

Private banks' credit roll-out surges

REJAUL KARIM BYRON

Credit roll-out by local private banks has increased substantially in recent times on the back of a pick-up in business activities thanks to political calm.

Credit growth of the private banks, whose share in the total credit disbursed comes to 69.35 percent, stood at 15.56 percent on June 30, compared to a year earlier.

The state-owned and foreign banks that account for 23.82 percent of total loans have seen negative credit growth in the year to June 30, according to data from the central bank.

Credit disbursement by the state-

owned commercial banks declined 4.17 percent and foreign banks 1.67 percent, while the five state-owned specialised banks registered 13.12 percent growth on June 30 from a year ago.

At the end of June, total credit stood at Tk 491,210 crore, with almost half of it being industrial credit that comprises working capital and term-loans.

Working capital in both private and foreign banks rose significantly, statistics from Bangladesh Bank show.

In fiscal 2013-14, working capital disbursement by private banks rose around 20 percent year-on-year and that of foreign banks 95 percent.

But state-owned commercial banks'

working capital disbursement fell 56 percent.

Term loan disbursement by private commercial banks rose 30 percent, while that of state-owned commercial banks and foreign banks 56 percent and 26 percent respectively.

Khondker Ibrahim Khaled, a former deputy governor of the central bank, said the private banks' credit growth is nothing out-of-the-ordinary as the political situation has calmed down. "In fact, a vacuum does not exist for long."

New investment though is slightly low for non-availability of gas and electricity connections to new industries, he said.

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Worker database seems far off

REFAYET ULLAH MIRDHA

The absence of a central database of workers and factories has left many outstanding issues unresolved in the garment sector.

Names, addresses, age and dates of birth of many workers remained unknown, creating obstacles in resolving issues such as compensations for accidental deaths.

Factory owners sometimes publish incorrect info, making it tougher to verify the identification of the victims in case of an accident.

Take the latest spell of labour unrest at Tuba Group for an instance: the number of workers could not be initially confirmed. The number varied between 1,600 and 1,400.

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Food grain consumption set to rise

SOHEL PARVEZ

Food grain consumption and residual are likely to rise this fiscal year owing to population growth, said a report by the US Department of Agriculture's Foreign Agricultural Service (FAS).

Rice consumption and residual may rise to 3.52 crore tonnes in fiscal 2014-15 from 3.48 crore tonnes a year ago and wheat consumption to 47 lakh tonnes from 43 lakh tonnes, the FAS said in its Global Agricultural Information Network report.

The projection is higher than an estimate by the Bangladesh Institute of Development Studies (BIDS) last year.

The BIDS in a study claimed that daily per capita food grain consumption was 509 grams, including rice at 462 grams.

Based on the estimate then, annual food grain consumption by the 16 crore population should be below 30 lakh tonnes a year, a food ministry official said, seeking to remain unnamed.

The FAS report said wheat consump-

tion projection has been raised "on expectations of competitive international wheat prices" mainly because of its strong global supply.

The average retail price of wheat flour in Dhaka stood at Tk 32.50 a kilogram on July 10, which is 3 percent lower than the price on the same day last year, it said.

In comparison with rice, the price of wheat flour was 8 percent below the current retail price of rice, the staple. The retail price for rice was Tk 35.5 a kilogram in Dhaka on July 10, it said.

"Because wheat imports constitute approximately 70 percent of total Bangladeshi consumption, lower international wheat prices may cause some consumers to purchase more wheat flour if rice prices remain high."

Wheat import may rise 22.72 percent year-on-year to 33 lakh tonnes in fiscal 2014-15. Rice import may rise to 5 lakh tonnes this fiscal year, compared with 3.74 lakh tonnes in fiscal 2013-14.

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