

STOCKS		COMMODITIES		ASIAN MARKETS		CURRENCIES	
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	USD	EUR
▼ 0.79%	▼ 0.88%	▼ \$1,242.75 (per ounce)	▲ \$97.6 (per barrel)	▼ 1.16%	▼ 1.12%	77.25	104.94
4,299.58	8,436.13			20,925.61	15,341.82	BUY TK 78.25	SELL TK 108.93
							GBP 124.75
							JPY 0.78



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BUSINESS

DHAKA FRIDAY DECEMBER 13, 2013, e-mail:business@thedailystar.net

POLITICAL VIOLENCE

Transport owners count huge losses

They counted Tk 4,200cr in losses as 4,000 vehicles were damaged in one and a half years

HELEMUL ALAM and JAMIL MAHMUD

Political violence has taken a heavy toll on the road transport sector, with around 3,000 vehicles vandalised and 1,000 burnt in the last one and a half years.

Between June 2012 and December 8 this year, at least 42 drivers, helpers and conductors of vehicles such as bus, minibus, truck and CNG-run auto rickshaw were killed in violence, mainly arson attacks, and 500 were injured.

The transport sector suffered a loss of around Tk 4,200 crore during the period, according to Bangladesh Sarak Paribahan Sramik Federation, a platform of transport workers.

Around seven million transport workers, who earn Tk 500 to Tk 1,200 each on usual days, remain jobless during blockades or shutdowns, said Osman Ali, general secretary of the platform.

Sayed Ahmed Akmal, owner of Uzzal Paribahan, said one of his four buses was torched during the opposition's blockade on November 3, though it was parked at Sayedabad bus terminal. It would cost Tk 10 lakh to repair the bus, he said.

"Since the blockades started, I have been facing a loss of around Tk 21,000 a day and

the torching of the bus was a further blow," Akmal said.

Blockades and shutdowns are putting an immense pressure on those who took bank loans for buying vehicles as, with hardly or no income at all, 80 percent of them are now unable to pay their monthly instalments, said Mohammad Faruk, president of Dhaka-Sylhet Road Sramik Committee, another platform.

Meanwhile, family members of the transport workers injured during the recent spell of blockades and hartals are passing their days in uncertainty as the injured in most cases were the only earning members in their families.

"It seems we [the people of the country] are a football. The opposition leader is kicking us from one side and the prime minister from the other. And we do not know what really is happening with us," said Mohammad Mahbub Hasan, the driver of a bus which was set ablaze in the capital's Shabbagh intersection recently.

Hasan sustained 30 percent burns when blockaders hurled a petrol bomb at his bus near Shishu Park at Shabbagh on November 28, burning 19 people, three of whom later succumbed to their injuries.

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Ctg port reeling from container congestion

Blockades and shutdowns slow import container delivery

DWAIPAYAN BARUA, Ctg

Blockades and shutdowns over the last two weeks have disrupted the delivery of import containers and created congestion at the Chittagong port.

Although law-enforcement agencies have moved to make the transportation of goods safe on the highways, the delivery of imports from the port has not picked up much.

A total of 27,041 TEUs (twenty-foot equivalent units) containers piled up at different yards yesterday, using up 87.5 percent of the port's container storage capacity, according to the traffic department of the Chittagong Port Authority (CPA).

However, 23,767 TEUs import containers were stored at the port till yesterday while the port can accommodate around 23,375 TEUs.

Port users said the stockpiles were building for the delay in delivery.

The daily delivery of containers from the port came down to 600-800 TEUs on the first two days of the last spell of blockades beginning Saturday, whereas the port delivers around 2,000 TEUs on a normal day.

Deliveries have improved slightly since Monday, rising to 1,500 TEUs, as the law-enforcement agencies



ANURUP KANTI DAS

Goods-laden lorries rush to the Chittagong port yesterday, the last day of the latest spell of blockade.

took the initiative to ensure safe transport of the containers.

Superintendent of Police for Chittagong AKM Hafiz Akhter said the district police and the highway police beefed up security on the highway.

They escorted several thousand of

vehicles, including trucks and covered vans, to and from Chittagong Port.

However, many importers do not want to take the risk of transporting goods, resulting in container congestion at the port, said Md Nayeem, a clearing and forwarding agent.

Officials of the CPA and shipping lines, however, said other port activities such as vessel handling and loading and unloading were not hampered by congestion.

"The situation is under control," CPA Secretary Syed Farhad Uddin

Unsold rubber piles up at govt firm

SAJJADUR RAHMAN

The state-run rubber producer has not been able to sell the item for the last one year and is now sitting on a stockpile of around 5,000 tonnes of rubber worth more than Tk 125 crore.

Local consumers, who used to buy rubber from the state enterprise -- Bangladesh Forest Industries Development Corporation (BFIDC), have been importing the product due to the Corporation's reluctance to sell at auction price.

"We have not been buying rubber from the BFIDC for the past six months as it doesn't accept the bid prices," said NC Saha, senior general manager of Gazi Group, one of the largest consumers of rubber.

Saha said they have no option but to import rubber or buy it from private producers to meet the demand.

Gazi Group that makes tyres consumes more than 2,000 tonnes of rubber a year.

BFIDC sells rubber through auctions, but for the last one year it has not been releasing the product at the auction price.

For example, bidders offered Tk 251 for a kilogram of rubber in an auction on January 13, but the Corporation set the price at Tk 265 defying the bid price, according to BFIDC data.

In another auction on May 12, bidders quoted Tk 245 per kg, but the Corporation finally set the price at Tk 260. Bidders also have to pay around 24 percent value added tax and other taxes in addition to the bid price.

Now the price has gone down to below Tk 200, yet there is no buyer. The highest bidding price was Tk 181 per kg yesterday, according to BFIDC.

Local consumers said, for the past one year the state-run firm has been setting prices in such a way that forced them to go for imports.

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Micro lenders fall victim to political violence

MD FAZLUR RAHMAN

Microcredit lenders have started to feel the pinch of the ongoing political violence, as their loan recovery and disbursement activities are slowing with shrinking commerce in rural areas.

Fayzer Rahman, head of microfinance operations of ASA, the country's second largest microcredit provider, said the rate of loan recovery and disbursement has decelerated in recent weeks, particularly in areas with intense picketing.

He said many microfinance institutions such as ASA purely bank on the proceeds from loan recovery, as they recycle the funds to new borrowers.

"If the situation lingers we will really be in trouble," he told The Daily Star yesterday.

Micro lenders said loan disbursement has also been affected, as both the existing and new clients are reluctant to borrow due to the political uncertainty.

The disbursement has fallen by at least 20 percent, said Mosharrof Hossain, finance director of BURO Bangladesh, a microcredit organisation with 13 lakh members.

The MFI always sees a peak in loan

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disbursement during winter, as many borrowers take loans for farming. But this year, there has been a sharp drop in demand for new loans.

MFIs, which all are based in rural villages, say most of their clients in the micro-enterprise category are not being able to keep their businesses open most of the time.

Besides, the micro-borrowers that have bought vans or rickshaws with the loans to operate on their own or rent out have been left without income. "These borrowers are not being able to repay their loans regularly," said Rahman.

Some other major MFIs also

replayed the same situation.

"The situation has hit our small businesses and individual borrowers particularly in recent weeks. How can they repay the instalments?" said Pranesh C Banik, a deputy director of BURO Bangladesh.

Micro lenders said they have been struck by a twofold blow. "Given the trying situation we are in, we cannot put pressure on borrowers on humanitarian grounds," said Banik, whose organisation last year disbursed Tk 3,500 crore.

"On the other hand, we have borrowed the money from banks at commercial rates. We have an obligation to repay the instalment. As a result, the total microcredit chain has been disrupted."

Rahman of ASA, which annually disburses Tk 6,000 crore-worth of loans, said his organisation is not putting any pressure on their field officers to go for aggressive collection and disbursement. "We understand the situation. We are just instructing our staff to maintain regular contact with the borrowers."

The ASA high official also said if any borrower fails to repay his or her total loan within the stipulated time, the remaining instalments would be taken later.

Govt collecting 'social obligation fund' from telcos without specific plan

ABDULLAH MAMUN

The government is collecting crores of taka from mobile operators in the name of a social obligation fund for which it does not have any specific plan yet.

According to the telecommunication law, Bangladesh Telecommunication Regulatory Commission will create Social Obligation Fund (SOF) to extend telecommunication facilities to underprivileged areas.

The fund is supposed to be created with contributions from the government, or local, foreign and international organisations, and telecom operators, said the law.

The government has so far collected Tk 330 crore from the mobile operators alone; in every quarter, the operators contribute 1 percent of their gross revenue to this fund.

The commission is collecting the amount, even before the rule has been formed. It does not know how the fund will be utilised or for how many projects.

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