

| STOCKS | | COMMODITIES | | ASIAN MARKETS | | | | CURRENCIES | | | |
|----------|----------|-------------|--------------|---------------|-----------|-----------|----------|------------|-------|--------|------|
| DSEX | CSCX | Gold | Oil | MUMBAI | TOKYO | SINGAPORE | SHANGHAI | USD | EUR | GBP | JPY |
| ▼ 0.08% | ▼ 0.09% | \$1,496.00 | \$67.10 | ▼ 0.44% | ▲ 0.04% | ▲ 0.24% | ▲ 0.67% | 83.95 | 92.26 | 108.02 | 0.75 |
| 4,390.67 | 8,105.88 | (per ounce) | (per barrel) | 41,461.26 | 23,830.58 | 3,221.67 | 2,982.68 | 84.95 | 96.06 | 111.82 | 0.79 |





**Quicker
Easier & Safer**

Fund transfer, Utility bill payment,
Top up mobile balance,
Credit card bill payment
& many more



Social Islami Bank Limited



BUSINESS

DHAKA WEDNESDAY DECEMBER 25, 2019, *POUSH 10, 1426 BS* starbusiness@thedailystar.net

Single-digit interest Govt yet again extends tannery estate project for industrial loans

STAR BUSINESS REPORT

The central bank yesterday decided to cap the interest rate on industrial loans in a move that would be a boon for manufacturers as their cost of funds would go down to single digit at the expense of banks' profitability.

The decision, which aims at making businesses vibrant, came at a board meeting of the central bank at the Bangladesh Bank headquarters in Dhaka.

Businesspeople welcomed the central bank's initiative, saying the measure will give a shot in the arm of the industrial sector, giving them respite from the burden of higher interest rates.

But bankers and experts expressed their concern and said it would have a negative impact on the banking sector as lenders will shy away from disbursing loans to the industrial sector due to the lower interest rate.

Banks now charge interest rates between 12 percent and 14 percent for industrial loans, creating a difficult situation for the manufacturers, according to an entrepreneur.

But they will have to give out loans to the

manufacturing sector at single digit interest rate from January 1, said Md Serajul Islam, spokesperson and an executive director of the central bank.

The banking regulator will issue a notice within a day or two to make the decision effective, he said.

A board member of the banking watchdog, on condition of anonymity, said banks would be given some financial supports to implement the initiative.

For instance, the government will park its project funds in the current account with lenders so that they do not need to give any interest to state-run agencies, he said.

"The decision to bring down the lending rate would help export-oriented industries to mitigate existing crisis," said Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association.

"The production cost in the readymade garments sector increased by 30 percent in the last four years. Similarly, the export earnings have continued a downward trend in recent period," she said.

The move will help manufacturers set up new industrial units and expand the existing ones, said Rubana, also the managing director of Mohammadi Group.

Asif Ibrahim, vice chairman of Newage Group of Industries, echoed Rubana.

"The measure will bring a huge positive impact for the industrial sector given the existing slowdown in the economy. New industries will benefit from the initiative as well," he said.

READ MORE ON B3

STAR BUSINESS REPORT

The long-awaited Savar Tannery Industrial Estate (STIE) project that began in 2003 is now expected to be fully complete next year after the government yesterday extended its deadline once again.

The Executive Committee on National Economic Council (Ecne) approved the extension of the project in its fourth revision, where the expenditure was cut by Tk 63.15 crore to Tk 1,015.56 crore.

The tenure was extended mainly to complete the central effluent treatment plant (CETP), install some gates and construct three dumping yards.

Until June this year, some Tk 792.10 crore, or 73.43 percent, of the total allocation has been

spent.

In the original plan, the STIE project was supposed to be complete in 2005 at a cost of Tk 175 crore.

In its second revision in August 2013, the project's tenure was extended to June 2016 and the cost hiked to Tk 1,078 crore.

However, the tenure was extended for the third time in January 2017 to June 2019, keeping the project cost unchanged.

Now a fourth extension had to be made.

Jitendra Nath Paul, project director of the STIE, said the implementation of the project was delayed for legal complexities.

Although work for the project was supposed to start in 2003, it actually began from 2012. Moreover, the implementation was delayed when the construction of the CETP was delayed



STAR/FILE

A partial view of the central effluent treatment plant at Savar tannery estate.

A TIMELINE OF PROCRASTINATION

Initially approved in August 2003; cost set at Tk 175.75cr; deadline fixed for Dec 2005

Industries ministry extended the deadline to June 2006

Planning ministry further stretched it to June 2007

Ecne later reset the deadline to June 2010 and revised up cost to Tk 545cr

In another revision in August 2013, the completion time was set for June 2016; cost raised to Tk 1,078cr

Revised again in 2017; time extended to June 2019; cost remained same

Latest revision yesterday; cost declined to Tk 1,015cr; time extended to June 2020

Some realtors fleecing customers

Housing minister says; real estate fair begins in Dhaka

STAR BUSINESS REPORT

Realtors should carry out businesses with integrity and without fleecing customers, said SM Rezaul Karim, housing and public works minister, yesterday.

"I want the realtors to make money by doing business maintaining ethics and integrity," he said, while addressing the opening session of a five-day housing fair.

The Real Estate and Housing Association of Bangladesh (REHAB) has organised the

winter edition of the event at the Bangabandhu International Conference Centre in Dhaka.

The minister alleged that some dishonest developers are fleecing the people through colourful ads in newspapers and billboards, asking them to stop the ill-practices.

He urged realtors to avoid unhealthy competition between themselves and advised the REHAB to raise awareness among customers about the vested quarter of developers.

REHAB President Alamgir Shamsul Alamin said the government should utilise



STAR

Visitors throng stalls of the real estate fair at the Bangabandhu International Conference Centre in Dhaka yesterday.

Burial plots for Tk 3.5 lakh

STAR BUSINESS REPORT

Rawdatul Jannah, a concern of MIS Holdings, is offering permanent burial plots at the ongoing REHAB fair, as the developer looks to solve the capital's graveyard crisis arising out of exponential population growth.

Dhaka, a city of 16 million, has only eight public graveyards -- too few to cope with demand. Since 2008, city corporation officials have stopped allocating permanent graves, while a semi-permanent one, which can last about two years, can cost upwards of Tk 1.50 lakh.

"Every day, 300 people die on average in Dhaka city, but there is not permanent resting space," said Showayeb Hossain, managing director of Rawdatul Jannah.

READ MORE ON B3

the expertise of realtors by involving them in public infrastructure projects. He also urged the government to complete the procedure to reduce apartment registration fee as soon as possible.

The housing minister assured realtors of bringing changes to government policies so that they can participate in public tenders even if they don't have required experience.

The minister warned land officials who are already involved in corruption or thinking to commit irregularities, asking them to leave the job.

READ MORE ON B3

Walton opens RAM chip production

Motherboards by Q1 of 2020

STAR BUSINESS REPORT

The production of random-access memory or RAM chips, which are generally located on computer motherboards and store the operating system, application programmes and data in current use, was formally inaugurated at Walton's hi-tech park at Gazipur yesterday.

Finance Minister AHM Mustafa Kamal did the honours through a video conference at his office in presence of Mustafa Jabbar, posts, telecommunications and information technology minister, and Zunaid Ahmed Palak, state minister for ICT.

The local tech company started assembling laptops and computers in the

plant in January 2018.

Now 8,000 to 10,000 laptops and 4,000 personal computers take shape every month while the company expands the list of different components it can manufacture.

Production of the RAM chips started a couple of months ago and the company will go for exports on meeting its own demand, said Liakat Ali, chief executive officer of the group's computer division.

"We are also producing motherboards but it will take a few more months to inaugurate it officially," he said, adding that other components such as processors and hard disks would be manufactured within a short time.

READ MORE ON B3



WALTON

Finance Minister AHM Mustafa Kamal, Telecom Minister Mustafa Jabbar and ICT State Minister Zunaid Ahmed Palak inaugurate production of Walton RAM through a video conference in Dhaka yesterday.

DBL Pharma to buy GSK's ointment manufacturing line

STAR BUSINESS REPORT

DBL Pharmaceuticals, a subsidiary of DBL Group, is all set to buy the cream and ointment manufacturing line of GlaxoSmithKline Bangladesh as part of a plan to reintroduce the products of the British pharma giant.

Some of GSK's widely consumed brands like Betnovate, Dermovate and Neobacrin are no longer available in Bangladesh since the end of 2018 when the multinational firm shut its drug manufacturing operations in the country.

DBL will bring alternatives of the discontinued GSK dermatological products to the market using the same technology, according to a statement of DBL Group.

GSK and DBL have informed the Directorate General of Drug Administration about the signing of a deal in this regard between the two entities on December 22.

DBL is establishing a Tk 700 crore pharmaceutical manufacturing plant following the standards of the US Food and Drug Administration at Kashimpur in Gazipur, which is expected to be fully operational by late 2020.



EASTERN BANK

Li Jiming, Chinese ambassador to Bangladesh, Ali Reza Iftekhhar, managing director and CEO of Eastern Bank, and Ashutosh Agrawal, general manager of UnionPay International, attend the launch of UnionPay credit cards in Bangladesh by the bank at a city hotel on Sunday. With them are Hassan O Rashid, the bank's additional managing director, M Khorshed Anowar, head of retail and SME banking, and Ziaul Karim, head of communications and external affairs.

Use of electronic locks to be made mandatory soon

NBR chairman says about export, import consignments

STAR BUSINESS REPORT

The revenue authority plans to make use of electronic seals and locks mandatory soon on all export and import consignments to prevent tampering of goods on their way to and from the port.

Earlier in 2017, the National Board of Revenue (NBR) introduced the electronic seal and lock rules but failed to enforce it amid opposition from businesses on grounds of high costs.

The NBR will soon sit with the businesses to roll out the system, its Chairman Md Mosharraf Hossain Bhuiyan said at the launch of uniforms for customs officials.

All customs officials will have to wear the newly introduced uniforms from March 1, he said at the event at the Institution of Diploma Engineers Bangladesh.

He also shared an instance when a foreign buyer alleged that a Bangladeshi exporter had tampered with a consignment and sent garment waste in place of t-shirts.

READ MORE ON B3