



Stocks	
DGEN	0.29% 6,194.84
CSCX	0.52% 11,740.04

Asian Markets	
MUMBAI	0.25% 16,657.89
TOKYO	1.04% 9,439.13
SINGAPORE	0.03% 2,745.08
SHANGHAI	2.78% 2,583.87

Currencies		
	Buy Tk	Sell Tk
USD	68.65	69.65
EUR	80.69	84.76
GBP	97.73	101.97
JPY	0.74	0.78

Commodities	
Gold	\$1,251.85 (per ounce) (Midday Trade)

## GP okays 60pc dividend

STAR BUSINESS DESK

Grameenphone (GP) has approved 60 percent dividend for the year that ended on December 31, 2009, said a statement.

The approval came at the 13th annual general meeting (AGM) of the mobile phone operator held at Bangabandhu International Convention Centre in Dhaka on Tuesday.

Chairman of Grameenphone Board Sigve Brekke and Chief Executive Officer Oddvar Hesjedal were present at the AGM with other Board members and senior officials of the company.

This was the first AGM of Grameenphone after the company went public.

The other activities of the AGM were adoption of the directors' report and the audited financial report for 2009, election and re-election of the directors and appointment of the auditors.

Grameenphone Deputy CEO Raihan Shamsi said: "This was another milestone for Grameenphone, which will foster the development of the capital market. We are grateful to our shareholders, regulators and all other stakeholders for their support and guidance. It will encourage other good corporate houses to come to the capital market."

Each Grameenphone share closed at Tk 270.40 yesterday, 0.51 percent down from the closing at Tk 273.60 on Tuesday.

# High-stakes budget

SAJJADUR RAHMAN

With the nation awaiting an announcement of the national budget for fiscal 2010-11 today, economic analysts are eager to see how the government unfolds its plan to bring a 6 percent-plus growth trajectory.

Unlike last year, the government is no longer fresh in the seat, and stakes are high. This year is the time for the government to deliver.

As the finance minister in Sheikh Hasina's cabinet, AMA Muhith faces perhaps the biggest challenge of his career this time. He had previously held the same position in former President HM Ershad's cabinet as well.

In its second budget, the present government is set to table over Tk 132,000 crore for the upcoming fiscal year, against a revised budget of Tk 110,523 crore for the outgoing year. The annual development programme outlay has been proposed at Tk 38,500 crore against Tk 28,500 crore in the revised expenditure.

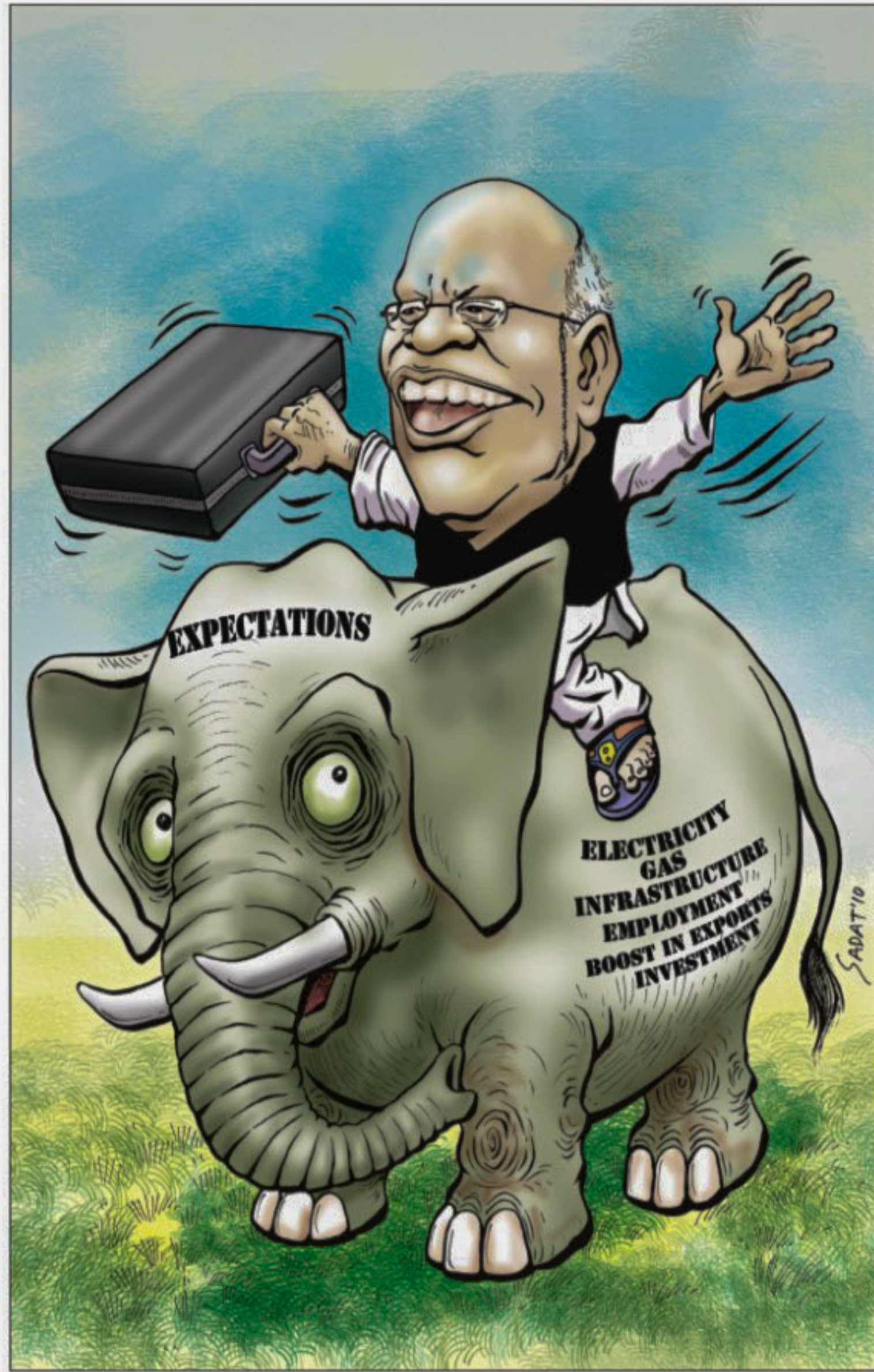
Analysts say the most challenging issues for this budget will be over gas, electricity and infrastructure. People are looking up to the government to see how and what portion of the total budget will be allocated to meet the growing demand for energy and infrastructure -- the prerequisites to strong economic growth.

Prof Mustafizur Rahman, executive director of Centre for Policy Dialogue (CPD), said the government faces daunting challenges in some critical areas next year.

"The coming year will be critical in terms of deliberations in areas like energy and infrastructure," says Rahman.

He said the government promised to generate 9,500 megawatts of electricity in five years, and people will want to see that power generation begins immediately.

Dr Mustafa K Mujeri, director



general of Bangladesh Institute of Development Studies (BIDS), anticipates the main challenge for the government to be in boosting investment, which will ultimately lead to higher economic growth.

"Investment is a must for growth, and vis-à-vis, adequate infrastructure is a must for investment," Mujeri says.

The growth rate of gross domestic product (GDP) has dropped to the lowest in seven years -- standing

at 5.5 percent -- in the outgoing fiscal year. Investment as a percentage of GDP has also been plunging for the past few years.

According to the analysts, employment generation is becoming a big challenge in the wake of declining investment, particularly in the industrial sector. People will also wait and see how the budget tackles city traffic congestion and implements a Digital Bangladesh.

The expectations of all the pro-

ductive sectors -- manufacturing, medium and small industries, and services -- also remain high, as growth in these areas has been sliding for several years.

The revival of business confidence for new investment, public-private partnerships, a reversal of the export contraction and a return of foreign investment, are all big challenges.

Better governance and efficient budget administration are also major challenges, analysts said. Handling additional subsidies for fertilisers and electricity are big challenges as well.

Last, but not the least, it is necessary to control inflation, and mobilise revenue or internal resources, to meet all these expectations, they said.

The CPD executive director said people will wait to see how the government implements infrastructure projects under the much-talked-about PPP.

The BIDS chief stressed raising public sector investment to create a congenial atmosphere for private entrepreneurs. Mujeri said public sector investment in Bangladesh is the lowest in the region.

He said there are a lot of expectations, but it will not be possible to implement all in just a year.

"The government has to set priorities," the BIDS boss said.

However, there are some who expect the least from the budget.

"I do not have any such expectations. The finance ministry has a lot of priorities, and politicians always see what is the most beneficial for the masses," says Helal Ahmed Chowdhury, managing director of Pubali Bank.

"The banking industry is not top on its agenda."

However, Chowdhury wants to see expedited efforts in implementation of the four-lane Dhaka-Chittagong Highway and Padma Bridge.

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## IMF projects 6pc growth for FY11

STAR BUSINESS REPORT

IMF yesterday predicted around 6 percent growth of Bangladesh economy for the next fiscal year, but suggested that the removal of infrastructure bottlenecks and improvement in business environment can help log a higher growth.

The international lending agency, however, alerted that any unevenness in the global recovery and power disruptions might hurt the growth performance.

It pointed to the fact that a window of opportunity to attract more investment waits for Bangladesh as Asia, which is leading the global recovery, will attract capital inflows for the next few years.

"The question is how Bangladesh takes the opportunity. You have to start running because all other countries are moving fast," said IMF Resident Representative Eteri Kvintradze.

Kvintradze unveiled its projections on Bangladesh at a press briefing at Bangladesh Bank, organised to share the IMF outlook on Asia and the Pacific region, which, for the first time, escorts the global economic recovery, spurred by export growth and resilient domestic demand.

The IMF said Asia will grow by about 7 percent and such a brighter growth prospects compared to the rest of the world is likely to attract more capital in the region.

"Resolving infrastructure bottlenecks and improving business environment could refocus investment spotlight in Bangladesh, help utilise comparative advantages of low labour costs, boost its productivity and put the country in faster growth gear," the IMF official said.

"Accelerating regional integration will also be a significant contributing factor to strengthen growth performance," added Kvintradze, referring to the linkages in areas of trade, transportation and infrastructure and private sectors.

The representative said Asian low-income countries (LICs) as a group are expected to grow around 6 percent in the near term. "Our projections for Bangladesh are more or less in line with the LICs," she said.

The IMF expects a rise in Bangladesh's exports next financial year on higher demand in advanced economies. It also said the recent volatility in the financial markets in Europe might not hurt the demand for Bangladesh's main exportable item readymade garments in the EU zone.

Kvintradze also observed that inflationary pressure might ease slightly, expecting that there would be no sharp rise in the global commodity prices.

A stable macroeconomic policy stance will also help curb inflation, she added.

She further suggested that the FY 2010-11 budget should aim at raising tax revenue and accelerating ADP implementation pace to boost medium-term growth potential for faster poverty reduction.

"Prospects for broader revenue growth hinge on decisive actions to strengthen tax policy and administration," said Kvintradze.

## Janata Bank mutual fund gets nod

STAR BUSINESS REPORT

The stockmarket regulator has approved the Tk 200 crore closed-end mutual fund sponsored by Janata Bank.

The Securities and Exchange Commission (SEC) yesterday gave the go-ahead to the fund at a meeting presided over by its Chairman Ziaul Haque Khondker.

Of the Tk 200 crore, Janata Bank will subscribe units worth Tk 50 crore as the sponsor, while of the rest Tk 100 crore will

be kept for initial public offering (IPO) and Tk 50 crore for pre-IPO or private placement and other mutual funds.

The face value of each unit of the fund is Tk 10. The market lot will be of 500 units.

Race Asset Management is the manager of the 10-year fund.

A mutual fund is a professionally managed collective investment scheme that pools money from many investors and invests it in stocks, bonds and short-term money market instruments.

## The disabled to get duty-free accessories

UNB, Dhaka

Finance Minister AMA Muhith said yesterday he would consider the duty-free import of accessories used by the disabled.

"Although there will be no such decision in my budget speech, this could be done through an SRO."

Muhith was speaking to a delegation of Parliamentarians' Caucus on Disability, National Forum of Organisations Working with the Disabled and Disability Rights Watch Group at his office.

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## Recognising local efforts for a global concern

Species: Neolamarckia Cadamba  
Location: Southeast Asia  
Threats: Habitat loss, climate change

## HSBC - The Daily Star Climate Awards 2010

HSBC, the first carbon neutral bank in the world, seeks to promote environmental preservation through worldwide projects and programmes. The Daily Star, the country's largest English newspaper, is also committed to the cause of managing climate change in Bangladesh.

The "HSBC - The Daily Star Climate Awards" is being introduced to recognise and promote individuals and institutions that are working towards adaptation, mitigation, running environment friendly business operations and doing research for climate change in Bangladesh. Open to majority owned Bangladeshi companies and Bangladeshi individuals, the awards will be given in four categories:

- Climate change adaptation: for public, private sectors, NGO/CBOs etc.
- Climate change mitigation: for public, private sectors, NGO/CBOs etc.
- Climate change research and knowledge management: for educational/research institutes, researchers, public, private sectors, NGO/CBOs etc.
- Green Business Entrepreneurships: mainstream businesses with environment friendly operations

Nomination forms and programme details can be found in [www.hsbc.com.bd](http://www.hsbc.com.bd) and [www.thedailystar.net](http://www.thedailystar.net). Nominations must be submitted to The Daily Star on or before 31 August 2010. Knowledge partner for this initiative is Waste Concern.

The Daily Star  
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