activity - slowed from the previous quarter.

Consumer spending grew at a revised annual pace of 1.4 percent, down from 1.8 percent in the April-to-June period and the slowest rate since late 2009.

The inventory build-up consists of products that have been produced



ZEEZHAN INTERNATIONAL AGENCIES

Centre, Shahab Uddin Khan, chairman of Zeeshan International Agencies, poses with International Quality Crown Award 2013 at BID International Convention for quality, innovation and excellence in London, UK recently. Right, Jose E Prieto, president of BID Group One, is also seen.

Stocks jump on investor optimism

STAR BUSINESS REPORT

Stocks returned to the black yesterday, breaking a two-day losing streak, powered by investors' optimism.

DSEX, the benchmark general index of the Dhaka Stock Exchange, closed the day at 4,302.56 points, after falling 25.17 points or 0.59 percent.

Investors were hopeful of an end to the political impasse through dialogues, IDLC Investments said in its regular market analysis.

Investors were more focused on low-priced stocks on the day, it added.

The small cap stocks gained 2.88 percent and large cap stocks gained 2.36 percent.

The market witnessed a gain after falling on the last two trading days for the political stalemate and renewed blockade from Saturday throughout the country, LankaBangla Securities said in its daily market analysis.

A total of 1.24 lakh trades were executed with 12.39 crore shares and mutual fund units changing hands on the Dhaka bourse.

Turnover advanced 19.22 percent to Tk 527 crore from the previous day.

Most major sectors gained: textiles 3.94 percent, life insurance 2.2 percent and engineering 1.82 percent. However, foods declined 1.55 percent.

Generation Next Fashion generated the highest liquidity with 1.2 crore shares worth Tk 43 crore changing hands.

Bangladesh Building Systems was the highest gainer of the day, posting a gain of 9.77 percent, while Aftab Automobiles was the biggest loser, plunging 7.27 percent.

The Chittagong Stock Exchange also gained yesterday with its selective categories index, CSCX losing 57.83 points, to close the day at 8,403 points.

Gainers beat losers 143 to 49 with 27 issues unchanged on the port city bourse that traded 1.7 crore shares and mutual fund units worth Tk 67.82 crore.

Political unrest puts economy under serious pressure: Muhith

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He said a discussion between the government and the opposition is still going on to reach a compromise. The government will decide its next course of action after the discussion ends.

Separate pay scale for banks

Muhith said the separate pay scale for the staff of the central bank and four state-owned banks will not be announced during the tenure of the polls-time government.

He said a law has to be amended for announcing the pay scale, which is not possible at the moment.

Muhith, however, said the government would prepare the draft of the amendment and the next elected government would implement it.

About budget

The finance minister said though the expenditure in the development budget was less, the non-development expenditure marked a rise.

He said the major portion of the block allocation in the budget has been spent.

The minister said Tk 600 crore has been spent for additional expenditure due to the nationalisation of non-government primary school teachers. Around Tk 300 crore has been spent on subsidy for fertiliser.

Grameen Bank issue

Muhith said the polls-time government might issue the rules for electing the directors to Grameen Bank.

The law ministry has been requested to complete the vetting of the rules. The government will issue the rules once the vetting is completed, he said.

On national election

The finance minister expressed doubt over the possibility of a compromise between the government and the opposition.

He also said, if the opposition does not participate in the election, none will go to the polling centres.

"So credibility of the election will be an issue," Muhith said.



WESTERN MARINE

Arifur Rahman Khan, technical director of Western Marine Shipyard, and Hasan Saife Jalil, managing director of Aryan Traders, sign an agreement for building a container ship worth Tk 22 crore with 176 TEUs capacity at a programme on Friday.



BBS

Nojibur Rahman, statistics and informatics secretary, speaks at a workshop on country assessment of the National System for Agriculture Statistics organised by Bangladesh Bureau of Statistics (BBS) recently. Golam Mostafa Kamal, director general of BBS, was also present.

Samsung and Philips among tech firms raided by EU

BBC NEWS

Samsung and Philips have revealed that they were among several consumer electronics companies raided recently by European Commission inspectors.

Thursday's raid focused on companies making and selling consumer electronics products and small domestic appliances.

The Commission said it was concerned these firms had colluded in restricting online availability of some products in a bid to restrict competition.

Media-Saturn, the European consumer

electronics retailer, was also raided.

Both Samsung and Philips said they were co-operating with the authorities.

"The Commission has concerns that the companies concerned may have violated EU antitrust rules that prohibit anticompetitive agreements or concerted practices," it said in a statement.

Restricting supply "may lead to higher consumer prices or the unavailability of products through certain online sales channels", it said.

The Commission did not give details of the companies it had visited.

Economy to come under strain if EU scraps GSP

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The IMF made the overall analysis on the country while releasing its fourth instalment of \$1 billion in budgetary support for Bangladesh on Friday.

The IMF said Bangladesh's GDP growth could decline by up to 1.80 percentage points in the first year after the GSP is withdrawn, as activity would severely be affected in the garment sector.

The loss in the real economic growth will come down to 0.6 percentage point in the second year of the shock.

Exports of goods in terms of GDP will decline 2.2 percentage points in the first year, 2.1 points in the second year and 2.2 percentage points within three to five years in the event of cancellation of the GSP.

The current account balance will also be hit: going down by 1.1 percentage points in terms of GDP in the first two years each and 1 percentage point within three to five years.

The IMF said the attendant loss of income from the export sector is also expected to curb private consumption and private investment.

At present, Bangladesh enjoys duty-free and quota-free access to the EU under the "Everything but Arms" scheme.

The country's garment sector accounts for 80 percent of total exports and directly employs about four million workers, mainly rural women. Its annual exports to the EU stand at around \$14 billion.

But after the industrial disasters of Tazreen fire and Rana Plaza building collapse, the country's claims to such benefits have become delicate.

The EU has already made it clear that Bangladesh cannot take the trade preferences for granted and could face trade measures, as has been done by the US.

The US in June cancelled its GSP for

Bangladesh due to a lack of progress in strengthening labour standards and worker safety conditions.

The impact of the withdrawal of the GSP will, however, be short-term and the country's economy will be able to absorb the loss in the economic growth within three to five years, the IMF said. The export growth will recover as Bangladesh maintains significant cost advantages, the lender added.

Under this scenario, Bangladesh's external debt distress rating remains unchanged as a low risk country, the IMF said.

The rule change in EU's GSP in 2011 favoured Bangladesh, which is said to have helped increase the country's share in the bloc's garment imports by 2.5 percentage points by 2012-2013.

The analysis, however, acknowledged the recent developments in the country's garment sector, aimed at strengthening working conditions.

Among the measures, the government recently revised the minimum wage for garment workers, raising the salaries by 77 percent to Tk 5,300. The labour laws have been amended to improve safety standards and workers' collective bargaining rights.

With support from the International Labour Organisation, development partners and international retailers, the authorities are strengthening the factory inspection system.

The IMF also said the recent growth slowdown and currency market volatility in India are expected to have relatively modest spillover into Bangladesh in the near term, as the country's export exposure to the larger neighbour is very low and financial linkages are limited.

"Domestic inflation could actually decline as a result of the depreciation of the



UTTARA BANK

Shaikh Abdul Aziz, managing director of Uttara Bank, inaugurates the bank's Takerhat branch in Madaripur yesterday. MA Matin, additional managing director, was also present.



UNION BANK

Md Abdul Hamid Miah, managing director of Union bank, opens a branch of the bank at Khatunganj in Chittagong on Saturday. SAM Salimullah, senior executive vice president, was also present.



BANGLADESH INSPIRED

Toufic Ahmad Choudhury, director general of Bangladesh Bank Training Academy, attends a seminar on SME loan business process re-engineering, organised by the European Union funded project Bangladesh Inspired - Component 3, on Saturday.