

জীবনে প্রয়োজন আরো বেশি স্বাস্থ্য
 সর্বাধুনিক প্রযুক্তি সম্বলিত ব্যর্থিক সেবায়
 মাসিক আয়ের সাথে বাড়তি আয় যোগ
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যে কোন প্রয়োজনে ০৯৬১২০০১১২২
 ইসলামী শরীআহ'র মূদারাবা নিতির চিহ্নিত পরিচালিত



Star BUSINESS

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BPC may see profits this fiscal year

Credit goes to oil price decline on global markets

SAJJADUR RAHMAN

The government is likely to make profits, for the first time in at least 13 years, from the sale of fuel oil this fiscal year due to declining prices on international markets, officials of state-owned Bangladesh Petroleum Corporation said.

The government will also be able to save crores of taka it spends annually to subsidise oil imports, meaning the country's balance of payments will be healthier.

"We are making some profits now. If the price remains at this level, we'll surely make profits at the end of the fiscal year," BPC Chairman Eunosur Rahman told The Daily Star yesterday.

Import costs of diesel have now dropped more than 30 percent to \$80 a barrel, from \$120 in June.

The price of furnace oil also came down significantly, to \$413 a tonne now from \$602 in July. Crude oil price plummeted to a five-year low at \$67 a barrel.

According to its website data going back to fiscal 2001-02, the corporation has been incurring losses every year.

In fiscal 2013-14, the BPC's losses went down to Tk 2,477 crore from Tk 5,368 crore in the previous year. It lost the highest, Tk

10,552 crore, in fiscal 2011-12.

Bangladesh is fully dependent on imports for meeting its demand for petroleum products. The country imported 53.51 lakh tonnes of petroleum products worth Tk 36,587 crore in fiscal 2013-14, according to government data. Of the money, 65 percent was spent on diesel import.

The government has to subsidise petroleum imports to cushion consumers against price shocks. It spent Tk 7,350 crore on petroleum subsidies in 2013-14, down from Tk 13,558 crore in the previous year, according to the finance ministry.

The government also raised the domestic prices of petroleum products by up to 11.47 percent in January last year in the face of increasing losses of the BPC.

"The government had to spend Tk 7 as subsidy for per litre of diesel before October this year. Now we are making Tk 4-Tk 5 profit per litre," said another senior official of the BPC, asking not to be named.

Prof Mustafizur Rahman, executive director of the Centre for Policy Dialogue, said the economy is getting the benefits of the falling prices of oil as the government's spending on subsidy will go down significantly and balance of payments will be healthier.

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Participants in a conference on social responsibility, organised by Bangladesh German Chamber of Commerce and Industry, pose for photographs at Radisson Hotel in Dhaka yesterday.

Fast-track factory inspections

Retailers' groups urge govt to finish its work

STAR BUSINESS REPORT

The Alliance for Bangladesh Worker Safety, a group of 26 North American retailers, yesterday urged the experts of the national tripartite initiative to complete inspections of garment factories under its purview without further delay.

Completion of all factory inspections is necessary to get a clear picture of the industry, said Mesbah Rabin, managing director of Alliance.

Around 52 percent of garment factories lie beyond the purview of Alliance and Accord on Fire and Building Safety in Bangladesh, he said.

"But their progress is very slow," said Rabin, adding that experts of the national initiative have so far inspected only 625 of the 1,700 apparel factories.

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Leather sector aims for \$5b in exports

STAR BUSINESS REPORT

Bangladesh will be able to churn \$5 billion from exporting leather, leather goods and footwear in four years, riding on the back of product diversification and value addition, a leading exporter said yesterday.

The sector will create 200,000 jobs in the period, said Md Saiful Islam, managing director of Picard Bangladesh.

"Everyone is talking about export diversification. The leather sector will help Bangladesh diversify its exports," said Islam, also the vice president of Leathergoods and Footwear Manufacturers and Exporters Association of Bangladesh.

He spoke at the third global social responsibility conference, organised by Bangladesh German Chamber of Commerce and Industry (BGCCI) and GIZ, the German agency for international cooperation, at Radisson Hotel in Dhaka.

The sector recorded \$1.3 billion of exports in fiscal 2013-14 and set a target of \$1.5 billion for this fiscal year. Leather exports accounted for 4.29 percent of the country's total exports worth \$30.17 billion last fiscal year.

The high cost of doing business in China has created a business opportunity for Bangladesh due to its competitive workforce, he said. "Bangladesh saw political unrest last year, but not labour unrest. It is a positive sign for Bangladesh."

It will be easier for exporters to add more value to the local products as the sector has some advantages in its value chain, Islam added.

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NBR to open unit at Ctg port to curb smuggling

STAR BUSINESS REPORT

The National Board of Revenue will open a separate unit at Chittagong port in January to check drug trafficking and smuggling through the country's main seaport.

The entity -- Port Control Unit -- will be set up with support from United Nations Organisation for Drugs and Crime (UNODC) and World Customs Organisation.

The customs department of the revenue administrator and the UNODC signed a memorandum of understanding on Wednesday in Dhaka.

The unit, to be the first of its kind in Bangladesh, will help rein in organised drug trafficking, illicit trade and trans-national crimes, said Mohammad Akbar Hossain, first secretary of customs intelligence at the NBR.

It will comprise six members and do profiling of containers based on advance information from customs offices in other countries and from various international organisations.

The unit will be able to exchange information directly with agencies such as Interpol, Regional Intelligence Liaison Offices, United Nations Environment Programme, International Atomic Energy Agency and World Wildlife Fund.

The members of the unit will be provided with training and equipment to curb drug trafficking and illegal trade.

Such facilities will be made available at Hazrat Shahjalal International Airport in Dhaka as well, Hossain said.

Gold smuggling through the airport has been rampant in recent years.



Economist Wahiduddin Mahmud, second from right, is being felicitated by Mustafa K Mujeri, third from right, director general of Bangladesh Institute of Development Studies, and Hanif Mahmud, editor of Bangla-language business daily Bonik Barta, at Sonargaon Hotel in the capital on Wednesday. The former caretaker government adviser was honoured for his contribution to economic research, development and policymaking.

Turnover drops as traders struggle with new platform

STAR BUSINESS REPORT

Turnover on the Dhaka Stock Exchange hit a 14-month low yesterday, as traders tried to familiarise themselves with the new and fast automated trading system introduced at the start of the session.

Subsequently, at the close of the day it stood at Tk 136.89 crore, down 67 percent from the previous day.

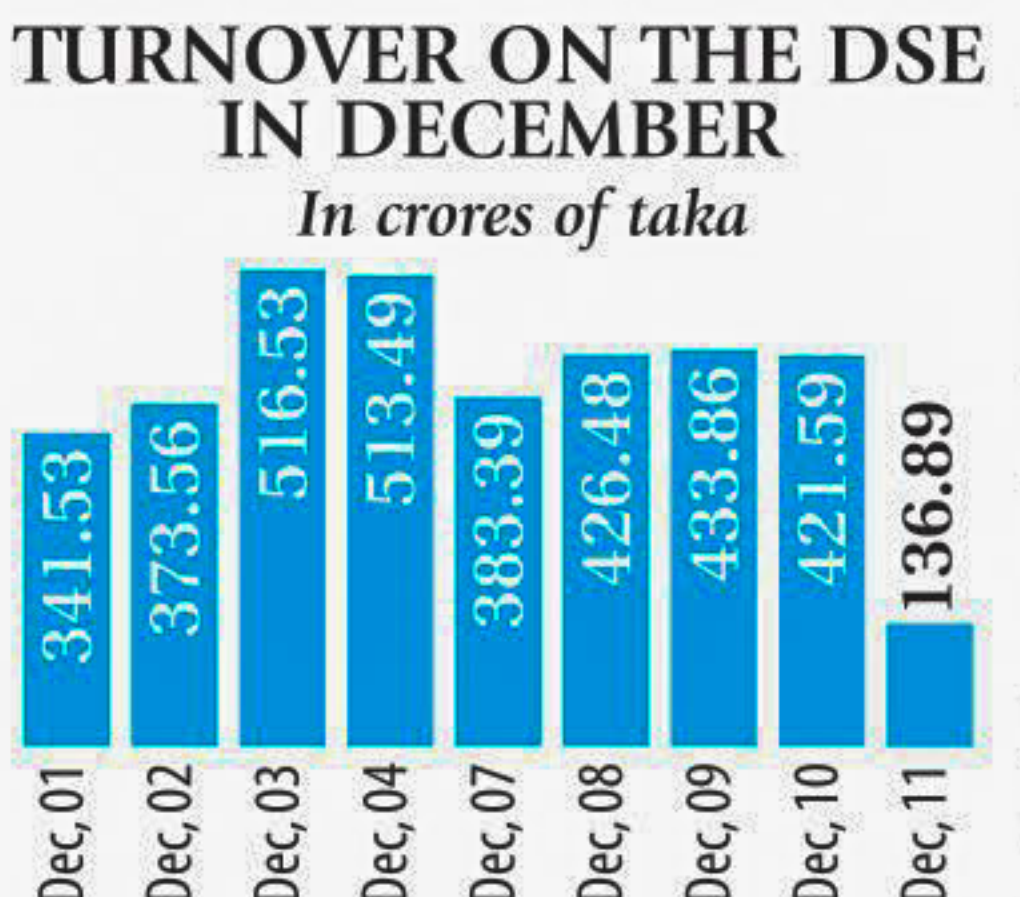
"We were using the previous trading system for the last 16 years and we became used to it. So, it will take us some time to become familiar with the new and modern trading system," said Shakil Rizvi, managing director of Shakil Rizvi Stock.

It was the main factor for the low turnover on the bourse, he said. "But the situation will improve gradually. There is nothing to worry about," said Rizvi, also a director of the DSE.

IDLC Investments, a merchant bank, in its analysis said the first day trading with the new platform closed on a flat note as the market tried to adapt.

DSEX, the benchmark index of the DSE, slightly declined by 10.69 points, or 0.21 percent, to finish the day at 4,993 points. DSES, the shariah index of the prime bourse, declined only 0.76 points, or 0.06 percent, to close at 1,115.39.

Earlier at 10:30am, the regular start time for trading sessions, State Minister for Finance MA Mannan formally



launched the system at a function in Dhaka yesterday.

The newly introduced automated trading system will enhance the exchange's technological capability, improve transparency and offer the lowest latency in matching stock transaction orders.

The new system will allow the DSE to introduce new products and separate trading platforms for equity and debt securities, which was not possible in the previous system.

It will also support the bourse's market expansion programme and will, over time, propel the exchange to the leading position in the multi-asset regional market-place.

Addressing the function, the state minister said the DSE's upgrading with the new automated trading system will help the government strengthen its digitalisation programme in other areas too, such as trade and commerce, agriculture and society.

"The private sector is the engine of economic growth and we need strong support from you," he said, while assuring of an investment-friendly environment.

M Khairul Hossain, chairman of the Bangladesh Securities and Exchange Commission, said foreign investors are now considering the country's stockmarket as a lucrative option after the positive changes brought in the regulatory body and the exchanges.

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Current account deficit widens 3.5 times in Oct

REJAUL KARIM BYRON

The current account deficit widened 3.5 times in just one month on the back of a rise in imports.

On October 31, the deficit stood at \$1.26 billion, which was \$357 million at the end of September, according to central bank statistics.

The reason for the fast widening of current account deficit is the greater rise of imports than exports, said a Bangladesh Bank official.

In October, imports shot up around 18 percent year-on-year, while exports dropped 7.63 percent.

Between July and October, imports rose 14.64 percent year-on-year and exports slipped 0.91 percent.

The current account situation after the conclusion of the first four months of the fiscal year is in stark contrast to a year ago, when it was \$793 million in the surplus.

However, the situation is not all doom and gloom: a closer inspection of the statistics reveals that the items whose imports rose would go on to boost investment.

Imports of capital machinery soared 28.20 percent year-on-year, intermediary goods 14.26 percent and petroleum products 35 percent, according to the letter of credit settlement statistics.

During the period, LC openings for food grain imports accelerated around 30 percent, industrial raw materials 13 percent and other products 23 percent.

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It's time to make garment business more sustainable

GIZ official shares his view on apparel industry



Magnus Schmid

REFAYET ULLAH MIRDHA

The time has come to implement the positive steps taken for the apparel sector after the Tazreen Fashions fire and Rana Plaza building collapse, to make the business more sustainable, a senior GIZ official said.

The most important step is signing the tripartite national plan of action involving government representatives, trade union leaders and garment factory owners to ensure safety in the industrial units, said Magnus Schmid, programme coordinator of GIZ.

Schmid, official for Promotion of Social and Environmental Standards in the Industry at GIZ, shared his views on sustainable garment business in Bangladesh in an interview with The Daily Star recently.

The German Federal Enterprise for International Cooperation, GIZ, has been working on the country's garment sector for many years now.

The completion of factory inspections by professional engineers of Accord, Alliance and Buet is another big step for the garment sector, Schmid said.

Such inspections will boost the sector's credibility, he added.

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