**ASIAN MARKETS** 

TOKYO

**0.11%** 

**0.71%** 



DHAKA FRIDAY NOVEMBER 8, 2019, KARTIK 23, 1426 BS starbusiness@thedailystar.net

# 39pc RMG exporters supply China bourse to launch at losses, a study finds

#### FREIGHT ON BOARD (FOB) PRICES (2011-2016) **Markets/Products** % change 2011 2016 \$4.64 -7.79 \$5.03 **US** buyers \$5.32 \$4.75 -10.67 European buyers \$4.91 \$4.47 -9.04 Trading houses \$4.90 \$4.63 -5.50 \$3.40 \$3.80 -10.50 \$6.05 -6.61 \$6.43 \$6.10 -5.17 Bottoms \$4.58 \$5.01 -8.55 Tops T-Shirts \$2.43 -10.70 \$2.72 SOURCE: SOURCING SURVEY

COMMODITIES

Gold T

\$1,480.20

**STOCKS** 

**0.36%** 

CSCX

**0.24%** 

DSEX







STAR BUSINESS REPORT 

As many as 39 percent of the Bangladeshi garment exporters accept prices below their production costs for the sake of business relations with international retailers, according to a study by the Fair Wear Foundation (FWF).

Based in Amsterdam, FWF is multi-stakeholder independent organisation that works with garment

brands, garment workers and industry influencers to improve labour conditions in garment factories.

SOURCE: CALCULATIONS BASED ON OTEXA AND BLS DATA

**CURRENCIES** 

**BUY TK** 83.85

SHANGHAI

Flat

Apart from the threat of severed business ties, the suppliers accepted work orders from froeign buyers at rates lower than their production costs for mistakes in cost calculation or to one-up their competitors, the study also found.

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# index at DSE

Bid to attract Chinese investors to the secondary market

AHSAN HABIB, from Shenzhen,

The Shenzhen Stock 深圳证券交易所 Exchange (SZSE) is going to introduce a new index at the Dhaka Stock STOCK EXCHANGE Exchange this year to

market of Bangladesh's premier bourse. An SZSE-led Chinese consortium, made up of Shenzhen and Shanghai stock

the DSE in September last year by purchasing the Dhaka bourse's 25 percent stake. "The index will be formed by the SZSE

in association with the DSE where well-

stocks performing will be included," Liu Fuzhong, a director of the Shenzhen exchange, told reporters yesterday. Fuzhong

speaking at the inaugural attract Chinese investors to the secondary ceremony of the third China-Bangladesh Capital Market Cooperation Seminar in the southeastern Chinese city.

The SZSE and the DSE jointly organised exchanges, became the strategic partner of the event at the conference room of the SZSE with V-next, Asian Tiger Capital Partners, and Kingdom Technology as coorganisers.

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# Trade deficit shrinks in first quarter

AKM ZAMIR UDDIN 

Trade deficit narrowed slightly in the first quarter of the fiscal year as both exports and imports declined, a development that can be construed as symptoms of an economic slowdown.

Between the months of July and September, trade deficit, a situation when imports exceed exports, stood at \$3.71 billion, down 3.50 percent yearon-year, according to data from the central bank.

During the period, imports declined 2.55 percent from a year earlier to \$13.25 billion and exports 2.18 percent to \$9.53 billion.

Along with trade deficit, current account

deficit also decreased 48.48 percent yearon-year to \$678 million in the first quarter of fiscal 2019-20.

Decreasing trade and current account deficits is good for any economy, but the declining trend of both exports and imports is worrisome, said experts.

The overall balance, the most important indicator of the external sector, showed a frustrating performance in the first quarter as the balance in the capital and financial accounts decreased rapidly.

Deficit in the overall balance stood at a negative of \$204 million in the July-September period, up from \$158 million in the negative.

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# Bangladesh bought over 1pc of global LNG in first year

Bangladesh has made remarkable progress by receiving more than 1 percent of total global production of liquefied natural gas (LNG) in the first year after entering the LNG import marketplace.

STAR BUSINESS REPORT

"Bangladesh astonished the world with its dramatic entry into the LNG market," said Steven Kobos, president and managing director of Excelerate Energy, a US-based LNG company.

"To receive more than 1 percent of the total global LNG production in the first 12 months of operations is truly a remarkable achievement," he said in a statement. **READ MORE ON B3** 



Prime Minister's Energy Adviser Tawfiq-e-Elahi Chowdhury, third from left, poses at the Bangla LNG Workshop 2019, in Dhaka on Wednesday.

### BB-led banking commission won't be fruitful: TIB

A banking commission under the leadership of the Bangladesh Bank will not produce any fruitful result as the central bank has already failed to perform its duties, the Transparency International Bangladesh (TIB) said yesterday.

"Forming a commission is a very positive move, but it must be independent so that it can review the health of the industry neutrally and make recommendations accordingly," the TIB said in a statement.

TIB's reaction came a day after Finance Minister AHM Mustafa Kamal said the government is going to form a banking commission soon.

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## Banks assured of relaxed loan write-off policy

The central bank yesterday assured banks that it would further relax the loan write-off policy in order to help them clean up their balance sheet through shedding of high amount of defaulted loans.

The Association of Bankers, Bangladesh (ABB), a forum of managing directors of commercial banks, received the assurance at a meeting with Bangladesh Bank Governor Fazle Kabir at the central bank headquarters in the capital.

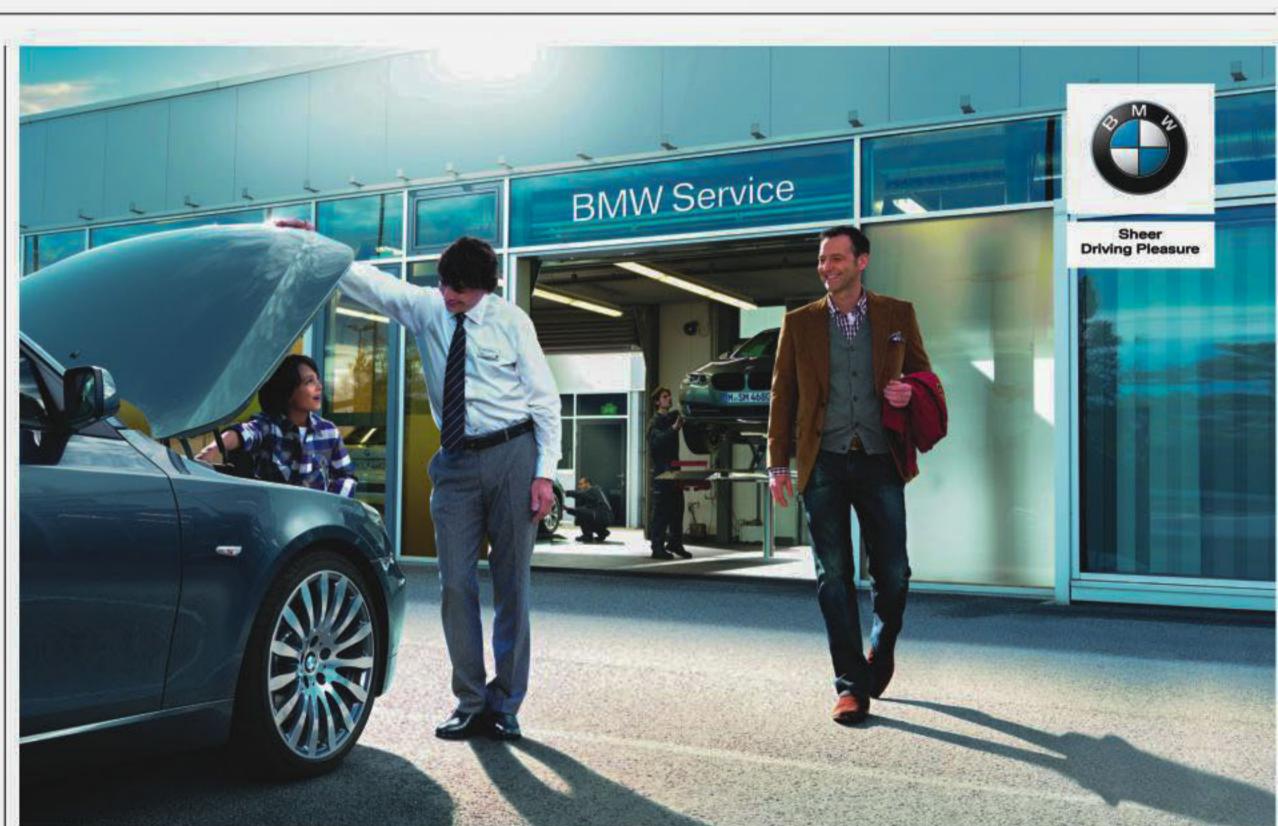
"The central bank has responded positively to the ABB's request on revising the write-off policy," Syed Mahbubur Rahman, chairman of the association, told The Daily Star after the meeting.

The central bank has started working to relax the writeoff policy for the second time in nine months, bowing down to pressures from an influential quarter, a central bank official said.

This time, banks are likely to be allowed to write off defaulted loans that have been hovering in the bad category for one year from their balance sheet, down from three years previously.

On February 6, banks were allowed to write off defaulted loans that were marked bad for three years in a row instead of earlier five years, as the central bank wanted to show lower amounts of sour loans.

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