

DSEX	CSCX
▲ 1.18% 4,758.37	▲ 1.36% 9,359.82



Gold	▲ \$1,259.60 (per ounce)
	Oil ▲ \$97.57 (per barrel)

▲ 1.12%
21,133.56

▼ 1.94%
15,391.56

▼ 0.78%
3,075.99

▲ 0.60%
2,054.39

BUY TK 77.25 104.24 125.87 0.74

SELL TK 78.25 108.29 129.89 0.78



BUSINESS

DHAKA MONDAY JANUARY 27, 2014, e-mail:business@thedailystar.net



Middle, Rehman Sobhan, chairman of the Centre for Policy Dialogue, speaks at a dialogue on the Rana Plaza tragedy, at Brac Centre Inn in Dhaka yesterday.

RECOMMENDATIONS

Compensation to direct dependants of victims

Transparency in compensation disbursement

Form national disaster response force

Web portal for victims, injured and rescuers

Alternative jobs for the injured

Separate ministry for apparel industry

Trade unions should be part of factory inspection

Recruitment of 200 inspectors

People can now access banking info on request

SAJJADUR RAHMAN

The Information Commission in a major move has decided to allow people access the banking industry information, including those from private banks, Chief Information Commissioner Mohammed Farooq has said.

"We have recently got the law ministry's nod in this regard. We'll inform the central bank of the development this week," he said.

Though the Right to Information Act 2009 (RTIA) has the provision of disclosing information of the companies created by government laws, the Commission could not implement it due to inhibition of Bangladesh Bank. Later, the Commission sought law ministry's interpretation in this regard.

According to the RTIA, citizens are allowed to make requests for information from every government office, from those of the President and Prime Minister down to the upazila level. The law also compels disclosure by private organisations, such as companies that are created by government laws. It also covers non-government organisations that receive funds from the government or foreign sources.

"Banks are created under the Banking Companies Act. So, people have all rights to get information from banks," Farooq said.

Some of the government agencies are not obligated to disclose certain items, including information that can threaten national security, information communicated secretly with a foreign government, commercial or business secrets, pending changes in the tax law, and exchange or interest rate.

However, information about human rights violations and corruption by these agencies is not exempted as per the RTIA.

Mahfuzur Rahman, executive director and spokesman for Bangladesh Bank, said the central bank is yet to get any instruction from the Information Commission regarding disclosure of banks' information to public on request.

"Some information is very confidential, such as the account of an individual. Banks also do not want to disclose its business secrets," Rahman said.

According to the Information Commission's annual report for 2012, a total of 16,475 applications were filed by citizens seeking information in 2012. Of the number, 84.5 percent were with the government offices and the rest with NGOs.

The government and the NGO offices responded to more than 95 percent of these applications, the Commission said.

Generally, public information should be disclosed immediately. But if it is not available, the RTIA gives the offices concerned 20 working days to comply with a request. If the information is held by two or more agencies, offices get 30 working days. Weekends and government holidays are not counted toward the deadline.

The government enacted RTIA in 2009 to empower the citizens by promoting transparency and accountability in the working of the public, autonomous and statutory organisations and other private organisations constituted or run by the government or foreign funds. The RTIA aims at reducing corruption and establishing good governance in the country.

RMG sector needs broad reforms to ride out crisis

Analysts show ways to improve factory standards

STAR BUSINESS REPORT

Bangladesh should prepare a national restructuring plan for the garment sector for the next five to 10 years to help the industry ride out its current crisis and reap potential, the Centre for Policy Dialogue said yesterday.

"Many talk about the McKinsey Report and the potential of garment exports, but we do not see

measures to exploit the potential," said Debapriya Bhattacharya, distinguished fellow of the CPD.

"At the end of the day, the garment industry is an international sector. We don't have an alternative to making a comprehensive plan to restructure the sector and move forward."

He spoke at a dialogue, Rana Plaza tragedy and beyond: an update on commitments and

delivery, at Brac Centre Inn in Dhaka.

In August last year, the think-tank launched a civil society initiative, in partnership with 15 rights organisations, professional bodies and media organisations, to monitor commitments and implementation of promises made by local and international organisations following the disaster.

Bhattacharya said the building

collapse has created a sort of opportunity, which has raised awareness but actions are not forthcoming.

It would not be possible to change the fate of the workers just by changing the domestic conditions, he added.

"The major portion of the profit of the garment supply chain exists outside the country. It is not possible to do everything by squeezing the 20

Foreign loans squeeze local banks' lending

SAJJADUR RAHMAN

The foreign loans approved by the central bank are significantly cost-effective for entrepreneurs, but lending by local banks is getting squeezed by the move.

A panel approved \$1.19 billion in foreign loans in 2013, which was \$1.49 billion in the previous year and \$819 million in 2011, according to data from Bangladesh Bank.

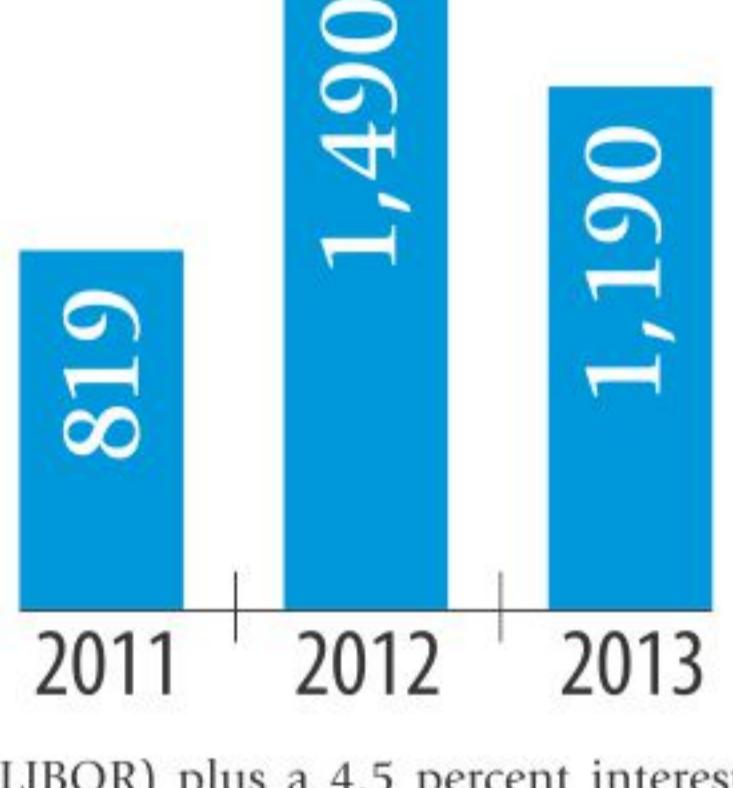
"We are losing good clients who are now borrowing foreign currencies and paying back local loans with the funds," a chief executive of a private bank said, asking not to be named.

The trend of allowing foreign loans also continues this year with the BB's approval for \$106.6 million for 13 projects in the private sector yesterday.

Taking foreign loans by Bangladeshi companies started on a small scale in 2010. Now local enterprises, be it apparel, telecoms, power plant, pharmaceutical or cement, have been borrowing from foreign markets.

For foreign loans, borrowers have to pay London Interbank Offered Rate

FOREIGN LOANS APPROVED IN MILLIONS OF DOLLARS



(LIBOR) plus a 4.5 percent interest, meaning the total cost would be around 5 percent, which is almost a third of local borrowing costs.

Bankers said the local banking industry is now sitting idle on surplus liquidity—more than Tk 80,000 crore—because of non-utilisation of funds. In this backdrop, some local companies took loans from foreign

sources and paid back their loans in the local market.

Private sector credit growth came down to a 13 years' low at 11 percent at the end of November last year and banks' loan-deposit ratio reached around 71 percent in December, which means a bank can lend a maximum of Tk 71 against a deposit of Tk 100.

"A rise in foreign loans is a reason behind the sluggish demand for private credit," said Nurul Amin, managing director of NCC Bank.

If the local firms had not borrowed \$1.19 billion from foreign sources last year, local banks could have lent the equivalent amount, Amin said.

Halil Ahmed Chowdhury, managing director of Pubali Bank, said taking low-cost foreign loans is nothing bad, but there is a risk when these loans will be matured and payment pressure is huge.

Bankers, however, said foreign loans would not significantly impact the banking business if the economic activities are boosted and communications, particularly road network, remain uninterrupted.

Increased acreage promises higher wheat output

SOHEL PARVEZ

Wheat production may increase this season for higher acreage and favourable weather conditions, agriculturists said yesterday.

Area under wheat cultivation rose to 4.53 lakh hectares this winter from 4.17 lakh hectares last year, according to estimates by the Department of Agricultural Extension.

The DAE had set a target to bring 4.20 lakh hectares under wheat cultivation this season, in bids to gradually boost domestic production and reduce import dependence.

"It shows the rising interest of farmers. It seems that fair prices for wheat in the last couple of years and production costs lower than boro paddy have encouraged farmers. Wheat is also less susceptible to pest attacks," a senior official of the DAE said, asking not to be named.

Last winter, farmers bagged 12.54 lakh tonnes of wheat, the highest in a decade, thanks to increased sowing and favourable weather for the crop that grows in low temperatures. The agricultural extension office targets to hit 12.8 lakh tonnes this season.

Bangladesh requires 40 lakh tonnes of wheat to meet its annual domestic demand, which is growing every year for the rise in population, health consciousness and industrial use.

The per capita wheat consumption a day rose to 26 grams in 2010 from 12.1 grams in 2005, according to Household Income and Expenditure Survey 2010 of the government.

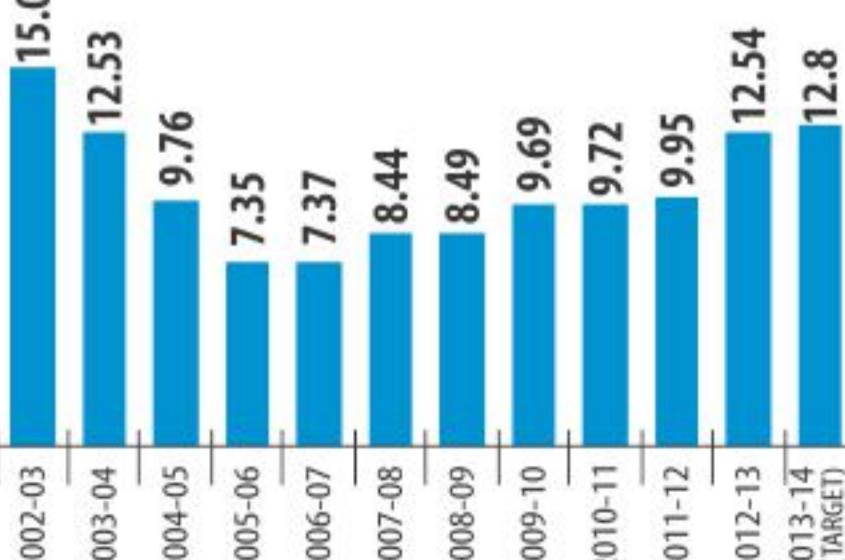
The local demand for wheat grows 3 percent a year, said Md Jalal Uddin, a director of Wheat Research Centre at

Dinajpur.

The country had to import two-thirds of its annual demand for the grain, at Tk 5,551 crore on an average in each of the last five years, according to official data. Domestic production met rest of the demand.

Breeders linked the recent hike in acreage to the release and availability of heat and saline tolerant varieties of wheat

WHEAT PRODUCTION IN LAKHS OF TONNES



seeds, and better crop management by farmers.

"The government's wheat purchases from the domestic market also played an important role in boosting acreage," said Naresh Chandra Deb Barma, chief scientific officer at regional wheat research centre under Bangladesh Agricultural Research Institute.

Wheat acreage might increase further this year, he added. "Blockades and strikes affected seed supply during the sowing season."

Last year, the food ministry bought 1.3 lakh tonnes of wheat from the domestic market; it may buy around 2 lakh tonnes starting from March, said Md Badrul

Tanners demand soft loans for relocation

STAR BUSINESS REPORT

Tannery owners yesterday urged the government to provide long-term loans with less than 5 percent interest rates to expedite the relocation of the hazardous tanneries from Hazaribagh in Dhaka to Savar.

"We need soft loans to relocate the tanneries as leather is a capital-intensive industry," said M Abu Taher, chairman of Bangladesh Finished Leather, Leather Goods and Footwear Exporters' Association, adding that many will have to fold their businesses if the government does not arrange the financing.

Tanners will have to invest around Tk 7,500 crore to relocate the factories, establish new plants and begin commercial production, he said.

The appeal came at a discussion on tannery relocation organised by the association at the Ruposhi Bangla Hotel in Dhaka.

The tannery owners also urged the government to relax land usage rules, which stipulate that at least 33 percent of total land area is left free to set up a factory.

READ MORE ON B3

Mother shrimp imports kick up debate

SOHEL PARVEZ

The fisheries ministry plans to allow imports of pathogen-free mother shrimps and post-larvae for farming for the first time in a decade—a move that has drawn mixed reactions from hatchery operators.

Some hatchery owners said there was no need to import mother shrimps as the country has enough local supply, while others said imports would increase production and make the farms disease-free.

Officials at the Department of Fisheries (DoF) said the move would boost production of disease-free shrimps and boost exports.

On a pilot basis, the department is set to allow one hatchery operator to import mother shrimps of black tiger variety to produce fries. Later, import permission will be given to other hatcheries, DoF Director General Syed Arif Azad said.

"Imported shrimps will have to be disease-free. Our objective is to increase production and make the farms disease-free."

But Moshiur Rahman, president of Shrimp Hatchery Owners' Association of Bangladesh, said: "We have had bad experiences in the past. The import of shrimp fries had led to the spread of viruses in local farms, causing losses to many farmers."

He said the government also did not consult the hatchery owners before taking the decision.

On the other hand, Main Uddin Ahmad, a past president of the association, alleged that 80 percent of the mother shrimps, including the post larvae, collected from the Bay of Bengal are infected with diseases.

This is a trial project to introduce the black tiger shrimps in a controlled environment, he added.

Ahmad said 14 hatcheries had earlier issued statements in favour of allowing imports of pathogen-free broods of mother sh