ASIAN MARKETS

TOKYO

2.25%

MUMBAI

\$62.63

0.12%



DHAKA THURSDAY DECEMBER 11, 2014, e-mail:business@thedailystar.net

COMMODITIES

Gold A

\$1,227.00

Sonali, BASIC to get capital stimulus

REJAUL KARIM BYRON

STOCKS

V 0.01%

CSCX

0.03%

DSEX

The government will provide Tk 1,500 crore to two problem-hit state banks, Sonali and BASIC, this month to meet their large-scale capital shortfall.

The banking division has already sought the amount from the Tk 5,500 crore earmarked in the budget for the purpose of strengthening state banks' financial position, a finance ministry official said.

In the first phase, the two banks will be provided almost the same amount of capital. Before June next year, the capital situation of the banks will be reviewed again and shortfall Tk 1,806 crore. in light of that, the amount for the second

phase will be decided.

Last year, the four state banks -- Sonali, Janata, Agrani and Rupali -- received Tk 4,100 crore from the budget, of which Sonali Bank alone got Tk 1,995 crore. As default loans increased, Sonali once again found itself with a large-scale capital short-

At the end of September, Sonali's default loans stood at Tk 10,950 crore, which is around 38 percent of its total loan portfolio, according to data from Bangladesh Bank. During the period, Sonali's capital shortfall was around Tk 1,730 crore and provisioning

READ MORE ON B3



Winners of Social and Environmental Excellence Award pose at the closing ceremony of the three-day Dhaka Apparel Summit at Bangabandhu International Conference Centre in the capital on Tuesday.

Call for cuts in VAT rates

STAR BUSINESS REPORT

The government should cut the rate of value-added tax from the present 15 percent and keep essential commodities out of the purview VAT to reduce burden on consumers, especially low-income people.

Former adviser to the caretaker government AB Mirza Azizul Islam made the call at a discussion organised by the Centre for Policy Dialogue on concerns and implementation challenges of VAT and Supplementary Duty Act 2012.

State Minister for Finance and Planning MA Mannan also supported the view at the programme at Six Seasons Hotel in the

capital. "VAT as an indirect tax is shifted forward to consumers. The impact of such taxes on low-income people is higher," Islam said, adding that VAT rates in most Asian countries are low.

A low rate of VAT improves compliance and reduces adverse impact on equity and inflation, he said.

Mannan said the VAT rates can be reconsidered to rein in inflation and encourage consumption. No VAT should be imposed on commodities consumed by low-income people, he said.

The law, which was passed in 2012, brings all sectors under the purview of VAT. The law has increased documentation requirements for firms and given additional power to revenue officials to recover arrears.

Businesses at the discussion said the authorities had consulted them but their concerns were not reflected in the law.

Jahangir Hossain, member (VAT policy) of the National Board Revenue, said the aim of the law is to make the VAT system modern and business-friendly and remove distortion that was present in the first VAT law.

READ MORE ON B3

GIZ awards 18 factories for best practices

CURRENCIES

BUY TK 77.60

SHANGHAI

2.93%

0.18%

STAR BUSINESS REPORT

Eighteen garment companies and seven workers won the Social and Environmental Excellence Award 2014 for adopting best practices and skills development in their workplaces.

Germany's GIZ and the Bangladesh government initiated the award last year to motivate all factories to adopt best practices and ultimately tap the export potential.

The awards were given in four categories: social compliance, environmental performance, building and fire safety excellence and inclusive skills development.

The four categories have nine sub-categories. Inclusive skills development, introduced this year, will encourage factory owners to offer jobs to people with disabilities.

The awards were delivered at the closing ceremony of the three-day Dhaka Apparel Summit and the second International Trade Expo for Building and Fire Safety.

READ MORE ON B3

Cooking oil prices fall on ample supply

SAJJADUR RAHMAN

Cooking oil prices have started to fall in the local market due to ample supply amid a price decline on international markets.

Prices of different brands have dropped 8-10 percent in the last couple of days as importers and refiners cut prices.

"We have brought down prices by Tk 8 a litre to Tk 94. Retailers now should sell it at Tk 100 a litre," said Saiful Alam Masud, chairman and managing director of S Alam Group. The Rupchanda brand marketed by Bangladesh Edible Oil Ltd is now being sold at Tk 97 a litre at mill gate from more than Tk 100 a week ago.

Prices of other brands such as Pusti of TK Group, Teer of City Group and Fresh of

Meghna Group have also gone down in the last few days. Consumers are yet to benefit fully from the fall in prices as some retailers are still selling old stock.

Edible oil, both soybean and palm, is used widely in Bangladesh and fluctuations in its prices affect crores of consumers.

The country needs 16 lakh tonnes of cooking oil a year -- around 70 percent of it is palm oil and the rest is soybean and other oil, according to Bangladesh Vegetable Oil Refiners and Vanaspati

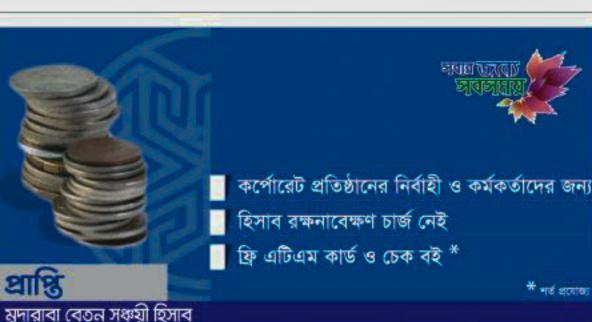
Manufacturers Association. Bangladesh imports palm oil mainly

from Malaysia and Indonesia. Palm oil has become very cheap as the prices have fallen to the 2009 levels.

READ MORE ON B3



www.mohsteel.com



4868600P60 02-8682223

ফার্স্ট সিকিউরিটি ইসলামী ব্যাংক লি:

EU official urges retailers to pay more for garments

STAR BUSINESS REPORT

Global brands should raise the price they pay to Bangladeshi garment makers so that they can provide a living wage to workers, a European Union politician

tant and the EU parliament also feels that this is important," Jean Lambert, chair of the EU delegation for relations with the countries of South Asia, said at a media briefing at the EU headquarters in Dhaka. Lambert called in Bangladesh to participate in the

Association to brighten the image of the sector sullied by twin industrial disasters.

She said the prices going to the manufacturers from retailers need to be increased. At the same time, it has to be ensured that the increased prices make their way to the workers. "I think that is the essential thing because the workforce should have a living wage -- a wage that can give you a dignified life."

said yesterday. "There are many of us who feel that this is impor-

inaugural Dhaka Apparel Summit, organised by Bangladesh Garment Manufacturers and Exporters

READ MORE ON B3

STRATEGIC PARTNERSHIP BETWEEN **ENVOY TEXTILES LIMITED** PROSPERITY TEXTILE (H.K.) LTD.



Engr. Kutubuddin Ahmed, Chairman of Envoy Textiles Limited and Mr. Leo Koo, General Manager of Prosperity (H.K.) LTD. signed a MoU for 'Strategic Partnership' on behalf of their respective organizations on 10 December 2014 at Dhaka.

Under the MoU, Prosperity will source fabrics from Envoy for its clients and will share the technical information to Envoy for product development and manufacturing.

Founded in 1995, Prosperity Textile (H.K.) LTD. is a fast growing international textile company, providing R & D, design and manufacturing services to global garments clients. It is specialized in manufacturing of denim fabrics, with 20-hectare state of the art production plant located in Shaoguan, China.

Prosperity has 19 offices and 800 employees around the world. Prosperity provides 60 million yards global production capability backed by local customer services.

DSE launches new trading system today

STAR BUSINESS REPORT

Dhaka Stock Exchange is set to introduce a new and fast automated trading system today that will ensure smooth share transactions as well as mitigate some

existing problems. There were a lot of allegations against the existing trading system, which was introduced two years back, Swapan Kumar Bala, managing director of DSE, said at a press briefing at the bourse's premises yesterday.



READ MORE ON B3

Commercial Paper of BDT 450 Million

Issuer:

PRAN Agro Ltd.



Arranger & Agent:



you can bank on us

Subscribers:









December 11, 2014

This announcement appears as a matter of record only