

এসআইবিএল রিটেইল ব্যাংকিং  
জীবনের জন্য, জীবন যাপনের জন্য

এসআইবিএল ইসলামিক কনজুমার ফাইন্যান্স  
এসআইবিএল হোম ফাইন্যান্স  
এসআইবিএল অটো ফাইন্যান্স

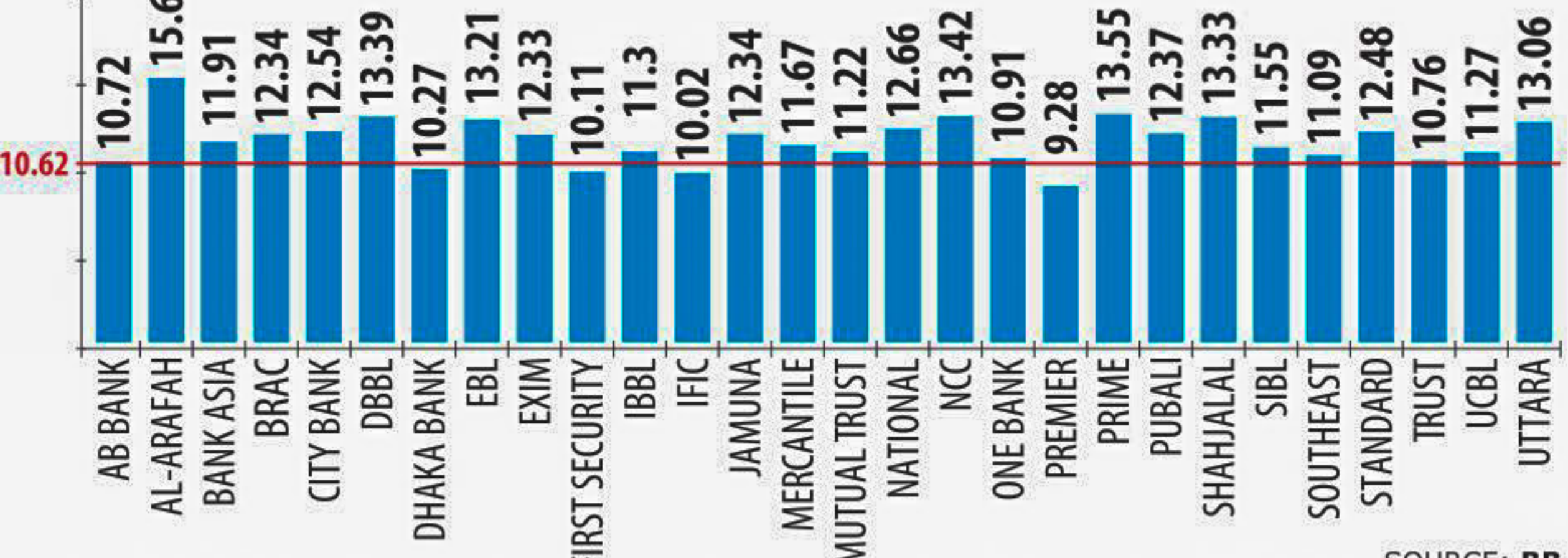
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# star BUSINESS

DHAKA TUESDAY JULY 5, 2016

## Most banks have sound capital base

**CAPITAL TO RISK WEIGHTED ASSET RATIO**  
IN %, AS OF MARCH 31



**REJAUL KARIM BYRON**  
Most of the private and foreign commercial banks succeeded in maintaining the new international standard capital adequacy ratio. On March 31 this year, the banks' average capital to risk weighted asset ratio or CRAR was 10.62 percent, which is similar to the latest requirement. CRAR is a measure of a bank's capital and is used to protect depositors and promote the stability and efficiency of financial systems around the world. The CRAR of the private banks was 11.96 percent and that of the foreign

banks 25.99 percent. However, the average CRAR of the state banks was 6.50 percent. Bangladesh Bank last year took an initiative to improve banks' financial health by increasing their CRAR in line with Basel III standards, which was introduced in January this year. Basel III is a comprehensive set of reform measures, developed by the Basel Committee on Banking Supervision, to strengthen regulation and supervision and reduce risks of the banking sector globally. Last year, the central bank decided to implement the Basel III framework and conducted a quantitative impact study.

On the basis of the study, they also sent a roadmap to the banks on how they would implement the framework. From January 1 to March 30, the BB evaluated the banks' capital adequacy as per the BASEL III standards. Until December 31, 2015, the banks had to maintain their capital adequacy at 10 percent of their CRAR. But from 2016 to 2019, the banks will have to maintain their capital at 0.625 percent in addition to 10 percent of their CRAR. As per the new standard, 48 out of the 56 banks could maintain their capital, as per the BB report.

SOURCE: BB  
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## Japanese firms assess work prospects after attacks

**THE JAPAN TIMES**  
Friday's terrorist attack in Dhaka has dampened work prospects for many Japanese firms, which in recent years have grown more dependent on Bangladesh as a manufacturing base as well as a market. Some of the 240 Japanese companies with offices or factories in Bangladesh said Monday they have suspended employee trips from Japan to the country and grounded local employees in the wake of the attack by Islamic militants in which a total of 28 people, including six attackers, lost their lives. Among the dead were seven Japanese. Fast Retailing Co, which runs the Uniqlo clothing brand, said its employees are restricted from entering Bangladesh on business trips until the end of July. It has 40 employees, including six Japanese, overseeing manufacturing of clothing by local factories there. The global apparel chain also runs nine shops in Bangladesh, employing 100 clerks, including four Japanese. All of the employees have been confirmed safe, a spokeswoman said. "Bangladesh is an important base for us, both in manufacturing and sales," she said. "We are not considering making big changes to our business plan, but our priority is the safety of our employees and customers." The spokeswoman said that although the shops are still open, all workers in charge of production management are being told to stand by at

home until the Eid al-Fitr holiday, a religious occasion that marks the end of Ramadan, finishes on July 10. "Some of the Japanese staff may fly back during the holidays," she said, adding that each employee can decide whether they want to return to Bangladesh afterward. Bangladesh had recently emerged as a "China Plus One" destination -- a major factory base to replace or supplement China, where wage levels have surged and manpower has grown scarce, the state-backed Japan External Trade Organisation said. "Many companies have set up factories there on the back of cheap manpower costs, especially in such labor-intensive industries as sewing," a JETRO official said. "In addition, Bangladesh, with its population of 160 million, is attractive as a consumer market, leading to many consumer companies setting up bases there." Manufacturer Toshiba Corp, which opened an office in Bangladesh in June last year, has moved to restrict all employees from visiting the country until July 10. "There are only a couple of employees assigned to Bangladesh," said Toshiba spokesman Yukihito Uchida, adding that at this stage the company had no plan to bring them back to Japan. Marubeni Corp, a leading trading company that has thermal power plant construction projects in Bangladesh, said it was able to confirm the safety of all of its nine employees soon after the weekend attack as its Japanese workers are required to report their plans, both

work-related and private, to their supervisors. Under current circumstances, it also provides advice on holiday destinations for its employees, said spokesman Kazuo Hanada. "There are many incidents occurring not only in Bangladesh but worldwide, so we are constantly taking all measures we can think of to ensure the safety of our employees," Hanada said. "The worst case is not being able to contact them." Meanwhile, Motherhouse, which sells bags in Tokyo that are mostly produced at a Dhaka factory run entirely by local employees, said it has confirmed the safety of all workers. "We received a call from the factory director that all staff were safe, and that the production line is operating as usual," Motherhouse spokesman Junki Inaba said. The firm produces 80 to 90 percent of its products in Bangladesh, which it then sells in Japan, Taiwan and Hong Kong. Inaba said the company had been warning its employees of terrorist attacks since October last year, when Japanese national Kunio Hoshi was murdered by Islamic militants in northern Bangladesh. Long considered the poorest Asian country and prone to natural disasters, Bangladesh has shown significant economic growth in recent years, with its gross domestic product logging an annual growth of 6 percent for six consecutive years through 2015.

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## All factories have paid Eid bonus: BGMEA

**STAR BUSINESS REPORT**  
Garment makers yesterday claimed that they have paid salaries of their workers for the month of June and festival bonus for Eid-ul-Fitr. However, The Daily Star could not verify the claims. As of yesterday, 99.95 percent of the factories have paid their festival bonus, said Siddiqur Rahman, president of Bangladesh Garment Manufacturers and Exporters Association, at a press conference at noon at their headquarters in Dhaka. Only two or three garment factories are yet to pay the salaries for the month of June, he said. "The remaining two or three factories will also complete the payment of salaries for the month of June before 4pm today." A central crisis management team is working to monitor the payment situation of workers ahead of Eid, he said. Separate crisis management committees are working in nine zones across the country to keep watch on the matter. "If there is any crisis anywhere, the central crisis management committee and regional committees will act together to resolve it, as the owners have been asked to complete the payment by July 4," Rahman added. All the factories have announced their Eid vacation, and many of the garment workers have already left for their village homes, he said. Expressing deep condolence for the deceased in the terrorist attack at Holey Artisan Bakery, BGMEA leaders said there might not be any bad impact on the garment business. "We have faced some challenges in recent years like the Rana Plaza collapse and frequent shutdowns due to political



**Workers of most garment factories have already received their Eid bonus, BGMEA claims.**  
crisis. We have overcome those challenges with our skills and resilience," Rahman said. Some of the major retailers have already contacted us and said they will not pull out their business from Bangladesh, Rahman said. "However, if such heinous atrocities take place frequently, we will definitely lose our garment business in future."

## Operators of mobile value-added services gear up before Eid

**MUHAMMAD ZAHIDUL ISLAM**  
Mobile entertainment will get a boost this Eid as several music albums, music videos and other entertainment pieces will be released ahead of the biggest religious festival for Muslims. Value-added service companies that provide digital content on the mobile platform said a good portion of their business comes at this time as people are mostly in a festive mood. EB Solutions Ltd, a VAS company, is also preparing to launch the first 'mobile movie' in the country on Banglalink platform. Chowrangi, the first mobile based movie serial produced by EB Solutions, will be released next Friday and Banglalink customers will exclusively enjoy the movie free for a month, said Rafiqur Rahman Khan, managing director of the company. Several music albums were launched in the last few years using the mobile platform. "We are expecting a commercial film to be released on mobile within the next few years." Khan, who is also the general secretary of Content Provider and Aggregators Association of Bangladesh (CPAAB), said the local music industry had become dull and VAS providers have helped modernise and renovate it. Business increases by more than 20 percent than average during Eid, he said. During Ramadan, people are mostly drawn to Islamic content for their welcome tunes. But the night before Eid, there is a shift as VAS operators see massive welcome tune downloads in other segments, Khan said. After the launch of 3G technology in the country in 2013, mobile subscribers are enjoying music videos and this trend is increasing as well. If the government allows 4G within a short time, new entertainment segments will come, VAS providers said. Currently, the VAS market size is more than Tk 200 crore a year and it is growing around 20 percent every year, said Mahbubul Alam, president of CPAAB. Festivals like Eid and New Year, both Bangla and English, also boost their business, Alam said. Within the next few years, people will be fully dependent on mobile entertainment and they are preparing for that, Alam added. Currently, people can enjoy all the local satellite television channels through mobile phones with some international television channels, and here, VAS providers are also playing an important role.

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## Rise in cross-border trade to benefit businesses in South Asia: ADB

**MD FAZLUR RAHMAN**  
Small traders and producers of seasonal goods in South Asia would see more benefits of regional integration, after the bloc moved to enlarge the list of commodities that could be traded. Customs officials from Bangladesh, Bhutan, India, the Maldives, Nepal and Sri Lanka recently gathered in the Maldives in May to discuss ways to help companies and individuals do more cross-border business, faster and at less cost. The officials agreed that more commodities will be added to the product list and the value of the cargo able to use export declarations will be reduced, according to a write-up posted on the website of the Asian Development Bank. "This will benefit smaller-scale traders and producers of seasonal goods. And more border crossings will be able to exchange export declarations as well," the report said. Allowing exporting customs to exchange export declarations for commodities with the receiving importing customs on a daily basis leads to faster cross-verification of data such as declared value, quantity, classification, and so forth.

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## Stock tax declines



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