

## Estimate raises eyebrows

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entity or a country to generate the next unit of production.

"Weak estimates may provide very different signals to the policy makers, resulting in inappropriate policy advice," said Debapriya Bhattacharya, distinguished fellow of the CPD. Debapriya said no transparent system was followed in the GDP calculation, which was evident in the previous year's growth rate.

He said the government initially estimated GDP growth rate for fiscal 2009-10 at 5.5 percent, which was later revised to six percent after agriculture minister's reservation on the relatively slower growth rate. Later, the GDP was revised to 5.8 percent and finally at 6.1 percent.

"We are unclear how the GDP growth rate is assessed and revised frequently. It creates confusion," he said.

The think-tank suggested a way for the government to make the policy makers and

people understand it clearly.

It advised the government to set up an independent expert group to scrutinise the provisional estimates of GDP (6.7 percent) as provided for fiscal year 2010-11.

The CPD report found major macroeconomic indicators, including fiscal, monetary and external sectors, under pressure since the second half of the outgoing fiscal year.

Inflation, interest rate and exchange rate are in tremendous pressure and it will intensify in the coming year, it said. Rising need for subsidies and declining remittance growth are also posing a threat, said the CPD.

"We did not see such pressure on the economy in the past five-seven years," said Debapriya. "Monetary policy tools applied by the central bank did not work to rein in inflation."

On the liquidity crisis, it said diversion of credit to

capital markets and growing government borrowing has deepened the crisis further.

After 10 years, overall balance of payments might end up being in the negative territory, said the CPD, adding that it could not be addressed only by increasing exports. "Policy support is vital to propel remittance and foreign direct investment in short-term," it observed.

Capital market, which is currently at a "dysfunctional" state cannot be made effective by just removing and recruiting some faces, said the CPD. "Corrective, painful and unpopular overhauling measures are needed," it said.

On energy and power sector, the CPD asked the government to speed up production and supply by rental plants and gas exploration, to give the economy a boost.

Though the CPD hailed the NBR for surpassing the revenue target, it witnessed a lacklustre performance in non-NBR tax collection.

## Fuel, electricity to get pricier

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deficit in different accounts, which is totally impossible, the high-up said.

Centre for Policy Dialogue (CPD) in a report yesterday said the growing demand for subsidy may weaken the macro-economic fundamentals of the economy. If necessary, the government can consider adjusting prices and tariffs.

Fertiliser price has already been hiked by Tk 8 to Tk 20 a kilogram in line with a government decision. Petroleum prices may be increased in three phases and power tariffs in two phases in the next fiscal year.

Prices of both petroleum and Compressed Natural Gas (CNG) have been upped last month followed by a hike in power tariffs.

The official said the

government has to spend more than the original allocations for subsidy in the current fiscal year. The demand for subsidy will go up further as petroleum, food and fertiliser prices continue to soar on the international market.

The budget allocation for subsidy in agriculture, power and energy sectors was Tk 9,200 crore in the current fiscal year. But different ministries have demanded Tk 3,200 crore in addition to it.

The allocation of subsidy in the food sector was Tk 1,088 crore but the food ministry demanded additional Tk 800 crore in the revised budget, the official said.

The government will try to limit the subsidy in power, energy and agriculture sectors to Tk 11,000 crore in the current fiscal year.

The government has initiated installation of diesel and furnace oil-run rental power plants to ease electricity crisis. All quick rental power plants are likely to go into production pushing up fuel import in the next fiscal year.

Since the costs of electricity generation in those power plants will be high, the government will have to purchase power from those at higher prices that will add up to the fiscal burden, the official said.

However, the government wants to keep the subsidy within Tk 18,000 crore in these sectors, added the high-up.

The CPD in its report, the State of the Bangladesh Economy in FY 2010-11, published yesterday suggested reducing government subsidy to maintain fiscal

balance.

It said subsidy payments for power, energy, export, food and agriculture accounted for four percent of the GDP in the current fiscal year.

"One needs to be always mindful about the opportunity costs of these expenditures and the trade-offs involved. If necessary, price and tariff adjustment may be considered for maintaining fiscal balance," the report said.

CPD Distinguished Fellow Debapriya Bhattacharya said, "The continuously growing subsidy demand may weaken the macro-economic fundamentals of the economy."

If the government gives subsidy beyond its ability, it may have a reverse effect on the economy after a while, he said.

"The government should be well advised to revisit the rationale of these expenditures in the context of changing market realities, make a critical assessment of the actual impact of these payments and explore opportunities for rationalisation and harmonisation of these outlays," Debapriya said.

CPD Executive Director Prof Mustafizur Rahman said, "Provision of public subsidy for productive purposes as well as for extending safety net to the poor is considered to be an important determinant of pro-poor growth. However, the ability of an economy to provide such 'good' subsidy also depends on the size of the fiscal space available in the economy, at any point in time."

## 7,000 a day catch AIDS: UN

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programmes are urgently needed to consolidate gains made in the war on AIDS and HIV.

The report highlighted spectacular progress made in the 30 years since US epidemiologists, in a study released on June 5, 1981, described the cases of five young homosexuals whose immune systems had been destroyed.

But UNAIDS said about 34 million people were living with HIV at the end of 2010 and that nearly 30 million people have died from Acquired Immune Deficiency Syndrome, or AIDS, in the

past three decades.

The rate of new infections of human immunodeficiency virus (HIV) that causes AIDS has declined. But the UN agency said "the total number of HIV infections remains high at about 7,000 per day."

UNAIDS also estimates that about half of those with HIV do not know they are sufferers.

"It is a major problem, it is a major, major issue," said Michel Sidibe, the executive director of UNAIDS at the launch of the AIDS at 30: Nations at the Crossroads report.

Sidibe said the worrying

figures proved the need for wider scale testing that would reduce the infection rate.

"The number of people becoming infected and dying is decreasing, but the international resources needed to sustain this progress have declined for the first time in 10 years, despite tremendous unmet needs," UN Secretary General Ban Ki-moon warned in the report which comes ahead of an AIDS summit at the UN headquarters next week.

"We have a long way to go to prevent new HIV infections, end discrimination and scale up treatment, care and support," he said.

UNAIDS painted a tableau of early setbacks and later successes in the fight against a complex disease.

It hailed in particular "dramatic gains" in getting AIDS drugs -- once the preserve of rich economies -- to patients in poor countries.

At the end of 2010, 6.6 million people in low- and middle-income countries had access to treatment, it said.

This amounted to an increase of 1.4 million over 2009, and a 22-fold rise over 2001, "a vivid illustration of the power of international solidarity, innovative approaches and people-centred responses."

On the downside, the global tally still fell far short of the goal of "universal access" that the United Nations had enshrined for 2010. That deadline came and went with another nine million badly-infected people still in need of treatment.

Achieving that aim and tackling the many other issues of AIDS will require a major boost in funds, UNAIDS warned.

Between 2001 and 2009, resources for poorer countries rose 10-fold, from 1.6 billion dollars annually to 15.9 billion.

The United States alone accounted for 3.165 billion dollars in AIDS support in 2009, followed by Britain, with 658 million and the Netherlands with 389 million dollars, although Denmark donated most as a percentage of its GDP.

The report also pointed the finger at countries that were doing too little to prevent new infections, or failing to spend money in ways that would have the greatest impact.

Former US president Bill Clinton, a veteran AIDS campaigner, said NGOs had to cut overheads, governments had to reduce costs and efforts had to be focused on population niches most at risk of infection, he said.

Overall, the rate of new HIV infections has declined by about 25 percent over the past decade, the report said.

India has the highest number people living with HIV in Asia and South Africa has the highest number in Africa. But in India the rate of new infections has fallen by 50 percent over the decade and in South Africa by more than 35 percent.

## Indian foreign secy due tomorrow

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the preparations for the planned trip of Manmohan and the process of setting the agenda of his talks with Bangladesh PM Sheikh Hasina.

Also, Indian Foreign Minister SM Krishna is scheduled to come to Dhaka later this month to fine-tune the preparations for Manmohan's visit, officials said.

Diplomatic sources said they expect that the Indian premier's visit will signal the beginning of a new relationship with Bangladesh following up Hasina's groundbreaking visit to New Delhi in January 2010.

Last month, Indian Finance Minister Pranab Mukherjee told a Bangladesh media delegation, during Manmohan's Dhaka trip India will make substantial

announcements on specific outstanding issues like the sharing of Teesta river water and decades-old border disputes.

Official sources in Dhaka said during her three-day visit, Nirupama will call on Sheikh Hasina and Foreign Minister Dipu Moni in addition to holding bilateral consultations with her Bangladesh counterpart Mijarul Quayes.

Her talks scheduled for Tuesday with Mijarul Quayes will focus on an agreement on the sharing of Teesta river water, bilateral trade imbalance, demarcation of boundary, exchange of enclaves and adverse possession territories, and killing of Bangladeshi nationals along the border, officials said.

Dhaka's concern over tariff and non-tariff barriers

to export of Bangladeshi goods to Indian market will also be discussed by the foreign secretaries.

On the top of agenda at the foreign secretary level consultation is water sharing agreement on the Teesta river for which the water resources secretaries of Bangladesh and India will also meet in New Delhi tomorrow.

A highly placed foreign ministry source in Dhaka told The Daily Star, both Bangladesh and India have agreed for a comprehensive water-sharing agreement which will cover all the 54 rivers shared by them.

Bangladesh and India are also pushing for an agreement on boundary that needs to be demarcated.

Only about 6.5 km boundary is left to be demarcated but Indian central government needs to work closely

with the north-eastern states on the issue, Indian sources said adding, the survey of the enclaves and adversely possessed territories is expected to be completed soon.

Officials in Dhaka said Bangladesh is expecting an early Indian green signal to the 17 projects Dhaka plans to implement with \$1 billion Indian loan. The loan agreement was signed in Dhaka in August 2010.

However, Indian sources claimed that the Indian government had just cleared the projects and their implementation will start before Manmohan Singh's visit to Bangladesh.

The money will be spent in dredging, building infrastructures including supply of buses, railway coaches and locomotives, and other facilities.



### EASTERN CABLES LIMITED

PATENGA, CHITTAGONG.

Registered Office: BSEC Bhaban, 102, Kazi Nazrul Islam Avenue, Dhaka-1215

#### NOTICE OF THE 24<sup>th</sup> (TWENTY FOURTH) ANNUAL GENERAL MEETING.

It is notified for information of the valued Shareholders of **EASTERN CABLES LIMITED** that the 24<sup>th</sup> ANNUAL GENERAL MEETING of the Company will be held on Tuesday the 28<sup>th</sup> June 2011 at the Factory Premises of the Company at Patenga, Chittagong at 11.00 A.M. to transact the following business:

1. To receive, consider the Annual Report of the Board of Directors and to approve the Audited Accounts of the Company ended on 30<sup>th</sup> June, 2010 together with the Audited Balance Sheet, Profit & Loss Accounts and Audit Report thereon.
2. To declare Dividend @ 10% (Ten percent) as recommended by the Board of Directors.
3. To nominate/elect Directors in place of those retiring by rotation.
4. To appoint Auditors as per latest Circular of Securities & Exchange Commission for the year 2010-2011 and to fix-up their remuneration.
5. To transact any other business with the permission of the chair.

By order of the Board,

(MD. ABUL BASHAR SIDDIQUE)

Company Secretary

Dated : 31.05.2011.

#### Notes:

1. Record date fixed on 09.06.2011 in connection with 24<sup>th</sup> AGM of the company.
2. The shareholders whose name and shares will appear in the Member's Book/ Depository Register of the Company on the Record date will get the dividend as recommended by the Board of Directors and as declared in the 24<sup>th</sup> Annual General Meeting.
3. A member unable to attend the Meeting may appoint a proxy. Such proxy must be a Shareholder of the Company. Company/Corporation may attend and vote in the Meeting through their authorized representatives. The proxy form duly affixed with Tk. 10.00 (Ten) Revenue Stamp must reach the Registered Office of the Company at least 48 (Forty Eight) hours before commencement of the Meeting i.e. before 11.00 A.M. of 26<sup>th</sup> June, 2011.
4. Candidates interested to contest for Director from Group - 'B' Shareholders, are requested to submit their nomination paper in the prescribed form available in the Registered Office at least 7 (seven) days before the commencement of the Annual General Meeting i.e. before 11.00 A.M. of 21<sup>st</sup> June, 2011.

GD-2569

## VACANCY NOTICE

(Re-advertisement)



United Nations Development Programme in Bangladesh announces a post of **Communications Associate** (1 position, SB-3 level) under Service Contract modality.

The duration of the service contract is one year initially, subject to renewal on an annual basis upon satisfactory performance and availability of funds.

For details of the Job Description and instructions to apply, please visit our website: <http://www.undp.org.bd/jobs>. Applications should be received no later than **Saturday, 18 June 2011**.

Only short-listed candidates will be contacted. Female candidates are particularly encouraged to apply.



## THE UNIVERSITY OF ASIA PACIFIC (UAP)

House # 49/C, Road # 4A, Dhanmondi R/A, Dhaka-1209

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E-mail: registrar@uap-bd.edu, Website: www.uap-bd.edu

### NOTICE FOR PRE-QUALIFICATION OF CIVIL CONTRACTORS Construction of the UAP City Campus Building Complex

The University of Asia Pacific (UAP) authority intends to commence the construction of the UAP City Campus Building Complex at 74/A Green Road, Dhaka-1216, on a chunk of three(3) bigha land. The proposed building shall have 10 storied superstructure above ground with 12 storied foundation along with 3 basement floors for parking and other services.

Applications are hereby invited from the reputed Bangladeshi construction companies/contractors for the Pre-Qualification for the construction of the UAP City Campus Building Complex.

Minimum Eligibility of the Bidders intends to apply for the Pre-qualification:

1. Construction Firms having minimum 10(ten) years of working experience, who have successfully completed at least 1 (one) twelve storied/ commercial building (not apartment building) with minimum 2 (two) level basement for car park and with a minimum area of 10,000sqft. per floor including water supply, sanitation, plumbing, internal electrification works valuing minimum **BD Taka 500.00**(five hundred) million under a single contract within last ten years under Government/ Semi-government Bank/Insurance/Corporate House/NGO.
2. Average yearly Turnover of **BD Taka 200.00**(two hundred) million from construction business in the last 3 years.
3. Interested Construction companies are requested to collect the Pre-qualification Documents from the office of the Project Director, The University of Asia Pacific, House 49/C, Road 4/A, Dhanmondi R/A., Dhaka-1209, from **June 5, 2011 to June 30, 2011** during office hours (10:00AM to 5:00PM ) by providing the following:
  - a. Formal request for issuing Pre-Qualification Documents in the company's letterhead along with non-refundable cash payment or pay order of **BD Taka 5,000/-** (taka five thousand only) in favor of the University of Asia Pacific (UAP).
  - b. Registration and track record of last 10 years in building construction and Documentary Evidences of the eligibility of the participating Bidder with reference to the Pre-qualification Requirement as per clause 1 and 2 provided above.
4. Application for Pre-qualification, duly filled in prescribed format shall be received in the office of the Project Director, The University of Asia Pacific, at the address mentioned in paragraph 3, on all working days up to **July 10, 2011**.
5. The Bidders who have records of litigation, delaying the work due to increase in material price and also have record of injury, accidents including the death of workers or personnel at site due to inappropriate safety need not apply for the pre-qualification.
6. The management of the University of Asia Pacific reserves the right to accept or reject any or all the applications without assigning any reason whatsoever.

Project Director

The University of Asia Pacific