DHAKA MONDAY JUNE 7, 2010

6,202.67

11,715.85

Sell Tk

100.37

\$1,206

(per ounce)

\$71.51

(per barrel)

(As of Friday)

1.36%

Stocks

Currencies

\$\square\$ USD 69.31

EUR 83.01

GBP 100.33

JPY 0.75

SOURCE: BANGLADESH BANK

Commodities

Gold

Oil

Contact Us

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Economic

zones bill

placed in

parliament

STAR BUSINESS REPORT

in parliament yesterday.

A bill designed to set up economic zones was tabled

The economic zones are

expected to generate

employment through rapid

industrialisation, produc-

Economic Zones Law 2010 --

said four types of economic

in the backward and under-

developed areas. The cate-

gories are public-private

partnership, private eco-

nomic zone, government-

owned economic zones and

local and foreign individu-

able to acquire lands for

construction of basic infra-

zones under the Acquisition

and Requisition of

Ordinance 1982, according

Besides the special duty

facility, the investors in the

economic zones will be

entitled to the same special

financial benefits as given to

investors in EPZs under

Bangladesh Export

Processing Zones Authority

A 'one-stop service centre'

will be set up for investors to

provide services such as land

approval, clearances, certifi-

cates, certificates of origin

Any company under the

government's existing

industrial policy might be

set up in the economic

The government will set

up Bangladesh Economic

Zones Authority to be head-

quartered in Dhaka with an

option to open branches

Its responsibilities

include ensuring utilisation

and occupancy of the land

allocated to the investors,

and developing infrastruc-

A governing body headed

by the prime minister or a

person in the rank of a minis-

ter nominated by the premier

will be formed to operate the

economic zones, the bill said.

ture and planning.

anywhere in the country.

and non-resident visas.

zones, the bill said.

Act, 1980, the bill said.

special economic zones.

to set up the zones.

to the bill.

tion and exports.

If you have views on Star

Business or news about

business in Bangladesh,

please email us at busi-

Buy Tk

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Growth hinges on energy: CPD

Says 6.5pc growth is possible

STAR BUSINESS REPORT

The government should work on the promises it made in the outgoing fiscal year to address critical issues like energy and infrastructure, said a leading think tank yesterday.

The Centre for Policy Dialogue (CPD) said the government has to start implementing a lot -- from public-private partnership projects to power generation and regional economic cooperation -- according to its promises.

"The first year (the outgoing fiscal year) was a preparatory year. The government has to go for execution now," CPD Executive Director Prof Mustafizur Rahman told journalists during the launch of an assessment report on macroeconomic performance for fiscal 2009-10.

The government has set a plan to generate 9,500MW electricity by 2015, for which it should focus more on coal extraction, the CPD said.

Rahman said industrial term loan and import of capital machinery are showing a positive trend, but growth will not get a momentum unless the acute energy and infrastructure crises go.

A higher economic growth of 6.5 percent is quite possible provided that the country has adequate energy and infrastructure facilities, he said.

"One percentage point of GDP growth requires 1.8 percent growth in electric-

The CPD researcher also reiterated their stand against any provision of whitening black money in the coming budget.

"The amnesty did not work to the stability trade-off. expectation," said Rahman.

The CPD organised the media briefing as part of launching its annual flagship report that undertakes an interim review of the economy for every outgoing fiscal year.

CPD senior officials Fahmida Khatun and Khondaker Golam Moazzem also spoke.

The report titled 'State of Bangladesh economy for fiscal 2009-10' said GDP (gross domestic product) will grow at 5.5 percent, lower than the targeted 6 percent for the current fiscal year.

Revenue collection for the first 10 months till April is on track, it said. But the inability to reach the target by non-NBR (National Board of Revenue) sources could result in a shortfall of about Tk 2,400 crore or 3 percent of the total revenue target for the outgoing fiscal year.

The report cautioned the government about the growing subsidies to the power

The overall budget deficit for the outgoing year will be within the target of 5 percent of GDP, the report said.

But it said inflationary pressure continues to mount. In March, the point-to-point inflation and food inflation rose to 8.8 percent and 10.8 percent respectively. But it said the trends are similar to the one experienced during 2007 and 2008.

The CPD found that the growth in domestic credit has remained at a relatively low level at 13.3 percent at the end of the first nine months, due to negative borrowing by government. However, the private sector credit witnessed nearly 20 percent growth during the period.

Money market was stable because of the prudent measures taken by the central bank, said the report.

The CPD said the major challenges in the next fiscal year are: An improvement in policy implementation and delivery capacity, prudent fiscal management, and policy coherence in view of growth versus

The CPD predicted that the government might be in challenge with imposition of tax on capital gain at stockmarkets and power generation.

The next fiscal year should be synchronised with the targets set in the sixth fiveyear plan and ten-year perspective plan, it



United Nations Industrial Development Organisation Director General Kandeh K Yumkella meets Prime Minister Sheikh Hasina at Ganabhaban yesterday. (Related story on B3)

Govt sitting on huge cash pile

STAR BUSINESS REPORT

The government registered a big cash surplus despite repaying bank loans in the first nine months of the current fiscal year, because of slim spending amid higher earnings. The government has repaid Tk 10,865 crore against

bank borrowing during the period, according to a government report. The government had a cash surplus of Tk 11,252 crore, according to the report. Finance Minister AMA Muhith yesterday placed in

parliament the report on implementation of annual development programme in the July-March period of fiscal 2009-10 and macro-economy.

In the current fiscal year, the government's target for total bank borrowing was Tk 16,755 crore.

The government did not need to borrow from the banking system, rather it could repay a huge amount, mainly because of lower budget spending, and increased foreign aid, revenue income and sales of savings instruments.

Fake RAK IPO seekers may face SEC action

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SARWAR A CHOWDHURY

The stockmarket regulator is likely to take action against more than 46,000 fake and faulty applications that sought primary shares of RAK Ceramics, a Bangladesh-UAE joint venture.

The company itself detected the false and flawed applications before its IPO lottery and submitted a list of those to the Securities and Exchange Commission recently, officials said.

The lottery was held on May 24. More than 3.45 crore ordinary shares were allocated at the public offer price of Tk 48, with Tk 10 in face value.

SEC Chairman Ziaul Haque Khondker said: "We came to know about the faulty applications. We'll look into the matter at the commission's next meeting." Khondker hinted at the cancellation of the applications

having wrong information, or being non-compliant with rules and forfeiture of a portion of the money deposited along with these applications.

He, however, said the applicants committing minor mistakes will not face any action.

An official of the commission assumed that the amount to be forfeited would be no less than Tk 44 crore.

In some previous cases, the SEC had forfeited 15 percent of the IPO proceeds for faulty applications.

RAK Ceramics has raised Tk 165.64 crore from the public through IPO. But the company has received IPO applications worth Tk 1,808 crore, more than 15 times oversubscribed.

The tiles maker is the first company that offered primary shares using the book building method, a modern pricing mechanism for initial public offering. Around 5,392 applicants in the non-resident

Bangladeshis quota are learnt to have submitted more than one application each, using the same bank account number. As per rules, a bank account number can be used only

for a single IPO application.

Besides, some local and NRBs submitted 739 applications violating a clause of IPO rules. The clause says more than three applications could not be submitted using a

single BO account and joint BO account numbers. Around two years ago, the SEC unearthed an attempt of opening more than 2,000 BO (beneficiary owner's)

accounts that used the same address. BO account is needed for electronic share transaction

as well as applying for an IPO. sarwar@thedailystar.net



Prof Muhammad Yunus, chairman of Grameen Telecom Trust, and Shahid Ahmed, managing director of Alliance Fibre Glass and False Marble Company, shake hands after signing a deal over setting up a fibreglass company in Bangladesh, at Grameen headquarters in the capital recently.

Grameen Fibreglass in the pipeline

STAR BUSINESS DESK

Grameen Telecom Trust and IES Alliance of Bahrain have signed a memorandum of understanding (MoU) to set up a jointventure fibreglass company in Bangladesh.

The proposed company, Grameen Fibreglass, will make fibreglass products, pipes for sanitation and sewerage purposes, building materials, boats and furniture, said a statement.

Grameen Telecom Trust, and Shahid based renewable energy companies in the Ahmed, managing director of Alliance Fibre Glass and False Marble Company, signed the MoU at the Grameen headquarters in Dhaka on Thursday.

The company will be a social business where the owners will be able to get back the amount equivalent to their investment, but no dividend will be paid.

Grameen Social Business Industrial Park at Kashimpur in Gazipur, and is expected to go into production by the year-end.

IES Alliance is a Bahrain-based fibreglass company, which is owned by Shahid

Ahmed, a Bangladeshi with thirty-five years of experience in producing fibreglass. Ahmed responded to the call of Prof market as well as export.

Yunus to set up social business to solve

social and environmental problems. At present IES Alliance has three main sister concerns: Alliance Fibre Glass & False Marble Company, IES Alliance Business Solutions, and Alliance Information Technology. Alliance Fibre Glass offers topquality fibreglass and artificial marble products within the Gulf region.

Grameen Fibreglass will help expedite the expansion of Grameen Shakti's biogas production facilities. Grameen Shakti, one Prof Muhammad Yunus, chairman of of the largest and fastest growing ruralworld, already has over 8,000 biogas plants installed in the villages with support from Infrastructure Development Company Ltd, the government agency to promote renewable energy.

Grameen Shakti plans to install a total of 25,000 biogas plants by the end of 2011. Pre-fabricated fibreglass tanks will make it The factory will be set up at the easy to install these plants. China uses fibreglass tanks for the expansion of its biogas programme.

Grameen Fibreglass will have an initial capacity to produce 1,000 biogas tanks per month. Later it will expand capacity to make water pipes, building materials, boats and other materials for domestic

JS body moves on landline shutdown

STAR BUSINESS REPORT

A parliamentary body yesterday asked the Bangladesh Telecommunication Regulatory Commission (BTRC) to take steps to settle the issues over five landline operators, whose licences it had scrapped earlier.

The parliamentary standing committee on posts and telecommunications ministry will sit with the authorities of the phone companies in a day or two to discuss the matter, Hasanul Haq Inu, chief of the parliamentary body, told a news briefing.

Zia Ahmed, chairman of BTRC, who was present at the meeting, told The Daily Star that they had discussed the issue with the officials of the companies. "We'll submit proposals to the government to resolve the ongoing crisis."

On May 12, BTRC cancelled the licences of RanksTel, Dhaka Phone, National Telecom, People's Tel, and WorldTel on charges of being involved in illegal international call termination through Voice over Internet Protocol (VoIP) technology. In March, the telecom regulator switched off the opera-

tors' services.

These telephone companies were serving around six lakh clients, with RanksTel alone serving a half of the lot.

The parliamentary body chief asked the BTRC to resolve the crisis, protecting the interests of the officials, employees and subscribers of the five companies.

The parliamentary body also asked the ministry to install a call-centre village in Dhaka. Inu said the call centre business is now a growing industry and it will be able to earn \$5 billion by 2014.





