

DSEX ▼ 0.71% 5,682.41
CSCX ▼ 0.44% 10,555.06



Gold ▼ \$1,283.30 (per ounce)
Oil ▲ \$66.25 (per barrel)

MUMBAI

TOKYO

SINGAPORE

SHANGHAI

USD

EUR

GBP

JPY

BUY TK 83.20 93.58 109.34 0.73

SELL TK 84.20 97.38 113.14 0.77



BUSINESS

DHAKA TUESDAY MARCH 5, 2019, FALGUN 21, 1425 BS • starbusiness@thecitizenstar.net

Banks charge importers more for greenback

Exporters, remitters benefit from taka depreciation

AKM ZAMIR UDDIN

Banks do not follow the exchange rate they set every day in a deviation that inflicts additional costs on importers and may fuel inflation.

Data from the Bangladesh Foreign Exchange Dealers' Association showed that banks fixed the average exchange rate for bills for collection (BC) sale, at which lenders make import payments, at Tk 84.20 per US dollar for the last week, but a majority of the lenders ignored the rate while making payments on behalf of importers.

Bankers blame it on the gap between supply and demand of the dollar. They say the spending spree of the government for implementation of the mega projects has created a fresh demand for the greenback.

City Group, one of the biggest commodity importers and processors in the country, was forced to pay banks Tk 84.70

Banks' declared exchange rate for import payments

In taka



SOURCE: BANKS

to Tk 85.05 a dollar in the last two weeks to settle import payments, up by a minimum Tk 0.50 per USD than the rate set by banks, said its director Biswajit Saha.

An increase of Tk 0.50 per USD may sound insignificant for many, but it can be huge for importers who buy goods in bulk amount. For example, the settlement of \$20 million import payments will require an importer an additional Tk 1 crore because of the rise.

Asked why City Group had to pay more, Saha said banks informed that they did not have adequate foreign currencies.

READ MORE ON B3

LPG becoming vital source of energy

Industry people say

STAR BUSINESS REPORT

The use of energy at both households and industries will undergo a major shift in the next decade as Bangladesh is increasingly making liquefied petroleum gas (LPG) widely available, LPG facility providers said.

The demand for LPG is growing exponentially in the country. It needs about 600,000 tonnes of LPG to meet the current demand, which is projected to be more than 1,400,000 tonnes by 2022.

The rising energy demand and the projected shortage of natural gas are bolstering the growth of LPG use at both household and industry levels.

"The market players in Bangladesh have realised that the use of energy is changing as the government liberalised the business for the private sector to fulfil the growing demand," said Philippe Bechtel, country director of Parlym, an engineering and procurement services company of France.

He was speaking to The Daily Star on the closing day of a two-day South Asian LPG Summit-2019 at the International Convention City Bashundhara in Dhaka yesterday.

READ MORE ON B3



People visit a stall at the two-day South Asian LPG Summit 2019 which ended at the International Convention City Bashundhara in the capital yesterday.



STAR

No disclosure in 18 months

Investors of C&A Textile and Tung Hai Knitting face troubles

AHSAN HABIB

Investors holding shares of C&A Textile and Tung Hai Knitting may find themselves in a difficult situation as the firms have not made any corporate disclosure in the last 18 months and their factories were found shut.

The two companies have not published their annual financial statements in the last fiscal year, in a breach of listing regulations. Their last disclosure was a third quarterly report covering the January to March period of 2016-17.

Since August 2017, both companies have not shared any information with investors through Dhaka Stock Exchange (DSE).

Moreover, the DSE yesterday said it had visited the factory premises and head offices of C&A Textiles and Tung Hai Knitting but found them closed.

"As a result, the team could not enter the factory premises and head offices of the companies to carry out the inspection," it said.

C&A Textile has also been downgraded to junk stock within only three years of its listing in 2015 as its commercial operation was suspended and it did not give any dividend. Similarly, Tung Hai Knitting, listed in 2014, has become a junk stock for not giving dividend.

On June 7, 2017, C&A Textile informed investors through the DSE website that it needed to upgrade some of its equipment and bring some structural changes to the factory as per recommendations of the Accord and the Alliance, two western buyers' platforms working to improve workplace safety in Bangladesh's readymade garment sector.

READ MORE ON B3



dbiceramics.com dbiceramics 01713656565

Chemical imports treble in 10yrs

SOHEL PARVEZ

Bangladesh's chemical imports have nearly tripled in the past decade, spurred by the rising demand from various industrial sectors catering to domestic and foreign markets.

Sector operators said garments and textile sectors are the main consumers of the imported chemicals followed by pharmaceuticals, food processing, cosmetics and toiletries, leather, plastic and other sectors.

Businesses brought in Tk 17,548 crore worth of chemicals in 2017-18, which was only Tk 6,103 crore in 2007-08, according to Bangladesh Bank (BB) data.

Imports rose 12 percent year-on-year to Tk 7,772 crore in the July-November period of the current fiscal year, according to the BB.

"This is a huge market and rising industrialisation fuels demand for chemicals and its trade," said Arif Hossain Masud, general secretary of

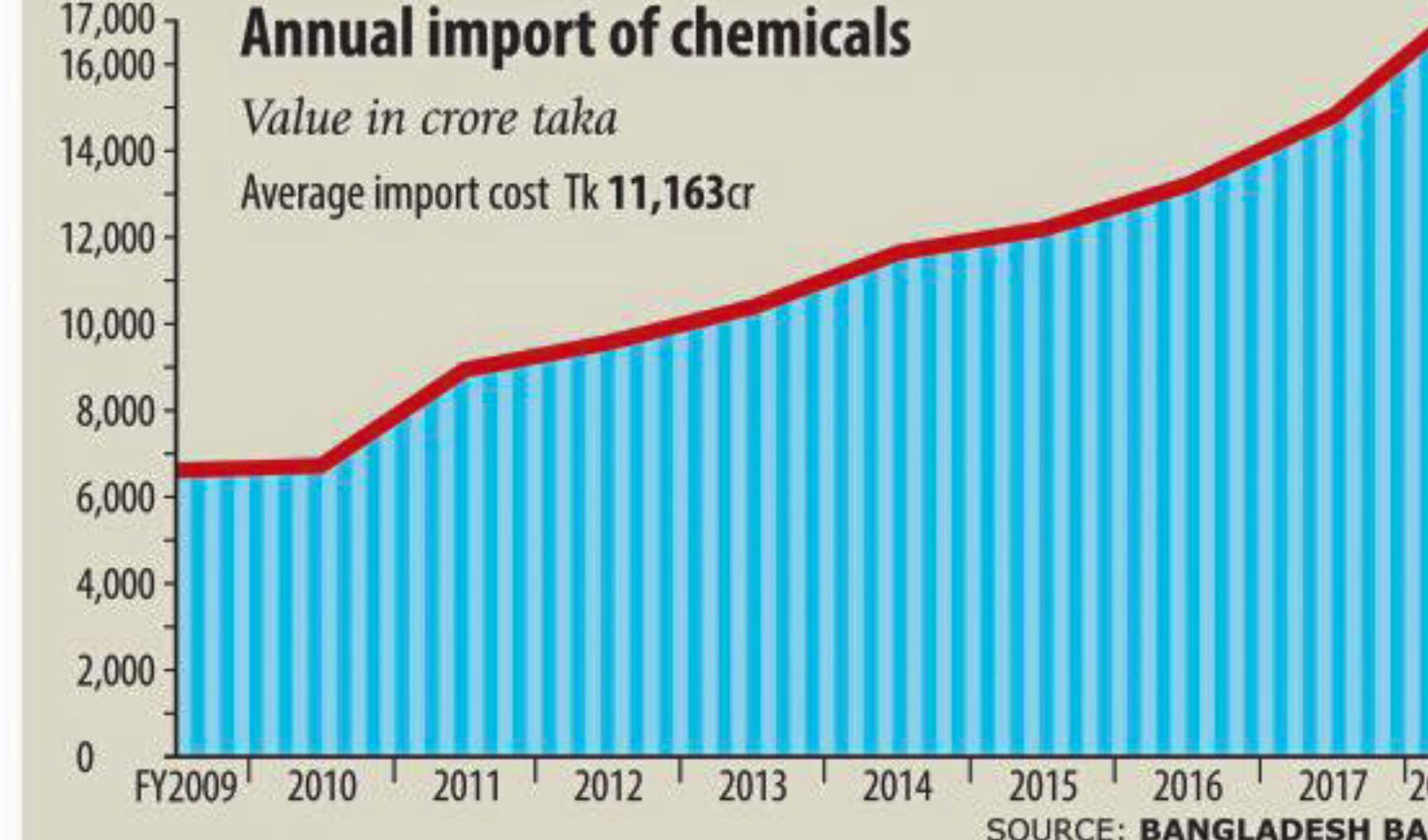
the Bangladesh Chemical and Perfumery Merchant Association based in Old Dhaka.

Old Dhaka garnered attention last month when a devastating fire in Chawkbazar took 70 lives -- the second biggest chemical-fuelled disaster after 2010's Nimtoli blaze when the death toll hit 124.

Stakeholders and operators said the city's old part, particularly Lalbagh, Hazaribagh, Sadarghat and Siddique Bazar area, was the main hub for chemical business, including for the inflammable ones. These stores and warehouses cater for demands of various industries.

Masud said they have already shifted 29 types of risky chemicals to other places from the old part of Dhaka in line with a government directive.

"We will shift the rest of the chemicals and our business if the government allocates a designated area for us," he said.



He said textile and apparel sectors were some of the major consumers of imported chemicals that are used for dying and washing fabrics.

Besides, a lot of chemicals are used in pharmaceuticals and food processing industry, fertiliser and agro sector,

leather and plastic products.

Chemicals are necessary for making paint as well as cosmetics and home care products, he said, adding that a portion of the domestic requirement was met by some local chemical industries.

READ MORE ON B3

Indian carmakers ride on boom of Bangladesh

JAGARAN CHAKMA

Indian automobile manufacturers are keen to expand their market share in Bangladesh after posting steady sales growth in the last couple of years, thanks to rapid economic growth and a rise in purchasing power.

Indian passenger vehicles, mainly sports utility vehicles (SUVs), witnessed an average sales growth of 20 percent in Bangladesh in the last three years despite the dominance of Japanese reconditioned vehicles.

The share of Indian automakers in Bangladesh's brand-new car segment reached almost 35 percent in 2018, according to local distributors.

Talking to The Daily Star, officials of Indian automakers and local distributors, who are taking part in a four-day Indo-Bangla Auto Show in International Convention City Bashundhara of the capital, said the automobile sector in Bangladesh was thriving alongside economic growth.

READ MORE ON B3



Vehicles are on display at the closing of "Indo-Bangla Automotive Show" at the International Convention City Bashundhara in the capital yesterday.

Provident fund of private firms can't sponsor mutual funds

STAR BUSINESS REPORT

Private firms cannot be a sponsor of any mutual fund with the investments of their provident funds, according to a decision of the Bangladesh Securities and Exchange Commission (BSEC) taken yesterday.

On this ground, the stock market regulator refused giving go-ahead to CAPITEC Popular Life PF Unit Fund.

Mutual funds are investment funds that gather a fixed amount of money from a number of investors, including sponsors, and reinvest those into stocks, bonds and other assets.

The BSEC said it has recently approved the unit fund, the sponsor of which, Popular Life Insurance Employees Provident Fund, invested Tk 1 crore.

READ MORE ON B3



MTB Mutual Trust Bank