

ERD secretary named executive director of IDB

STAR BUSINESS REPORT

Musharraf Hossain Bhuiyan, secretary of the Economic Relations Division (ERD), has been elected as the executive director of Islamic Development Bank on behalf of four countries, including Bangladesh.



The other three countries are Afghanistan, Pakistan and Maldives.

The election was held at the IDB's 36th annual meeting in Jeddah on June 29-30.

In a statement, the finance ministry said the tenure of the post of executive director is three years. Bhuiyan's term starts on October 14.

The Bangladesh nominees have previously served two full terms and

Wave-based power plant takes shape in Bangladesh

A Malaysia-based company will build the plant in Ctg

STAFF CORRESPONDENT, Ctg

Techknow Industrial SDN Bhd, a Malaysia-based company, plans to establish a sea wave-based power plant in north Chittagong, said its Chief Executive Officer Richard Shie yesterday.

Shie came to the port city to sign a land procurement deal for the factory at Kumira in Sitakunda, says a statement.

Bangladesh Power Development Board also showed its interest in the ocean energy-based plant.

"Ocean electric technology doesn't use oil, coal or gas. The output capacity of the plant is almost 900 million KwH, and it will help any government cut its

electricity production cost in half," the statement added.

The plant will generate power, as long as it is moving with the force of seawater. "It is green, it entails no pollution. It's a solution to tackle global warming and reducing carbon dioxide in the environment."

Techknow Industrial, a Singaporean-owned company, has chosen Chittagong to set the plant that means Bangladesh would be the first country in the world to explore and exploit ocean energy systems before many other countries, the statement added.

The key objective of the plant is to export ocean energy systems to Thailand,

Malaysia and Indonesia.

The construction of the factory will be completed in four phases. At first, the basic fabricating factories will be built on 40 acres of land. Each of the fabricating factories -- huge aircraft hangar type steel structures -- will be 180 metres long, 100 metres wide and 30 metres high.

The plant will have its own warehouses, hospital, office blocks and hotel, residential apartments, sports centre, shopping mall, supermarket and a private jet runway. The entire plant will take five years to build.

The second plant will be built in Istanbul by 2012 to cater to the needs of the European markets.



Parvez Murshed, director and head of global transaction services for Citibank, Bangladesh, and Mainur Rahman Bhuiyan, deputy director and head of corporate finance and treasury of Grameenphone, sign a deal in Dhaka recently to execute payments across the country through Bangladesh Electronic Fund Transfer Network using CitiDirect, Citibank's electronic banking platform.

Indian microfinancier reveals staff fraud

AFP, Mumbai

India's biggest lender to the poor, SKS Microfinance has found 156 cases of alleged embezzlement by some of its former employees worth nearly \$356,800, the company said in its annual report.

Nearly 60 percent of the amount defrauded has been written off after it was not recovered. A third of the accused are currently untraceable, SKS's auditors said in the document, which covers the last financial year ended March.

In the report, SKS said it also suffered 205 cases of fake loan transactions worth \$1 million, given to non-existent borrowers on the basis of fictitious documents. The company recovered just over 25 percent of the fake loans funds.

SKS has sacked all employees involved in both types of fraud and is taking legal action against them, a company spokesman told AFP on Wednesday.

Senior Citi official in town

STAR BUSINESS DESK

Peter B Eliot, managing director, country head and Citi country officer for Thailand, arrived in Dhaka yesterday for a two-day official visit, Citi said in a statement.

During his stay, Eliot is scheduled to meet senior Citi officials, key clients, and review Citi's potential for further growth in Bangladesh, the statement added.

Eliot has spent 26 years with Citi in a number of senior management positions in the international division, most recently in Thailand, Indonesia, the Philippines and Singapore.

He was appointed Citi country officer for Thailand in February 2008. Prior to his assignment to Thailand, Eliot was Citi country officer for Indonesia.

Eliot was appointed chairman of the Association of International Banks in Thailand in December 2010.



SEC signs up Padma Islami MF

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The Padma Islami Life 1st Mutual Fund has recently been registered with the Securities and Exchange Commission, said National Asset Management Ltd -- the asset manager of the fund -- in a statement on Sunday.

The market lot of the Tk 100-crore fund has 500 units with a face value of Tk 10 each.

Padma Islami Life Insurance Ltd is sponsoring the close-end mutual fund for which Eastern Bank and BRAC Bank will be the trustee and custodian respectively.

India may pay \$6.8b more in fuel subsidy

REUTERS, New Delhi

India is likely to pay an additional around 300 billion rupees (\$6.8 billion) than budgeted in 2011/12 to state refiners as compensation towards selling fuel at subsidised rates, a senior government official with direct knowledge of the matter said on Wednesday.

Upstream companies and explorers -- Oil and Natural Gas Corp, Oil India Ltd and GAIL -- have to sell crude oil and products at a discount to retailers, which sell diesel, kerosene and LPG at government-capped prices.

"The oil subsidy given in the budget has already been exhausted. So the government is working on 25,000-30,000 crore (250-300 billion) rupees more on oil subsidies to be given in the monsoon session of parliament," the source said.

The monsoon session commences on Aug. 1.

In February, the government had budgeted a petroleum subsidy of about 236 billion rupees, assuming oil prices below \$100 per barrel. However, high global crude prices are expected to substantially



An Indian labourer delivers a gas cylinder to a home in Siliguri.

inflate New Delhi's oil subsidy bill.

India's decision to raise fuel prices last month is expected to trim revenue losses for state-run oil companies by just 50 billion rupees to about 1.2 trillion rupees in this fiscal year.

Analysts say duty cut on crude and petroleum products could widen the government's fiscal deficit to over 5 percent, from the budgeted 4.6 percent of gross domestic product for the 2011/12

fiscal year, and force it to resort to higher market borrowings.

Also, a slowdown in Asia's third-largest economy is seen upsetting New Delhi's fiscal calculations.

The government source, however, said the fiscal gap target is unlikely to be missed as the government is looking to generate additional resources and trim its expenditure.

"We are drawing up alternative plans which include better tax

revenue and compliance and compression of plan expenditure," the source said.

"The other thing that is being looked at is how the number of state companies for stake sale can be increased...The entire exercise should yield results and help us meet targets."

The government is planning share sales in seven companies, instead of at least four earlier, in this fiscal year, the source said, but declined to name the firms.

The source also said the government was in discussion with the planning commission on ways to reduce the planned expenditure.

The government had announced its stake sale plan in four state-run firms -- Steel Authority of India Ltd, Bharat Heavy Electricals Ltd, Oil and Natural Gas Corp and Indian Oil Corp -- earlier.

The source said the government, which plans to raise 400 billion rupees through its divestment programme in 2011/12, is planning to sell shares in Oil India Ltd now instead of Indian Oil Corp, but did not give reasons for the switch.

AirAsia plans to boost Airbus deal

REUTERS, Kuala Lumpur

AirAsia has drawn up plans to buy an extra 100 Airbus A320neo jets, potentially taking its record-breaking order to 300, a source with direct knowledge of ongoing discussions said.

Such a deal would make the Malaysia-based low-cost airline one of the world's largest carriers and could increase pressure on Boeing to clarify its strategy for countering its European rival's plans to upgrade its A320 medium-haul jet.

AirAsia announced a deal worth \$18.2 billion at list prices for 200 A320neo planes at the Paris Air Show in June, setting a record for the largest number of jets in

Advertisement for Bangladesh Petroleum, Gas and Mineral Development Corporation (Petrobangla) regarding a public hearing for the 12th annual general meeting.

Advertisement for Petrobangla regarding the 12th annual general meeting, including details about the agenda and the presence of Shakhawat Hossain.



Mitsubishi i-MiEV electric vehicle is at display at the company headquarters in Tokyo. Mitsubishi Motors launched two new versions of the car on Wednesday.

Advertisement for Jalalabad Gas & System Ltd, featuring a logo and details about gas supply services.

Advertisement for Petrobangla regarding the 12th annual general meeting, including details about the agenda and the presence of Shakhawat Hossain.