

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
▲ 0.26%	▲ 0.38%	\$1,222.03 (per ounce)	\$47.30 (per barrel)	▲ 0.46%	Closed	▲ 0.19%	▼ 1.71%	BUY TK 77.50	89.99	115.61	0.65
4,956.92	9,229.50			27,585.27		3,344.89	3,229.32	SELL TK 78.50	93.99	119.61	0.68

Star BUSINESS

DHAKA TUESDAY JANUARY 13, 2015, 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 সুসমৃদ্ধ।

সে কোন প্রয়োজনে ০৯৬১২০০১১২২
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Garment exporters count losses as blockade lingers

The sector lost Tk 450cr in last 12 days

STAR BUSINESS REPORT

Garment exporters yesterday urged politicians to find a solution to the ongoing political impasse as the nationwide transport blockade cost the industry Tk 450 crore in the last 12 days.

"Keep the sector alive. Please, ensure a safe supply chain, resolve the current deadlock and guarantee congenial business climate," said Atiqul Islam, president of Bangladesh Garment Manufacturers and Exporters Association or BGMEA.

"Otherwise, it will not be possible for us to shoulder this burden," he told reporters at a media briefing at his office at the BGMEA headquarters in Dhaka.

Islam said since the blockade began, some factories have been forced to go for air shipments to supply products to buyers on time; many others have faced financial damages because of discounts, order cancellations and deferred payments.

In 2013, the sector had to bear air shipment bills of Tk 5,000 crore and offer discounts worth Tk 9,000 crore because of political turmoil.

The real production in the garment sector is valued at Tk 430 crore per day. So, if half of it is disrupted, Tk 215 crore of output is damaged, said the BGMEA chief.

The garment sector, which is still



Second from left, Atiqul Islam, president of Bangladesh Garment Manufacturers and Exporters Association, speaks to the media at a briefing at the BGMEA headquarters in Dhaka yesterday.

smarting from two recent industrial disasters and political unrest in 2013, could lose business if the current political turmoil persists, said the head of the industry's lobby group.

Islam said some worry is prevailing in the sector because of the ongoing political uncertainty.

"The sector is almost on the brink of a debacle. Politics is holding the sector hostage.

He urged the political parties to sit together to sort out their differences in order to keep the wheel of the economy rolling.

The garment sector accounts for 80 percent of the country's total exports and directly employs over four million people, mostly the poor from rural areas.

In addition, various forward and backward linkages industries have

developed around the sector. The business of banks, insurance, shipping, clearing and forwarding agents, tourism, hotels and transport has thrived because of it.

Islam warned that if Bangladesh, the second largest apparel exporter in the world after China, loses its garment business, a huge number of people will be unemployed.

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BB to get power to inquire about assets of foreign nationals

REJAUL KARIM BYRON

Foreign nationals and companies operating in Bangladesh will come under the scanner of Bangladesh Bank as amendment is being brought to foreign exchange regulation act to check money laundering activities.

The cabinet yesterday approved the draft of the "Foreign Exchange Regulation (amendment) Bill, 2015" incorporating some new provisions.

According to the draft amendment, the central bank can seek information on the assets of these foreign nationals and companies -- be the assets in Bangladesh or abroad.

However, a finance ministry official said the central bank will go for the measure only if suspicion arises against any individual or company.

Once the Act is passed in parliament, everything will be clarified, he said.

The central bank will also be able to seek information on immovable or any assets owned by the Bangladeshis abroad.

As per the existing law, the central bank can only ask for information from Bangladeshi citizens about their holdings of foreign currency and foreign securities.

After the cabinet meeting yesterday, Cabinet Secretary Musharraf Hossain Bhuiyan told reporters that the provision did not have any ambiguity regarding its application in case of Bangladeshi citizens.

However, earlier it was not clear whether the provision was applicable to the foreign nationals living in Bangladesh, he said.

Bhuiyan said, "The amended Act made it clear that it will be applicable to both Bangladeshi and foreign nationals."

The move to update the seven-decade-old law comes after the International

Monetary Fund tagged it as a condition for the Extended Credit Facility (ECF) loan to improve the trade and investment climate.

Meanwhile, the proposed amendment also contains other modifications to the existing law with a view to making foreign trade and investment easier.

Suggestions have been placed to make it easier to set up branches, representative and liaison offices of foreign companies.

At present, permissions are required from both the Board of Investment and BB to establish such offices.

As per the amendment, permission from the BoI will suffice but the central bank has to be informed about it.

The cabinet secretary said the amendment updated the definitions of some terms, including currency, securities, exchange, account transactions services, capital account transactions, and goods.

In the amended act, the central bank has been given the power to impose administrative fines. However, the amount of fine or punishment will be decided later through rules in the light of the Act, Bhuiyan said.

Bangladesh's existing foreign exchange regulation act is almost a copycat version of the laws passed in undivided India in 1947.

In 1976 and 2003, some minor amendments to the act were introduced. Besides, the current account transaction convertibility was made in 1994, and the exchange rate was made market-based in 2003.

In case of foreign trade, the services sector's share has increased, but the existing law does not have much about it.

A number of amendments have been proposed in the act to make foreign currency earning easier through the services sector.

26,000 get training from govt to be IT professionals

ABDULLAH MAMUN

The government is providing free training to thousands of youth so that they can earn from home using technological tools and eventually go on to become entrepreneurs.

Since 2013, about 26,000 youth have received training in the field of information technology, of which 12,000 are female, said Zunaid Ahmed Palak, the state minister for information and communication technology.

In the next two years, the ministry will train another 55,000 young people.

The training programme, which is run in 64 districts, involves both basic and advanced level of learning.

Basic training lasts for a week and focuses on fundamental computer literacy.

Advanced training includes graphic design, writing and translation, web design, mobile application, e-mail marketing, customer service, network administration, telemarketing, bookkeeping, copy writing and software project management.

The ministry also provides online training and consultancy to freelancers. So far, 13,184 youth have registered online to attend five courses including freelancing business and business management courses.

Almost 60 percent of the graduates from the training programme are now active and working as freelancers, said Akter Hussain Khan, director of Swarnirvar Bangladesh, the firm that runs the training programmes.

The government though does not have a mechanism in place to follow-up on the graduates, due to which there is no official figure of their employment status, said an official of the ICT ministry.

Saidur Mamun Khan, country manager of Elance-oDesk, the job portal for freelancers, said a good number of youth are now considering outsourcing as a career option.

At present, there are 4.5 lakh registered freelancers in the country, who earned \$21 million in 2013.

Almost 60 percent of the graduates from the training programme are now active and working as freelancers

New investors pour in as market still lucrative

SARWAR A CHOWDHURY

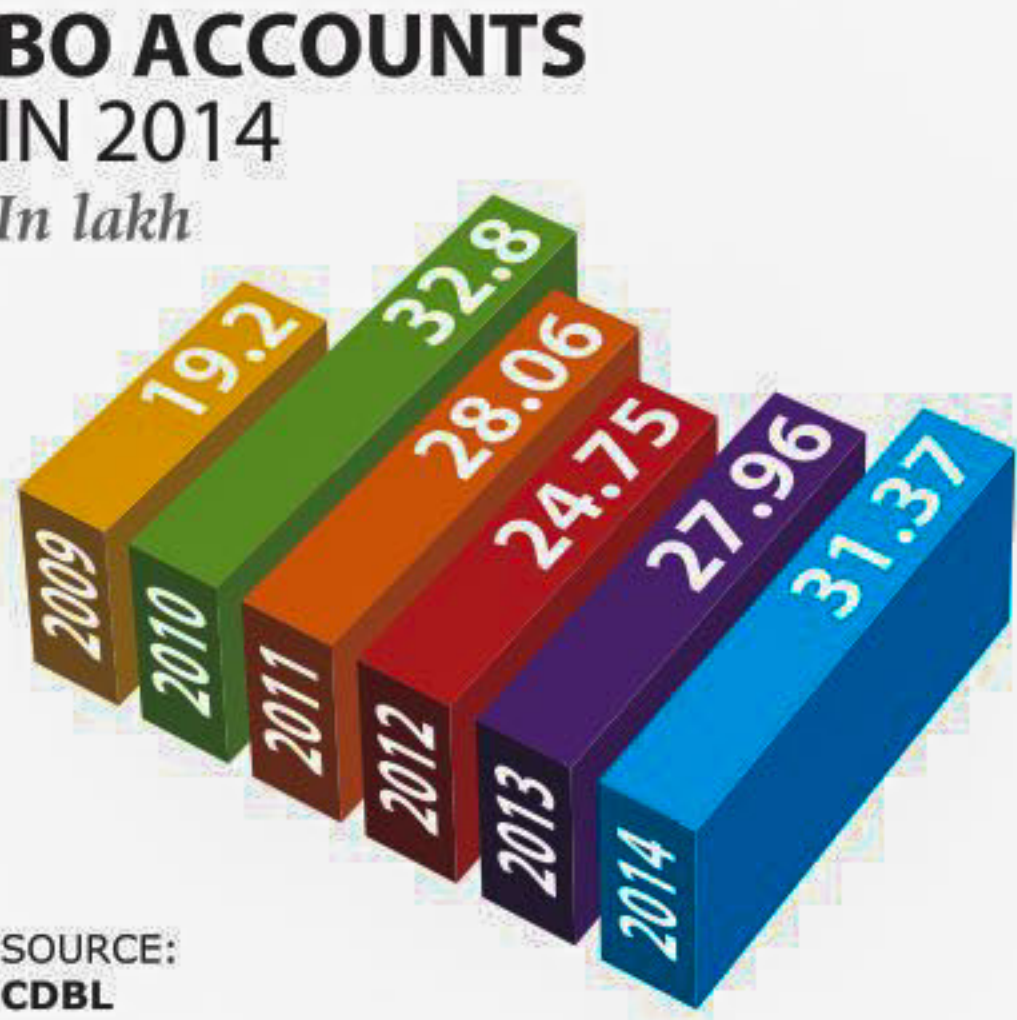
About 3.41 lakh beneficiary owner accounts were opened last year, the highest since the stockmarket crash in early 2011.

The new BO accounts proved that betting on primary shares continued to remain more lucrative than investments in secondary market stocks.

In contrast to the scenario in the last couple of years, about eight lakh BO accounts were closed in 2011 and 2012 as investors quit the stockmarket following the price debacle.

However, every initial public offering (IPO) was oversubscribed manifold in 2014 and almost all of them made a flying start on debut in the secondary market, leading successful IPO applicants to get guaranteed profits without any risk of loss.

Having a BO account is mandatory to trade in stocks



SOURCE: CDBL

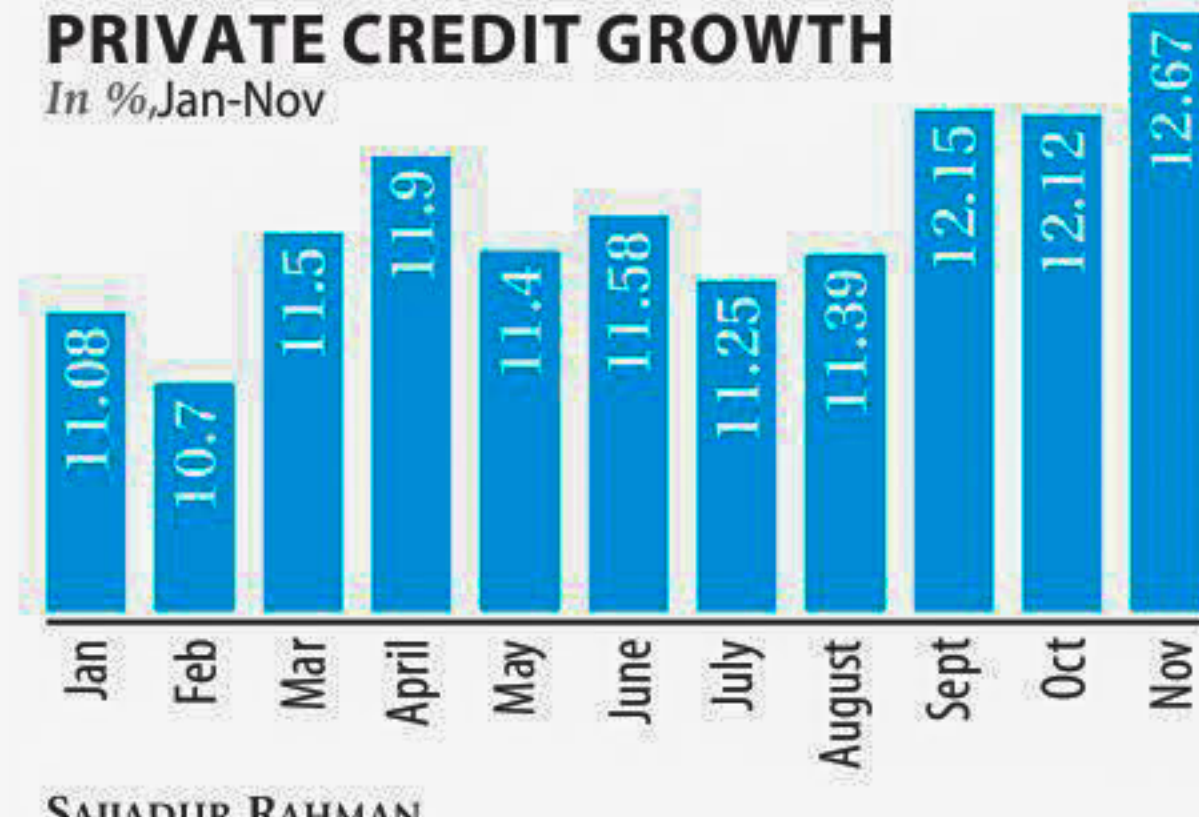
and applying for primary shares. An investor has to open a BO account with the Central Depository Bangladesh Ltd (CDBL) through a depository participant, which is usually a stockbroker or a merchant bank.

At the end of December last year, the number of active BO accounts rose to 31.37 lakh, which was 27.96 lakh at the end of December 2013, according to data from CDBL that electronically preserves information of all individuals and institutional investors.

The debacle in share prices led many investors to quit the market in 2011 and 2012, but the scenario changed in the next two years, as guaranteed profits through IPOs encouraged them to chase primary shares, said a top executive of a depository participant.

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Private sector credit grows 13pc in Nov



SAJJADUR RAHMAN

Private sector credit grew 12.67 percent year-on-year to Tk 531,051 crore in November, the fastest in a year.

The growth came due to declining interest rates and a boost in business confidence in the first half of the current fiscal year.

Bankers said manufacturing and productive activities are yet to pick up to the level of 2011-12, but trade, commerce and services sectors have kept the economy vibrant, leading to a rise in credit growth.

"The growth in private sector credit is likely to continue though it won't be that big," said Touhidul Alam Khan, deputy managing director and head of business at Modhumoti Bank.

"If political situation improves and lending rates decrease, the private sector will go for loans for business expansion," he said.

Though November's credit growth was the fastest so far this fiscal year, it is well below the central bank's target of 14.5 percent.

Bangladesh Bank officials also echoed the views of Khan. "We have seen the trend improving every month, which is a very good sign for the economy," a senior BB official said. Lending rates also came down to 12-13 percent now from 15-16 percent a year ago.

Businesses were badly affected by the political unrest in the second half of 2013, and many of them suspended their production and shelved investment plans, said Sohel RF Hussain, managing director of The City Bank.

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Online gateway to 25,000 govt offices

STAR BUSINESS REPORT

A website has brought together 25,000 government offices through separate links, allowing people to access information or file complaints easily online.

The website, National Web Portal of Bangladesh, is one of the largest of its kind in the world, Zunaid Ahmed Palak, state minister for ICT, said yesterday.

The site, which works as a gateway to government portals, has more than 15 lakh content items, including 40,000 photos of famous or historical places in the country, Palak said at a

programme organised to highlight the achievements and future plans of ICT at Bangladesh Computer Council in Dhaka.

The government initiative has included details of public officials, like mobile phone numbers and email addresses, for easy access.

Citizens can also file complaints or ask for services through the portal, which was inaugurated last year. It contains details of all districts and upazilas and the information is available in both Bengali and English.

Palak said the government is now working to develop a national call centre to provide public service-

related solutions through a single code number.

The government has already signed a memorandum of understanding with South Korea in this regard, he added.

The government has connected almost all the upazilas through optical fibre cable networks, which will connect 18,132 public offices under the same network, Palak said.

Moreover, the government has set up computer laboratories in 3,500 schools, and sent 100 graduates to Infosys, India's famous software institution, for training.

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