STOCKS	Week-on-week	COMMODITIES	As of Friday	ASIAN MARKETS			Friday closings	CURRENCIES			As on Thursday STANDARD CHARTERED BANK	
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI		USD	EUR	GBP	JPY
▼ 0.06%	▲ 0.10%	▲ $1,247.00 (per ounce)	▲ $70.58 (per barrel)	▼ 0.02%	▲ 1.85%	▲ 0.23%	▼ 0.23%	BUY TK	82.75	96.00	108.77	0.72
5,358.91	9,994.05			36,541.63	22,597.35	3,260.35	2,831.18	SELL TK	83.75	99.60	112.37	0.76

Star BUSINESS

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Light engineering shows signs of strength

Jagaran Chakma

The country's light engineering sector is gradually emerging as an important source of machinery for many of the $30 billion export earning apparel-markers on the back of better quality and lower price.

Operators make machineries for washing, dyeing and finishing in the textile industry as well as film blowing machines, which are used to make polyethylene into plastic film.

Leading garment exporter Ha-Meem Group is one of the buyers of the locally made machines. The $500-million clothing exporter has recently bought a film blowing machine from Mafia Engineering Works, a local light machinery maker.

Ha-Meem paid Tk 40 lakh to Mafia Engineering for the machine, which would have cost the exporter Tk 6 crore had it been imported.

"In the past, we used to import this type of machine from Taiwan. But we are not looking to foreign suppliers now as we get almost the same machine at much lower cost," said Monirul Islam, production manager of Sakib Poly Industry, a concern of Ha-Meem Group.

COLLECTED

A worker poses next to a film blowing machine that produces poly film to wrap finished garment products, at a factory in Savar.

"What is noteworthy is that some local light machinery makers are using advanced technologies."

Prior to making film blowing machine for Ha-meem, Mafia Engineering, located in the old part of the capital, also supplied DLPG film blowing machine to local conglomerates such as Pran-RFL, Square Pharmaceuticals, Akij Group, Meridian Foods, and Bengal Group, said Abul Kashem Titu, owner of Mafia Engineering.

DLPG film blowing machine is a very basic equipment for the garment industry. It manufactures poly roll used for wrapping denim and other finished products.

Some other light engineering factories are also making this type of machines for local industries, said Titu, who set up his workshop in 1998 with only Tk 50,000 in capital and a lathe machine to make his fortune in the sector that comprises thousands of small and informal operators.

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Farmers Bank fails to pay import bills

Foreign embassies threatening to blacklist the troubled lender

AKM Zamir Uddin

Farmers Bank is now under pressure to settle its overdue payments for import, with a number of foreign missions dangling the threat of blacklisting the troubled lender if it does not pay back immediately.

At present, the bank has overdue payments amounting to Tk 109 crore to foreign and local businesses.

The scam-hit bank had depleted its capacity to make import payment because of a liquidity crisis, which prompted the central bank in January last year to forbid it from opening any letters of credit. But, the instruction was audaciously ignored.

On July 12, the bank wrote to the Bangladesh Bank requesting it to allow the settlement of overdue payment to foreign and local exporters, even if it means creating forced loans or realising the fund from importers.

Md Ehsan Khasru, managing director of Farmers Bank, told The Daily Star yesterday that the bank has taken an initiative to settle the LCs immediately as it now has sufficient cash.

"We have to pay the money immediately to the exporters of China, India, Italy and some other countries to avoid the legal complexities. The central bank has assured us it will give the approval on the issue within Monday."

Khasru, however, said the bank's loan-deposit ratio would go up if it paid the importers by creating forced loans against the importers.

"We will discuss this with the central bank," he added.

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Export stars to be awarded today

Star Business Report

The government will honour 63 companies today with export trophies for their extraordinary performance in fiscal 2014-15.

The commerce ministry and the Export Promotion Bureau (EPB) will hand over the awards at a programme at Osmani Memorial Auditorium in the capital.

The awards would be given under 28 categories, including garment, yarn, textile fabrics, home textile, terry towel, frozen foods, raw jute, jute goods, finished leather, leather goods, footwear, agricultural products and agro-processed products.

The trophies will also be given for export of flower and foliage, handicrafts, plastic goods, ceramic goods, light engineering, electronic products, pharmaceuticals, and software.

63 companies will get export trophies under 28 categories for their extraordinary performance in fiscal 2014-15

The awardees would receive gold, bronze and silver trophies.

Zaber and Zobair Fabrics, a concern of the Noman Group, will receive the gold trophy for logging in the highest export earnings in fiscal 2014-15.

Not only the export volumes of the companies, but also other compliance issues related to tax payment and environment sustainablity were considered while selecting the awardees, said Bijoy Bhattacharjee, vice-chairman of the EPB.

Commerce Minister Tofail Ahmed will hand over the trophies to the recipients.

In fiscal 2014-15, the country's overall export earnings grew 3.35 percent year-on-year to $31.2 billion. However, the amount was well below the year's target of $33.2 billion.

State banks' loss-making branches shrink

Jebun Nesa Alo

State-run banks saw a significant decline in the number of loss-making branches last year as Bangladesh Bank's plan to reduce the institutions is at long last bearing fruit.

At the end of December last year, the total number of loss-making branches of Sonali, Janata, Agrani, Rupali and BASIC banks stood at 335, down from 474 a year earlier, according to data from the BB.

Save for Janata, all state banks have managed to reduce the number of loss-making branches last year by way of expanding their business activities, said Mohammad Shams-Ul Islam, Agrani's managing director and chief executive officer.

Earlier, branches outside of Dhaka would try to make profit through deposit collection. But last year, those were allowed to lend, which enabled them to log in profits, he said.

"This is why the state banks' loan-deposit ratio increased last year," he added.

Sonali, Bangladesh's largest bank, cut down its loss-making branches by 52 last year to 181. Its loan-deposit ratio crept up to 35.78 percent last year from 33.22 percent a year earlier.

During the course of 2017, Agrani's loss-making branches shrunk to 43 from 78. Its loan-deposit ratio rose to 54 percent last year from 48 percent.

Rupali brought down the number of loss-making branches to 33 from 87, with its loan-deposit ratio crawling up 1.52 percent to 62 percent last year. Scam-hit BASIC Bank too cut down its loss-making branches in 2017 to 21 from 28.

Last year, the bank lent aggressively exceeding the 85 percent ceiling for loan-deposit ratio set by the BB. The ratio surged to 98.27 percent last year from 83.62 percent a year earlier.

Janata though saw its loss-making branches increase to 57 from 48.

At the end of December last year, the total number of branches of the five banks stood at 3,695.

Mistrust towards banks an 'ominous sign'

Says BB governor

Star Business Report

A slight mistrust towards the country's banking sector has recently emerged in people's minds, which is an "ominous sign" for banks, said Bangladesh Bank Governor Fazle Kabir yesterday.

The banks have to take appropriate measures to ensure corporate governance in the sector in a bid to resolve the problem, he said.

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