

COMMODITIES		ASIAN MARKETS				CURRENCIES					
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
1.43%	1.42%	\$1,195.75	\$76.56	28,499.54	Closed	0.14%	1.85%	78.30	95.31	120.62	0.66
4,768.90	9,009.23	(per ounce)	(per barrel)			3,340.53	2,532.88	BUY TK	SELL TK		
								79.30	99.31	124.62	0.69

Star BUSINESS

DHAKA TUESDAY NOVEMBER 25, 2014, e-mail: business@thedailystar.net

জীবনে প্রয়োজন আরো বেশি স্বাস্থ্য
 সর্বাধুনিক প্রযুক্তি সম্বলিত ব্যাংকিং সেবায় মাসিক আয়ের সাথে বাড়তি আয় যোগ করুন আর জীবন করুন সুস্বাস্থ্য।

যে কোন প্রয়োজনে ০৯৬১২০০১১২২
 ইসলামী পরিত্যাহ 'ব' মুদারাবা নীতির ভিত্তিতে পরিচালিত

SIBL
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BB sells dollars to five banks as demand picks up

REJAUL KARIM BYRON

After a gap of two and a half years, Bangladesh Bank yesterday sold greenbacks of \$45 million to five banks, as demand for the foreign currency has gone up for a pick-up in imports.

BB last sold greenbacks, of around \$10 million, to a single bank on June 20, 2012, after which it has been purchasing the currency -- \$11 billion so far -- in an effort to keep the exchange rate stable.

The economy has started to pick up over the last one year, due to which there has been an increase in import demand, said Kazi Saidur Rahman, a general manager of the central bank.

"In the present context, it is a positive sign," he said, adding that it means the demand for capital machinery and intermediary goods is on the rise.

In the first quarter of the fiscal year, imports rose 13.62 percent, while that of capital machinery soared 22 percent and petroleum 52 percent, according to central bank statistics.

Exports, on the other hand, have been flat, said Zahid Hussain, lead economist of the World Bank's Dhaka office. In the July-September period, export growth stood at 0.97 percent, according to data from BB.

Remittance did well in the first quarter but not so well in October, he said. As a result, the current account balance turned into deficit.

"These may have caused a shift in market

expectation about the behaviour of the exchange rate in the near future."

The dealers may be expecting the exchange rate to depreciate and may thus be holding back their stock of dollars turning their expectations into a self-fulfilling prophecy, he said.

The taka has depreciated marginally in recent days. Under such circumstances, the sale of dollars may have been intended to smooth exchange rate volatility.

However, some depreciation of the taka brought about by natural market forces may be helpful in reviving export and remittance growth while the fundamental drags on these are fixed, Hussain said, adding that the latter is critical because currency depreciation alone cannot restore export and remittance growth.

Meanwhile, Zaid Bakht, research director of the Bangladesh Institute of Development Studies, tipped the imports to increase further once the Padma Bridge construction work takes off in full swing.

He blamed the slow pace of exports to order cancellations after the Rana Plaza disaster.

However, in recent times the garment factories are seeing new orders, which will help increase exports, he added.

In the July-September period, the current account saw a deficit of \$357 million.

In the inter-bank forex market, the dollar traded at Tk 77.63 yesterday, which was Tk 77.4 on October 30.

The foreign currency reserve stood at \$21.61 billion on Sunday.

Robi profit drops

STAR BUSINESS REPORT

Mobile operator Robi's net profit fell 9 percent year-on-year to Tk 130 crore in the July-September quarter, its officials said yesterday.

The slump was due to amortisation charge arising from large capital investment to support license acquisition and countrywide 3G network rollout.

However, net profit in the quarter was 14.6 percent higher than in the previous quarter, due to increased income from data business through 3G.

Supun Weerasinghe, managing director and chief executive officer of the third largest operator, said: "We have been seeing good growth in data services since the start of the year as we expand our 3.5G network across the country. We are investing significantly towards expanding our 3.5G network and to support growth in data usage."

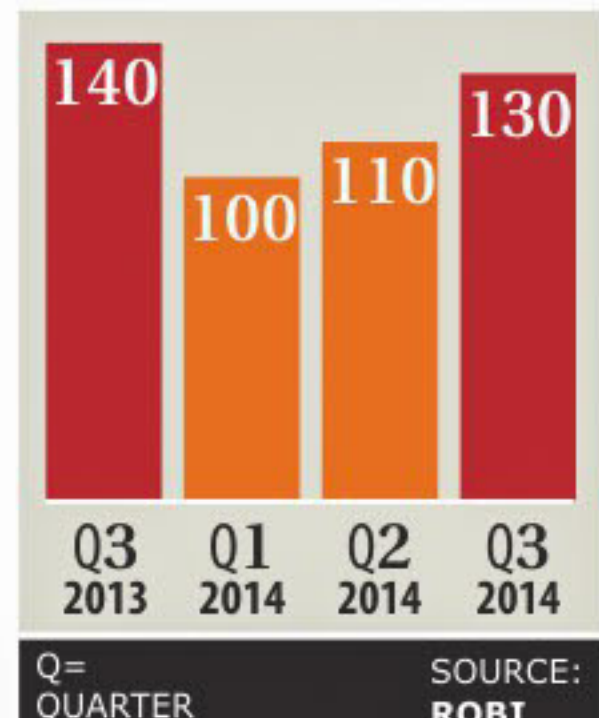
However, imposition of an additional surcharge on customer talk time may hinder voice revenue growth, which is already slow, Weerasinghe said at a press briefing at Cirdap auditorium in the capital.

The CEO said their 3G network now covers all the 64 districts. The operator also reported that its profit after tax dropped 4.9 percent in the first nine months of the current year, compared to the same time a year ago.

Revenues in the January-September period were Tk 3,601 crore, 5.8 percent lower than that in the same period last year.



NET PROFIT OF ROBI
In crores of Tk



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Tazreen victims to get compensation

REFAYET ULLAH MIRDHA

Victims and families of the Tazreen Fashions fire will receive a package under the same system developed to compensate Rana Plaza victims, as one retailer has just agreed to pay, a full two years after the incident.

"We are extremely pleased to be able to announce that we and IndustriALL have reached an outline agreement with C&A on the principles of a compensation process," said Ineke Zeldenrust from rights group Clean Clothes Campaign. Dutch retail giant C&A used to source garment items from Tazreen Fashions.

"The system will be the same as that followed for the Rana Plaza victims. It covers compensation for loss of income, provision of independent medical assessments and ongoing treatment," Zeldenrust said.

In case of the Rana Plaza incident, victims were promised compensation under the ILO Convention 121, which allowed a dead victim's beneficiary to receive nearly Tk 29 lakh and a permanently disabled victim to receive nearly Tk 42 lakh.

But most victims received around Tk 10 lakh, much lower than the promised amount, as all retailers are yet to contribute to the \$40 million Rana Plaza Donor Trust Fund.

The fire at Tazreen Fashions, a clothing factory supplying to global brands, killed 112 workers at Ashulia in Savar on November 24, 2012.

For two years, these workers have faced

destitution and ongoing medical problems as a result of the fire, Clean Clothes Campaign said in a statement.

Recent negotiations facilitated by International Labour Organisation helped to form the agreement on the compensation principles, the rights group said.

Details of the programme will be finalised soon, with the hope that compensation will finally be delivered, the statement said.

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Compensate victims immediately: HRW

STAR BUSINESS REPORT

Human Rights Watch, a New York-based human rights advocacy organisation, yesterday urged global clothing brands tied to Tazreen Fashions including the American giants Wal-Mart, Sears and Disney to extend fair compensation to the victims immediately.

"These global brands should no longer dodge their duty to help these people," Brad Adams, executive director of HRW's Asian division, said.

Only two of the 16 firms linked to the ill-fated factory are believed to have paid any meaningful amount of compensation to the victims.

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No immediate plan for sovereign bonds

JP Morgan officials meet Muhith

STAR BUSINESS REPORT

JP Morgan, the biggest US bank, seeks to be an adviser for Bangladesh on its first sovereign bonds to raise funds from the international market.

High officials from JP Morgan met Finance Minister AMA Muhith at his secretariat office yesterday and made the offer.

"It is high time that bonds are issued, as money can be raised with an interest rate ranging between 4 and 5 percent," Muhith told reporters, quoting JP Morgan representatives.

But Muhith told the JP Morgan team that the government has no plans to issue sovereign bonds this year; it may consider the matter next year.

Madhav Kalyan, managing director and chief executive of JP Morgan's branch in India, Michael Paulus, head of its Asia-Pacific public sector group, and Sazzad Anam, head of its Bangladesh office, met Muhith.

In August, Goldman Sachs made a similar offer saying Bangladesh could raise \$2-\$3 billion from the international market through sovereign bonds.

On whether Bangladesh will have to issue the bonds to raise funds to build infrastructure, Muhith said: "Our foreign currency reserves are much better. So, we are not thinking about it at the moment."

The current foreign exchange reserves of around \$22 billion in Bangladesh can feed seven months' of import bills, against a recommended safe limit of 4 months.

A panel on bonds formed last year by the government submitted its report in March this year, recommending the issuance of \$500 million, to be used primarily to develop infrastructure.

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