

Stocks	
DGEN	0.09%
	5,522.66
CSCX	0.06%
	10,452.77

Asian Markets	
MUMBAI	0.17%
	17,821.96
TOKYO	0.81%
	11,161.23
SINGAPORE	0.19%
	2,971.60
SHANGHAI	1.02%
	3,161.25

Currencies		
	Buy Tk	Sell Tk
USD	68.62	69.62
EUR	91.77	95.91
GBP	103.90	108.22
JPY	0.73	0.77

Commodities	
Gold	\$1,148.80 (per ounce)
Oil	\$83.70 (per barrel)

News in Brief	
BBF launches brand management programme	STAR BUSINESS REPORT

BBF launches brand management programme

STAR BUSINESS REPORT

Bangladesh Brand Forum (BBF) yesterday launched a postgraduate programme on brand management, aiming to improve the branding quality in the country.

Knowledge Centre, a BBF initiative, will organise the three-month programme: Brand Management Masterclass. The class starts on May 9.

The programme aims to help people know about a variety of fields: how the brand strategy is developed, how to segment the market for a better allocation of resources and choose a position that leverages a company's advantages.

The starting session will be on basic marketing. There are also sessions on importance and evolution of brands, value creation and value delivery.

There will be separate sessions on fundamentals of public relations, customer experience management and portfolio management.

The advisory panel for the programme consists of 10 members from different organisations.

Indian govt backs Lafarge on mining

PALLAB BHATTACHARYA, New Delhi

The Indian government said yesterday it concurred with the views of Attorney General GE Vahanvati that cement giant Lafarge should be allowed to resume mining in the forests of Meghalaya for its Bangladesh plant.

"We support whatever the attorney general said on Monday (in the Supreme Court)," Environment Minister Jairam Ramesh told reporters on the sidelines of a function in New Delhi.

He was responding to a query whether the ministry agrees with Vahanvati's suggestions on imposing conditions on the company before giving it a go-ahead.

Earlier, the Indian court stopped Lafarge from mining in Meghalaya over environmental concerns.



Finance Minister AMA Muhith speaks at the launch of ICCB Conference -- Energy for Growth, organised by the International Chamber of Commerce-Bangladesh (ICCB) at Radisson Water Garden Hotel in Dhaka yesterday. ICCB Vice President Latifur Rahman, left, ICCB President Mahbubur Rahman, middle, and International Chamber of Commerce (ICC) Chairman Dr Victor K Fung, extreme right, are also seen. (Story on B3)

Lengthy process sets back power projects

Energy experts suggest a single committee for approval

STAR BUSINESS REPORT

The government should bring all the energy projects under a single committee to accelerate implementation, said experts yesterday.

A power project, public or private, needs to hurdle over at least five major committees for getting approval, which sometimes takes years under the existing process, they said.

They were speaking at a discussion on 'Power project development: Exploring the critical path' at Radisson Hotel in Dhaka.

International Chamber of Commerce-Bangladesh (ICCB) organised the discussion as part of its daylong conference on 'Energy for Growth' at the hotel where energy experts, bankers, academicians and entrepreneurs from home and abroad spoke.

Syed Manzur Elahi, chairman of Apex-Adelchi Footwear Ltd, said the country has made a 40 percent demand-supply gap of power over the last 20 years.

"One or two committees are enough for a project approval," Elahi said.

Toshiro Maruo, assistant general

A BRIEF ACCOUNT OF THE CONFERENCE OUTCOME

- A more balanced fuel-mix to ensure energy security
- Proposals for independent power plants should be evaluated quickly. Bidding process should be simple and transparent
- Capital market could be a source of financing power projects
- To rationalise tariff, the government is planning a 12 percent annual growth in tariff until 2013, according to a paper presented by the power secretary

manager, Power Projects and Infrastructure Administration Department of Japanese Marubeni Corporation, said he has bitter experience about Bangladesh as his company has to participate for seven times in a bidding in energy sector.

The delay in implementation increases the cost of the projects for which ultimately the prices of the outputs go up and the end-users need to pay high, he said.

"We demand quick approval of the power projects," he said, adding that Marubeni Corporation is participating in the ongoing bidding

for new power projects.

Suggesting a single committee for project implementation, Muhammad Aziz Khan, chairman of Summit Group, said the main challenge for the energy sector is the delay in decision making.

Tariff goes up because of a lengthy process, he said.

Steve Wilson, president of Chevron Bangladesh, suggested energy conservation as a short-term solution, enhanced maintenance at the existing gas fields as mid-term and onshore exploration as long-term solution for the energy sector.

Lars Bentzon Goldschmidt, deputy director general of DI Confederation of Danish Industry, said Denmark underwent an acute power crisis in 1972 as the country was fully dependent on petroleum products for power generation. "But later coal-based power generation solved the problem," he said.

Abul Kalam Azad, secretary to the energy ministry, said even the private sector companies do not supply the promised electricity in time although they take advance payment.

"We have taken a lot of projects and plans to meet the growing demand for electricity."

Country Director of World Bank Ellen Goldstein said Bangladesh is in the grip of a serious energy crisis with multiple dimensions.

"I want a single committee (for power project approval)," said Fazlul Hoque, president of Bangladesh Knitwear Manufacturers and Exporters Association.

ASM Alamgir Kabir, chairman of Bangladesh Power Development Board, and Munawar Misbeh Moin, director of Rahimafrooz Group, also spoke at the session.

(MORE ON B3)

ADB sees economy rebound in 2010-11

Downside risks may mar projections, report says

STAR BUSINESS REPORT

Asian Development Bank (ADB) has predicted that Bangladesh economy will register 6.3 percent growth in fiscal 2010-11, buoyed by recovery in global demand.

The multilateral lender pinned hopes partly on improvements in business and investment confidence as the power situation is expected to improve.

In its Asian Development Outlook (ADO) 2010 released yesterday, the Manila-headquartered organisation said several downside risks could undermine the projections.

"These include weaker-than-expected global economic recovery, failure of planned measures to address the growing power and gas shortages and weakened business confidence because of a lack of progress in economic and governance reforms."

ADB said Bangladesh economy would slow to 5.5 percent in fiscal 2009-10 from 5.9 percent a year ago, due to the late effects of depressed external demand for low-priced garments.

ADB said underinvestment over the years has resulted in the acute deficiencies, especially in power and gas, ports and roads, which are restricting business opportunities and access to public services.

"The infrastructure gap has to be eliminated. The government needs to decisively address the power and energy issue for faster growth," Paul J Heytens, country director of ADB in Bangladesh, said while launching the ADO 2010.

It also said average inflation will rise to

7.5 percent in fiscal 2010 from 6.7 percent a year ago, expecting excess liquidity in banks and international commodity price pressures to stoke inflation.

The ADB forecasts came a day after the International Monetary Fund (IMF) said growth of Bangladesh economy will slow to 5 percent in the current fiscal year while average inflation will hit nearly 8 percent by the end of fiscal 2010.

The growth and inflation forecasts made by the two multilateral lenders disagree with the government projection of 6 percent growth and 6.5 percent inflation for fiscal 2010.

"The Bangladesh economy performed better in fiscal 2009 due to its limited exposure to the global financial market. But the late unfolding effects will slightly slow its growth," said Heytens.

The ADO 2010 also observed that growth in other South Asian countries will slow in the current year but rebound the following year, as the global economy recovers from recession.

The ADB linked the growth slowdown in the local economy to a reduction in growth in agriculture, which was aggravated by drought in the immediate past 'aus' season and inadequate rainfall in the 'aman' season early this fiscal year.

While a slump in exports due to a contraction of demand as well as a slowdown in consumer demand amid slow growth of remittance will reduce industrial growth, it observed.

The bump in growth of agriculture and industry is also likely to affect the services sector, especially trade and transport activities.

Govt plans 12pc yearly hike in power price up to 2013

STAR BUSINESS REPORT

The government plans a 12 percent hike in electricity price a year till 2013, said Abul Kalam Azad, secretary, Power Division of the Ministry of Energy and Mineral Resources.

He was presenting a paper on power project development at an international conference organised by the Bangladesh chapter of International Chamber of Commerce at Radisson Hotel in Dhaka yesterday.

Currently, the government charges Tk 2.75 for a kilowatt-hour of electricity consumption.

The price will go up by 12 percent annually to Tk 3.07, Tk 3.44 and Tk 3.88 for fiscals 2010-11, 2011-12 and 2012-13 respectively.

According to a projection by the power secretary, the price will remain unchanged at Tk 3.88 per kilowatt-hour in the next two years.

Bangladesh Energy Regulatory Commission, an autonomous body, hiked electricity prices by 4 to 7.6 percent for different consumers.

Remitting by mobile comes on stream

STAR BUSINESS REPORT

Sending money home has become easier and faster as two banks and a mobile operator yesterday launched cellphone-based remittance transfer system.

The joint move by Eastern Bank, Dhaka Bank and mobile operator Banglalink will allow the remittance receivers to cash in a day instead of three days to one month through different existing channels.

The new service styled 'Mobile Wallet', which will also serve the unbanked population at no cost, got a shape after Bangladesh Bank (BB) gave a go-ahead to the move a few months ago.

Presently more than 90 percent of the population in Bangladesh do not have access to regular banking facilities.

However initially the mobile remittance service will be available at 19 Banglalink points in Dhaka for a month, and then will expand to 100 points.

The service will hit 2,222 Banglalink 'cash points' across the country within the next three months.

Remittance inflow increased by 20 percent to \$10.72 billion in 2009. More than one crore Bangladeshis are now living abroad and their remittances contribute over 10 percent to GDP (gross domestic product), according to BB statistics.

However sending remittance to Bangladesh remains a hassle in some cases, as the expatriates somehow are compelled to remit through illegal channels due to absence of a proper legal platform.

According to the central bank statistics, the rate of illegal remitting came down to 23 percent in 2009 from 50 percent a year ago.

Bankers said the newly introduced mobile remittance service will help stop money transfer through illegal channels as the service will be available at grassroots level soon.

Bangladesh Bank Governor Atiur Rahman inaugurated the service at Sonargaon Hotel in the capital.

The service will work under a 'bank-led' model and the banks will offer mobile wallet accounts to the remittance receivers through Banglalink network.

The banks will also act as cash custodian for the users, and the mobile operator will be the information carrier and platform manager by ensuring cash point rollout and connectivity.

Selected Banglalink distribution outlets will be used as remittance disbursement cash points for the remittances sourced by the banks.

The remittance receivers with Banglalink mobile connections can open accounts either at Dhaka Bank or Eastern Bank from selected mobile remittance points of the operator by submitting necessary documents.

Once activated, the account holders will be notified by SMS (short message service) and get a secret PIN (personal identification number), which will be needed for withdrawing money. The ceiling of encashment is Tk 35,000 at a time.

However if the beneficiaries do not have Banglalink mobile connections, they can also receive remittance by getting a secured and unique transaction reference number, which will be forwarded by the remittance sender.

In that case, the recipients will have to go to designated Banglalink points with proof of identification and request disbursement by submitting the transaction reference number, the amount and the bank name.

The bankers said the service will benefit both mobile operators and banks. The banks will pay Tk 150 to Banglalink for each transaction, while remittance cash flow to the banks will help them make more profit.

Private banks' annual operating profits grew up to 40 percent in 2009, mainly due to increased remittance inflow.

Zia Ahmed, chairman of Bangladesh Telecommunication Regulatory Commission, urged other mobile operators to introduce the service.

Chowdhury Mohidul Haque, executive director of Bangladesh Bank, Khondker Fazle Rashid, managing director of Dhaka Bank, Ali Reza Iftekhar, managing director and CEO of Eastern Bank, and Ahmed Abou Doma, CEO of Banglalink, were present at the function.

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