

COMMODITIES		ASIAN MARKETS				CURRENCIES					
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
Flat	0.41%	\$1,508.50	\$60.34	0.19%	0.37%	0.68%	0.35%	BUY TK	83.75	92.71	107.64
4,682.90	8,646.11	(per ounce)	(per barrel)	40,129.05	22,927.04	3,229.88	2,929.06	SELL TK	84.75	96.51	111.44

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## Rescue plan for farmers

### Govt's paddy purchase to be highest in 24 years

**STAR BUSINESS REPORT**

The government is set to buy 6 lakh tonnes of aman paddy, the highest in 24 years, from growers this harvesting season as it looks to raise the prices of the grain and help growers recoup losses.

And, the volume of paddy purchase, including boro, would be the second highest during the period, according to data from the food ministry.

The ministry bought the highest amount of paddy in 2017 -- 6.70 lakh tonnes in the boro season.

The purchase plan of aman grain, the second biggest staple after boro, was disclosed yesterday after a meeting of the Food Planning and Monitoring Committee (FPMC).

"We will start buying paddy from marginal and small farmers from November 20," Food Minister Sadhan Chandra Majumder said after the meeting at his office.

The decision to buy higher amount of paddy comes after calls for buying the grains directly from farmers grew louder amid losses due to continuous low prices of the staple crop.

Yesterday, the prices of coarse rice were Tk 28-40 a kilogram, down 8.11 percent from a month earlier and 19 percent from a year earlier, according to data from the Trading Corporation of Bangladesh (TCB).

The food ministry estimates production of this year's aman paddy would cost Tk 21.55 a kg, down from Tk 25.30 the previous year.

The food ministry buys paddy at Tk 26 a kg based on the list of marginal farmers to be supplied by the Department of Agricultural Extension (DAE) and scrutinised by upazila procurement committee, Majumder said.

In case the number of farmers exceeds the procurement target, lottery will be conducted, he said.

Also, 3 lakh tonnes of parboiled rice would be procured at Tk 36 each kilogram, which was the same the previous year.

And 50,000 tonnes of un-boiled rice would be bought at Tk 35 a kg, the minister said.

"We have not reduced the purchase prices of rice from the previous year," he said.

The announcement comes nearly three weeks before farmers will start harvesting rain-fed aman paddy, which accounts for 38 percent of the annual rice



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output.

In the current season farmers planted paddy on 58.94 lakh hectares, which is much higher than the previous season, according to the DAE.

The decision to buy paddy has been taken so that farmers get fair prices, said Agriculture Minister Muhammad Abdur Razzaque.

"Previously, rice was mainly purchased. But from this year we have started buying paddy at higher quantity," he said, adding

that food directorate bought 4 lakh tonnes of paddy in the immediate boro harvest.

"We have tried to buy paddy from real farmers. Even after that there might be mistakes and it happened in some cases. This time we will be more cautious," he said, adding that monitoring would be strengthened.

Farmers cannot ensure required 14 percent moisture in paddy and they are sent back by procurement officials in the field for failure

to comply with the moisture parameter, he said.

"We have decided to buy moisture meter in every union so that farmers can check the moisture level through our assistant agricultural officer there before taking their paddy to the procurement centres."

Razzaque said it might not be possible to provide such meters in all unions during the coming aman harvesting season.

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## AUDIT CLAIMS OF TK 12,580CR GP gets time to inform SC how much it can pay now

**STAR BUSINESS REPORT**

The Supreme Court yesterday gave two more weeks to Grameenphone to inform it how much money the operator can pay to the Bangladesh Telecommunication Regulatory Commission (BTRC) now out of Tk 12,580 crore claimed by the regulator.

The development came after lawyers of the country's largest mobile phone operator sought two months from the apex court to comply with the order following consultation with its investors. The next hearing will take place on November 14.

In their prayer, the lawyers informed the SC that it has already paid more than Tk 2,000 crore to the National Board of Revenue (NBR) in the areas a BTRC audit is claiming money from the operator. Talks are also going on with the government to settle the matter out of court.

Of the BTRC's total claim, Tk 4,086 crore is related with the NBR.

Advocate AM Aminuddin and Barrister Sheikh Fazle Noor Taposh, who represented the operator, said GP did not say that it would not give the money.

At a meeting presided over by Finance Minister AHM Mustafa Kamal on October 3, it was decided that GP would deposit Tk 100 crore so that the BTRC withdraws its licence cancellation showcase notice and moves for reviewing the audit report.

However, on Wednesday, the minister accused GP and Robi of not cooperating with the authorities to bring an end to the dispute with the BTRC through talks.

"As a result, it will be settled in courts," he said, after a meeting of the cabinet committee on purchase at the secretariat.

Telecom Minister Mustafa Jabbar also made a similar remark last week. The government had drafted a memorandum of understanding to sign with GP and Robi, but the process stalled after the court asked GP to inform it about the sum it is capable of providing at the moment.

The BTRC claimed Tk 867 crore from Robi after running two separate audits on the operator's books. A separate hearing on a Robi petition is scheduled for November 3.

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## Regulator pushes broker to pay IPO money

**STAR BUSINESS REPORT**

The stock market regulator yesterday asked Shah Mohammad Sagir & Co, a broker, to pay off investors' money -- if necessary by selling its licence.

The Bangladesh Securities and Exchange Commission (BSEC) took the decision in a commission meeting.

Over 40 investors have complained to the regulator that the brokerage firm is not repaying the money they deposited during initial public offerings.

In response the stock market regulator suspended the share transaction activities of the broker and ordered the Dhaka Stock Exchange to run an investigation.

Accordingly, the DSE ran an investigation and found the complaint to be true.

As a result, the BSEC took the decision and asked the DSE to file a criminal case against the stock broker.

The commission has also decided to fine the shareholder directors of Generation Next Fashion Tk 5 lakh each due to breach of securities law.

The BSEC said the garment maker failed to prepare its audit report as per the international accounting standards, failed to utilise the right share proceeds and continued with its audit firm, ATA Khan & Co Chartered Accountants, for more than three years.

For violating the securities rules, along with the fine, the BSEC has removed ATA Khan & Co Chartered Accountants from a special audit panel, so it will not be allowed to audit any listed company's account.

## Bangladesh turning into a hotspot for leather, leather goods



Prime Minister Sheikh Hasina, left, takes a look at leather products after opening the Bangladesh Leather Footwear and Leather Goods International Sourcing Show in the capital's Bangabandhu International Conference Centre on October 30. Sales executives, right, brief visitors about a machine used in making leather shoes, at the seventh International Leathertech Show at International Convention City Bashundhara in Dhaka yesterday.



PID/STAR

**REFAYET ULLAH MIRDHA**

With great hopes, Yih Hang, a Taiwanese shoemaking machinery manufacturer, is participating in the 7th International Leathertech Show at the three-day International Convention City Bashundhara in Dhaka.

Last year, Yih Hang sold 30 shoe-making machinery, with prices ranging between \$20,000 and \$50,000.

"The demand for the machines is soaring here," said Leon Ku, sales representative of the company, at his stall at the exhibition.

Ku already sold one machine worth \$20,000.

"Bangladesh is a prospective market for us as the leather and leather goods, shoes and the accessories industries are growing at a faster rate."

It is not just Yih Hang -- almost all the local and international participants at the fair said now is the time to do business in Bangladesh as the sector is growing fast.

"We are expecting very good business in Bangladesh," said Hafizul Islam, an executive of Zoje Bangladesh, a company that mainly sells sewing machines in the garment factories.

"Recently, we have started selling sewing machines for the shoe industries as the demand is rising," said Islam.

Every year Zoje Bangladesh sells sewing machinery worth \$16 million. Of the amount, a majority is shoe-making machinery, which was almost nothing in the past.

Md Rashedul Islam, marketing executive of Salsabil Trading Company, said: "This is a very good time for us. We are selling high-end shoe-making machinery as the demand is increasing."

However, the demand for machinery would have increased manifold had the production facilities at the newly established Savar Tannery Industrial Estate (STIE) performed well, said leather and leather goods

manufacturers and exporters at the show.

"Although the demand for leather and leather goods is very high among international buyers, we are not fully ready to make the most of the full potential," said Maksudur Rahman, marketing manager of Salma Tannery at the STIE.

For instance, his company used to ship 5 lakh square feet of tanned leather every month previously, whereas it is very difficult to send even 3 lakh square feet of leather a month

**If the central effluent treatment plant is not fully functional, exports will decline, says Saiful Islam, president of the Leathergoods and Footwear Manufacturers & Exporters Association of Bangladesh**

as Bangladesh cannot export to European markets owing to poor compliance and as the central effluent treatment plant (CETP) at the STIE has not been fully operational.

Recently, Japan, Korea, and Italy have almost stopped buying Bangladeshi leather for poor compliance.

The three countries used to buy a lot of Bangladeshi leather all year round, Rahman said.

Rahman's company along with others sends leather to only China and to some other non-compliant buyers at

nearly 40 percent less price.

Leather goods exporters do not get higher prices of their products unless the Leather Working Group (LWG), the global compliance audit organisation, certifies companies that they are compliant.

Since Bangladesh does not comply with the conditions of the LWG, local leather and leather goods exporters have to sell at much lower prices to buyers from China, who are not too fussed about compliance.

Bangladesh produces nearly 400 million square feet of rawhide, of which the local leather and footwear companies consume 30 million square feet.

Some leather goods and footwear companies import 20 lakh square feet high-quality leather to make exportable goods, according to industry insiders.

If the CETP is not fully functioning, exports will decline, said Saiful Islam, president of the Leathergoods and Footwear Manufacturers & Exporters Association of Bangladesh (LFMEAB).

The CETP should be working by now as its construction started a long time ago, he said.

"If we can comply, it would not be difficult to achieve our targeted export from the leather and leather sector in the next few years," Islam said at a seminar at the exhibition, which will continue until November 2.

Last fiscal year, Bangladesh exported \$1.01 billion worth of leather and leather goods, according to data from the Export Promotion Bureau.

More than 300 exhibitors from nearly 20 countries are showcasing finished leather products, machinery for tanning and manufacturing footwear and leather goods along with components like dyes and chemicals, accessories and allied products.

## Banks' account maintenance fees slashed

**STAR BUSINESS REPORT**

The central bank yesterday cut account maintenance fees imposed by banks with a view to encouraging small savers to park their deposits in the banking sector.

From now on, clients will not have to pay any account maintenance fee for their deposits of up to Tk 10,000 in savings account from the previous charge-free ceiling of Tk 5,000.

Savers will have to pay Tk 100 as fee for their savings deposits of over Tk 10,000 to Tk 25,000, according to a central bank notice sent out to all banks.

Clients earlier had to pay the same charge for their deposit amounts ranging from Tk 5,000 to Tk 25,000.

Banks impose the charges on a half-yearly basis.

The latest instruction will also help banks strengthen their deposit base, the BB circular said.

Clients earlier counted Tk 300 as savings account maintenance fee if the deposit of a client surpassed Tk 25,000.

The latest instruction will also give relief to clients from the existing high charges as this time it has also lessened the fees for the deposits that will exceed the amount of Tk 25,000.

Banks will be allowed to impose a charge of Tk 200 for deposits of over Tk 25,000 to Tk 200,000.

Clients will have to pay Tk 250 as account maintenance fee for deposits of over Tk 200,000 to Tk 1,000,000.

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