

BB to start second phase of infrastructure financing

STAR BUSINESS REPORT

Bangladesh Bank (BB) is set to begin with the second phase of financing different infrastructure projects under the Investment Promotion and Financing Facility (IPFF) Project, responding to huge demand.

The second phase financing will be worth about \$300 million in infrastructure projects. Of the

amount, the World Bank will provide \$250 million. In the first phase, \$57.5 million has been provided.

Finance Minister AMA Muhith launched the second phase of the IPFF project at a function at Dhaka Sheraton Hotel yesterday.

The first phase financed seven power projects which are now generating 178 megawatts of electricity.

The seven power plants were financed through Dutch-Bangla Bank Ltd, Dhaka Bank, Eastern Bank, National Credit and Commerce Bank, Prime Bank, Brac Bank, Trust Bank, Mutual Trust Bank, City Bank and seven non-bank financial institutions.

BB Governor Atiur Rahman said the second phase will finance a wider range of physical infrastructure projects

other than power generation units.

Lauding the role of WB in promoting development efforts, Rahman said: "We are looking forward to further support and assistance in BB's efforts to bring into financial markets newer modes of mobilising long-term savings for long-term project financing."

In the sixth five-year-plan, the government has set a target of

investing \$13 trillion, of which \$3 trillion investment will be made through the public sector, Muhith said.

He also said the \$10 trillion to be invested through the private sector is a big challenge. The projects will help achieve the investment target, he said. Besides, Muhith said, the government is trying to stabilise the stockmarket to mobilise future investment.



Stephen Bird, left, Citi's Asia Pacific chief executive officer, receives the Best Bank and Best Commercial Bank awards from Lara Wozniak, editor of FinanceAsia, a magazine on banking industry, in Hong Kong on February 17.

Stocks tank on profit-taking

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Share prices declined yet again after a rise for a couple of days, as profit-taking sales by investors caused a downside yesterday.

The benchmark general index of Dhaka Stock Exchange (DGEN) slumped 216 points, or 3.4 percent, to 6,173.38 points, while the selective price index of Chittagong Stock Exchange dropped 347 points, or 2.9 percent, to close at 11,227.

The market got off to a flying start, gaining more than 130 points within the first five minutes of trading but went downward after that and continued until the close of trading on the DSE.

Share prices of the major sectors such as banks declined 4.3 percent, pharmaceuticals 3.4 percent, fuel and power 4.7 percent and the telecommunication 4.4 percent, while non-bank financial institutes gained 0.8 percent.

Finance Minister AMA Muhith asked the merchant banks on Friday not to go for 'forced sales' when the market is volatile. His declaration resulted in massive gains in share prices of most sectors.

Saiful Islam, managing director of BRAC EPL Stock Brokerage Ltd and vice chairman of BRAC EPL Investments Ltd, said: "It is very much expected and the price correction was unavoidable because most of the investors pocketed 20 percent profit today."

Investors' gained confidence after observing the current market situation because trade volume increased compared to the previous day of trading, he added.

The daily turnover stood at Tk 962 crore, up Tk 385 crore from the previous day. Islam said it was a positive sign that the daily turnover has increased.

Shakil Rizvi, president of DSE, said: "Investors went into profit-taking sales."

The government initiatives are restoring normalcy in the market, he added.

Rizvi also said the government and the merchant banks should decide upon guidelines on 'forced sales' for investors as soon as possible.

A total of 80.48 million shares were traded against 52.95 million in the previous trading session. The number of trade deals came down to 1,71,487, which was 93,814 in the previous session.

The total market capital increased to Tk 2,87,524 million against Tk 2,87,149 million of the previous session.

Of the total 252 issues traded on the DSE floor, 28 advanced and 224 declined. National Bank was the top turnover leader with 41.54 lakh shares worth Tk 68.41 crore.

The other turnover leaders were People's Leasing and Financial Services, Beximco, Bay Leasing and Investment, Union Capital, Southeast Bank, International Leasing and Financial Services, Grameenphone, Prime Finance and Investment and United Commercial Bank.



Citycell Chief Operating Officer David Lee cuts a cake at the inauguration of Citycell's Zoom Ultra Pavilion at Chittagong International Trade Fair 2011 in the port city yesterday. Chittagong Chamber of Commerce and Industry organised the show.



Institute for Construction Materials and Technologies Private Ltd (ICOPAT), incubated by IIT Madras in India, has recently signed a deal with Concord Ready-Mix and Concrete Products Ltd to provide consultancy and training services in concrete technology to Concord, at a programme in Dhaka. Sivakumar, ICOPAT managing director, and SK Lala, Concord Group managing director, inked the deal.

Indian court questions govt's Lafarge stance

PALLAB BHATTACHARYA, New Delhi

The Indian Supreme Court has questioned the government's stand that it had given environmental clearance to French cement company Lafarge's mining site in the forests of Khasi hill in northeastern state of Meghalaya in the belief that it was in non-forest area.

A special forest bench, headed by Chief Justice SH Kapadia, asked on Friday Attorney General Goolam E Vahanvati why the Ministry of Environment and Forest relied on the wrong report of the local authority and did not send its own team to verify the facts.

"Why have you not sent an investigation team to find out the facts?" said the bench which also comprised judges Aftab Alam and KS Radhakrishnan.

The bench said: "When you have doubts regarding the project, you should send a team there. Can you say it was not a forest without going there? Was the environment ministry not aware that there was a forest? You must have enquired from your regional office there also."

On this, Vahanvati said there is no mechanism to send a team and verify the facts under current rules and regulations.

The court then said: "Did you call for the project feasibility report on the basis of which they (Lafarge) got funding? That report would have indicated if there was a forest or not."

Vahanvati reiterated that the previous clearance of the environment ministry was granted in the belief that there was no forest land. He also submitted the centre

kept asking from the local authority and the Divisional Forest Officer about the land and they repeatedly misguided them saying that there was less than 0.009 percent vegetation in the area.

Vahanvati said the environmental clearance given to Lafarge on August 9, 2001, was based on a report submitted by the East Khasi Hill Autonomous Council that there was no forest and plantation in the area.

On February 11, he had submitted that the council, which has the rights over local forests, had given no objection certificate to Lafarge in August 1997.

The local body in a spot inquiry report had observed that there was no forest, plantation or habitation in the area, which was mainly a barren land.

The apex court was hearing

the plea over the revised environmental clearance given to Lafarge.

The environment ministry had given a revised environmental clearance to Lafarge last April, on the directions of the Supreme Court, after finding the mining project in the forest land.

People of Shella village, which is near the mining site, are opposing the revised clearance given by the ministry.

Lafarge is defending its case on the basis of a report by the Divisional Forest Officer, given on June 30, 2000, stating that it was a waste land and there was no forest there.

On April 24, the ministry told the Supreme Court that it has cleared the mining project of Lafarge Umiam Mining Pvt Ltd, a sister concern of the French

major, with strict riders.

The environment ministry's revised clearance came after the apex court on April 12 directed it to take a final decision on the 116 hectare limestone mine area in the Khasi Hills Forest area of Meghalaya.

On February 5 last year, it had stopped Lafarge from carrying out limestone mining in Meghalaya for its cement plant in Bangladesh, saying mining in the environment-sensitive zone cannot be allowed.

The 255 million dollar Lafarge Surma Cement project at Chhatak in Bangladesh is wholly dependent on limestone extracted from East Khasi Hills of Meghalaya.

Limestone is transported from Meghalaya to Bangladesh in a 17-km long conveyor belt.

Indonesia keen to provide tech help for shipbuilding

UNB, Dhaka

Indonesia has expressed interest to provide technological support to Bangladesh for the flourishing of the country's shipbuilding sector.

Indonesian Ambassador in Dhaka Zet Mirzal Zainuddin conveyed this during a meeting with Industries Minister Dilip Barua at the latter's office in the city yesterday.

Industries Secretary KH Masud Siddiqi and senior officials of the embassy were present.

Zainuddin emphasised on strengthening communication among the businessmen, entrepreneurs and people of the two friendly countries to reap the benefits of potentials that exist in trade, industrial, tourism and cultural sectors.

"There is ample opportunity for socio-economic development of the two countries," he said.

The ambassador said the bilateral trade between Bangladesh and Indonesia has significantly increased following some positive initiatives taken by the two governments.

He said Bangladesh could import weapons, frigate, aircraft, ocean-going ships, liquefied natural gas and other industrial products from Indonesia.

The Indonesian diplomat requested the minister to inaugurate the 'Indonesia Expo', due in Chittagong in March 17 to 19.

Barua said the government is giving priority to hi-tech industrialisation for the socio-economic development of populous Bangladesh.

He informed the ambassador that Bangladesh would assemble Sedan cars in cooperation with Japan's Mitsubishi Motors Corporation.

Mobile users cross 7 crore

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The number of mobile phone users in the country crossed the seven-crore mark in January with two leading operators touching new milestones.

Bangladesh, one of the fastest growing mobile markets, ended 2010 with 6.86 crore active subscribers, but it only took a month to reach the landmark.

The total number of active subscribers reached 7.034 crore at the end of January, according to Bangladesh Telecommunication Regulatory Commission (BTRC).

Grameenphone, jointly owned by Telenor and Grameen Telecom, has retained top position. The leading telecom operator, which added 67 lakh new customers alone last year, has crossed the three-crore mark to take its tally to 3.04 crore.

Second-placed Banglalink made a big stride as it roped in two crore subscribers.

Robi, owned by Axiata (Bangladesh), a joint venture between Axiata Group Berhad, Malaysia and NTT DOCOMO, Japan, stood third with 1.26 crore subscribers.

Indian mobile giant Airtel, which made formal launch in December after its parent company Bharti Airtel bought controlling stakes into Warid, closed Janu-



ary with 41.84 lakh users.

Citycell, the oldest operator in the country, and also the lone CDMA (Code Division Multiple Access) technology-based mobile phone operator, is placed at fifth with 18.58 lakh customers, despite losing nearly one lakh customers.

Bottom-placed Teletalk ended the first month of the year with 12.04 lakh customers, according to BTRC.

Last year, six mobile operators -- one state-run and five others private -- altogether sold 1.621 crore new con-

nections, 30.91 percent up on 2009, according to the regulator. In 2009, the number of active subscribers grew 17.45 percent and 29.88 percent the year before.

Experts say the country's mobile subscription could reach 12 crore within the next few years, while the operators are vying to target the largely untapped rural population.

Although the mobile penetration rate stands at a little over 40 percent, the growth largely confines to urban areas.

Dhaka chamber, China trade body sign cooperation deal

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The Dhaka Chamber of Commerce and Industry (DCCI) and China Foreign Trade Centre (CFTC) have signed a deal to strengthen cooperation between Chinese and Bangladeshi business institutions.

DCCI President Asif Ibrahim and CFTC Deputy Director General Chen Chaoren signed the agreement on behalf of their respective organisations at the chamber auditorium in Dhaka on Sunday.

Industries Minister Dilip Barua and Chinese Ambassador to Bangladesh Zhang Xianyi were present on the occasion, said a DCCI statement yesterday.

The agreement aims to take effective steps to strengthen cooperation between Chinese and Bangladeshi business institutions, through mutual visits, trade fairs and expositions, business travel and consultancy.

Under the deal, CFTC will invite DCCI delegations to the China Import and Export Fair and its other major events, and will assist the chamber in holding

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