

জীবনে ধরোজন
আরো বেশি স্বাস্থ্য
সর্বাধুনিক প্রযুক্তি সম্বলিত ব্যাবিক সেবায়
মাসিক আয়ের সাথে বাড়তি আয় যোগ
করুন আর জীবন করুন সুস্বাদু।

যে কোন প্রয়োজনে ০৯৬১২০০১১২২
ইসলামাবী পরিআহ'র মুনাবাবা নিতির ডিজিট পলিটালিট



Star BUSINESS

DHAKA THURSDAY NOVEMBER 13, 2014, e-mail:business@thedailystar.net

Beximco may get lifeline from Sonali Bank

REJAUL KARIM BYRON

Sonali Bank has decided to reschedule Tk 982.44 crore of Beximco Ltd's loans and extend the repayment period to 2026 to help the conglomerate ride out its capital shortfall and continue commercial operations.

Beximco's loan rescheduling proposal was approved in entirety last week by the state-run commercial bank's board, and a letter was sent to Bangladesh Bank for a final approval.

Under existing rules, Sonali is not allowed to reschedule Beximco's loans as it has done so more than three times already.

Furthermore, Beximco itself has proposed extension of the repayment period but it would not be making any down payment for it, Sonali said in the letter to BB.

Sonali's latest move comes after Salman F Rahman, vice-chairman of Beximco Ltd, approached the state bank with a debt restructuring plan in August.

Zaid Bakht, a director of Sonali Bank, said the bank has decided to reschedule Beximco's loans and declassify them, considering the company's socio-economic contribution.

If the company continues to be classified, it will not get any further loan facility and

BEXIMCO GROUP'S	
TOTAL DEBT	
Sonali Tk	1,480cr
Janata Tk	2,392cr
Agrani Tk	383cr
Rupali Tk	689cr
AB Tk	709cr
National Tk	127cr
Exim Tk	198cr
Other banks and non-banks Tk	330cr
Total Tk	6,308cr
SOURCE: SONALI BANK	

will not be able to run its business activities, he added.

Sonali, however, has tagged conditions to the rescheduling.

Beximco will have to pay the instalments regularly, once the repayment period begins. If the company fails to repay two instalments in a row, the bank will cancel the new facilities and Beximco will again be classified, said the economist.

Under the plan, Beximco will have to repay its short-term loans of Tk 340.83 crore by 2024 with the repayment period starting from April 2016. It will enjoy a grace period of one year and six months before the first instalment.

It will have to start repaying its long-term loans of Tk 641.83 crore from October 2016 and will have until September 2026 to repay them. It will enjoy a grace period of two years.

The bank will charge 10 percent interest rate on both the short and long-term loans, much lower than the market rate of 13-14 percent, according to bank officials.

"It is not that the company is not paying anything. The company is now facing a cash flow problem, which has rendered it classified," Bakht said.

Tofail, BGMEA refute Mozena's zero-tariff claim

The minister says Bangladesh gets no tariff benefit from the US

STAR BUSINESS REPORT

Commerce Minister Tofail Ahmed yesterday refuted the US ambassador's claim that Bangladesh pays no tariff on the export of apparel products to the American market.

"We are not getting any tariff facilities from the US," the minister said.

Ahmed's comments came just a day after Dan W Mozena at a meeting at the National Press Club said that Bangladesh does not pay the tariff on apparel exports to his country, rather it is paid by the US consumers.

"Bangladesh pays Z E R O, zero, zero, zero tariffs," Mozena categorically told reporters on Bangladesh's claim that it pays \$800 million as tariff for exports of apparel products to the American market each year.

The ambassador had also said that he asked the Bangladesh government to show him the cheques it sent to America for paying the tariff, but it could not.

The minister termed the zero-tariff claim of the envoy "totally baseless". "His statement was false, false...false," Ahmed said, in a similar tone to that of the ambassador.

The minister's comments came at a function of the Bangladesh Indenting Agents' Association (BIAA) held at the CIRDAP auditorium yesterday. BIAA organised the event to celebrate receiving the ISO 9001 certification as the first business support association in Bangladesh.

The minister said Bangladesh has to pay 16-18 percent tariff for apparel exports to the US market.

Ahmed also refuted the envoy's remarks on the US not giving trade benefits to any nation, as the US is giving special trade benefits to African



Commerce Minister Tofail Ahmed speaks at an event of Bangladesh Indenting Agents' Association in Dhaka yesterday.

countries.

On the restoration of the GSP status, the minister said Bangladesh has fulfilled all 16 conditions imposed by the US government after the Rana Plaza building collapse.

Ahmed said the US is not taking any step to restore the trade benefit and it is putting forward fresh conditions.

Meanwhile, apparel makers' platform Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday also clarified the current position in duty payment

on apparel exports to the US, in response to the envoy's statement.

The BGMEA stated that Bangladesh is required to pay 15.62 percent duty on exports to the US markets; in 2013, Bangladesh paid \$828.42 million in duties to US customs to export goods worth \$5.3 billion in 2013.

Bangladesh is the 46th largest trading partner of the US, but in terms of duty payment, the country stands second, the BGMEA statement said.

SME fair kicks off in Dhaka

Banks, non-banks awarded for their contribution to the sector

STAR BUSINESS REPORT

High interest rates act as the key barrier to the advancement of small and medium enterprises in the country, policymakers and business leaders said yesterday.

Single-digit interest loans should be made available to all small and medium entrepreneurs to help bolster economic growth, they said.

"High interest on lending is the major barrier to industrialisation," said Syed Md Ihsanul Karim, managing director of SME Foundation.

Bangladesh Bank needs to ensure low-cost financing for SME entrepreneurs, Karim said.

SME is the key driver of the economy, but such entrepreneurs do not have easy access to finance, said Mosharraf Hossain Bhuiyan, industries secretary.

Most banks have become wary of lending to entrepreneurs mainly due to numerous cases of loan forgeries that scandalised the sector in the last few years and caused drainage of money, he said.



Finance Minister AMA Muhith and Bangladesh Bank Governor Atiur Rahman pose with the officials of eight banks and non-banks, which were awarded for their contribution to the SME sector, at the opening of an SME fair at Sonargaon Hotel in Dhaka yesterday.

Uddin Ahmed, president of the Federation of Bangladesh Chambers of Commerce and Industry.

After the Second World War, Japan and China developed their economies riding on the SME sector, he said, adding that Bangladesh can do the same with proper focus on SME.

Ahmed, also the chairman of Standard Bank, stressed the need for reduction of interest rate for SME loans at 9 percent as well.

"We should not charge more than 9 percent interest. It may reduce the profit margin of a bank. But we have to do it for the sake of the economy."

Lack of suitable collaterals and poor management and risk management skills pose serious challenges to micro, small and medium enterprises in getting the finance they need, said Atiur Rahman, governor of Bangladesh Bank.

Currently, a third of the country's total loan

Interest on savings tools might be slashed

REJAUL KARIM BYRON

The government mulls over reducing interest on savings instruments in a bid to reduce its debt servicing costs in the face of increased sell pressure for savings certificates.

The issue came up at a fiscal co-ordination council meeting yesterday, which was presided over by Finance Minister AMA Muhith.

Net sales of certificates soared 225 percent year-on-year to Tk 6,821 crore at the end of first quarter of fiscal 2014-15, while gross sales stood at Tk 9,855 crore, a mammoth increase of 67 percent.

At the meeting, a high official of the finance ministry said people are rushing to buy savings certificates due to the high

interest rates.

The highest interest rate on savings instruments is 13 percent, whereas the bank interest is below 10 percent. In addition, there are some instruments that are tax-free.

So, it was suggested in the discussion that a reduction of savings certificates' interest rate should be considered, the official told The Daily Star.

Another finance ministry official said a government committee is now working to reduce the interest rate on savings instrument.

The implementation status of the annual development programme, the export and GDP growth and the investment situation were also discussed at yesterday's meeting.

Compact cotton yarn plant to be set up at Tk 150cr

SARWAR A CHOWDHURY

A compact cotton yarn manufacturing company will be set up on 40 bighas of land in Habiganj in the next one and a half years at an approximate investment of Tk 150 crore.

The new venture, Far East Spinning Industries Ltd, will be the first company that will completely manufacture compact yarn.

It will have 25,000 spindles with a production capacity of 14 tonnes of high quality yarn per day, said a top official of the firm.

Compact yarn is a value-added product that reduces dyeing, finishing and processing costs for manufacturing finished

HIGHLIGHTS

- The plant will have **25,000** spindles
- It will produce **14** tonnes of yarn a day
- Far East Spinning's paid-up capital is **Tk 45cr**
- It is sourcing fund through a syndicated loan of **Tk 100cr**
- Production to start in **June 2016**

readymade garments, said Asif Moyeen, chairman of Far East Spinning.

Time and use of water for dyeing of compact yarn will also be much lower, which, in turn, will reduce production costs, he said, adding that value addition in the finished product will also be higher.

The construction work will start in January, while the state-of-the-art machinery from Germany will come in November next year, he said.

Moyeen expects commercial production to start in June 2016. The products will be sold in both the domestic and foreign markets.

India considers raising steel import duties to curb China shipments

REUTERS, New Delhi

India is considering raising import duties on steel after domestic steelmakers complained about surging shipments from China, and a decision may be taken in the next two to three days, the Steel and Mines Minister Narendra Singh Tomar said. Steel imports from China, the world's biggest producer of the alloy, doubled in April-September from a year earlier, prompting JSW Steel Ltd and other Indian steelmakers to ask for higher import tariffs.

সহজ

ফিস্ট সিকিউরিটি ইসলামী ব্যাংক লি:

ফিস্ট সিকিউরিটি ইসলামী ব্যাংক লি: FIRST SECURITY ISLAMI BANK LTD.

CELEBRATING 15 years 1999-2014

24/7 MTB CONTACT CENTRE 16219 or 09604016219

Mutual Trust Bank Ltd.

MOHSTEEL

NEEDLE PRECISION ACHIEVED THROUGH CONTINUOUS STANDS

+88 02 9512514-5

www.mohsteel.com