

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
2.33%	2.14%	\$1,191.95	\$64.66	1.07%	0.83%	0.29%	0.47%	77.15	82.14	115.62	0.64
4,094.47	7,648.09	(per ounce)	(per barrel)	27,437.94	20,020.04	3,513.00	4,393.69	BUY TK	86.14	119.62	0.67
								SELL TK	78.15		

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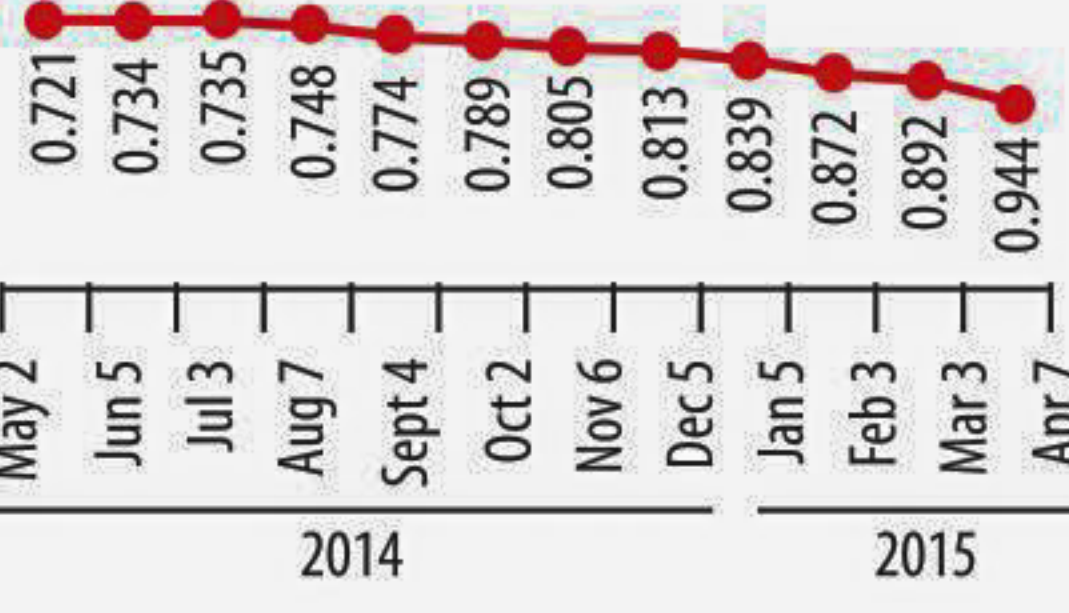
DHAKA MONDAY APRIL 27, 2015, e-mail:business@thedailystar.net

## Sliding euro a boon for importers

SAJJADUR RAHMAN

The sliding euro, while dispiriting for garment exporters, has presented a boon for entrepreneurs looking to set up new factories or expand their existing ones by bringing in machinery from Europe. Since capital machinery in power, textile and other sectors is imported from Europe, a weak euro will significantly reduce investors' capital expenditures, said Alamgir Morshed, head of financial markets of Standard Chartered Bangladesh. In 2014, the country imported more than €2 billion worth of goods from the European Union, of which over €1.069 billion, or 53 percent, was machinery, according to data from the European Commission. The import of machinery will be at least 20 percent cheaper now than in April last year, according to David Hasanat, chairman of Viyellatex Group, a leading garment exporter. And if the political situation improves, entrepreneurs will surely exploit the option, he said. If a Bangladeshi importer now wants to buy a machine worth €10,000 from the EU, he/she will have to pay Tk 8.40 lakh, down 22.22 percent year-on-year, Bangladesh Bank data shows. The euro has fallen further against the dollar in the international market. One dollar could have bought 0.721 euro on May 2 last year, but in 12 months later it fetched 0.944 euro, meaning

### EURO FALLS AGAINST DOLLAR



that the dollar has appreciated by nearly 31 percent against the euro. The weak euro though reflects growing concerns about the EU economy, which could hurt the overall consumption patterns of European consumers, Morshed said. The depreciating euro will also increase the import costs for the EU, he said. Around 58 percent of the country's \$25 billion garment exports last fiscal year were destined for the EU, which is the single biggest market for the country's apparel sector. The region is also an important market for other export items like jute, fish and leather. A lower disposal income due to weakening economy, coupled with higher import cost, can impact the overall demand for goods like garments, Morshed said. The European retailers will bargain for lower prices or import less due to lower demand, which can slow down the momentum of the country's garment sector, according to the official. However, since Bangladesh predominantly caters to the lower end of the garment market, it might still end up registering growth, as it did during the global economic crisis of 2008, he said. On the brighter side, the weak euro may boost exports from the EU and help its ailing economy, which, in turn, may help Bangladesh's export growth to the region.

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## Regent to connect Kathmandu in July

STAR BUSINESS DESK

Regent Airways will start flying to Kathmandu on July 15, initially with three flights a week. The airline will also launch an additional flight a week to Singapore starting May 10, to fly on the route every day, it said in a statement yesterday. Flight frequency on the Bangkok route via Chittagong will also be increased to four flights a week from May 15, said Mashruf Habib, managing director of Regent. The move comes as part of the airline's plan for a \$100 million expansion. It also plans to fly to Jeddah and Riyadh in Saudi Arabia.

## BB must have more control over money market

### Chief economist says govt's control over interest rates on savings certificates disturbs market

STAR BUSINESS REPORT

The government should give more powers to Bangladesh Bank to allow it to properly play its role in the money market and rein in inflation, the central bank's Chief Economist Biru Paksha Paul said yesterday. The government's control on the interest rate on savings certificates disturbs the market and affects the central bank's efforts to bring down lending rates and control inflation, which are needed to boost investment, he said. "The central bank is supposed to con-

trol the interest rates. If there is someone else playing this role, our game is disturbed." "We have a referee -- the government. If the referee takes sides, the game is disturbed," Paul said. Speaking at a discussion on the state of the economy organised by the Board of Investment at Dhaka Reporters Unity, Paul said: "If the interest rate on saving certificates is high and you are forcing the banks to reduce the deposit rate, funds will be channelled into savings certificates. And there is a moral hazard as well."

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## Stocks suffer steepest fall since Nov 2013

STAR BUSINESS REPORT

Panic sales made stocks fall sharply yesterday, pulling down the key index of the Dhaka Stock Exchange to its lowest since November 2013. DSEX, the benchmark index of the premier bourse, went down 97.72 points or 2.33 percent, before finishing the first day of the week at 4,094.47 points. The index closed at 4,090.12 points on November 5, 2013. The selling frenzy that began five days ago continued yesterday too and the market took another hard hit, said LankaBangla Securities. Investors were wary of uncertainty in the market that may thicken after the April 28 city corporation elections. Fears of political chaos coupled with

the free falling index level unnerved the investors, according to IDLC Investments. The complex situation prevailing in the stockmarket made investors lash out. The DSEX suffered its biggest fall of the year in a single session. The day's turnover, another important indicator of the market, also dropped 9.6 percent to Tk 341.52 crore with transactions of 7.13 crore shares and mutual fund units. United Power Generation and Distribution Company topped the turnover leaders' chart with 23.35 lakh shares worth Tk 45 crore changing hands, followed by ACI, Western Marine Shipyard, Shasha Denims and ACI Formulations.

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# BANGLADESH DENIM EXPO

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### SPECIAL SEMINAR

Monday 11<sup>th</sup> May, 4pm

"MADE IN BANGLADESH" A NEW REALITY-VISION 2021  
 Organized in collaboration with the BGMEA, this session addresses the spectrum of challenges and opportunities in Bangladesh, and works towards a strategic action plan for full potential in the denim business.

**CHIEF GUEST**  
 H.E. Mrs Sophie AUBERT  
 Ambassador of France to Bangladesh

**GUEST OF HONOUR**  
 Mr. Hedayetullah Al Mamoon, ndc  
 Senior Secretary, Ministry of Commerce  
 Government of the People's Republic of Bangladesh

**KEYNOTE SPEAKER**  
 Mr. Anwar Ul Alam Chowdhury (Parvez)  
 Chairman of Argon Denim Ltd. & former President, Bangladesh Garment Manufacturers & Exporters Association (BGMEA)

**MODERATOR**  
 Mr. Faruque Hassan  
 Managing Director, Giant Group & Immediate Past Vice President, Bangladesh Garment Manufacturers & Exporters Association (BGMEA)

**CHAIR**  
 Mr. Mostafiz Uddin  
 Managing Director, Denim Expert Ltd & Founder & CEO, Bangladesh Denim Expo

**SPECIAL GUEST**  
 Mr. Md. Atiqul Islam  
 President, Bangladesh Garment Manufacturers & Exporters Association (BGMEA)

**SPECIAL GUEST**  
 Mr. Roger Hubert  
 Country Head, H&M Bangladesh

**SPECIAL GUEST**  
 Mr. Anis A Khan  
 Managing Director, Mutual Trust Bank Ltd

### INAUGURATION CEREMONY

Monday 11<sup>th</sup> May, 3pm

**CHIEF GUEST**  
 Mr. Tofail Ahmed, MP  
 Honourable Minister  
 Ministry of Commerce  
 Government of the People's Republic of Bangladesh

**SPECIAL GUEST**  
 HE Mr. Pierre Mayaudin  
 Ambassador & Head of the Delegation,  
 Delegation of the European Union to Bangladesh

**SPECIAL GUEST**  
 HE Mr. Benoit-PIERRE Laramée  
 High Commissioner of Canada to Bangladesh

**SPECIAL GUEST**  
 Mr. Md. Atiqul Islam  
 President, Bangladesh  
 Garment Manufacturers & Exporters Association (BGMEA)

**SPECIAL GUEST**  
 Mr. Mostafiz Uddin  
 Managing Director, Denim Expert Ltd  
 & Founder & CEO, Bangladesh Denim Expo

### CLOSING CEREMONY & GALA NIGHT

Tuesday 12<sup>th</sup> May, 7pm

**CHIEF GUEST**  
 Mr. Shahriar Alam, MP  
 Honourable State Minister for Foreign Affairs  
 Government of the People's Republic of Bangladesh

**SPECIAL GUEST**  
 HE Mr. Gerben Sjoerd de Jong  
 Ambassador of the Netherlands to Bangladesh

**SPECIAL GUEST**  
 HE Mr. Greg Wilcock  
 High Commissioner of Australia to Bangladesh

**SPECIAL GUEST**  
 Mr. Abdus Salam Murshedy  
 President, Bangladesh Exporters Association,  
 & Former President, Bangladesh Garment Manufacturers & Exporters Association (BGMEA)

**SPECIAL GUEST**  
 Mr. Shubhashish Bose,  
 Vice Chairman, Export Promotion Bureau (EPB)

**SPECIAL GUEST**  
 Mr. Md. Shawkat Aziz Russell  
 Chairman, Amber Group, & Director  
 Bangladesh Textile Mills Associations ( BTMEA )

**SPECIAL GUEST**  
 Mr. Mostafiz Uddin  
 Managing Director, Denim Expert Ltd  
 Founder & CEO, Bangladesh Denim Expo



**BANGLADESH DENIM EXPO**

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11<sup>th</sup> & 12<sup>th</sup> MAY 2015  
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