Bangladeshi factories going green fast: Canadian envoy

STAR BUSINESS REPORT

Canadian High Commissioner Benoît-Pierre Laramée yesterday offered his country's green technology to Bangladesh as many domestic apparel exporters are adopting environment-friendly production in factories.

Several garment factories in Bangladesh have so far achieved the Leadership in Energy and Environmental Design certificate from the US Green Building Council, and the number is increasing, Laramée said.

"Definitely, it is a remarkable development and this need to be encouraged."

The council is non-profit organisation that promotes sustainability in buildings design, construction and operation.

Laramée has been preparing a guidebook on how to make industrial units environment-friendly, which would be helpful for the green factory owners, he said.

Laramée spoke at a seminar on "Greening RMG as CSR in Bangladesh" jointly organised by the Canadian High Commission in Dhaka and Bangladesh Garment Manufacturers and Exporters Association, at the association's office in the capital.

Canada is one of the global leaders in the green industries. The country has built its green technology, the output of which stands at more than $11 billion a year.

Canada has 700 green companies—most of which are small and medium enterprises, he said.

More than 74 percent of Canadian green technology companies are exporters, he said, adding the Canadian green technology companies exported $6 billion worth of goods and services in 2015 to non-US markets.

Regarding the improvement of safety in workplace, he said Bangladesh has made a significant progress over the past few years in the sector.

"The sector, though, is at the turning point and many reforms have been done to improve safety, security and labour rights just to name a few."

The garment sector has been Bangladesh's key export industry and the main source of earning foreign currency for the last 25 years, and it has big plans to develop in the future, he said.

Garments made in Bangladesh are sourced by many major Canadian brands, and sold all over Canada, he said.

Over C$1 billion worth of garment was exported to Canada from Bangladesh last year, Laramée said.

Twenty six LEED certified green garment factories are in operation in Bangladesh now, BGMEA President Siddiqur Rahman said.

"More than 100 factories have already been registered by the USGBC for going green."

"We have five platinum rated green factories and two of the factories are the highest rated green factories in the whole world," he said.

Rahman also said BGMEA in collaboration with the International Finance Corporation has been running Partnership for Cleaner Textile project, which aims at saving water during production in factories.

The association is also working with German international development agency GIZ to implement the "Towards resource efficiency and environmental sustainability" project to improve efficiency of the factories in using water resources and reducing its impact on environment.

He also said the garment makers have been working to achieve the target of exporting $50 billion worth of apparel items by 2021, when the country will also celebrate its 50th anniversary of independence.

Green garment factories will also help in achieving the target, he said.

Hedayetullah Al Mamoon, senior secretary to the commerce ministry, also spoke.

Moody's rates Eastern Bank Ba3

STAR BUSINESS REPORT

International rating agency Moody's Investors Service has affirmed Eastern Bank (EBL) with Ba3 long-term rating, which is Bangladesh's sovereign rating.

EBL is the first Bangladeshi company that has been rated by the Moody's, which also observed that the bank's ratings outlook is stable.

The Ba3 long-term rating assigned to EBL incorporate its baseline credit assessment (BCA) of b1 and a one notch uplift to reflect Moody's assumption of moderate systemic support to the bank in case of stress.

EBL is a corporate-focused bank and its key credit strengths comprise its profitability profile, strong balance sheet buffers and record of good asset quality, according to Moody's.

On the other hand, the bank's liquidity profile was found weak, the rating agency said.

The bank's asset quality has been consistently better than its peers, as measured by gross non-performing loans (NPLs). However, as is the case with other banks in the system, EBL has seen a pickup in its non-performing loans (NPL) ratio since 2011.

Moody's noted that in the case of EBL, its rise in NPLs has consistently registered at lower levels than its peers.

Importantly, asset quality is stabilising, with a better performance during the nine months to September 30 last year, compared with the same period in 2014.

The bank's reported core Tier 1 ratio, which is the ratio of a bank's core equity capital to its total risk-weighted assets, was at 10.2 percent at the end of 2014, and its loan loss coverage stood at 109 percent on September 30, 2015.

Moody's said the bank should be able to maintain its Tier 1 ratio at current levels, because it can support loan growth with retained earnings. However, the management's aim of maintaining a high payout ratio could limit improvements to the ratio.

EBL's profitability metrics are healthy, its net interest margins are high on an absolute basis, but the persistently low inflation rates in Bangladesh could lead to lower interest rates and downward margin pressure, Moody's said.

EBL is primarily retail deposit funded, with around 65 percent of its deposits from its retail segment. The bank's consolidated assets stood Tk 173 billion (nearly $2.2 billion) on December 31, 2014.

Meanwhile, a three-member team led by its managing director and CEO Ali Reza Iftekhar met Bangladesh Bank Governor Fazle Kabir at the latter's office to inform him about the rating, EBL said in a statement yesterday.

Yasoja Gunasekera, high commissioner of Sri Lanka, and Ajith Naranpanawe, country manager for Commercial Bank of Ceylon, open the relocated premises of the bank's Mirpur branch in Dhaka on Sunday.

CBC

BLFCA

Fazle Kabir, governor of Bangladesh Bank, receives a bouquet from managing directors and chief executives of financial institutions led by Mafizuddin Sarker, chairman of Bangladesh Leasing and Finance Companies Association, at the Bangladesh Bank head office in Dhaka.

NBR moves to honour more taxpayers

SOHEL PARVEZ

The National Board of Revenue (NBR) has taken an initiative to honour more taxpayers with tax cards by introducing more categories, to motivate people to be compliant.

"We are working on a plan to recognise more taxpayers by incorporating some new categories in the existing policy," a senior NBR official said yesterday, asking not to be named.

The tax collector has taken the initiative as it found that many taxpayers do not get recognition despite their compliance and payment of a big amount of tax to the state coffers because of limitations in the existing National Tax Card Policy.

The NBR framed the policy in 2010 to honour taxpayers and to boost revenue collection by encouraging existing and prospective taxpayers.

Many taxpayers, including firms and entrepreneurs, do not get recognised, as the existing policy has scope for giving only 10 tax cards in individual and company categories each.

The tax authority formed a committee earlier this month for suggesting revision in the existing tax card policy.

The NBR also took initiative to prepare a list of 101 top taxpayers, 101 top women taxpayers and 101 top young taxpayers below 40 years of age.

The NBR official said the committee has started working to recommend new categories in the present tax card policy.

"Along with individuals, we plan to suggest for giving tax cards to firms in two more categories: manufacturing and service," said a member of the committee, seeking to remain unnamed.

Since 2009-10, the NBR has been honouring top taxpaying individuals and companies as part of its effort to create tax culture.

However, in many cases, the cards are going to the same persons and companies, especially state firms and taxpayers paying tax at source, according to the NBR.

Jet Airways offers low fares on digital booking

STAR BUSINESS DESK

Indian carrier Jet Airways has launched a special initiative to offer passengers with the best fares on three of its digital booking platforms: the jetairways.com, mobile site m.jetairways.com and on the Jet Airways app.

As part of the Best Price Promise initiative, Jet Airways will ensure that the fares are the lowest on the digital platforms compared with other online travel portals for the same itinerary, the airline said in a statement yesterday.

The offer is valid only on the Bangladeshi site of jetairways.com, mobile site and mobile app.

The assurance is applicable for international flights where the first segment of the flight originates from Dhaka and also for flights booked for travel within India.

"This demonstrates our commitment to our 'Guest First' service philosophy, which is core to our business," said Gaurang Shetty, senior vice-president for commercial at Jet Airways. "With the Best Price Promise offer, we look forward to transforming the way guests book tickets using our online platforms."

The Best Price Promise feature is applicable to flights operated exclusively by Jet Airways and not on codeshare or interline flights, according to the statement.

"It is also valid only for one way and return flight journeys, and is not available on multi-city bookings."

German investor sentiment rises slightly in March

AFP, *Frankfurt*

Investor confidence in Germany rose slightly in March but uncertainty about emerging economies, oil prices and the strength of the euro still warrant caution, a leading survey showed on Tuesday.

The investor confidence index calculated by the ZEW economic institute increased by 3.3 points to 4.3 points in March, the think tank said in a statement.

Analysts had projected a slightly stronger rise in the index to more than 5.0 points this month.

"The uncertainty associated with the future economic development of important emerging economies, with the development of the oil price and with the external value of the euro continues to call for caution," said ZEW's head of international finance and financial management, Sascha Steffen.

H&M calls for speeding up remediation

FROM PAGE B1

H&M is the largest buyer of Bangladesh garment, purchasing more than $5 billion of products a year from about 250 factories.

Babu said the garment makers did not ask for any financial support in yesterday's meeting.

However, some H&M suppliers have complained that the Accord engineers have set new rules for factory remediation.

The factory owners have been fixing the problems pointed out in the first round of factory inspections, but the engineers have now new problems.

Following the Rana Plaza collapse, the engineers of Accord, a platform of largely European retailers, recommended corrective action plans to improve structural, fire and electrical safety in 1,600 factories.

Meanwhile, H&M has been subjected to a deluge of criticism from customers for sourcing garments at cheap prices following the Rana Plaza collapse, even though it did not source from the factories housed in the ill-fated building.

Subsequently, the Swedish retail giant now plans to introduce the "fair wage method" in all of its sourcing factories by 2018 and hold dialogues between the employers and the employees to settle wage disputes, the company said in a statement a few months ago.

"The implementation of the method will contribute to sustainable pay structures, more regular wage adjustments and enhanced communication and social dialogue between the management and workers' representatives."

H&M has more than 3,900 stores in 61 markets and buys around 80 percent of its products from Asia.

China telecom giant ZTE says it expects lifting of US curbs

AFP, *Shanghai*

Chinese telecommunications giant ZTE said Tuesday it expects the United States to lift restrictions on its business, amid talks with Washington over allegations it violated trade sanctions against Iran.

Washington earlier this month slapped restrictions on ZTE and three linked companies for illicitly re-exporting controlled items from the US to sanctioned countries including Iran. The curbs require ZTE to have specific licences before shipping US-made items to the parent company or the other three named firms.

The move threatens the Chinese firm's ability to buy technology hardware and software in the US. "ZTE has committed to, and fully expects to, fulfil all of the commitments in order to be removed permanently from the entity list," ZTE said in a statement, referring to the restrictions.

In the meantime, it said, it had obtained a "temporary general licence".

"This interim relief will enable ZTE to continue serving its major stakeholders as it works with the US authorities to reach a permanent resolution."

The Chinese government condemned the measures when they were imposed, with a commerce ministry official expressing "strong dissatisfaction and firm opposition".

Tuesday's ZTE statement did not give the terms of the licence or say what requirements were met to obtain it.

"ZTE is fully committed to complying with the laws and regulations in the jurisdictions in which it operates, and will be continuing to make further contributions to (the) global telecoms industry," it said.

The case dates back to 2012 when the US Department of Commerce first began investigating the transfer of US technology to Iran, according to media reports.

Washington in January eased several restrictions on doing business with Iran following an international agreement over its nuclear programme.

Stocks hit record low

FROM PAGE B1

The index seems to be testing the next support level of 4,370 points as investors see no signs of imminent recovery, the stockbroker said. The selling pressure from large-cap stocks dragged the benchmark index down to the four-month low, LankaBangla said in its regular analysis.

Turnover, another important indicator of the market, also dropped 24.9 percent to Tk 323.48 crore, with 9.77 crore shares and mutual fund units changing hands on the DSE.

Of the traded issues, 90 advanced, 175 declined and 49 closed unchanged on the premier bourse.

Square Pharma dominated the turnover chart with 9.31 lakh shares worth Tk 23.79 crore changing hands, followed by Keya Cosmetics, AFC Agro Biotech, BSRM and Beximco Pharma.

Among the major sectors, cement suffered the most, declining 1.61 percent in market capitalisation, followed by non-bank financial institutions that fell 1.24 percent, telecom 1.15 percent, fuel and power 1.09 percent, textile 1.08 percent and pharmaceuticals 0.91 percent.

Eastern Lubricants was the day's best performer with 7.48 percent gain while Summit Alliance Port was the worst loser, shedding 9.04 percent.

Chittagong stocks also fell yesterday with the bourse's benchmark index, CSCX, declining 61.47 points or 0.74 percent to finish the day at 8,243.35 points.

Losers beat gainers as 144 declined, 64 advanced and 26 finished unchanged on the Chittagong Stock Exchange. The port city bourse traded 78.52 lakh shares and mutual fund units worth Tk 20.31 crore in turnover.

Rahim Textile to spend Tk 57cr on expansion

FROM PAGE B1

"The BMRE will improve product quality and enhance the company's production capacity from 265.2 lakh yards to 499.2 lakh yards a year," according to the post.

After the completion of the BMRE scheme, which was approved at a board meeting recently, the company will sell its products at higher prices and retain a better margin.

The board also decided to discontinue the previous BMRE plan, which was approved in November 2010.

So far, a sum of Tk 16.08 crore out of Tk 35 crore has been utilised for the previous plan.

The company also decided to get rid of some redundant plants and machinery with a written-down value of Tk 59.38 lakh.

Rahim Textile was listed on the stockmarket in 1988. Its net profit in 2015 was Tk 2.35 crore with basic earnings-per share of Tk 6.79.

The expansion news had a positive impact on the company's share trading as stock prices rose 2.75 percent yesterday. Each Rahim Textile share traded between Tk 218 and Tk 225, before closing at 219.9 on the premier bourse.

Sponsors have a 76.76 percent stake in Rahim Textile, institutional investors 2.69 percent and the public 20.55 percent, according to the DSE.

TRUST BANK

Ishtiaque Ahmed Chowdhury, managing director of Trust Bank; Abu Zafar Hedaytul Islam, deputy managing director, and Fida Haq, managing director of Shurjomukhi Ltd, pose at the signing of an agreement. The bank will provide cash management support system for mobile money for dealers and agents of Shurjomukhi.

Don't cut interest rates on savings tools: economists

FROM PAGE B1

Economists also suggested a separate budget for big projects. An economist said the monetary policy should be expansionary, not contractionary, to let investment rise.

If proper regulatory measures are in place, banks' lending rates should not be more than 7 percent to 8 percent as the cost of fund is about 4 percent now, economists said.

The booming e-commerce sector should be brought under the tax net, they said, adding that emphasis should be given on agriculture alongside the industrial sector to raise the country's gross domestic product.

Industrial output does not rise if agricultural production goes down, an economist said, citing historical data.

Economists who spoke at the discussion include Mohammed Farashuddin, a former central bank governor; Debapriya Bhattacharya, distinguished fellow of the Centre for Policy Dialogue; Mustafizur Rahman, its executive director; Rushidan Islam Rahman, research director of Bangladesh Institute of Development Studies, and Biru Paksha Paul, chief economist of Bangladesh Bank.