

সোশ্যাল ইসলামী ব্যাংক লিমিটেড এর সকল শাখায় পবিত্র হজ্জু রেজিস্ট্রেশন ফি জমা নেয়া হয়।
রেজিস্ট্রেশন ফি জমাদানের শেষ তারিখ: ৫ ফেব্রুয়ারি, ২০১৫
যে কোন প্রয়োজনে ০৯৬৯২০০৯২২
সোশ্যাল ইসলামী ব্যাংক লিমিটেড



Govt plans to trim growth target as blockade bites

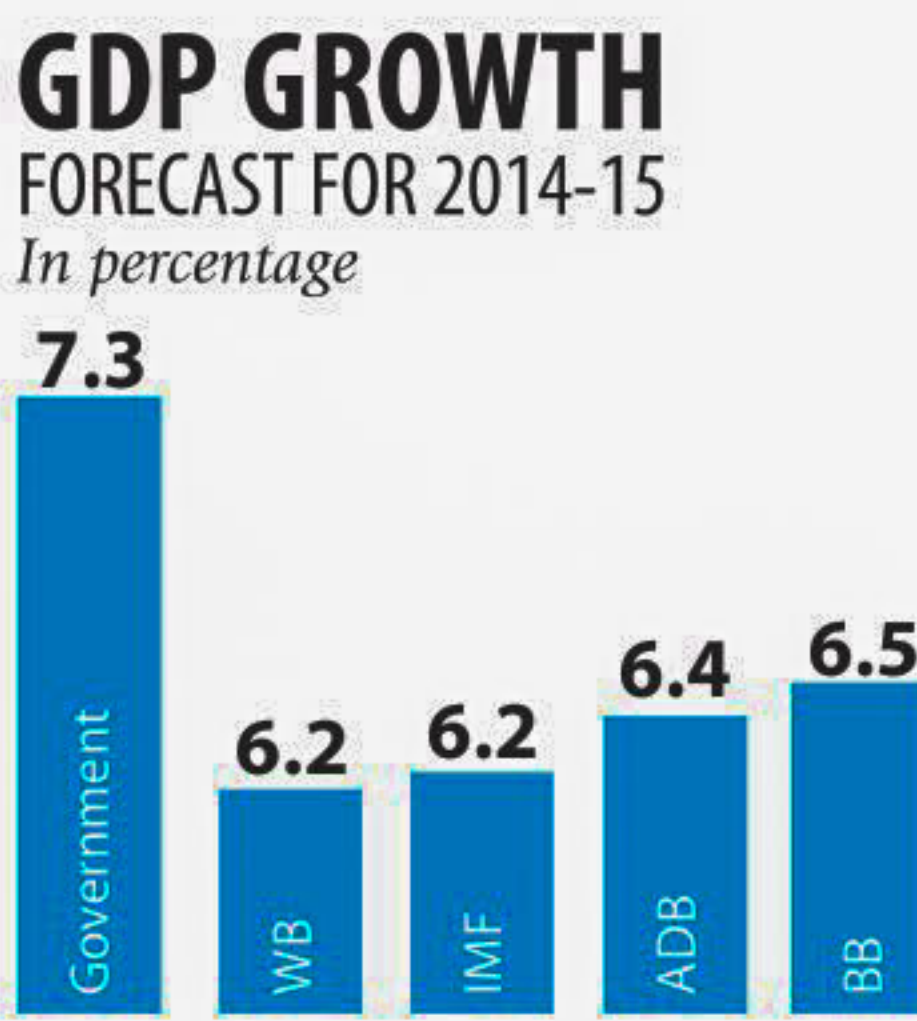
REJAUJ KARIM BYRON and MD FAZLUR RAHMAN

The government plans to revise down its economic growth target for the current fiscal year as the ongoing countrywide blockade and the associated violence have continued to hit the economy hard.

"We will have to revise it because of the current situation. The revision exercise has already begun," Finance Minister AMA Muhith told reporters at his secretariat office yesterday.

The government had earlier targeted 7.3 percent economic growth for the current fiscal year. The World Bank forecast that the economy would grow by 6.2 percent this fiscal year, while the Asian Development Bank said the growth would be 6.4 percent. The central bank last week also said the GDP growth would be in the region of 6.5-6.8 percent.

Muhith is due to update his colleagues in parliament on the macroeconomic situation in the second quarter of the fiscal year in the ongoing parliamentary session and he would bring in the issue of the revised GDP



target then.

The minister also spoke on how the non-stop blockade that entered its 28th day is getting in the way of the government's budget implementation.

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Businesspeople to rally on Feb 8 for political stability

STAR BUSINESS REPORT

About 3.5 crore people are expected to participate in countrywide rallies to be organised by FBCCI on February 8, demanding an end to the current political impasse that is weighing on business.

"This time we will hold the rallies with national flags from Teknaf to Tentulia for a peaceful solution to the political turmoil," Kazi Akram Uddin Ahmed, president of Federation of Bangladesh Chambers of Commerce and Industry, told The Daily Star.

Businessmen will gather in front of the FBCCI office in Dhaka and all district chambers from 12pm to 12:15pm, said Helal Uddin, vice president of FBCCI.

The national anthem will be played during the rallies and the businessmen will send separate memoranda to the president, the prime minister and the BNP chairperson after the event, FBCCI said in a statement.

The decision came at an emergency board meeting of the apex trade body at its office yesterday with Ahmed in the chair.

The businesspeople are taking to the streets as they cannot afford counting the losses anymore, he said.

"People are victims of arson attacks. The arsonists are also attacking the goods trucks plying between Dhaka and Chittagong. Businessmen should come forward to protest the violence."

After the event, FBCCI will take decision whether they will mediate between the government and BNP leaders for holding dialogues to solve the crisis. In December 2013, businessmen with the same demand also held countrywide rallies led by the FBCCI with white flags.

But, FBCCI failed to hold dialogues between the two political parties then due to non-cooperation from the political leaders.

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Muhith criticises Islamic banking

STAR BUSINESS REPORT

Finance Minister AMA Muhith yesterday criticised Islamic banking, saying the system has been built on "misconception".

"The system seems to me absolutely fraudulent," he told parliament, replying to a question of a lawmaker.

Muhith said the banking model has become popular around the world. "It is unfortunate that many organisations like IMF [International Monetary Fund] talk about it."

The minister said "riba" and interest rates are not the same.

Riba is a concept in Islamic banking that refers to charged interest. It is forbidden under sharia because it is thought to be exploitive, according to Investopedia.

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Govt may step in if large-loan restructuring policy fails: Muhith

STAR BUSINESS REPORT

The government may tread on the central bank's path if its large loan restructuring policy fails to improve the default loan situation.

"Let us see what the Bangladesh Bank has done [about the restructuring policy]. If it does not work, we will intervene," Finance Minister AMA Muhith told reporters yesterday at his secretariat office.

The central bank last week formulated a restructuring policy for large loans with relaxed conditions to relieve the handful of large borrowers from their overwhelming immediate debt burden.

Asked what he thought of this bailout attempt by the central bank, Muhith said: "I don't have any quarrel with this. If I had one, you'd have known by now. It is alright."

One of the biggest beneficiaries of the policy would be the Beximco Group, and experts are of the opinion that habitual defaulters should not be offered this facility.

Asked if the central bank should bar the Beximco Group from taking the restructuring facility, he said: "I will refrain from commenting on it."

He went to cite the case in 1983, when the government had to take several steps to bail out four large defaulters then.

If it was not done, there would have been a severe crisis of production and employment, as they were the largest employers and the defaulters as well.

Ten years later, there was another spurt of large defaults, he said, adding that the default culture started after the liberation and the rigid government policies were partly to blame.

"And now we are finding it difficult to get out of this culture -- it is a very, very difficult exercise."

But the situation has improved since then: default loans now account for 8-11 percent of the total loans, in contrast to 50 percent in the 1980s, he said.

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NBR to relax rules to import cars to be used as taxicabs

STAR BUSINESS REPORT

The National Board of Revenue is going to relax the rules for importing cars that will be used for taxicabs.

The tax authority aims to reduce the lower threshold of engine capacity to 1,485cc (cylinder capacity) from 1,500cc for cars that will be used as taxicabs.

However, the duty privilege and upper threshold for importing cars for cabs will remain the same, said a senior official of NBR, seeking anonymity.

At present, taxicab operators get a reduced rate of 20 percent on import duty, including customs duty (CD), supplementary duty (SD) and regulatory duty (RD) to

import cars up to an engine capacity of 2,000cc.

The NBR gave the privilege in 2009 to lure investment into the sector and facilitate movement of commuters in major cities.

The tax authority is also set to increase the paid-up capital limit to Tk 2.5 crore for firms offering taxicab services. The paid-up capital threshold for cab companies was Tk 10 lakh previously.

"It will be beneficial for us," said Mustafa Kamal, chief executive of Toma Taxi Cab Services Ltd, a concern of Toma Group.

Taxicab operators usually import cars from Japan but they always get cars that are exactly 1,500cc, as specified by NBR, he said.

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Matin Spinning Mills Limited, a concern of DBL Group, has secured the Japan Bangladesh Chamber of Commerce and Industry (JBCCI) Business Excellence Award 2014 for the category- "The Best Enterprise Demonstrating Innovation". Mr. Abdul Wahed, Chairman of DBL Group received the award from Mr. Shiro Sadoshima, Ambassador of Japan to Bangladesh on Saturday, January 31, 2015.



Ceramics makers swelling with stockpiles for turmoil

SAJJADUR RAHMAN

The ceramics industry, which has seen investments of about Tk 5,000 crore in the past decade, is now sitting on huge stockpiles for the nonstop blockade.

"Our warehouses are packed to the rafters," said Shirajul Islam Mollah, managing director of China-Bangla Ceramic Industries.

Monno Ceramic Industries, a pioneer in the sector, has halted its production line for a lack of raw materials. "We are also holding back our expansion plans for the political uncertainty," said Moynul Islam, vice-chairman of Monno Ceramic.

All 54 companies in the sector are more or less in the same boat: they have halted production for want of raw materials.

But it is the companies that

entered the market in the past five years that are bearing the most brunt of the political stalemate, as they have to deal with the burden of bank loans on top of the operating expenses.

More than a dozen factories were set up in the last decade thanks to natural gas supply and cheap labour. Big conglomerates, such as RAK, Abul Khair and Akij groups have also forayed into the market.

Many companies were planning to double their production, riding on the growing domestic demand, said Islam, also the vice-president of Ceramic Tableware, Tiles & Sanitaryware Manufacturers and Exporters Association. Some of the companies discussed fresh financing for expansion with their banks, which is now on hold, he added.

DBL Group, a major apparel exporter, has also set up a ceramic factory, with a view to cater to both the local and foreign markets. The company is hoping to start production by March this year, said MA Jabbar, managing director of DBL Group.

Globally, the export market for ceramic products was worth more than \$41.3 billion, of which Bangladesh has a share of only 0.97 percent with \$47.5 million in exports in fiscal 2013-14.

Bangladesh had exported ceramics worth only \$1 million in 1991, meaning exports registered an average annual growth of 18.3 percent in the last two decades.

The country's consumption of ceramics is still one of the lowest in the world, of just 0.2 square metres (sqm). The per capita consumption of ceramics is 3.6 sqm in Brazil, 2.6 sqm in China and 1.4 sqm in Malaysia.

AT A GLANCE

- Total companies: **54**
- Total investment so far: **Tk 5,300 cr**
- Export: around **Tk 400 cr in 2014**
- Employment: over **500,000** (direct & indirect)
- Female workers: **40%**
- Value addition: **65%**
- Contribution to state coffers: **Tk 2,000 cr a year**

Stocks plunge on panic sales amid political strife

STAR BUSINESS REPORT

Stocks fell yesterday mainly due to panic sales as the ongoing political instability has dented investor confidence, with the main gauge of the market hitting a three-month low.

DSEX, the benchmark general index of Dhaka Stock Exchange, closed at 4,654.95 points, after falling 69.09 points or 1.46 percent. DSEX had stood at 4,724.04 points on November 9, 2014.

Turnover, the most important indicator of the market, was Tk 184.69 crore yesterday, the lowest in one month, falling 10.6 percent from Tk 206.57 crore the previous day.

The political stalemate that has been going on for the past 27 days has taken a toll on investor confidence, said Mohammed Rahmat Pasha, managing director of BRAC EPL Stock Brokerage.

The profitability of listed companies will be affected in the next quarter, as the supply chain has been disrupted in the face of relentless blockade and strike, Pasha said.

"Investors sharply retorted to the monetary policy statement with no addition to capital market incentives following the month-long political unrest," commented LankaBangla Securities.

The market saw another day of panic

sales in the face of political turbulence, the stockbroker said.

The market largely shrugged off the promising earnings declared mainly by some fast-moving consumer goods makers and pharma companies as a bearish stance continued, it said.

In the wake of a 72-hour strike, the market faced another round of panic sales, IDLC Investments said.

Although the monetary policy statement hoped for higher economic growth on condition of political stability, it failed to ease stockmarket investors' fears as the business environment could be worst in the coming days, the investment banker said.

Among the major sectors, textiles took the biggest blow with a 2.59 percent fall in market cap, followed by engineering with 2.31 percent, information technology 2.13 percent and non-bank financial institutions 1.83 percent.

A total of 247 issues declined out of 308 issues traded on the DSE, while 41 advanced and 20 remained unchanged.

Lafarge Surma Cement was the turnover leader with 7.5 lakh shares worth Tk 9.93 crore changing hands.

AIBL First Islamic Mutual Fund was the highest gainer of the day with an 8.51 percent gain, while Modern Dyeing and Screen Printing was the worst loser, plunging 8.94 percent.

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