ASIAN MARKETS

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As of Friday



DHAKA MONDAY FEBRUARY 10, 2014, e-mail:business@thedailystar.net

COMMODITIES

Gold A

Forex reserves set aside for Padma bridge

Muhith rejects businesses' plea for assistance from the reserves

STAR BUSINESS REPORT

Mills Association.

STOCKS

DSEX

CSCX

The government will use a portion of its foreign currency reserves for implementing the Padma bridge project, Finance Minister AMA Muhith said yesterday.

The minister gave the indication when textile

millers sought assistance from the reserves to import capital machinery for new plants. Muhith also said the foreign exchange reserves -now more than \$18 billion -- would not be used for

any other purposes before the work orders for the

bridge project are given to contractors. As the government plans to give a number of work orders for the bridge project by June, it will not spend from the reserves for other purposes during this time, the minister told the leaders of Bangladesh Textile

The government looks to complete the bidding process by June and award contracts for three key components of the project -- construction of the bridge, river training and appointment of a supervisory consultant.

The Bridges Division last month apprised the finance ministry of the present status of the three components and asked the ministry to decide on how to pay the contractors in foreign currency.

The Division is now evaluating the proposals for the construction of the bridge. It has also asked the bidders to submit proposals for river training by February 20 and those for the job of the supervisory consultant by March 18.

The Padma bridge is among the six projects that are under direct supervision of the Fast Track Project Monitoring Committee headed by Prime Minister Sheikh Hasina.

It is the country's first project that will require more than \$2 billion in foreign currency.

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CURRENCIES

SHANGHAI

STANDARD CHARTERED BANK

Family members of the missing Rana Plaza victims rally in front of National Press Club in Dhaka yesterday, urging the government to start a fresh search at the disaster site in Savar and fast-track compensations for the missing victims. **Garment Sramik** Sanghati, a platform for apparel workers, organised the rally.

Appetite for project loans wanes

REJAUL KARIM BYRON and MD FAZLUR RAHMAN

............ Businesses' appetite for term loans, typically used for major investments or acquisitions, shrank in the first half of the fiscal year, due mainly to the unstable political climate in the leadup to national elections.

Between July and December last year, banks disbursed Tk 21,565 crore in term credit, down 1.77 percent year-on-year, according to central bank statistics.

During the period, term lending to large-scale industries increased 5.75 percent and small-scale industries 39.43 percent, while it plummeted 28.26 percent in case of mediumscale industries.

Md Nurul Amin, managing director of NCC Bank, blamed the political turmoil for the low demand for term loan, particularly from new industries, manufacturing and textile sectors.

Another reason for the fall in demand for term loans, particularly those with longer maturity dates, is that the private sector borrowers now have access to international funding, he said. The central bank gave approval for \$534 million in term credit in the first half of fiscal 2013-14.

The state-owned commercial banks, which give out a big portion of the term loans every year, also saw their disbursement figures drop in the first half of fiscal 2013-14.

A central bank official, however, tipped the term credit figures to soar in the next six months owing to the stable political situation, while citing the 63 percent rise in the openings of Letter of Credit account for capital machinery import in the first half as a sign of things to come.

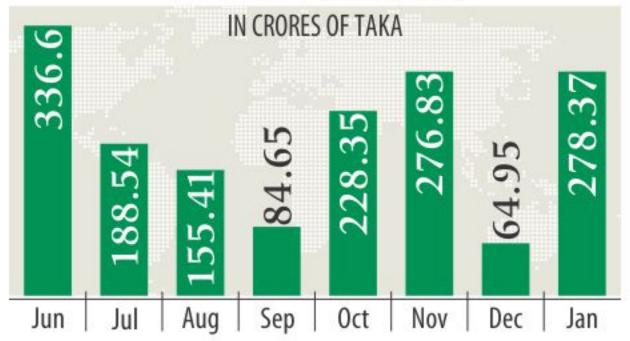
Meanwhile, the banks' disbursement of working capital loans shot up 18.46 percent year-on-year to Tk 58,790 crore during the July-December period.

A central bank official said many firms could not do business properly due to the political turmoil, which caused a day-to-day cash crunch to the businesses.

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Foreign investment in stocks at 7-month high in January

NET FOREIGN INVESTMENT IN LAST 7 MONTHS



SARWAR A CHOWDHURY

Foreign investment into the Dhaka stockmarket rose to a sevenmonth high of Tk 278.37 crore in January on the back of easing of political tension and favourable macro indicators. Overseas investors bought shares worth Tk 403.15 crore

and sold shares worth Tk 124.78 crore, according to Dhaka Stock Exchange statistics. Last month's net foreign investment figure is also an improvement of 328 percent from December last year,

when shares worth Tk 112.79 crore and Tk 47.84 crore were bought and sold respectively. Local stockbrokers said foreign investors were on a

buying spree as they found it to be an opportune time to take up positions in securities.

Foreign fund managers increased allocation to the frontier markets in 2013 to take the advantage of favourable macro indicators and low correlation of those markets with the US, Europe and emerging markets, said Md Ashaduzaman Riadh, manager of LankaBangla Securities, a local stockbroker that deals with foreign investment.

"Bangladesh has showed outstanding and intact performance in different macro and social indicators over the last year among the frontier markets, and we have been able to sell the underlying growth stories of Bangladesh."

The uncertainty surrounding the national elections was a crucial risk factor, but that is now over, Riadh said, adding that perceived political stability in the coming months will help revive corporate profitability of listed companies and liquidity situation in the market.

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Govt steps forward to meet

office of the Chief Inspector of Factory and Establishment to a 'directorate'. This is an important step in the

.....

implementation of one of the commitments agreed upon by the government in the National Tripartite Plan of Action on Fire Safety and Structural Integrity, and EU Sustainability Compact issued on July 8, 2013.

Syed Ahmed, an additional secretary of the parliament secretariat, joined as the inspector general (IG) of the new directorate yesterday, according to Mikail Shipar, secretary to the labour and employment ministry.

"We have created a directorate and appointed an additional secretary as The government has upgraded the the IG. He will start recruiting factory

> the safety standards committed in the 'sustainability compact'," Shipar said.

> safety and health, and responsible business conduct with stakeholders.

work together on labour rights, safety concern, factory conditions and responsible businesses in the garment sector.

54 to get CIP status

Industries ministry to award the businesses tomorrow

STAR BUSINESS REPORT

row award 54 leading businesspersons with the status of 'Commercially Important Person' for the year 2013 for their contribution to job creation and economic

try, cottage industry and

will formally award the CIP (Industry) 2013 status at a function in Dhaka.

"The main purpose of the award is to honour industrialists for their contribution to economic development of the country," Additional Industries Secretary Md

The CIPs will enjoy a number of facilities for one year.

include permission to enter Bangladesh Secretariat, participation in different national programmes and priorities on booking tickets for air, railway and waterways for business purposes.

The foreign ministry will cerned embassies.

FAS

Finance - এর

HOME LOAN

factory safety standards

STAR BUSINESS REPORT

inspectors as soon as possible. "We have stepped forward to meet

The compact is a roadmap that ties the government to three specific action plans: labour rights; structural integrity of buildings and occupational

The EU and Bangladesh resolved to

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Envoy profits fall 62.7pc, hurt by political fallout

GAZI TOWHID AHMED

TATA MOTORS

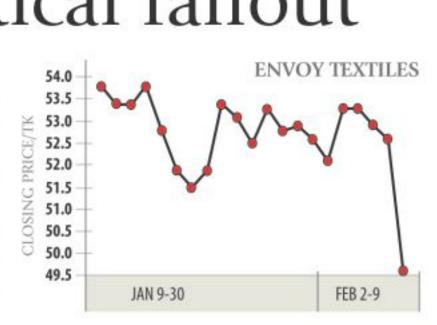
Envoy Textiles' profits fell 62.7 percent in the three months to December 2013 in the face of political unrest that bled the apparel industry. Envoy reported Tk 3.9 crore in net

profits during the quarter against Tk 10.6 crore in the same period a year ago. Earnings per share slipped to Tk 0.28 from Tk 0.75. "We have counted losses due to cancellation of orders and rising cost

of transportation amid repeated strikes and blockades," said Abdus Salam Murshedy, managing director of the company.

"We should ensure that the country's business environment is stable which will enable us to get more orders from buyers," Murshedy said.

দামে কম, কামে বেশী!



With the new production unit installed in December, the company can now produce four million metres of fabric a month in its two production units, he said.

"But we could not use our full production capacity due to the order

"We are trying to improve our business and hope we meet shareholders' expectations in the next quarter," he

TP

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The government will tomorgrowth of the country.

...............

The CIPs have been selected under seven categories -- ex-officio, large-scale industry, medium industry, small industry, micro indusservice industry.

The industries ministry

Farhad Uddin said yesterday.

Some of the facilities

also help the CIP cardholders receive visas by issuing letters of introduction to the con-

FULL LIST OF CIPS ON B3



4th International Holcim Awards for sustainable construction projects. Prize money totals USD 2 million.



Renowned technical universities lead the independent juries in five regions of the world. They evaluate projects at an advanced stage of design against the "target issues" for sustainable construction and allocate additional prizes for visionary ideas of young professionals and students. Find out more about the competitions at www.holcimawards.org

The Holcim Awards is an initiative of the Swiss based Holcim Foundation for Sustainable Construction. It is supported by Holcim and its Group companies and affiliates in around 70 countries, including Holcim Bangladesh. Holcim Ltd is one of the world's leading suppliers of cement and aggregates.







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দিয়ে গড়ুন আপনার স্থপ্নের ঠিকানা দীর্ঘ মেয়াদী কিস্তি সর্বনিম্ন প্রসেসিং ফি তাৎক্ষণিক ঋণ অনুমোদন FAS FAS Finance & Investment Ltd সুবাস্ত ঈমাম স্কয়্যার (৫ম তলা), ৬৫ গুলশান এভিনিউ, ঢাকা-১২১২ ফোন ঃ ০১৯১৪০৬৭৪৩৩, ০১৭১১৩৯১৯৯৭, ০১৯১৪০৬৭৪২২