

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
▲ 1.06%	▲ 0.85%	\$1,186.51 (per ounce)	\$57.88 (per barrel)	▲ 0.03%	▼ 1.57%	▼ 0.05%	Flat	BUY TK 77.95	93.00	120.10	0.64
4,864.96	9,067.47			27,403.54	17,540.77	3,366.11	3,165.82	SELL TK 78.95	97.00	124.10	0.67

# Star BUSINESS

DHAKA WEDNESDAY DECEMBER 31, 2014, e-mail:business@thedailystar.net

## 2015: brighter days beckoning

**MD FAZLUR RAHMAN**  
Businesses remained buoyant throughout 2014, thanks to political stability that prompted calls for the continuation of a business-friendly environment into 2015 and beyond for the sake of the economy.

"Undoubtedly, we had a good year as the economy has strengthened after a year of turbulence," said Helal Uddin, vice president of the Federation of Bangladesh Chambers of Commerce and Industry, the apex trade body.

"In 2014, we did not see so much political chaos. You will not find such a year of political stability in recent times. All parties should work to maintain and improve the business climate," he said.

Asif Ibrahim, a leading garment exporter, echoed the same. "Businesses needed some breathing space in the year after the volatility of 2013 which had led to massive losses, he said.

"After the elections in January, the business climate remained steadfast as there was some sort of political stability," said Ibrahim, vice chairman of Newage Group.

In the outgoing year, he said some policy reforms and automation helped Bangladesh climb two notches on the ease of doing business index of the World Bank.

However, he said the cost of capital continues to be a problem for the

business community.

"Although banks have excess liquidity, domestic investment remained stagnant as interest rates for lending have not come down," said Ibrahim, also the chairman of Business Initiative Leading Development, a public-private dialogue platform to expedite policy reforms.

In 2015, the expectations of the business community are manifold, Ibrahim said.

"There should be a consensus on

### WHAT BUSINESSES WANT

- Political stability should continue
- Cost of fund should come down
- Efforts for policy reforms must go on
- Power and energy crises should be addressed
- Govt should ease traffic jam and cut red tape

**"In 2014, we did not see so much political chaos. You will not find such a year of political stability in recent times."**

— Helal Uddin, vice president of FBCCI

**"I know many businessmen who want to open new projects or expand the existing ones. But they can't do so due to power and energy crises."**

— Khaled Hossain, president of DCCI

the proposed VAT law," he said.

"While there is a need for collecting revenue to meet the growing demand for development projects, the business community has to be taken on board as a partner in progress."

Ibrahim said the garment sector is going through a massive reform process in terms of investments being made in safe work environment.

The government must continue to ensure that low-cost funds, both in local and foreign currencies, are available, particularly for the industries that require retrofitting, relocation and upgrade, he said.

He said the government has taken some positive steps to go for public-private dialogue mechanisms for the sake of policy reforms. "These efforts must continue in 2015."

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## DITF begins tomorrow

STAR BUSINESS REPORT

The month-long annual mega-event Dhaka International Trade Fair (DITF) begins in the capital tomorrow, showcasing Bangladeshi products to bolster export orders.

This time companies from home and abroad will display their wares in 500 stalls. The commerce ministry and the Export Promotion Bureau, the organisers, allocated 48 stalls to foreign companies and the rest to local companies, an official of the ministry said.

Companies from 14 countries will participate in the fair at Sher-e-Bangla Nagar in Dhaka that will end on January 31. Prime Minister Sheikh Hasina is scheduled to inaugurate the fair.

Companies from India, Pakistan, China, Malaysia, Iran, Thailand, US, Turkey, Singapore, Australia, the UK, UAE, South Korea and Germany will bring their products to Bangladeshi customers at the fair.

The fair will be open to visitors from 9am to 10pm. The entry fee for adults is Tk 30 and Tk 20 for minors.

## Proposed pay hike highest in 29 years

REJAUL KARIM BYRON

The proposed pay hike for government employees is the highest in 29 years and the second highest since the independence of Bangladesh.

The eighth pay commission, the latest one, recommended the basic salary of the public servants be raised by more than 100 percent, while the third pay commission, in 1985, had proposed a 168 percent increase on average.

The main reason behind the hike this year is that the commission took into account a six-member family of an employee, including his parents.

The previous commissions had set the salary and allowances for a four-member family, including two children.

The eighth commission, headed by former Bangladesh Bank governor Mohammed Farashuddin, submitted a report to the government on December 22.

In 1985, the third pay commission had recommended a 186 percent increase for the employees in the lowest grade, and a 150 percent hike for the highest grade.

The third commission was formed eight years after the second in 1977, although the government usually reviews the pay scale every five years.

Determining the salary structure for the lowest grade was the first task of the latest commission.

A member of the commission said the salary for the higher grades could be set

### PROPOSALS OF DIFFERENT COMMISSIONS

\*Salary hike in %

\*Increase is compared to previous recommendations



proportionately once the salary of the lowest grade is fixed.

For the lowest grade, the commission estimated the monthly average expenditure of a six-member family at Tk 11,816 on the basis of the latest household income and expenditure survey.

However, considering the demand for food and nutrition, the expenditure for a six-member family has been estimated at Tk 15,497.

Taking the expenditure and inflation into consideration, the commission estimated the basic salary in the lowest grade at Tk 8,600, and finally recommended Tk 8,200.

The total salary for the lowest grade will be Tk 17,450, including seven types of allowances, which is a 110 percent hike from the present salary of Tk 8,275.

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## REHAB fair logs better sales

STAR BUSINESS REPORT

A biannual housing fair that ended on Sunday registered 15.48 percent more sales than in its previous edition in March.

Realtors sold flats, plots and commercial space worth Tk 447.6 crore at the five-day housing exhibition in Dhaka organised by the Real Estate and Housing Association of Bangladesh (REHAB).

Sales at the previous fair in March totalled Tk 387 crore, according to the association.

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## BB vows to contain inflation

Central bank expects economy to grow at upwards of 6.5pc

STAR BUSINESS REPORT

Bangladesh Bank will take steps to keep inflation at the targeted 6.5 percent level for the current fiscal year in the upcoming monetary policy, it said yesterday.

The new pay-scale for government servants, the possibility of an oil price hike and the impact of output growth on the price level will be looked at to devise a plan to contain inflation at a tolerable level.

The central bank expects the economy to grow at upwards of 6.5 percent in fiscal 2014-15. If the stimulation in domestic demand that the economy experienced in the latter part of 2014 prolongs, achieving a growth rate of 6.5 percent or more will not be difficult in 2015, BB said in the statement.

The government has targeted a 7.2 percent GDP growth for the fiscal year.

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BB will also move to improve investor confidence in the coming year, it said.

"We will help boost investment confidence by improving banking governance," it said, while citing the moderate level of net default loans in recent times for improved supervision.

In the middle of 2014, there was a one-time jump in default loans due to a host of reasons including new best practices for classification and provisioning as well as political instability, it said.

However, the central bank will not be lenient in this regard in the coming days.

Banks must embrace the culture of disbursing quality loans, it said, adding that BB may extend some facilities to credible borrowers in trouble but it will never hesitate to take stern measures against bad borrowers.

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## Unlocking New Horizons

December

157 ATMs  
1,222 POS  
92 Branches  
482,026 Customers  
BDT 84,372 million deposits  
BDT 59,548 million advances

December

176 ATMs  
1,931 POS  
MTB Tower  
103 Branches  
571,678 Customers  
BDT 97,010 million deposits  
BDT 75,973 million advances

As we step into 2015, tomorrow, MTB would like to thank its customers, patrons, regulators, shareholders and well-wishers.

Happy New Year!

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