

COMMODITIES		ASIAN MARKETS				CURRENCIES					
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
0.21%	0.36%	\$1,291.50	\$47.28	1.85%	2.07%	0.80%	1.82%	BUY TK 77.30	87.57	114.52	0.65
4,856.94	9,005.81	(per ounce)	(per barrel)	2,8784.67	17,366.30	3,334.02	3,173.05	SELL TK 78.30	91.57	118.52	0.68

Star BUSINESS

DHAKA WEDNESDAY JANUARY 21, 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 সুস্বাস্থ্য।
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Agrani gives lifeline to troubled Beximco

Fourth state bank decides to reschedule Tk 775cr loans for Salman's company

REJAUL KARIM BYRON

Taking cues from Sonali, Janata and Rupali, Agrani Bank has now decided to reschedule Beximco Group's loans of Tk 775 crore.

The loans must be repaid in 12 years and six months, which is longer than what the other banks have offered. But it has made the conditions harder.

The grace period for repayment will be only three months from the date of activation of the rescheduled package.

Agrani has opted for a 'ballooning' payment schedule, meaning the repayment amount will be small at the beginning and increase progressively, a high official of the bank said.

In contrast, the other three banks gave grace periods of two years, with the repayment in equal instalments.

The interest rate offered by Agrani is 12.5 percent against 11 percent by Rupali and Janata and 10 percent by Sonali. The original interest rate on the loans is 13-14 percent.

Beximco will also have to make a token down-payment to Agrani, which would be 25 percent of the required down-payment for the loans. It will also have to deposit Tk 1,000 crore as additional collateral for

rescheduling the loans.

The Agrani board agreed to reschedule the loans seeing Beximco's tight cash flow situation, according to the bank's Chairman Zaid Bakht.

The company last year repaid Tk 700-800 crore to different banks but it is going through a cash crunch now, he said. "Considering their contributions to the economy, we have decided to give them more time to repay the loans."

Subsequently, the board last week approved the restructuring proposal from Beximco and forwarded it to Bangladesh Bank for its go-ahead.

The move to reschedule Beximco's loans comes after its Vice-chairman Salman F Rahman approached the central bank in August last year with a debt rescheduling plan of Tk 5,269 crore.

Rahman appealed to the BB to bail Beximco out of an acute liquidity crisis. This prompted the regulator to forward the proposals to all seven banks that gave loans to the group.

Consequently, in November last year, Sonali Bank agreed to reschedule Tk 982.44 crore of Beximco's loans, Janata Tk 1,849 crore and Rupali Tk 604 crore.

BY THE NUMBERS

Loans rescheduled
Tk 775cr

Repayment period
12 years & 6 months

Interest rate
12.5pc

Tk 15 for taking out cash from other banks' ATMs

STAR BUSINESS REPORT

Customers will be charged Tk 15 each time they withdraw cash from an ATM of a bank other than their own, the central bank said yesterday.

The bank whose ATM is used will get Tk 20 for each transaction, with the user's bank paying Tk 5. The total charge includes value-added tax, Bangladesh Bank said in a notice.

The order will take effect from February 1. Currently the Tk 20 charge is split evenly between the customer and his/her bank.

The central bank also levied a maximum of Tk 5 fee on customers for each balance inquiry and a mini statement from ATMs of other banks, said Abul Kashem Mohammad Shirin, deputy managing director of Dutch-Bangla Bank.

The card issuer banks will be able to realise these fees later from their customers, BB said in the statement.

The instructions came after banks urged the central bank to excuse them from paying half of the Tk 20-charge, as it is the customers who enjoy the service and not them.

They said more and more people are now using the option. Customers withdrew about Tk 104 crore from ATM booths of other banks last month.

Plan for power tariff hike runs into opposition

Energy regulator holds hearing on the proposal

STAR BUSINESS REPORT

Consumer groups and businesses yesterday urged the energy regulator not to hike electricity tariff in the face of demands from utility providers as the global oil prices have halved in the last six months.

"The global oil prices have fallen drastically, so there is no reason to increase both bulk and retail power tariff," said M Shamsul Alam, energy adviser of the Consumers Association of Bangladesh.

Alam's comment came at a hearing before the Bangladesh Energy Regulatory Commission on the tariff hike proposal from the Bangladesh Power Development Board.

BPDB, the only wholesaler of electricity in the country, proposed raising bulk power tariff by 18.12 percent to narrow the gap between production costs and wholesale rates.

The average electricity generation cost was Tk 6.54 for a kilowatt-hour unit last fiscal year, but the BPDB sold it to the distributors at Tk 4.67 in the same year, swallowing a loss of Tk 1.87 a unit.

Subsequently, it called for a raise in bulk power tariff by Tk 0.85 to Tk 5.52 a unit to cover the cost.

But MM Akash, an economics professor at Dhaka University, said the drastic fall in oil prices would enable the government to spend more on power subsidies. "I don't under-

AT A GLANCE

EXISTING AVERAGE BULK TARIFF: 4.67

PROPOSED AVERAGE BULK TARIFF: 5.52

EXISTING AVERAGE RETAIL PRICE: 6.15

PROPOSED AVERAGE RETAIL PRICE: 7.47

PRICES: TAKA PER UNIT

Ganosamhati Andolon, a political party, said any hike would have a multiplier effect on people and will hit the poor very hard.

"The low-income people are already under pressure from rising living costs. So, more pressure should not be piled on their shoulder by increasing power tariff," said Yeasin Ali, a lawmaker from Thakurgaon.

Alam went on to call for a reduction in power tariff.

When the bulk tariff rate was last increased in September 2012, it was stated that power consumption would grow by 20 percent, but in reality it went up less than 10 percent, he said.

Since less electricity was generated, Tk 4,500 crore was saved, which should have made the electricity sector profitable, he said.

"So, our proposal to reduce the power tariff is logical. The government is not utilising the opportunity at all," Alam added.

Mizanur Rahman, chief engineer for planning and development at BPDB, said if the bulk power tariff is not hiked the government will have to foot the bill for the additional Tk 1.02 per unit this fiscal year, which amounts to Tk 4,000 crore.

He said his company buys the necessary diesel and furnace oil for electricity generation at rates fixed in January 2013 and not the new lower prices.



STAR Economists and business leaders participate in a seminar on regulatory challenges for trade and investment at the office of the Policy Research Institute in the capital yesterday.

Violence choking investment: analysts

STAR BUSINESS REPORT

Political violence has emerged as the biggest hindrance to improving the country's trade and investment, already weighed down by regulatory and infrastructure constraints, analysts said yesterday.

"Political turbulence is now the number one impediment to attracting both foreign and local investments," said Abdul Haque, a director of the Federation of Bangladesh Chambers of Commerce and Industry, the apex trade body.

He spoke at a seminar on regulatory challenges for trade and investment, co-organised by the Policy Research Institute of Bangladesh and the Department for International Development of the UK, at the PRI office in Dhaka.

Many foreign investors have already cancelled their planned visits to Bangladesh mainly due to the volatile political environment, Haque said.

A group of Japanese investors, who had a schedule to visit Matarbari island near Maheshkhali in Chittagong, has cancelled their trips due to unfavour-

able political environment, said Haque, who is also the managing director of Haq's Bay Automobiles.

"Global apparel retailers are worried about our political crisis," said Atiqul Islam, president of Bangladesh Garment Manufacturers and Exporters Association.

Eleven big clothing retailers have so far expressed concern over political instability in Bangladesh, he said, adding that garment exports will be hampered if the situation does not improve.

C&A Textiles to make trading debut today

STAR BUSINESS REPORT

C&A Textiles is set to make its share trading debut on the Dhaka and Chittagong stock exchanges today.

The company, which raised Tk 45 crore through the initial public offering, will be the 38th firm to trade in Dhaka Stock Exchange's textile category, which accounts for around 5 percent of the total market capitalisation.

The export-oriented knit composite textile company will float 4.5 crore ordinary shares of Tk 10 each to raise funds for machinery purchase, building construction and repayment of bank loans.

AFC Capital and Imperial Capital managed the initial public offering, which was approved by Bangladesh Securities and Exchange Commission in September last year.

As of December 2013, earnings per share of C&A Textiles stood at Tk 1.78 and net asset value without revaluation surplus per share Tk 18.38.

The Chittagong-based company carries out knitting, dyeing and printing business and manufactures T-shirts, polo shirts, tank tops, shorts, sweat shirts, boxer shorts, skirts, leggings and fleece jackets.

Its products are shipped to the US, Canada, Brazil, the UK, Italy and Germany, according to the company's website.

Regulator proposes floor prices for spectrum auction

Operators term the prices very high

ABDULLAH MAMUN

The telecom regulator has proposed \$30 million for per megahertz spectrum as the starting price in the upcoming auction for 1,800 MHz band.

The 1,800 MHz spectrum is very efficient for voice services in the urban areas, and also a business-friendly band for 4G or Long Term Evolution (LTE) services.

The regulator also proposed \$22 million per megahertz in the 2,100 MHz band, which the operators currently use for 3G service. The proposals were sent to the telecom ministry recently for approval.

KEY POINTS

Floor price: \$30m/megahertz in 1,800 MHz band

Floor price: \$22m/megahertz in 2,100 MHz band

The auction may take place in March

Operators term the price very high

SPECTRUM SHARE

TELETALK 22%

GP 27%

AIRTEL 17%

ROBI 17%

BANGLALINK 17%

However, the Association of Mobile Telecom Operators of Bangladesh said the floor price is very high and not business friendly. "The government is selling its additional spectrum, so the price should not be so high," said TIM Nurul Kabir, secretary general of the association.

The government plans to release the spectrum through the auction in March so that the operators can offer better voice and data services. Bangladesh will soon cross the 12-crore mark in mobile subscription, but the quality of services is not

satisfactory as the operators are running with inadequate spectrum.

During 2G licence renewal over three years ago, the government sold the 1,800 MHz band at \$28.2 million per MHz to Grameenphone.

Other operators -- Banglalink, Robi and Citycell -- paid less price for the spectrum due to a controversial and 'asymmetric' pricing policy.

"So the \$30 million floor price for the upcoming auction is rational," said an official of Bangladesh Telecommunication Regulatory Commission. "The operators will be able to use the spectrum for LTE in

Plastic fair kicks off Jan 27

STAR BUSINESS REPORT

A four-day international fair of plastic manufacturers will begin in the capital next week to showcase the latest technology and products of the growing sector.

The 10th Dhaka International Plastic Fair will take place at Bangabandhu International Conference Centre from January 27 to 30. The show will remain open from 12pm to 8pm, according to a statement.

The country now has 5,000 plastic

factories where 12 lakh people work, according to Bangladesh Plastic Manufacturers and Exporters Association.

Bangladesh has the opportunity to become a global player in plastic market by raising its turnover to \$2 billion by 2015 and \$4 billion by 2020, according to industry people.

The show will offer an opportunity to participants and visitors to browse the latest technology and products and meet professionals, according to the statement.

UPGO
Energy is Life

আইপিও বিজ্ঞপ্তি

বিদ্যুৎ ও জ্বালানি খাতে প্রথম বাণিজ্যিক পাওয়ার কোম্পানি ইউনাইটেড পাওয়ার জেনারেশন এন্ড ডিস্ট্রিবিউশন কোম্পানি লিমিটেড এর আইপিও শেয়ারে আবেদন পত্র বিরতিহীন ভাবে প্রতিদিন সকাল ১০.০০ টা থেকে বিকাল ৪.০০ টা পর্যন্ত আগামী ২২ শে জানুয়ারী ২০১৫ সাল পর্যন্ত গ্রহণ করা হবে। তবে এনআরবি বিনিয়োগকারীদের ক্ষেত্রে ৩১ শে জানুয়ারী ২০১৫ পর্যন্ত শুধুমাত্র ডাকঘোষে কোম্পানির অফিসের ঠিকানায় গ্রহণ করা হবে। এক্ষেত্রে ১০.০০ টাকা ফেসভ্যালুর সঙ্গে ৬২.০০ টাকা প্রিমিয়াম সহ প্রতিটি শেয়ারের ইস্যু মূল্য নির্ধারন করা হয়েছে ৭২.০০ টাকা। বিনিয়োগকারীদের ন্যূনতম ১০০ টি শেয়ারের জন্য আবেদন করতে হবে যার মূল্য হবে (১০০x৭২) ৭,২০০.০০ টাকা।

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