STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES (STANDARD CHARTERED BANK)				
DGEN	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI		USD	EUR	GBP	JPY
0.39%	0.47%	$1,588.26 (per ounce)	$101.92 (per barrel)	1.09%	0.20%	0.11%	0.18%	BUY TK	81.20	104.03	125.22	1.01
5,219.47	9,491.95			15,700.93	8,423.62	2,673.62	2,170.01	SELL TK	82.20	108.22	129.54	1.10

Star BUSINESS

DHAKA THURSDAY DECEMBER 29, 2011, e-mail:business@thedailystar.net

Five-year plan targets monitoring, evaluation

STAR BUSINESS REPORT

The government yesterday formally unveiled the sixth five-year plan with focus on result-based monitoring and evaluation of performances against the targets.

The government aims to attain more than 7 percent growth of the economy a year and limit inflation within 7 percent during the execution period until fiscal 2015.

With the goal of ensuring inclusive economic growth, the document has set a target of bringing down poverty to 22 percent by fiscal 2015 from 31.5 percent at present and create ten million new jobs.

To monitor the results and performances of ministries and various priority sectors against targets set in the plan, yardsticks of evaluation have been included in the plan. The government approved the plan in June this year.

"The plan offers scope to evaluate its targets and achievements in the backdrop of changing reality," said economist Wahiduddin Mahmud, chair of a 16-member panel of economists who suggested priorities in the framing of the plan.

Mahmud shared it at the ceremony organised to unveil the documents of the plan at the Planning Commission in Dhaka.

Finance Minister AMA Muhith and Planning Minister AK Khandker also spoke on the occasion.

In line with the plan, performances of various sectors and ministries will be measured on the basis of 25-30 yardsticks. General Economic Division of the Planning Commission will publish the monitoring reports based on these indices.

"It is not going to be left in the shelf," said Prof Shamsul Alam, a member of the Planning Commission, citing the scope of result-based monitoring.

The document, which comes after a decade following donor-prescribed Poverty Reduction Strategy Paper to realise development goals, targets an investment of Tk 13.5 trillion in five years.

Of the total investment, 77.2 percent is expected from the private sector, while the rest from the public sector.

Setting strategies for 10 priority sectors, the plan stressed the need for achieving self-sufficiency in food, accelerating industrialisation for increased exports, address power and energy crunch and upgrade infrastructure.

It also emphasises developing human resources through education, focusing on planned urbanisation and improving people's health and nutrition condition.

"One of the main goals of the plan is to eliminate regional disparity in income and distribute the benefit of growth to all," said Planning Minister AK Khandker.

The plan, drafted on the basis of consultation with various stakeholders, focuses on expansion of the manufacturing sector to create new jobs.

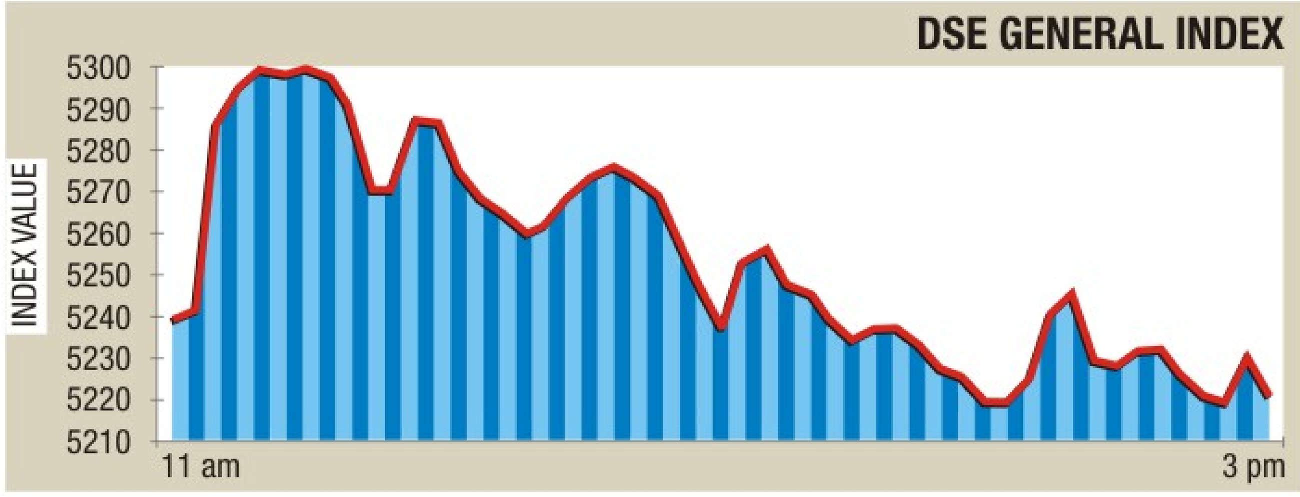
Finance Minister AMA Muhith said the plan is different from the past plans that focused more on investment. "It is an indicative document," he said.

The plan is also reviewable in line with the changes in the context of domestic and global economy, he said.

TARGETS FOR FIVE YEARS

- Over 7% GDP growth
- Bringing down people below poverty line to 22% from 31.5%
- Tk 13 trillion in investment
- 1 crore new jobs
- Additional 3 lakh tonnes of rice a year
- 100% primary school completion rate
- Scaling up electricity generation to 15,357MW by 2015
- Electricity for 65% of population
- Raising tele-density to 70% and broadband internet to 30%

Stocks come down on profit-taking



STAR BUSINESS REPORT

Indices of Dhaka Stock Exchange declined yesterday as investors sold shares to take profits.

The benchmark General Index, the indicator of DSE, closed at 5,220.65 points, after declining 19.04 points or 0.36 percent.

Most of the selling pressure stemmed from profit-booking and the prime index managed to absorb the brunt of it, said Green Delta LR Holdings in its daily market analysis.

LankaBangla Securities, a market analyst, said the market could not maintain its buoyancy of the morning session as profit-booking by traders pulled down the index.

DGEN, the prime index of the Dhaka bourse, began the day with a bull-run that reverted to a sluggish mode as the day progressed.

A total of 264 issues traded: 160 declined, 86 advanced and 18 remained unchanged.

The turnover gained 24.3 percent compared to the previous day. A total of 1.35 lakh trades were executed, generating a turnover of Tk 526 crore with 12.25 crore shares being traded on the Dhaka bourse.

The banking sector accounted for 27.9 percent of turnover. Banks were up 0.23 percent.

Non-bank financial institutions lost 1.42 percent, general insurance 1.93 percent and pharmaceuticals 0.49 percent.

Meghna Petroleum was the day's biggest turnover generator. It rose 9.9 percent to become the third highest gainer of the day.

Renwick Jajneswar was the biggest gainer as it posted a 9.95 percent rise. Libra Infusions plummeted 5.32 percent to become the worst loser.

The Chittagong Stock Exchange declined yesterday. The Selective Categories Index lost 44.98 points or 0.47 percent to end the day at 9,491.96.

Losers beat gainers 130 to 53 with 12 securities remaining unchanged on the port city bourse, which traded more than 91.92 lakh shares and mutual fund units on a value of Tk 43.61 crore.

BoI stresses congenial climate to attract FDI

STAR BUSINESS REPORT

Bangladesh must create a congenial climate for both domestic and overseas investors to give a boost to the stagnated flow of foreign direct investment into the country, said a top government official yesterday.

"Internal investors sometimes hesitate to invest. If we cannot create an investment-friendly environment for them, we will not be able to attract foreign investors," said Syed A Samad, executive chairman of the Board of Investment.

His comments came at a symposium organised by US-based Bangladesh Development Initiative at his office in the city.

The country attracted $913.32 million in FDI in 2010, up by 30 percent in 2009, according to a recent World Investment Report of the United Nations.

But the FDI inflow has been stagnant below $1 billion for a long time due largely to inadequate supply of gas and power, a lack of bargaining capacity and scarcity of land.

Samad also said around 60 percent to 70 percent of the investment proposals registered with the BoI are implemented.

His claim, however, contradicted the comment made by Dr Khondaker Golam Moazzem, a senior research fellow of the Centre for Policy Dialogue, who said their study found that only 25 percent of all the proposals registered with the BoI is materialised.

"We have found that the industries whose value chain has been established in the country ultimately come forward to set up their projects," he said.

The economist also said traditional tariff and incentive would not work to attract investment. "We will have to look at other areas for providing incentive, as our incentive structure gives more emphasis on post-establishment stage rather than the pre-establishment level."

Samad also admitted that the country's incentives are not adding too much value as they equal the incentives doled out by many of Bangladesh's competitors including Vietnam. "Incentive and blind promotion do not work."

He said his officials are leaving no stone unturned to attract foreign investors.

The former bureaucrat said there are major concerns for the foreign investors rather than gas and electricity supply in Bangladesh. "Private capital and FDI is highly suspected in the country. Bureaucratic process is also troublesome."

Samad said still projects worth about $3 billion are in the pipeline.

He said investors would have to be provided with right kind of environment for making their investment and staying in Bangladesh. "An investor brings culture with him when he makes an investment."

"You will see a huge number of karaoke stores in Kuala Lumpur, especially for the Japanese investors. We have to give the same environment in Bangladesh if we want to attract investment and become global."

He said there are invisible barriers that affect FDI flow to Bangladesh. "Investment is not trade but a marriage. You have to have long-term perspective."

"We do not have answer to question how much FDI we want. We are also not being able to take tough decision. It is our collective failure unfortunately."

Samad said although Goldman Sachs has included Bangladesh in the "Next 11" emerging countries following BRICS (Brazil, Russia, India, China and Russia), the country's investment rating is placed at a lower level.

"However, we are still receiving investment. Many still see Bangladesh as China-plus One and want to relocate their factories here. But there is invisible barrier. We have drawn up some very good infrastructure projects, but they are not taking off."

He said the changeover in 2007 when many businessmen were imprisoned gave wrong message to foreign investors. "This type of incident has long-term effect on the minds of investors."

Samad also said the slow implementation of a number of infrastructure projects under public private partnership also gives negative message.

DITF kicks off Sunday

STAR BUSINESS REPORT

The preparations for holding the month-long Dhaka International Trade Fair (DITF)-2012 are going on in full swing as the show will kick off from January 1, said an official of the Export Promotion Bureau (EPB).

"We have already completed 90 percent of the preparations for holding the fair on time," said Sayed Bealal Hossain, a deputy director of the EPB. Prime Minister Sheikh Hasina will inaugurate the fair.