

# Brakes on new gas, power connections affect realtors

STAR BUSINESS REPORT

Sales of land and apartment have dropped by 30 percent in the last three months due to the absence of new electricity and gas connections to residential and commercial projects and an increase in land transfer costs.

Realtors and developers have failed to deliver around 10,000 ready apartments worth Tk 8,000 crore to the clients in time. Of which, Sheltech (Pvt) Ltd, a leading developer, alone could not deliver 200 apartments.

In addition, due to lack of electricity connection, a total of 700 new projects comprising an estimated 10,000 apartments had to suspend construction works, affecting the demand for land or

apartments in Dhaka and its neighbouring cities and towns.

Demand for apartments has been on the wane among the local and non-resident Bangladeshis, while the country has been deprived of an additional Tk 800 crore in remittances just because of this reason.

Dr Toufiq M Seraj, managing director of Sheltech (Pvt) Ltd, shared these statistics based on its own research at a press conference, organised by Sheltech at its office yesterday.

The government has stopped providing new electricity and gas connections for one year past now. This has again stopped realtors and developers from handing over apartments to the clients in time as per the con-

tract," he said.

"Simultaneously, the tax to be deducted at source on apartment registration fees has been increased 10 times creating another deadlock in the sector. The recent political turmoil in the Middle East and a debacle in the stock exchange have also contributed to a decline of 30 percent in sales in the last three months," he said.

"We could neither hand over ready flats nor start work on any new projects. If the situation continues, it will have an adverse effect on the sector, not to mention the resultant huge job cuts."

Seraj also pointed out that with the demand and sales of flats declining, relevant linkage industries that have been devel-

oped locally, including brick, cement, MS rod and paint will be hugely affected.

"These industries have flourished on the basis of a growth in our real estate sector. Now, if the real estate sector begins to crumble, linkage industries too feel the crunch adversely."

He said the government increased the land registration fees to Tk 2,000 from Tk 250 per square metre in 2010, which has created a deadlock in the registration process, as people tend to take more time hoping that the government will revise and lower the rate.

Seraj urged the government to take immediate steps to resolve the energy crisis and find alternatives to reinstate the decision to allow new gas and electricity

connections, and remove anomalies in the taxation system.

"If the government does not take positive steps, the sector that provides employment for a huge population will be ruined. And it's time to act fast," he said.

At present, the turnover of the real estate sector stands at around Tk 100,000 crore a year, while the sector contributes 14 percent to the gross domestic product (GDP), industry leaders say.

There are 25 lakh construction workers employed in the sector, while another 30,000 engineers, planners and management staff also work.

Tanveer Ahmed, director of Sheltech, was also present.



**BATB**  
AKM Mayeedul Islam, a member of parliament, speaks at the launching ceremony of British American Tobacco Bangladesh's safe drinking water treatment plant at Ulipur in Kurigram district yesterday.

## Nokia unveils two smartphones

REUTERS, Helsinki

Nokia, the world's largest phone maker by volume, unveiled on Tuesday two new smartphone models running on a new version of its Symbian software platform.

The new models, the E6 and the X7, will go on sale for 340 euros (\$491.6) and 380 euros respectively, including subsidies and taxes, later this quarter.

In February, Nokia's new chief executive Stephen Elop dumped Symbian software -- which lost most of its lead on the smartphone market last year -- saying the company would instead use Microsoft Corp's unproven software as its primary platform.

Elop compared Symbian to a burning platform in a widely leaked internal memo, saying it was not good enough for Nokia's future.

On Tuesday Nokia unveiled a new version of Symbian software, with new icons, improved text input, faster Internet browsing and a refreshed Ovi Maps application.

"Several Nokia executives have attempted to walk back from Elop's February comments and limit the damage he did to Symbian products," said Tero Kuitinen, analyst at MKM Partners.

"It's just a bit too late to put Humpty Dumpty back together. Developers are bailing out in

## G20 needs to 'do things' to aid recovery: Zoellick

AFP, Washington

World Bank president Robert Zoellick on Tuesday called on the world's leading economies to act to keep the multispeed global economic recovery on track, despite their widely differing priorities.

"The best way for the G20 to show that it's alive and active is to do things," he said, placing heavy emphasis on the word "do."

Zoellick, speaking in a media conference call, was asked whether the Group of 20 advanced and emerging-market economies had become complacent amid the global recovery.

"I certainly hope the G20 hasn't become complacent because... we have no shortage of issues out there," he said, among them rising food and fuel prices, political unrest in the Middle East and the eurozone sovereign debt woes.

After cooperating to survive the 2008-2009 financial and economic crisis, it was "natural" that the G20 would have shifts in emphasis and priorities in

## US deficit up 15.7pc in first half of fiscal 2011

AFP, Washington

The US budget deficit shot up 15.7 percent in the first six months of fiscal 2011, the Treasury Department said Wednesday as political knives were being sharpened for a new budget battle.

The Treasury reported a deficit of \$829 billion for the October-March period, compared with \$717 billion a year earlier, as revenue rose a sluggish 6.9 percent as the economic recovery slowly gained pace.

The Treasury argued that the pace of increase in the deficit was deceptive because of large one-off reductions in expenditures made during the first half of fiscal 2010, compared with previous and subsequent periods.

Those included a \$115 billion reduction in funds spent on the Troubled Asset Relief Program (TARP) -- the financial institution bailout program -- in March 2010.

But 2011 so far has also seen significant increases in spending on defense, Social Security, health and

## Expat ministry agrees on manpower proposal

RASHIDUL HASAN

The expatriate welfare ministry yesterday agreed in principle to a set of proposals of two research organisations that asked the government to strengthen the manpower of the ministry to cope with new challenges.

The Centre for Policy Dialogue (CPD) and Refugee and Migratory Movement Research Unit (RMMRU), the research organisations, proposed the ministry increase the number of its joint secretaries and introduce cadre service.

They submitted the proposals at a meeting of the parliamentary standing committee on the expatriate welfare and overseas employment ministry held in the parliament building.

The minister, Khandaker Mosharraf Hossain, and other government officials were present at the meeting.

The ministry is now running on the same strength of manpower as it had when Bangladesh's remittance earning was \$2 billion a year. Now the earning reached \$11 billion, but the manpower of the ministry remains the same," Anisul Islam Mahmud, chief of the parliamentary body, told this correspondent after the meeting.

So, the research organisations placed the proposal of increasing the number of

joint secretaries to five and allocating more fund for the ministry, said Mahmud.

The CPD and RMMRU also asked the ministry to include the issue of migrant workers in the next five-year plan of the government, the committee chief said.

"The committee as well as the minister agreed with the proposals. The minister gave assurance of implementing those in phases," Mahmud said.

"We asked the ministry to recruit quality officials for the ministry so that they can deliver better services to the migrant workers," said Prof CR Abrar, executive director of RMMRU.

The research organisations also urged the ministry to go for public-private partnership for providing training to the prospective migrant workers as what experts of the two organisations said proper and qualitative training is vital for getting good jobs abroad.

Prof Mustafizur Rahman, executive director of the CPD, said they have called upon the ministry to be engaged actively with the dialogue of the Mode-4 of General Agreement on Trade in Services under which developed countries are likely to import both skilled and unskilled workers from developing nations.

## Integrate the poor into business value chain: analysts

STAR BUSINESS REPORT

Corporate Bangladesh should integrate marginalised groups into its business value chain as it will help them reach the untouched markets and improve the wellbeing of the poor at the same time, said analysts yesterday.

"The private sector can incorporate the poor people into the value chain through partnering with development organisations," said Nazneen C Huq, a TPI associate of the International Business Leaders Forum (IBLF) who was one of the trainers at the international workshop on "Sustainability through Profitable Inclusive Business" organised by CARE Bangladesh in Dhaka yesterday.

"Business organisations should focus on pursuing the inclusive business model as it will help them achieve the business objectives and contribute to the society," said Parveen S Huda, Bangladesh country manager of Business Innovation Facility.

Representatives from leading local and foreign private sector companies based in Dhaka took part in the event, which was conducted by trainers from IBFL and Business Innovation Facility (BIF), both based in the UK.

The workshop is part of a project 'Responsible Business Promotion in Bangladesh' being implemented by CARE Bangladesh this year, with funding from United Kingdom Department for International Development (DFID) and CARE International UK.

The project aims at researching into and addressing the precise needs of national industry and civil society in understanding and implementing responsible business models in Bangladesh and providing training to the stakeholders, CARE Bangladesh said in a statement.

Joanna Pyres, a TPI associate of IBFL, said: "The corporate sector should form a partnership with the development organisations as it will enhance its reputation and credibility by expanding the markets and networks."

Pyres suggested the development organisations might go for identifying their capacity gaps and address the issue of sustainability for working business entities successfully.

CARE Bangladesh will also host a two-day training programme for business and NGO practitioners willing to learn about the practicalities of partnering, experience sharing and networking on April 19-20.



Md Ikramullah, former chairman of Midas Financing Ltd, inaugurates an SME branch of the company in Brahmanbaria on Saturday. Shafique-ul-Azam, managing director of Midas Financing, was also present.



Nizam Uddin Ahmed, chairman of Meghna Life Insurance Company Ltd, attends the annual conference of development officials of the insurer at Nandan Park in Dhaka recently. Muhammed Shah Alam, managing director, was also present.

## Taiwan's Foxconn mulls \$12b investment in Brazil

AFP, Beijing

Taiwan IT giant Foxconn, which makes iPads and iPhones, is considering investing \$12 billion in Brazil to build computer and mobile phone components, Brazilian President Dilma Rousseff has said.

Rousseff, who is in China on her first major foreign trip since taking office in January, told reporters late Tuesday that Foxconn had expressed its interest in investing the money in Brazil over the next "five to six years".

The Brazilian leader said a working group had been formed to study the proposal. Further details