

# BUSINESS

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## Supply chain back on track

SUMAN SAHA

Supply chain disruptions are easing slowly as political tensions are declining after the January 5 national elections, businesspeople said.

Fares of trucks and covered vans have also dropped substantially as normalcy has returned after prolonged political unrest across the country, they added.

"We are happy for the declining truck fares," said Reaz Bin Mahmood, vice-president of Bangladesh Garment Manufacturers and Exporters Association.

Truck and covered van fares on the Dhaka-Chittagong port route (one-way) that was more than Tk 1 lakh during unrest have now returned to the usual rate of Tk 15,000-Tk 20,000, he added.

"Goods-laden vehicles from India are

also entering Bangladesh at an increasing rate," said Md Alamgir Hossain, a clearing and forwarding agent at Bhomra land port in Satkhira.

Much to the delight of the C&F agents, around 250-300 vehicles are coming through the port a day, which almost came to a standstill recently for frequent strikes and blockades, he added.

Vehicles can now be hired for Tk 28,000-Tk 30,000 on the Bhomra-Dhaka route, which is almost half the rate during unrest, he said.

"Vegetable supplies to kitchen markets in the city also rose significantly as an increased number of trucks and pick-ups are coming to the markets," said Lokman Hossain, general secretary of Karwan Bazar Kitchen Market Wholesalers' Association.

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## BB notice creates confusion

*Central bank asks banks to cut luxuries but raises spending ceilings for vehicles*

STAR BUSINESS REPORT

The central bank yesterday asked banks to cut down their spending on luxury vehicles and at the same time almost doubled the allowance for these purchases.

Bangladesh Bank's latest notice, which came with the intent to rein in banks' expenses, said a maximum of Tk 50 lakh can now be spent to acquire a car for high officials, including the chairman, and Tk 1 crore for a sport utility vehicle (SUV).

The purchase ceilings, as per the notice

issued in July 2012, were Tk 35 lakh and Tk 50 lakh respectively.

"The limit has been increased to make it reasonable. The previous limit was not enough," SK Sur Chowdhury, deputy governor of Bangladesh Bank, told The Daily Star.

The latest notice also forbade banks from buying motor vehicles with lease financing from other banks or non-bank financial institutions, as some took advantage of the facility and bought expensive cars with the lease money, Chowdhury said.

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Customers check out spices at a stall at the Dhaka International Trade Fair in the capital.

STAR

## Trade fair lacks international flavour

MD FAZLUR RAHMAN

The thin presence of foreign vendors at the Dhaka International Trade Fair has not only upset the visitors but has done great disservice to the reputation of the annual exposition itself.

On paper, companies and traders from India, China, Pakistan, Malaysia, the United Arab Emirates, Singapore, Thailand, the United States and Turkey are taking part in the fair, according to the Export Promotion Bureau (EPB), which has co-organised the exhibition in

association with the commerce ministry.

But the participation of foreign companies is largely limited to booths set up by their local distributors and stalls owned by locals selling imported goods.

"I came to check out the foreign stalls, but they are few and far between. I am rather disappointed," said Fahim Asif, a manager of a hotel in Sylhet, who came to the fair yesterday with his wife and two children.

One foreign trader, who declined to give his name, blamed security

concerns for the dismal presence of foreign companies. But the ones who made it are left underwhelmed.

"Although I have come here for the first time, people who took part in the past editions told me that the presence is not as high as in the previous occasions," said Ranvir Jouhta, who has come from Delhi to sell home textiles, shawls, cushions and bed covers.

Mohammad Saeid, a trader from Iran, complained of stall location, as his is situated inside a pavilion. "People don't come to my stall as they can't see my products from the aisle."

WB provides \$410m for better urban services

STAR BUSINESS DESK

The World Bank has approved \$410 million for Bangladesh to improve municipal governance and basic urban services in district towns and municipalities, the multilateral lender said in a statement yesterday.

The Municipal Governance and Service Project will spend the loans to build roads, water and sanitation systems, markets, bus terminals and municipal services centres.

More than three million people in around 100 urban communities will benefit from the project, according to the statement.

It will provide financial support to 26 urban government bodies with high economic growth and job creation potential, located along growth corridors leading from Dhaka towards Chittagong, Rangpur, Sylhet and Mymensingh. It will also cover three district towns in the south, the WB said.

"Bangladesh experienced some of the most rapid urbanisation in South Asia. Yet, the cities offer inadequate infrastructure and low levels of urban services, particularly in district towns and municipalities," said Johannes Zutt, WB country director for Bangladesh.

## Edible oil, fat imports rise to new high

STAR BUSINESS REPORT

Bangladesh imported 17.77 lakh tonnes of edible oil and fat in 2013, which is the highest amount so far and 10.18 percent higher than the previous year, Malaysian Palm Oil Council (MPOC) said yesterday.

Of the import, 12.56 lakh tonnes were palm oil, it said. The increased use of oil in cooking and in food processing industries helped achieve the growth, according to the statement.

Imports of crude soybean oil fell but soybean import rose last year because of increased demand for soy meals at poultry feed mills.

Crude soybean oil import dropped 20.35 percent to 3.54 lakh tonnes in 2013 from a year ago, whereas soybean import rose 111 percent to 5.75 lakh tonnes from the previous year.

Imports of canola/mustard seeds also increased last year, as its local production fell short of domestic demand.

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## US, European groups to start factory checks in two months

REFAYET ULLAH MIRDHA

Full-fledged inspection of garment factories by the European and American alliances, held-up until now due to political upheaval, will take off in two months, said the stakeholders.

"There were disruptions due to the shutdowns and blockades. But we are now in the final stages of appointing four teams to conduct the inspections," Rob Wayss, executive director of Bangladesh operations of the Accord on Fire and Building Safety in Bangladesh, a coalition of over 80 mainly European retailers.

The inspections, of more than 1,500 factories, will start early next month, he added.

Meanwhile, an official of the Alliance for Bangladesh Worker Safety, a coalition of 22 major North American retailers, said their inspections of around 700

factories will start in the first week of March.

The alliance, too, is wrapping up its appointment of 15 teams to conduct the inspections, he added.

However, inspection by BUET teams under government tutelage is underway, with 150 factories examined since November 22 last year.

"Our inspection was disrupted due to the political crisis, but we did not stop as it was necessary," said Mikail Shipar, labour secretary, adding that the 30 inspection teams did not find any major fault in the designs of the buildings and fire safety in the factories.

The teams will inspect more than 2,000 factories across the country.

The inspection teams submitted reports of 80 factories to the ministry yesterday, which will be presented in the next tripartite meeting, Shipar said.

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## DSE restructures two price indices

STAR BUSINESS REPORT

The Dhaka Stock Exchange yesterday restructured two price indices and added 23 companies to the benchmark index, DSEX, a move that will help gauge the market more accurately.

The premier bourse reconstituted the indices in accordance with DSE Bangladesh Index Methodology, which was designed by S&P Dow Jones Indices, a global leader in providing investable and benchmark indices to the financial markets. The methodology is also being supervised by an indices committee of the DSE.

The restructuring will take place in every quarter and the DSEX will have 226 companies in line with the latest reforms that will be effective from January 19, the DSE said in a statement.

### COMPANIES TO BE INCLUDED IN DSEX

Fareast Finance	JMI Syringes and Medical Devices
Eastern Cables	Central Pharmaceuticals
Renwick Jajneswar	Hakkani Pulp and Paper
National Tubes	Samorita Hospital
Bengal Windsor Thermoplastics	Information Services Network
Bangladesh Building Systems	Purabi General Insurance
AMCL (Pran)	Pragati Insurance
Rahim Textile	Prime Insurance
Ambee Pharma	Sunlife Insurance
The Ibn Sina	Usmania Glass
Libra Infusions	Berger Paints
Global Heavy Chemicals	

The 23 new companies will be included in the DSEX on the same day, while four existing companies will be excluded as they failed to meet certain criteria.

The companies that will face exclusion are: Kay and Que, Midas Finance, CVO Petrochemical, and Rahima Food.

Also, four companies will replace four others to join the DSE index after the semi-annual rebalancing of the index, as per criteria set by S&P Dow Jones Indices.

The companies that will be included are: United Commercial Bank, Delta and Renata Ltd. And the companies to be excluded are: Beximco, Khulna Power Company, Square Textiles and Southeast Bank.