

কুলপানী ছাত্র-ছাত্রীদের জন্য  
**এসআইবিএল ইয়াংটার একাউন্ট**  
দৈনিক স্থিতির উপর প্রাত্যহিক হিসাব করা হবে এবং বার্ষিক ডিভিডেন্ডে তা হিসেবে জমা হবে।  
(হিসাবখানে ইসলামী শরী'আহ এর মূল্যবোধ প্রযোজ্য)  
যে কোন প্রয়োজনে ০৯৬৯২০০৯৯২২  
www.sibld.com



# Star BUSINESS

DHAKA MONDAY MAY 4, 2015, e-mail:business@thedailystar.net

## Bangladesh: still the first choice for apparel sourcing after China

Other countries are fast catching up, McKinsey says



**KEY POINTS**

- The survey was conducted among buyers who account for **\$70b** in apparel sourcing
- Low cost is the main factor for higher exports from Bangladesh and African countries
- Around 74pc buyers plan to decrease sourcing from China
- Bangladesh exported garments worth **\$24.5b** last fiscal year
- Bangladeshi apparel makers target to earn **\$50b** from exports by 2021

**REFAYET ULLAH MIRDHA**

Bangladesh is still the first choice for apparel sourcing after China, but other countries are fast catching up, McKinsey & Company, a global management consulting firm, said in its latest report.

The report styled 'Sourcing in a volatile world -- the East Africa opportunity' singled out Ethiopia, billing it as the one to watch out for -- for the first time.

Garment Manufacturers and Exporters Association. At the moment, Sub-Saharan Africa has only a 0.56 percent share, or \$2.6 billion, of the entire global volume of clothing exports.

"We have an added advantage now as the Accord and Alliance [the two foreign building inspection agencies] have certified more than 98 percent of our factories to be safe after the inspection," he added.

READ MORE ON B3



**Nepal's Finance Minister Ram Sharan Mahat, right, speaks at a media briefing on the sidelines of the Annual Development Bank's annual meetings in Baku, Azerbaijan yesterday. ADB President Takehiko Nakao is also seen. Mahat said the cost to rebuild Nepal after its devastating earthquake will exceed \$10 billion and take years. Story on page 16.**

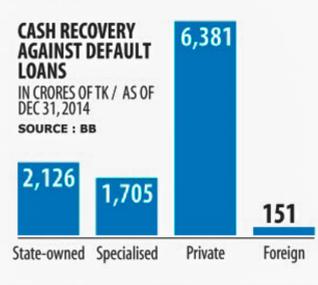
STAR

## Banks make good cash recovery against bad loans

**REJAUL KARIM BYRON**

Local banks last year made Tk 10,363 crore of cash recovery from the classified loans, which provided them a spot of respite from their runaway default loans.

Of the amount, the private commercial banks made the highest recovery of Tk 6,381 crore, followed by state-owned commercial banks at Tk 2,126 crore, according to Bangladesh Bank statistics.



Specialised banks recouped 23 percent of their total bad loans of Tk 7,259 crore.

State banks got back 9.25 percent of their default loans of Tk 22,763 crore, while foreign banks realised 8.79 percent of their total bad loans of Tk 1,706 crore.

A central bank high official said, of the three measures, the banks fared best with cash recovery.

The specialised banks recovered Tk 1,705 crore and the foreign commercial banks Tk 151 crore.

Default loans rose in the first three quarters of last year to Tk 57,291 crore, which prompted the concerned parties to take up wholesale loan rescheduling, loan write-offs and cash recovery in the last quarter.

Subsequently, the total default

loans at the end of 2014 came down to Tk 50,155 crore, which was 9.69 percent of the total outstanding loans.

Banks could recover 20.66 percent of the bad loans as of December 31 last year, with private banks leading the recovery.

Default loans at private banks stood at Tk 18,426 crore and of the amount, 34.62 percent has been recovered.

As default loans increased substantially in the second half of last year, the Bangladesh Bank governor directed all chief executives of the banks to take intensive measures to rein it in.

A high official of Sonali Bank said a task force was formed to increase recovery; the task force continuously monitored the branches so that the loan recovery increases.

READ MORE ON B3

**BASHUNDHARA**  
CEMENT



5700 PSI

like us @

f t /dailystarnews

## Submarine Cable plans to sell bandwidth to Italian firm at low price

**MUHAMMAD ZAHIDUL ISLAM**

Questions have been raised over a move by Bangladesh Submarine Cable Company Ltd (BSCCL) to sell off half of its capacity to an Italian company at a very low price.

BSCCL has sent a proposal to the post and telecommunication division for approval to sell half the capacity of the SEA-ME-WE-4 cable to Telecom Italia Sparkels.

**SALES OFFER TO TELECOM ITALIA SPARKELS**

Proposed price Tk **16cr** for **90 Gbps**

Life time of the cable would be **11-16 years**

**LEASE OFFER TO BSNL OF INDIA**

Govt may earn Tk **78 lakh** a month from the lease of **10 Gbps**

half of the cable's capacity, but a buyer could not be found, he added.

Businesses in the internet protocol (IP) industry said this is a shocking move; they are ready to offer the same price to buy the capacity, which would help internet users in the country.

"This is an unbelievable price and we are ready to pay this price anytime," said Sumon Ahmed Sabir, chief strategy officer of Fiber@home Ltd.

In February, the BSCCL board decided to sell four million MIU\*km (minimum investment unit), which is equivalent to around 90 Gbps, at a price of Tk 16 crore for the rest of the lifetime of the cable. A submarine cable usually lasts 20-25 years, and this cable has been in operation since 2006; so, the Italian company may be looking to use the cable for 11 to 16 more years.

France to Singapore and it is easy for the company to sell out capacity or connectivity from anywhere on this route.

However, telecom division officials and analysts are also raising questions over the bandwidth price and capacity.

The Italian company's price is around 60 times lower than the bandwidth export price to India, officials added.

Although BSCCL is planning to sell it at a very low price, when local companies approach them, they always quote high prices, he added.

"Give us the scope and we will offer high speed internet at a cheap rate," Sumon said.

In addition, Italia Sparkels will pay BSCCL Tk 48 lakh a year to bear maintenance costs, as Bangladesh is still a member of the consortium -- SEA-ME-WE-4.

At present, BSCCL has a total capacity of 8.9 million MIU\*km, which is equivalent to 200 Gbps.

The BSCCL cable is connected from

"It seems like a loss, but as a lot of our capacity is unused and we are wasting the opportunity, whatever we can earn through the deal will benefit us," Monowar Hossain, managing director of BSCCL, said recently.

Two years back, the government gave BSCCL a directive to lease or sell

Some senior officials of the telecom division said they are not in favour of giving the control to another company by selling off half the ownership of the cable; rather, leases can be offered.

The proposed price is also much lower than the bandwidth lease price to eight Northeastern states in India, the officials said.

The cabinet recently approved the deal with India that is expected to be signed this month. The rent will be \$100,000 for 10 Gbps a month.

READ MORE ON B3

## Third panel announced for FBCCI election



**Shafquat Haider**      **Kazi Ertaza Hassan**      **Syed Moazzam Hossain**

**STAR BUSINESS REPORT**

The third panel has been announced for the Federation of Bangladesh Chambers of Commerce and Industry's biennial election scheduled for May 23.

The panel, under the banner of Baboshayee Oikya Parishad, will be led by Syed Moazzam Hossain, Kazi Ertaza Hassan and Shafquat Haider.

Mahmuda Mustakima Rubi of Bangladesh Beauty Parlour Owners Association and Md Jamiul Ahmed of Tourism Developers Association of Bangladesh -- have been rejected by FBCCI's election commission due to nonconformity with rules.

Kazi Ertaza Hassan of Bangladesh Concrete Product and Block Manufacturers Association said, if elected, they would take necessary steps to overcome the barriers faced by small and medium enterprises, help simplify tax and VAT rules, and establish a research and development cell.

**Govt mulls temporary tax-free import of sample goods**

**STAR BUSINESS REPORT**

The government plans to sign an international convention to facilitate temporary import of samples of goods and equipment for fairs and other short-term use, said an official of the National Board of Revenue.

If the treaty -- ATA Carnet System -- is signed, the NBR will allow duty- and tax-free import of samples of certain products, equipment and machinery, temporarily, on condition of re-export.

Syed Moazzam Hossain of Bangladesh Indenting Agents Association declared the names of 16 candidates at a press briefing at Sonargaon Hotel in Dhaka yesterday.

The candidates will vie for 16 posts of directors of the apex trade body under the association group.

However, the nominations of three candidates -- Taher Ahmed Siddiq of Bangladesh Egg Producers Association,

A total of 37 contenders will vie for 16 posts for directors of FBCCI from the association group. In addition, 40 will compete for another 16 director posts from the chamber group.

READ MORE ON B3

**JAC**  
Light & Heavy duty vehicle



**Energypac**  
www.energypac.com  
01713443277, 01714019262  
01714088390

The Daily Star **Lamudi.com.bd**

## HOT-ESTATES

Five featured properties of this week

3890 sq-ft. (Type-A, 9th floor), 4 Bed Room Penthouse for Sale in Imagine Eastwood, Bashundhara

<http://bit.ly/110t6XK>



1600 sq-ft. (Type-A), 3 Bedroom Apartment for Sale in Total Akmol Lotus, Banasree

<http://bit.ly/1AjZ5KH>



2050 sq-ft. (Type-B), 3 Bedroom Apartment for Sale in Symphony Future Drive, Bashundhara

<http://bit.ly/1GuGWNM>



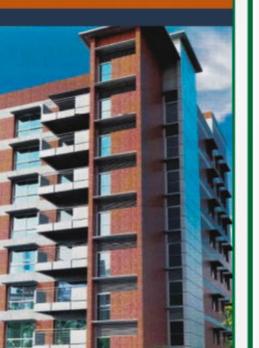
1250 sq-ft. (Type-A), 3 Bedroom Apartment for Sale in Adobe Builders Sufiyana, Bashundhara

<http://bit.ly/110tFky>



2550 Sq-Ft 3 bedroom apartment for sale in Architects Limited Sultana's Dream, Uttara

<http://bit.ly/1xraR91>



Powered by: **CROWN CEMENT**  
FOR SOLID FOUNDATION

\*\*This is a promotion only. Buyers must examine the properties before they make an agreement. The Daily Star and lamudi do not take any responsibilities of the contracts or agreements made between buyers and sellers.