

DSEX ▼ 0.33% 4,550.47

CSCX ▼ 0.44% 8,931.11



Gold ▲ \$1,254.61 (per ounce)



Oil ▼

\$93.90 (per barrel)

MUMBAI ▲ 0.67% 21,205.05

TOKYO ▼ 0.59% 15,641.68

SINGAPORE ▼ 0.59% 3,128.74

SHANGHAI ▼ 0.68% 1,991.25

USD ▲ 77.25

EUR ▲ 103.03

GBP ▲ 125.38

JPY ▲ 0.73

BUY TK 77.25

SELL TK 78.25

107.04

129.38

0.77



BUSINESS

DHAKA TUESDAY JANUARY 21, 2014, e-mail:business@thedailystar.net

Govt to cut GDP growth forecast down to 6.3pc

REJAUL KARIM BYRON

The government plans to revise down the GDP growth outlook by around 1 percent point, as it thinks the previous target at 7.2 percent was 'ambitious' amid political volatility.

"Our projection was too ambitious," Finance Minister AMA Muhiith told reporters after a meeting with banking and financial sector regulators yesterday.

The growth would not be less than 6.3 percent in the current fiscal year, Muhiith said, adding that the performance expected in the last fiscal year was not achieved.

Finance ministry officials also said the new GDP growth target would be 6.3 percent.

The work of preparing a revised budget is at the final stage now, and the new growth target would be reset during the revision, they said.

However, when the budgetary target for the current fiscal year was set in May last year, there was difference of opinion even inside the government about the growth target, a finance ministry official said.

Bangladesh Bank will announce its half yearly monetary policy on January 27, when it will also forecast the GDP (gross domestic product) growth target for the current fiscal year.

However, in its quarterly report last month, the BB has revised down the GDP growth outlook for the current fiscal year and said the rate would hover between 5.7

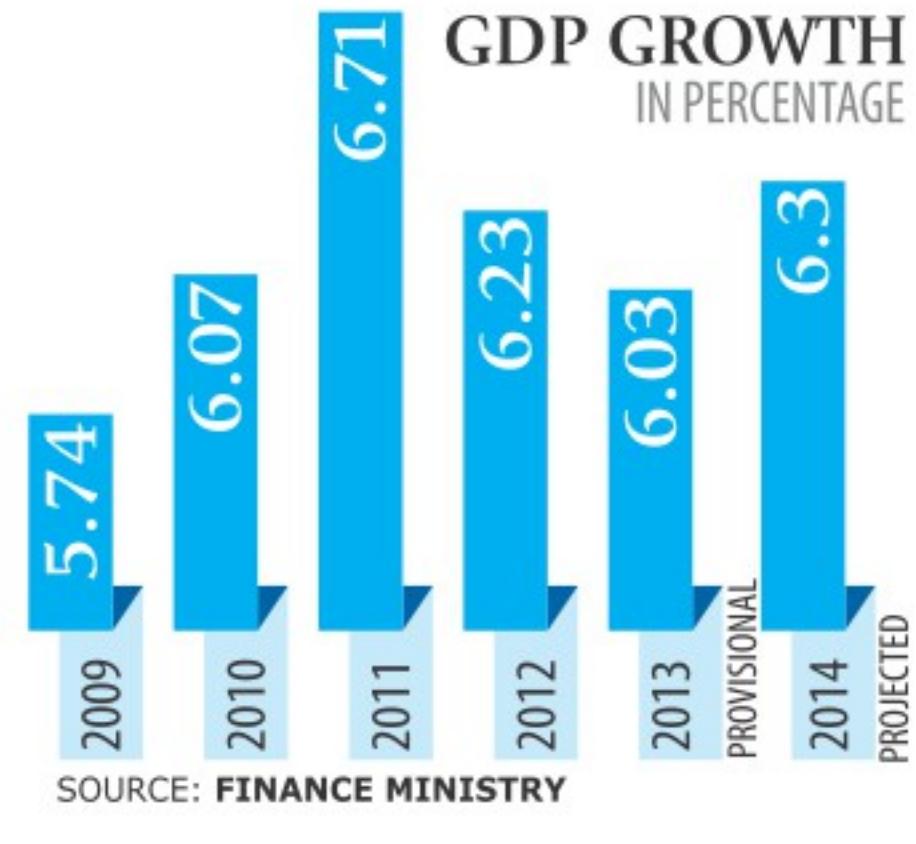
percent and 6 percent.

In another projection in July last year the central bank had put the rate at 6.2 percent.

The BB made the downward revision due to severe political unrest across the country.

Earlier, the International Monetary Fund had forecast Bangladesh's GDP growth would be 5.5 percent, while the World Bank's projection was at 5.7 percent.

Finance ministry officials said import



growth of raw materials and capital machinery was in the double digits in the first five months of the current fiscal year even amid shutdowns and blockades.

There was no growth rather import of these items fell during the same period last year, they said.

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After a low turnout of visitors in the first week, the Dhaka International Trade Fair started gaining momentum, but many exhibitors said sales remained sluggish yesterday.

Discounts galore at Dhaka trade fair

MD FAZLUR RAHMAN

Companies and exhibitors at the Dhaka International Trade Fair are offering discounts and gifts to promote their products and boost sales affected by low turnout at the beginning of the show.

Pavilions and stalls selling furniture, kitchenware, bikes, electronic gadgets, food items and clothes are

pulling ahead in the race to attract visitors.

Brothers Furniture is offering 5-15 percent discounts on its products ranging from sofa set, dining set, bed, chest of drawers, dressing table and bedside table, said ABM Sazzad Hossain, an assistant marketing and sales manager of the furniture maker.

Navana Furniture is offering a 20 percent discount on its home and

office furniture made of wood. The price cut is 15 percent for chairs and sofa sets, 10 percent for medical beds and 7 percent for doors, said Arif Islam, an executive.

Partex, another brand, is selling all furniture being displayed at the fair and its outlets across the country at an 18 percent discount, said Sujit Chakraborty, a sales manager of the company.

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HC asks Union Bank not to transfer shares for six months

STAR BUSINESS REPORT

The High Court yesterday asked the authorities of Union Bank led by Jatiya Party Chairman HM Ershad not to transfer its shares for the next six months.

The HC bench of Justice Md Rezaul Hasan directed the bank to maintain a status quo on share transfer after hearing a petition filed by Golam Moshi, secretary general of a fraction of the party led by Kazi Zafar Ahmed.

Moshi submitted the petition on Sunday seeking an HC directive on the bank to give him 6 percent share and cash premium of Tk 6.33 crore as per an agreement signed in 2012, said Kazi Aktar Hamid, a lawyer for Moshi.

The agreement was signed between Moshi, the then leader of Ershad-led Jatiya Party, and Ershad, the principal organiser and a director of the bank, on July 22, 2012, according to the petition.

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Denim: the next big export out of Bangladesh

REFAYET ULLAH MIRDHA

The wide consumption of denim by fashion connoisseurs globally has created a new opportunity for Bangladesh, the second largest exporter of the item after China.

With changes in fashion and style, denim is used to make clothes for all seasons for both men and women. Demand for denim wear is also on the rise worldwide.

"Denim is used by all segments of people, as such fabric is comfortable and looks smart," said Mahmuda Begum, head of the fashion design department of BGMEA University of Fashion and Technology.

"In the perspective of fashion, the fabric is versatile and can be used all the year round to create looks that are modern, formal or casual," she said.

These are the reasons why demand for the fabric is high worldwide and investors are forming large-scale plants in the country, entrepreneurs said.

The number of denim makers may go over 30 from 25 at present by the year-end, said Showkat Aziz Russell,

managing director of the country's largest denim maker Partex Denim.

"I am confident that Bangladesh would make four in five denim items for the European market by 2020."

Currently, Bangladesh produces 20 million yards of denim a month, against monthly demand for 40 million yards; total investment in the denim sub-sector is Tk 6,500 crore, he said.

"With the new opportunity, we have plenty of work orders from the international retailers, more than our capacity even," said Binoy Kumar Pal, general manager of Chittagong Denim, a Gazipur-based denim maker that produces nine lakh yards of the fabric a month.

However, the flow of work orders in some factories has slowed due to political unrest in the country in the last six months, he added.

"We have to struggle to keep up with the high volume of orders as international buyers are shifting orders from other countries like China to Bangladesh for price competitiveness," Pal said.

Some entrepreneurs cannot set up new denim mills or expand their exist-

ing capacities due to the high bank interest rates and inadequate gas and power supplies, although the sub-sector has potential, said Alaluddin Khan, general manager of Akbar Cotton.

"We abandoned plans to launch a Tk 100 crore denim project a few years back due to the high bank interest rate, volatile cotton market and gas crisis," Khan told The Daily Star by phone.

"Denim will be the next item to brand Bangladesh as we are capable of producing a high quality product at competitive prices," said Abdus Salam Murshed, managing director of Envoy Denim.

"Supplying quality denim products worldwide can act as recovery after retailers lost their confidence on the country after the Tazreen Fashion fire and Rana Plaza building collapse," Murshed added.

"With such potential, we are going to organise the country's first denim exhibition in March at Radisson Hotel, Dhaka," said Mostafiz Uddin, managing director of Denim Expert Ltd, a factory at Karnaphuli Export Processing Zone in Chittagong.

Some entrepreneurs cannot set up new denim mills or expand their exist-

Ctg port handled record cargo traffic in 2013

DWAIPAYAN BARUA, Ctg

Goods transport through the Chittagong Port increased 5.58 percent year-on-year in 2013 in spite of political turmoil in last quarter of the year, which severely disrupted the transit of goods to and from the port.

Last year, a total of around 4.42 crore tonnes of goods were transported through the port in contrast to 4.19 crore tonnes in 2012, according to data from the Chittagong Port Authority (CPA).

CPA Secretary Syed Farhad Uddin Ahmed credited the uninterrupted operation during the political turmoil for the rise in goods traffic.

"Port activities were not closed even for a single day during the countrywide

shutdowns and blockades," he said, while acknowledging the efforts of the CPA officials and staff and support from the stakeholders.

Nasir Uddin Chowdhury, former first vice-president of the Bangladesh Garments Manufacturers and Exporters Association, said the goods

traffic would have been much higher were there no political unrest in the second half of the year, which badly hampered business activities.

Meanwhile, the majority of the transported goods last year were imported ones: 3.90 crore tonnes against only 52 lakh tonnes.



GP to appoint third party to recover dues from customers

ABDULLAH MAMUN

Top mobile operator Grameenphone plans to appoint a third party to recover about Tk 100 crore in dues from its post-paid customers.

"We do not have enough expertise in recovering dues from our customers, so we want to engage a third party," said Mahmud Hossain, chief regulatory affairs officer of Grameenphone.

Grameenphone will ensure compliance and the third party will only receive relevant customer information, including the mobile number and amount, he said.

Grameenphone has applied to

Bangladesh Telecommunication Regulatory Commission for approval for appointing an agent.

In a letter to BTRC, the operator said around 575,000 customers did not pay their bills since its inception in 1997.

The company cannot recover the unpaid bills with its internal resources, according to the letter.

Grameenphone will sign a non-disclosure agreement with the third party company so that no customer information is misused or leaked.

The operator may share subscription forms, bill information, friends and family numbers with the third party, according to the letter.

Grameenphone has the largest premier post-paid customer base, according to the market insiders.

Md Abdus Samad, a commissioner of BTRC, said the matter would be discussed at a meeting of the commission for a final decision.

Meanwhile, mobile operator Robi has engaged a third party to assist its credit control department.

Mahtab Uddin Ahmed, chief financial officer of Robi, said: "The third party will help manage the services within our system."

Robi's post-paid subscribers segment is small and total dues will be no more than Tk 5 crore.

Etihad's flight with biofuel mix

AFP, Abu Dhabi

Etihad Airways said Sunday it has flown a Boeing 777 plane on a 45-minute demonstration flight powered in part by biofuel developed in collaboration with French firm Total.

The Abu Dhabi-based carrier has teamed up with Total, US-manufacturer Boeing, local refiner Takreer, and Masdar research institute in an initiative "to support a sustainable aviation biofuel industry in the United Arab Emirates," it said.

