ASIAN MARKETS

TOKYO

0.82%

SINGAPORE

0.73%

SHANGHAI

7 1.93%

MUMBAI

V 0.46%

As of Friday

\$51.54

সোস্যাল ইসলামী ব্যাংক লিমিটেড এর সকল শাখায় পবিত্র হজ্ব রেজিস্ট্রেশন ফি জমা নেয়া হয়। রেজিস্ট্রেশন ফি জমাদানের শেষ তারিখ: ২৬ ফেব্রুয়ারি, ২০১৫ যে কোন প্রয়োজনে ০৯৬১২০০১১২২

সোস্যাল ইসলামী ব্যাংক লিমিটেড



DHAKA MONDAY FEBRUARY 9, 2015, e-mail:business@thedailystar.net

COMMODITIES

Gold A

\$1,264.34

Farmers hit hard by blockade

STOCKS

0.35%

DSEX

CSCX

^ 0.08%

Convinced that normalcy had returned after the political upheaval of last winter, Mohammad Shariful Islam, a small farmer from Bogra, bet big on winter crops this time.

In September last year, ahead of the harvesting season, he borrowed Tk 190,000 and ploughed the entire amount into growing cauliflower and returns, enough to make up for the from the vegetables. previous season's losses.

turmoil returned with vengeance at the turn of the year, pulling Shariful and tens of thousands of farmers like him into dire straits.

"We are just doomed," said Mohammad Alauddin, a large farmer from Bogra, who invested a total of Tk Prices fall on supply glut at farmers' end

Farmers in cash crunch

Farmers struggle to pay instalments on loans

10 lakh to grow potato, onion, cauliflower and mustard but has so far potato -- anticipating handsome managed to recover only Tk 3 lakh

The non-stop countrywide block-But, as fate would have it, political ade complete with highway arson since January 6 has brought about a supply glut at the growers' level and along the way, falling prices of vegetables and cash crunch for farmers.

But for the farmers, there are loan obligations to banks, microfinance agencies and local money lenders that

must be met.

"Right now, I have no cash in hand. I am losing sleep over how I am going to pay February's instalment," said Shariful, who paid January's instalment of Tk 16,000 by borrowing from one of his relatives.

"We grow crops to make some money. Let alone that, I am now in deficit," added the crestfallen 25-yearold farmer, who incurred losses of Tk 70,000 for the price crash of cauliflower alone.

He had to sell the winter vegetable for as low as Tk 40 a maund (40 kg), which in normal times would have been Tk 300-400.

His other winter harvest, potato, sold for Tk 3.75-4 a kg at Mahasthan Bazar, the main vegetable wholesale depot in the northwest, on Saturday.

READ MORE ON B3

A garment maker's plight February 1, according to an assessment by

REFAYET ULLAH MIRDHA

CURRENCIES

BUY TK 77.20

Afroz Al Mamun, owner of a leading garment group, said his factories had bagged work orders worth \$20 million during January-March last year.

STANDARD CHARTERED BANK

So far this year, he received orders of \$8.5 million, far below his expectations.

International retailers who source clothes from his company are slashing orders as they fear Mamun will not be able to deliver in time as the ongoing blockade disrupted the supply chain.

Mamun shared the figures of the losses he incurred so far with Bangladesh Garment Manufacturers and Exporters Association, the apparel makers' platform. He insisted his company should not be named in the

A total of 23 factories have already lost \$19.02 million between January 14 and

the BGMEA.

Mamun is running his three factories below capacity. Also, retailers are cutting trips to his factories due to political violence.

"A retailer was supposed to visit my factory to place an order of three lakh pieces of sweaters, but the buyer cancelled the trip," Mamun said.

"On January 22, I travelled to Bangkok to

one lakh pieces of sweaters, instead of three lakh pieces," he said. Mamun said, if the situation does not improve, he will fail to meet his export tar-

meet the buyer who finally placed orders for

Although production declined significantly, he will have to pay wages to his 6,000 workers each month.

get of \$60 million for this year.

READ MORE ON B3

KEY POINTS

BGMEA has called an extraordinary general meeting on February 11

Retailers are inquiring about the political situation every day

Buyers are slashing orders in Bangladesh, but placing the rest of the orders in Vietnam, Indonesia, India, Myanmar, China and Pakistan

Banking sector is not interested to provide funds to garment makers, **BGMEA** says





C09612123456/16339

Cut lending rates to boost investment: MCCI

STAR BUSINESS REPORT

The Metropolitan Chamber of Commerce and Industry yesterday hailed the central bank for aiming to keep inflation in check and move to a higher growth path amid the prevailing political unrest.

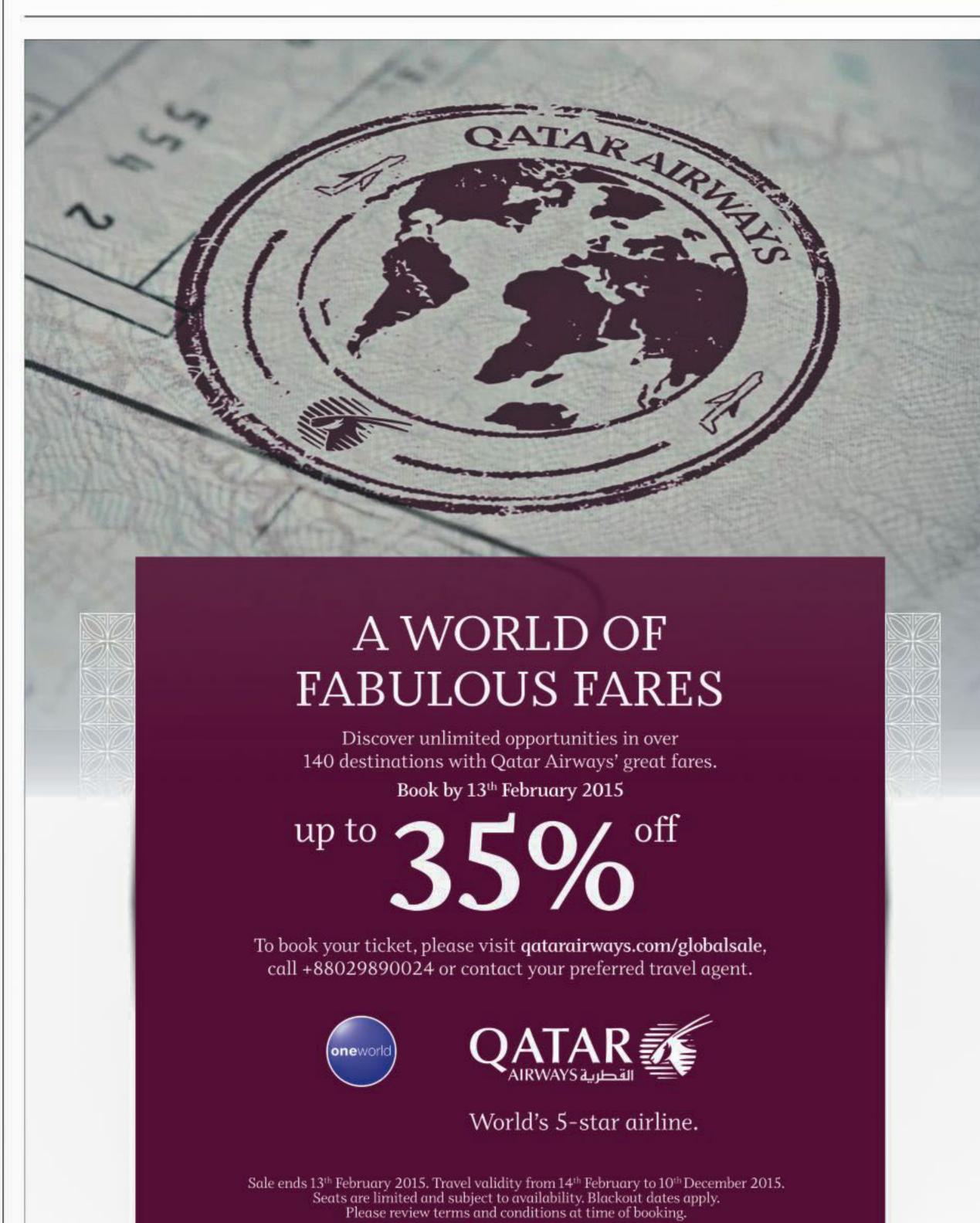
The rate of inflation, according to the new Monetary Policy Statement of Bangladesh Bank, will be brought down to 6.5 percent by June 2015. At the same time, the economy is expected to grow at 6.5-6.8 percent this fiscal year.

To prop up investment, the MPS has kept the private sector credit growth target at 15.5 percent at the end of fiscal 2014-15, which is substantially higher than 12.7 percent in November 2014, the MCCI said in a state-

"Political unrest, structural deficiencies and a cautious approach on the part of banks have, in fact, slowed down private sector credit growth," it said.

ment.

READ MORE ON B3



Political strife takes toll on Ctg business Khatunganj, that buys lentils, yellow peas

DWAIPAYAN BARUA, Ctg

BSM Group, a leading commodity importer based in Chittagong, counted Tk 200 crore in average sales a month in the 11 months to December last year, but ongoing political unrest has caused the company's sales to drop by a half in January.

The firm that mainly imports wheat, lentils, yellow peas and chick peas recorded sales of Tk 60 crore in the first seven days of January, when business was unaffected. But it recorded sales worth only Tk 40 crore in the rest of the month as the nonstop blockade and shutdowns badly affected business activities.

In addition to a direct hit from a drastic fall in sales, the firm will have to bear losses for a fall in prices, high bank interest and other additional expenses, BSM Group Chairman Abul Bashar Chowdhury said.

More than 2,000 big, medium and small firms that wholesale mainly commodities in the port city's business hub of Khatunganj share a similar fate. The usual buzz of the area is gone, due

to disruptions in the transportation and poor business transactions.

and chick peas from BSM Group and sells at wholesale markets in different districts, is also experiencing poor sales. Payel's sales of goods plummeted to about 24 tonnes a day, compared to 150 tonnes in

the first week of January, said Ashutosh Chowdhury, proprietor of the company. Traders are not taking any risk as attacks on goods vehicles are rife on the highways,

he said. "Transportation costs have also doubled," he added. "I am sitting idle as there was no business in the last three days." Traders at the

hub said sales dropped by 30 to 50 percent due to the political unrest. Tariq Ahmed, director (operation) of TK Group, a large commodity importer, said their sales dropped 40 percent last

month from December. Syed Sagir Ahmad, general secretary of Khatunganj Trade and Industries Association, said the value of transactions on a normal day at the wholesale hub varies from Tk 1,200 crore to Tk 1,500 crore but it

now came down to about Tk 500 crore. Traders are now worried about payment of huge bank loans as a major portion of trade here takes place on credit, said Ahmad.

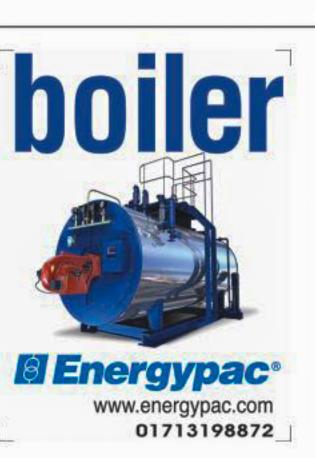
Payel Traders, a wholesaler based in

GP rolls out fresh 65pc dividends STAR BUSINESS REPORT

Grameenphone recommended 65 percent final cash dividends for 2014, taking the total dividends for the year to 160 percent.

Earlier in July last year, the company gave 95 percent interim cash dividends for the year ending on December 31, 2014, out of its provisional net profits.

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