ASIAN MARKETS

TOKYO

1.62%

MUMBAI

\$96.43

V 0.27%



DHAKA TUESDAY DECEMBER 17, 2013, e-mail:business@thedailystar.net

COMMODITIES

Gold A

\$1,229.05

Victory Day flower sales slump in crisis

SUMAN SAHA

STOCKS

V 0.44%

DSEX

As on Sunday

V 0.37%

CSCX

Flower sales dropped by a half in Dhaka on the occasion of Victory Day from the previous year because of the ongoing political unrest, traders said yesterday.

"We have been hit hard by the political turbulence," said Farid Ahmed, president of Shahbagh Retail Flower Traders Association, a platform of 51 traders in Dhaka.

"Our sales figures are unimpressive although we expected good business on the eve of Victory Day celebrations, as people from all walks of life pay homage with flowers."

Demand for flowers in the city usually increases significantly during events such as Victory Day, Language Martyrs' Day, Valentine's Day and Independence Day.

"This year is an exception."

Traders normally sell flowers worth Tk 50 lakh a day on average in Dhaka, said Md Lokman Hossain, a former

president of the association.

Transaction figures come close to the Tk 5 crore mark

on the eve of any major festival, added Hossain, who is also the owner of Ananya Puspo Bitan in Shahbagh.

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Human Rights Watch urges brands to compensate Tazreen victims

STAR BUSINESS REPORT

Human Rights Watch, a New York-based human rights advocacy organisation, yesterday once again urged the brands that were sourcing garments from Tazreen Fashions to immediately join ILO's efforts to fund full and fair compensation for the victims.

One year after the Tazreen fire on November 24 that claimed 112 lives, victims are yet to receive adequate compensation. "Western companies can no longer avoid the fact that people were killed and injured because they were providing cheap labour in unsafe conditions. Victims and their families are suffering needlessly while these companies bury their heads in the sand," said Brad Adams, executive director of the Asian division of Human Rights Watch.

READ MORE ON B3

Political unrest slows banks' credit growth

SHANGHAI

1.60%

SINGAPORE

V 0.40%

CURRENCIES

BUY TK 77.25

REJAUL KARIM BYRON

Banks' overall credit growth slowed to 8.01 percent in the first eleven months this year, while at least 16 banks saw their credit fall due to political uncertainty coupled with shutdowns and blockades.

The ongoing political unrest has dented confidence of the borrowers both in urban and rural areas, bankers said.

A branch manager of a bank in

Satkhira said there is hardly any transaction these days.

The borrowers are not seeking

loans even for the upcoming boro season, which is very unusual, the official said, asking not to be named. "Usually political chaos cannot

put any impact on banking activities

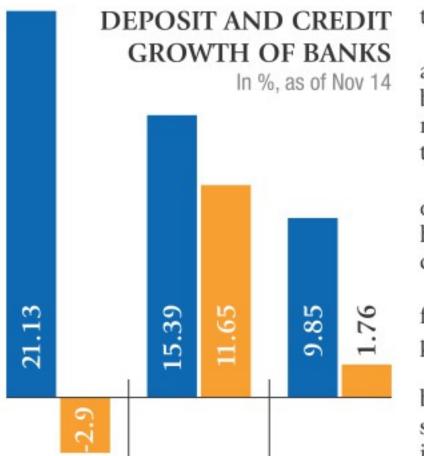
in the rural areas. But the scenario is different this time," he said by phone.

"Panic prevails all over."

According to central bank statistics, banks' deposit growth has surpassed credit growth by 9.25 percent-

age points, which may take a toll on their profits and also affect the savers.

Bank's deposit growth was 17.26



percent on November 14, while credit rose by 8.01 percent, compared to the

PRIVATE

SOURCE: BB

STATE-OWNED

DEPOSIT GROWTH

FOREIGN

CREDIT GROWTH

Due to a huge gap between deposit and credit, banks' profit growth will be minimal, said Nurul Amin, chairman of Association of Bankers Bangladesh, a platform of chief executives of banks.

He said blockades and shutdowns are hindering banking activities as businesspeople cannot carry on their normal business leading to a fall in the demand for loans.

Amin, also the managing director of NCC Bank, said political violence has spread to the rural areas this time disrupting banking activities there.

The banks cannot even disburse farm and small and medium enterprise loans, he added.

The central bank has allowed local businesses to take loans from foreign sources, which has also caused a fall in the demand for loans.

Amin said banks have taken a cautious stance in providing loans due to a number of scams last year, which is another reason behind the slow credit growth.

Zahid Hussain, lead economist at the World Bank's Dhaka office, said most of the bank loans are used for trade and as working capital.

As business activities and transportation have come to a halt, there is no demand for such loans.

READ MORE ON B3

Western Marine secures contract to build vessel for New Zealand

GAZI TOWHID AHMED

Western Marine Shipyard has signed a \$6.6 million agreement with the New Zealand government to build an ocean-going ship, boosting the country's shipbuilding industry.

This is the sector's first agreement with a government, said Md Sakhawat Hossain, managing director of Western Marine Shipyard, a leading shipbuilder.

"By securing an order from New Zealand for the first time, the industry has stepped into the market for the Pacific," Hossain said.

The deal was signed between Western Marine and Ministry of Foreign Affairs and Trade of New Zealand for building a passenger ship, which will comply with the highest safety measures under the SOLAS (Safety of Life at Sea) convention. Western Marine won the project work through an international tender that was called on September 2013 by New Zealand, Hossain said.

A total of 12 shipyards were selected from Australia, Bangladesh, China, New Zealand, Poland and Singapore for the tender.

British classification Society, Lloyd's Register Group, will oversee the construction of the ocean going vessel. The ship has been designed by Danish firm Knude E Hansen. The 43-metre long ship will be spacious and able to comfortably carry 60 passengers in addition to 50 tonnes of cargo and supplies.

60 passengers in addition to 50 tonnes of cargo and supplies.

Considering the risks in open waters and the long duration of voyage, passenger conform will be given the highest

priority in vessel design, Hossain said.

READ MORE ON B3









The Paily Star

Bangladesh Business Awards

CALL FOR NOMINATIONS



Award Categories

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Outstanding Woman in Business 2013
Best Financial Institution of the Year 2013

Who may Nominate?

Any person may nominate for one or more categories.

Please send your Nominations by Saturday, December 21, 2013

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