STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES (STANDARD CHARTERED BANK)	USD	EUR	GBP	JPY
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	BUY TK	77.80	93.56	119.63	0.64
0.27%	0.20%	$1,200.71 (per ounce)	$66.28 (per barrel)	1.15%	0.68%	0.67%	5.43%	SELL TK	78.79	97.56	123.62	0.67
4,944.03	9,292.04			27,797.01	17,813.30	3,319.84	2,856.27					

Star BUSINESS

DHAKA WEDNESDAY DECEMBER 10, 2014, e-mail:business@thedailystar.net

Inflation hits two-year low

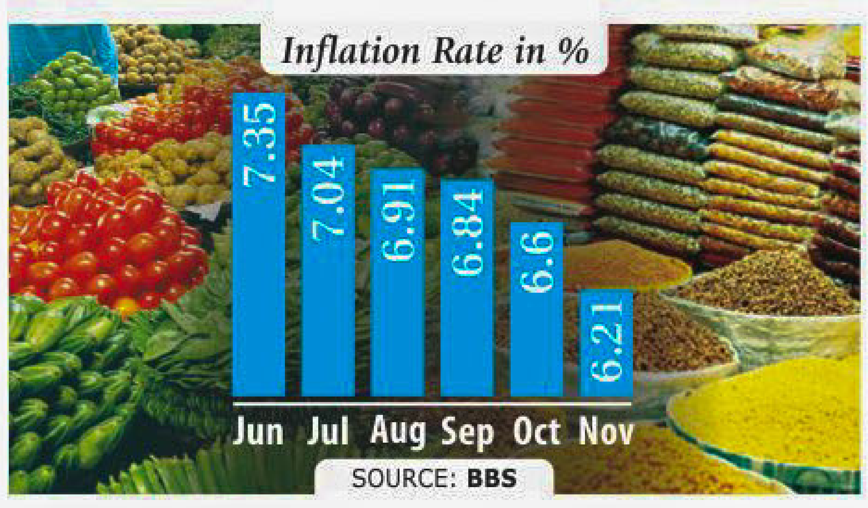
Food inflation was the biggest driver behind the drop in Nov

STAR BUSINESS REPORT

Inflation continued its fall in November, coming down to 6.21 percent -- the lowest in 24 months.

The inflation rate, which has been showing a downward trend for the last several months, was 6.60 percent in October.

In October 2012, inflation was 5.16 percent, which rose to 6.55 percent in November the same year.



Food inflation was the biggest driver behind the drop in overall inflation last month, sliding to 6.44 percent from 7.16 percent in October, according to the Bangladesh Bureau of Statistics (BBS) data.

Non-food inflation, however, continued to rise. It reached 5.84 percent in November from 5.74 percent in the previous month, due to a rise in house rent, transportation costs, education and medical expenses and other non-food items.

The continuous decline in food prices on the international markets also helped food inflation come down.

Prices of edible oil and petroleum products decreased on the global markets, BBS officials said.

Central bank officials said a recent surge in bank loans was one of the reasons behind the rise in non-food inflation in November.

In October, non-food inflation went up as two major religious festivals took place at the beginning of the month. People's movement and consumption of non-food items increased ahead of the festivals.

Inflation declined in both urban and rural areas last month. In rural areas, it dropped to 6.05 percent from 6.49 percent in October, and in urban areas to 6.51 percent from 6.79 percent.

The government has set the inflation target at 6.5 percent, on average, for the current fiscal year. On an average basis, inflation was slightly above 7 percent in November.

Planning Minister AHM Mustafa Kamal and BBS officials had earlier said they were hopeful of hitting the inflation target this fiscal year.

US retailers to lobby for trade privileges for Bangladesh

Big brands in the US are committed to staying in Bangladesh, says Nate Herman of American Apparel and Footwear Association

REFAYET ULLAH MIRDHA

The American Apparel and Footwear Association (AAFA) will urge the Obama administration to reinstate trade benefits for Bangladesh, as the country is an important sourcing destination for American customers.

"We will try to propose USTR [United States Trade Representative] to withdraw the GSP suspension on Bangladesh next year, if the GSP scheme is renewed again," Nate Herman, vice president (international trade) of AAFA, told The Daily Star in an interview in Dhaka on Monday.

AAFA is the highest trade body for apparel and footwear traders in the US, representing more than 1,000 retailers and brands in the $361 billion US retail sales market.

Herman was in Dhaka to attend the Apparel Summit, which was organised by Bangladesh Garment Manufacturers and Exporters Association, as a discussant.

"Once GSP is revived for Bangladesh, we will try to include leather goods, backpacks, luggage, wallets and smartphone covers that originate here," he said. "This will be our first step next year so that Bangladesh is benefited."

AAFA tried to include Bangladesh's garment items in the generalised system of preferences (GSP) scheme for the last five years, but failed, he said.

Nate Herman

The trade privilege has remained suspended for all beneficial countries since July 31 last year. After the Rana Plaza building collapse, the USTR, the chief trade negotiation body for the US, suspended the scheme for Bangladesh, citing serious shortcomings in labour rights and workplace safety in June last year.

Since suspension, Bangladesh has been lobbying the US government to reinstate the trade benefit by improving workplace safety and labour rights, following the 16-point action plan provided by the Obama administration.

"Garment items from no country enjoy the GSP privilege. So, Bangladesh is no exception," Herman said.

Since Bangladesh does not enjoy a zero-duty benefit on exports of apparel, it needs to pay a 15.61 percent duty -- one of the highest rates on the export of garment items to the US market.

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Rana Plaza factory owner gets bail

STAR BUSINESS REPORT

The High Court yesterday granted six-month bail to the chairman of New Wave Bottoms, one of the five garment factories housed in the ill-fated Rana Plaza.

Bazlus Samad Adnan, chairman of New Wave Bottoms, has been detained in jail, pending trial, since April 27 last year in connection with the two cases filed on April 24 and 25 last year against the owners of Rana Plaza and the garment factories housed in it for violating building rules and endangering people's lives.

The government will appeal to the Appellate Division to cancel the bail, Deputy Attorney General Bashir Ullah told The Daily Star.

Justice Syed AB Mahmudul Huq and Justice Md Akram Hossain Chowdhury issued the ad-interim bail after Adnan filed a petition on November 30.

The judges also asked the government to explain why Adnan should not be granted regular bail.

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BSRM gets IPO green light

STAR BUSINESS REPORT

Bangladesh Securities and Exchange Commission yesterday gave the nod to Bangladesh Steel Re-Rolling Mills (BSRM) to raise Tk 61.25 crore from public.

The Chittagong-based steel manufacturing conglomerate plans to float 1.75 crore ordinary shares of Tk 10 each along with Tk 25 as premium.

Alliance Financial Services will manage the initial public offering, the proceeds of which will be used for BSRM's ongoing expansion and loan repayment.

The company's earnings per share, as of December 2013, stood at Tk 5.06 and net asset value per share Tk 52.09.

BSRM Steels, a unit of BSRM, is already listed on the stockmarket. On the premier bourse, each BSRM Steels share traded between Tk 90 and Tk 88.2 yesterday, before closing at Tk 89.6.

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Telecom regulator to go tough on operators for dues

ABDULLAH MAMUN

The telecom regulator will go tough on some operators, including two state-run firms, as they have failed to pay around Tk 5,000 crore in dues despite reminders.

The dues comprise revenue sharing amounts and licence and spectrum fees.

Bangladesh Telecommunication Regulatory Commission (BTRC), the regulator, is now considering options such as cancelling their licences or spectrums and filing cases against them, an official said.

A decision will be taken soon after consulting the telecom ministry, which is the licensing authority, BTRC Secretary Sarwar Alam said.

The regulator will also sit with the operators, especially the state-owned ones, he said.

Of the outstanding amount, the two state-run companies -- Bangladesh Telecommunications Company Ltd (BTCL) and Teletalk -- alone owe Tk 3,200 crore.

The BTCL has recently paid Tk 1,480 crore, and still has Tk 1,600 crore in dues, which is a portion of its revenue earned from international calls and was supposed to be shared with the government, another BTRC official said.

The regulator last year provided 10 megahertz spectrum in the 2,100 MHz airwave to the state-owned mobile operator, Teletalk, for 3G rollout. The price of the spectrum was Tk 1,600 crore, but the operator is yet to pay the amount.

Four private mobile operators -- Grameenphone, Banglalink, Robi and Airtel, who rolled out 3G networks, have paid the spectrum charges in time.

The third and fourth largest defaulters are the international gateways that transport overseas calls to and from the country, and interconnection exchanges that connect telecom operators with international gateways. They owe around Tk 1,450 crore.

Citycell is the lone private mobile operator that has Tk 250 crore in dues. Though the regulator sent the operator several reminders, it could not pay the amount due to a fund crisis.

Among others, WiMax operator Banglalion owes Tk 40 crore and some international internet gateways Tk 10 crore.

Govt sweetens deals for economic zones

STAR BUSINESS REPORT

The government plans to provide numerous tax benefits in the proposed five economic zones to attract both foreign and domestic investments.

The land developers and unit investors in the economic zones will get very competitive packages, said Paban Chowdhury, executive chairman of the Bangladesh Economic Zones Authority, adding that they would be better than those offered by the other countries in the region.

Incentives include tax holiday and duty-free import of vehicles, he said, adding that the investors will not need to pay income taxes for their employees for at least ten years.

Chowdhury's comments came at a pre-bid meeting for the selection of a developer to design, build, finance, own, operate and transfer Mongla Economic Zone, held at Sonargaon Hotel in Dhaka yesterday.

The proposed economic zone would be built on 205 acres of land situated in close proximity to Mongla Export Processing Zone in Bagherhat district on a public-private partnership model. The land will be leased by BEZA for a period of 30 years.

Six large national firms and four firms from India, China, Korea and Dubai have expressed their interest in participating in the bidding for development of the economic zone.

During the pre-bid meeting yesterday, Chowdhury assured the prospective bidders that the BEZA would not practise any red tape or bureaucracy.

BEZA will develop the off-site infrastructure. The tenders for approach road, administrative building, boundary wall and bridge have already been floated, with those for water supply, electric works and land filling on the way, according to Harunur Rashid, project director of BEZA.

The government will invest around $6.41 million to develop the off-site infrastructure.

Economic zones are the newest version of export processing zones, Nazrul Islam, managing director of Infrastructure Investment Facilitation Company, said, adding that the government is focusing on the development of economic zones to bring in more private investment.

IIFC is a government-owned company that provides professional services to line ministries and agencies to develop infrastructure projects for private sector participation.

In export processing zones, only products for the export market can be manufactured, while in economic zones all types of goods can be produced.

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Youngone to expand in Bangladesh

STAR BUSINESS REPORT

Youngone Corporation has decided to expand its operations in Bangladesh and hire more workers in the coming years, to boost the country's apparel sector that is hamstrung by infrastructure deficit, labour unrest and industrial disasters.

A top global player in outdoor and sportswear, Youngone plans to ramp up production facilities in the country and raise the number of local employees to more than 65,000 in 2018, from 52,000 in 2013, to fulfil growing demand, according to an analysis released yesterday by Samsung Securities, a leading Korean financial investment company.

Bangladesh already features highly in the South Korean company's portfolio as Youngone produces 60 percent of its goods in the second largest apparel exporter in the world.

Samsung Securities expects sales and operating profits of Youngone to rise a respective 8.3 percent and 11.8 percent in 2015 and 10.5 percent and 14 percent in 2016, thanks to rapidly growing markets, capacity expansion in Bangladesh, and sales diversification.

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