

CURRENCIES

As on Thursday

STANDARD CHARTERED BANK

USD

82.75

EUR

96.16

GBP

108.47

JPY

0.72

BUY TK

83.75

SELL TK

99.76

112.07

0.76

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BUSINESS

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# Seven banks in 'red zone'

BB is likely to take measures as their financial health deteriorates

AKM ZAMIR UDDIN

The central bank is concerned about seven banks, including three state-run lenders, for their deteriorating financial health stemming largely from rising default loans and declining capital and profits.

These lenders belong to the “red zone” in the Bangladesh Bank’s Bank Health Index (BHI) report.

The banks are: state-run Sonali, Rupali and BASIC, private commercial banks Farmers, Bangladesh Commerce and AB as well as foreign lender National Bank of Pakistan.

In the second week this month, the Financial Stability Department (FSD), a wing of the central bank, recommended the BB’s policy and inspection departments take special supervisory and regulatory measures to improve the financial health of the lenders.

DEFAULT LOAN SITUATION OF THE BANKS		
BANK'S NAME	CLASSIFIED LOANS (AS OF JUNE 30, 2018; IN CRORE TAKA)	IN % OF TOTAL LOANS
Sonali	13,139	35
Rupali	4,907	23
BASIC	8,443	57
Farmers	1,521	29
Bangladesh Commerce	550	26
AB	1,525	7
National Bank of Pakistan	1,363	94

SOURCE: BB

requirement in the recent quarters.

Default loans at the seven banks also continued to go up as they had disbursed a huge amount of loans in violation of credit norms in the past.

The central bank also unearthed a number of financial scandals at most of the banks in recent years. Because of the irregularities, they have entered the red zone, a BB official told The Daily Star.

The latest BHI report, prepared on the basis of the financial health as of December last year, showed that 32 banks stayed in the yellow zone and 14 banks in green zone.

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## Indian fabric makers eye Bangladesh

JAGARAN CHAKMA

Indian manufacturers look to capture a bigger share of the fabric market in Bangladesh as the country has already shown its strength in the global readymade garment supply chain, India’s textile raw material exporters said.

Bangladesh, the second largest garment exporter worldwide, largely relies on India, apart from China, for garments raw materials.

Currently, Bangladesh imports fabric worth \$7 billion a year to run its garment sector. Of them, fabric worth more than \$2 billion come from India and \$5 billion from China, according to industry people.

“Bangladesh is a better garments manufacturer than India and the garment sector is dependent on fabric import, which has created an opportunity for Indian fabric manufacturers,” said Rahul Kaviya, director of Ayma Creations Pvt Ltd, India.

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## Thai Lion Air enters Dhaka next month



STAR BUSINESS REPORT

Thai Lion Air, a low-cost private airline of Thailand, yesterday announced to start flights from Dhaka from the beginning of next month.

Tune Aviation, the general sales agent in Bangladesh for Thai Lion Air, made the announcement at a programme at Lakeshore Hotel in the capital.

From October 1, the airline’s Boeing 737-800 aircraft will start operating on the Bangkok Don Mueang-Dhaka route with a daily flight.

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## Green garment factory owners left frustrated



STAR/FILE

A green factory of Viyellatex Group, a leading garment maker based in Gazipur.

REFAYET ULLAH MIRDHA

Green garment factory owners, who have spent billions of dollars for setting up the units, are left frustrated as the international retailers are not rewarding them with higher prices for the initiative.

The factories cost 20 to 30 percent more to construct than the regular ones for their special design units.

“The buyers do not pay even a single cent more for sourcing from a green garment factory,” said KM Rezaul Hasanat, chairman and chief executive officer of Viyellatex Group, a leading garment exporter.

Bangladesh has the highest number of LEED (Leadership in Energy and Environmental Design) green garment factories certified by the US Green Building Council (USGBC).

Currently, 67 green garment factories are in operation and another 300 are in the

process of getting the certification. Of the top 10 green garment factories in the world, the first seven are also located in Bangladesh.

Had Viyellatex Group not constructed its two green garment factories in Gazipur, it could have employed 30 percent more workers, Hasanat said.

“I regret making the green factories,” he said, adding that the buyers pay much lower prices to Bangladeshi garment makers than the Chinese ones.

Kutubuddin Ahmed, chairman of Envoy Group, which has constructed the world’s first platinum-rated green denim factory, echoed the same.

“The buyers do not pay extra prices to us, but the branding gives us a mileage in selling the goods -- they give priority to green factories,” said Ahmed, whose main intent for setting up green factories was to lower the consumption of water and power.

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HSBC

Tofail Ahmed, commerce minister, Fazle Kabir, governor of Bangladesh Bank, and Stuart G Tait, regional head for commercial banking at HSBC Asia-Pacific, pose with the winners of the 8th HSBC Export Excellence Awards at Radisson Blu Dhaka Water Garden yesterday.

## HSBC felicitates top exporters

STAR BUSINESS REPORT

HSBC Bangladesh yesterday recognised six exporters for their leadership in promoting the country and contributing to its sustainable growth.

The winners of the 8th HSBC Export Excellence Awards are: DBL Group, Urmi Group, Etail Accessories, Western Marine Shipyard, Mazen (Bangladesh) Industries Ltd, and Walton Hi-tech Industries Ltd.

Commerce Minister Tofail Ahmed handed over the crests among the

winners at a ceremony at Radisson Blu Dhaka Water Garden.

DBL Group won the exporter of the year award in the readymade garments category with an annual export turnover of more than \$100 million.

One of the leading knit garments and fabrics manufacturers and exporters in the country since 1991, the group caters to buyers mainly in the European Union and the US. It is currently composed of 25 concerns with a workforce of 30,000.

Urmi Group won the award in the

same category, albeit for an annual export turnover of less than \$100 million.

The group started its journey in the 1950s and is accredited by leading international clothing brands. It exports to 49 countries across six continents for 13 retailers.

Etail Accessories became the exporter of the year in the supply chain and backward linkage category for an annual export turnover of \$10 million and more.

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## Shwapno trains farmers on pesticide use

STAR BUSINESS REPORT

Shwapno has taken an initiative to raise awareness among growers on the proper use of pesticides and the best farming practices.

The retail chain has been educating some 200 southern farmers on the time crops have to be given after application of pesticides and other protective chemicals before going for harvests to ensure that no residue of substances applied remains.

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