

Govt creates debate on economic growth

Says former adviser Hossain Zillur

STAR BUSINESS REPORT

The government has created a debate by making an upward revision on the country's economic growth for the outgoing fiscal year, former adviser to a caretaker government Dr Hossain Zillur Rahman said yesterday.

"This was not necessary. There will remain a controversy about it," he told a post-budget discussion organised by Economic Reporters' Forum (ERF) at National Press Club in Dhaka.

Bangladesh Bureau of Statistics (BBS) projected the country's GDP growth rate for the outgoing year at 5.5 percent, which the finance ministry recast at 6 percent. The ministry has also made upward revisions on farm, forestry and industrial outputs.

Hossain Zillur, also an economist, said this higher projection will not benefit the country, rather it has created controversy, which he termed 'unnecessary'.

He said the GDP (gross domestic product) growth rate is a core statistics and it should not be an issue of debate.

ERF President Monoar Hossain chaired the discussion, also addressed by Food and Disaster Management Minister Abdur Razzak, former privatisation commission chairman Enam Ahmed Chowdhury and businessman Yusuf Abdullah Harun.

Hossain Zillur said Bangladesh has been growing by more than 5 percent for the past two years because of people's necessity-driven initiatives.

"It is a reality that the growth potential has become stagnant and there is nothing in the proposed budget on how to reach the 6 percent plus growth trajectory," said the former adviser.

Bangladesh has to grow by 7 percent to 9 percent if it wants to become a middle-income country, he said.

"There is a need for synchronisation between people's initiatives and the government policy," said Hossain Zillur.

The economist said like the poor, the middleclass is also facing a squeeze in nutritional intakes due to an inflationary pressure and lower income.

He called upon the government to focus on agriculture sub-sectors like fisheries and livestock to add more value to the economy.

Food Minister Abdur Razzak termed the budget a positive one, but admitted there are weaknesses also. Razzak said the budget has emphasised social and food security issues. He also admitted to a squeeze in nutritional intakes.

Enam Ahmed Chowdhury expressed doubt about the implementation of public-private partnership projects, saying it is not clear how and why the private sector will participate in such initiative.

Yusuf Abdullah Harun, former president of the Federation of Bangladesh Chambers of Commerce and Industry, termed the budget 'entrepreneur-friendly'.



Sajjatuz Jumma, chairman of Shahjalal Islami Bank Ltd, inaugurates the bank's 52nd branch at Gulshan 1 in Dhaka yesterday. Md Mukhter Hossain, managing director (current charge), was also present.

PM's adviser upbeat on growth target

STAR BUSINESS REPORT

The high GDP growth target can be achieved if the government can reduce the gap between public savings and the investment to GDP ratio, an adviser to the prime minister said yesterday.

"The government set a 6.7 percent GDP growth target for fiscal 2010-11, which is a must if we want to be a middle income country by 2015. We have to set higher targets and take big leaps to our goal," said Mashiur Rahman.

"At present, we have a gap of 8 percent between public savings and the investment ratio, which is not healthy for an economy. However, if the government can narrow this gap, the target is achievable."

He was speaking at a luncheon meeting organised by the France-Bangladesh Chamber of Commerce and Industry (CCIFB) at Dhaka

Sheraton Hotel.

The country's national savings to GDP ratio was 24.4 percent, while the investment to GDP ratio stood at 16.4 percent in fiscal 2009-10.

The government is trying to improve the investment climate further by taking measures to boost the energy and power sector, "which is the major bottleneck to attracting foreign investment to the country", Rahman said.

"At this point, we have no other way but to improve the energy and power situation. It is a must not only to attract FDI, but also to run the present industrial units," Rahman said.

He said the productivity of the readymade garments sector declined by 25 percent due to an inadequate supply of power in the last few months.

He stressed the need to take long-term steps, along with short- and medium-term steps to mitigate the

power crisis. "Otherwise, competitiveness of our products in the world market will decline."

He, however, said "quick solutions" in this regard might raise the estimated cost of power projects, which will indirectly increase government subsidies to the sector.

Termining the FDI flow low and stagnant, Rahman said the investment scenario would be normalised once the government's move to increase power supply comes into effect.

"Apart from a shortage of power, Bangladesh provides good incentives to foreign investors, which makes the country one of the best places in South Asia for FDI," he said.

Charley Causeret, French ambassador, and Shah Sayed Kamal, president of CCIFB, also spoke.



Military Institute of Science and Technology (MIST)
Mirpur Cantonment, Dhaka-1216

Tender Notice

1. Sealed tenders for financial year 2010-2011 are hereby invited from bonafide suppliers/ contractors/company for stationary items, miscellaneous items of MIST as listed below:

Ser No.	Description	Line items	Price of tender schedule
1.	Stationary items Group-1	Lot-02	Tk 750/-
2.	Stationary items Group-2	Lot-02	Tk 500/-
3.	Stationary items Group-3	Lot-03	Tk 300/-
4.	Miscellaneous items	Lot-02	Tk 300/-

2. Tender document containing detailed specifications, terms and conditions may be purchased from the office of the undersigned during working hours (0800-1400 hours) from 27 Jun 2010 to 30 Jun 2010 against a written application to the undersigned on payment of above mentioned non-refundable price in cash.

3. The bidder must attach photocopy (duly attested) of the up-to-date 'trade license,' 'VAT certificate,' IT certificate and original 'bank solvency certificate' while buying the tender schedules.

4. The bidder is to deposit, along with the tender document, 5% of the bid price as earnest money in favour of Commandant, MIST, Mirpur Cantonment in the form of Pay Order/Bank Draft.

5. Tender will be received up to BST 1100 on 08 Jul 2010 and will be opened on the same day at BST 1200 in front of the bidders (if present).

6. No offer in telex/fax or by post shall be accepted.

7. MIST authority reverses the right to accept/reject any or all tenders without assigning any reason thereof.

Director Administration
ISPR/Misc/2010/205
GD-2807
Military Institute of Science and Technology
Mirpur Cantonment

AOL to sell social network site Bebo

REUTERS, New York

AOL Inc will sell its Bebo social network site to private investment firm Criterion Capital Partners for an undisclosed sum, as it tries to restructure its business and deal with declining revenue.

Thursday's announcement comes as AOL has been trying to streamline operations since being spun off from Time Warner Inc last year. It has been struggling with a declining Internet access business and weak advertising revenue.

In April, AOL said it planned to either sell or close down Bebo, bought more than two years ago for \$850 million.

The Wall Street Journal previously reported that the Bebo sale would probably be at a "small fraction" of what AOL originally paid.

AOL said the deal will give it a meaningful tax deduction, and forecast it would record a deferred tax asset and benefit in a range of \$275 million to \$325 million for the second quarter.



Selim RF Hussain, second from right, managing director of IDLC Finance Ltd, and Arif Khan, centre, deputy managing director, attend the launch of "IDLC 50" Index, at a programme at Dhaka Sheraton Hotel yesterday. (Story on B1)

RMG accessory makers demand incentive

STAR BUSINESS REPORT

Garment carton and accessory makers yesterday placed a series of demands to the government for continued growth of the sector.

They urged the government to withdraw the bank guarantee for raw material imports and a 15 percent VAT on house rents. They also asked the government to revert to the previous 0.25 percent advance income tax, instead of 1 percent.

They also sought the same incentives and treatment for the garment industry as for the industries in export processing zones.

Bangladesh Corrugated Carton and Accessories Manufacturers and Exporters Association (BCCAMEA) raised these demands at a press conference at Dhaka Reporters Unity.

Carton and accessory producers

have the potential to grow at a fast rate, sector leaders said.

The exports from this sector can rise to \$3 billion a year by 2013 if the government provides incentives, said Rafez Alam Chowdhury, president of BCCAMEA.

Although the industry is helping the fast-growing garment sector by providing about 35 backward linkage products, successive governments have always ignored the sector, he said.

The factories in the sector are located mainly in the city's central areas for which house rent is high, he said.

In the new budget, the government imposed 15 percent VAT on the rents of commercial space, which is too much, Chowdhury said.

Chowdhury demanded duty-free privilege to the factory owners to import a delivery van and allow zero-duty facility to import raw materials.

Transcom awards winners in promo contest

STAR BUSINESS DESK

Transcom Electronics awarded winners of an essay competition as part of its consumer promotional campaign in Dhaka recently, the company said in a statement.

The contest, Shothik Aloy Dekho Desher Kotha Lekho, was on writing an essay on the contribution of proper electricity usage for the country's development.

Mostaq Ahmed got a Phillips 32" LCD television as he positioned first in the competition while Moddaserul Huq won a DVD player for the second place, the statement added.

Other participants were awarded Transtec CFL bulbs under the campaign.

Arshad Huq, chief executive officer of Transcom Electronics, was present along with Md Wasiuddin, head of light and electrical business, Ashraf Ehsan, marketing manager, and other high officials.



Transcom Electronics awarded the winners of "Shothik Aloy Dekho Desher Kotha Lekho" essay competition at a function in Dhaka recently. Arshad Huq, chief executive officer of Transcom Electronics, was present.

ঢাকা পাওয়ার ডিস্ট্রিবিউশন কোম্পানী লিমিটেড
DHAKA POWER DISTRIBUTION COMPANY LTD
(An Enterprise of the Government of the People's Republic of Bangladesh)
Biddut Bhaban, I, Abdul Goni Road, Dhaka-1000

DPDC/CS/Local Tender/Under Ground Cable./2010/772 Date: 16/06/2010

Invitation for Local Tender

1 Agency	Dhaka Power Distribution Company Limited (DPDC)			
2 Procuring Entity Name	Dhaka Power Distribution Company Limited (DPDC)			
3 Procuring Entity District	Dhaka			
4 Invitation for	Design, Supply, Installation, Testing and Commissioning of Double Circuit (2 x 2.5 Circuit-Km.) 132kV Under Ground Cables from Maniknagar to Narinda 132/33 kV Substation via Kamalapur and Motijheel area under DPDC			
5 Invitation Ref. no.	DPDC/CS/Local Tender/Under Ground Cable./2010/772			
6 Date	16/06/2010			
Key Information:				
7 Procuring Method	Open Tendering Method (Single-Stage-Two-Envelope)			
Funding Information				
8 Budget & source of Funds	Local Currency under Deposit Work			
Particular Information:				
9 Pre-Bid Meeting	A pre-bid meeting will be held on 01/07/2010, 11.00 AM in DPDC Board Room, 2 nd Floor, Biddut Bhaban, I No, Abdul Gani Road, Dhaka.			
10 Tender Name	Design, Supply, Installation, Testing and Commissioning of Double Circuit (2 x 2.5 Circuit-Km.) 132kV Under Ground Cables from Maniknagar to Narinda 132/33 kV Substation via Kamalapur and Motijheel area under DPDC			
11 Last Selling Date of Tender, with Bid Submission and Bid Opening Date, Time	Last Selling Date	Bid Submission & Bid Opening Date	Bid Submission Deadline	Bid Opening Time
	26/07/2010	27/07/2010	12:00 noon	12:30 pm
12 Name & Address of the office for selling, receiving and opening of Tender Document	Selling Company Secretary, Biddut bhaban (2 nd floor), I Abdul Gani Road, Dhaka-1000		Receiving & Opening Company Secretary, Biddut bhaban (2 nd floor), I Abdul Gani Road, Dhaka-1000	
Information for Tenderer:				
13 Eligibility of Tenderer	a) The Tenderer shall have project management experience (experience of partner in charge in case of JV) to demonstrate their management capability of completing at least 1 (one) no. of Electrical Contract on Turnkey basis (Contract amount shall be of TK. 100.00 million) within last 05 (Five) years. b) The Tenderer (partner in charge in case of JV) shall have experience of completing at least 1(One) no. of 132 KV U/G Cable Installation Work length being at least 2.5 CKT-km in one contract including supply of the same (Contract Value shall not be less than TK. 100.00 million) c) The required average annual turnover shall be greater than TK. 400,000,000.00 (four hundred million) over the last 03 (Three) years d) The minimum Tender Capacity shall be: Tk. 120,000,000.00 (One hundred & twenty million) e) The minimum amount of free funds (liquid assets) and/or credit facilities net of other Contractual commitments of the successful Tenderer shall be Tk. 120,000,000.00 (One hundred & twenty million).			
14 Price of Tender Document (Taka)	Taka 15,000/- (Taka fifteen thousands) only payable in the form of Pay Order/Bank Draft from any scheduled Bank of Bangladesh in favor of Dhaka Power Distribution Company Limited (DPDC).			
15	Item Design, Supply, Installation, Testing and Commissioning of Double Circuit (2 x 2.5 Circuit-Km.) 132kV Under Ground Cables from Maniknagar to Narinda 132/33 kV Substation via Kamalapur and Motijheel area under DPDC.		Tender Security Amount (Taka) Taka 50,000,000.00 (fifty lac) only	
16 Completion Time	270 days from the date of signing of contract			
Procuring Entity Details:				
17 Name of official Inviting Tender	Maran Kumar Chakraborty			
18 Designation of official Inviting Tender	Company Secretary, Dhaka Power Distribution Company Limited (DPDC)			
19 Address of official Inviting Tender	Biddut Bhaban (2 nd Floor), I Abdul Gani Road, Dhaka-1000			
20 Contact Details of official Inviting Tender	Telephone: 9556194	Fax: 9566338		
21 The Procuring Entity reserves the right to accept or reject any/all Tender(s) without assigning any reason whatsoever.				

Company Secretary, DPDC
E-mail-CS@dpdc.org