

Breaking obstacles of payments through

NCC BANK

Virtual Card

Makes payment easier anytime anywhere around the globe

NCC BANK

Where Credit and Commerce Integrates

www.nccbank.com.bd

star

BUSINESS

DHAKA WEDNESDAY MARCH 7, 2012, e-mail:business@thedailystar.net

Subsidy bills push up budget spending

REJAUL KARIM BYRON

A huge spending on subsidy has pushed up government's budget expenditure by 58 percent in the first six months of the current fiscal year compared to the same period last year.

Such expenditure rose by only 14 percent in the same period last year.

The government spent Tk 62,076 crore in July-December of the current fiscal year, out of its entire year's budget at Tk 163,590 crore, according to a finance ministry report on the implementation of budget in the first six months.

The report is likely to be placed in parliament today.

Non-development expenditure shot up by 70 percent, while development expenses went up by 23 percent during July-December over the same period last year.

However, non-development expenditure increased by 13 percent and development expenditure by 17 percent in the six-month period last year.

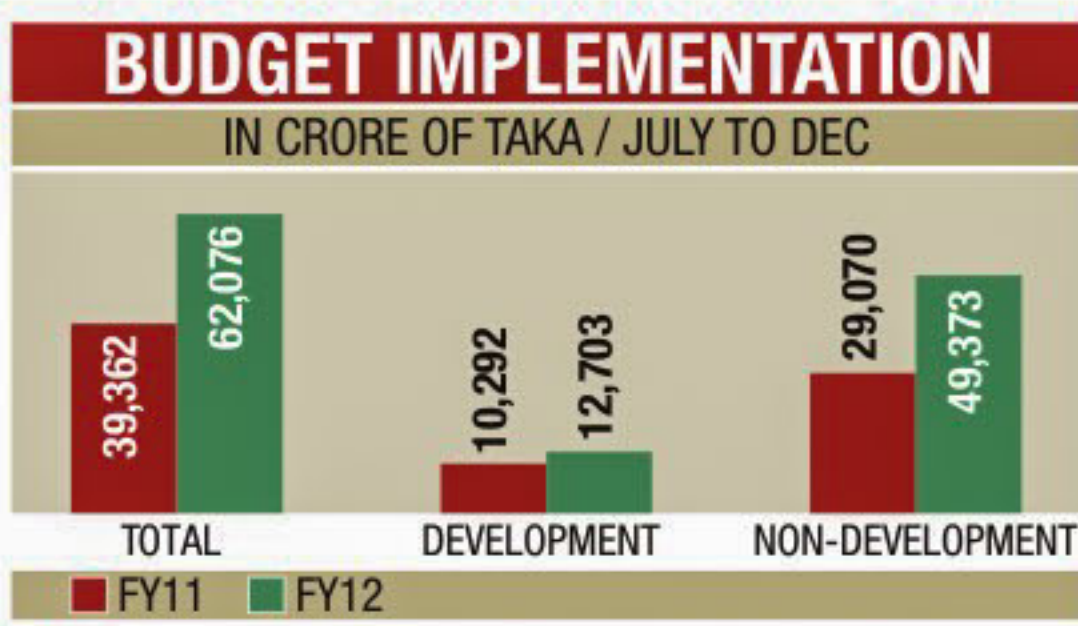
In the first six months of the current fiscal year, Tk 49,373 crore was spent on non-development budget, against an allocation of Tk 117,590 crore for the entire year.

The development expenditure during the period this year was Tk 12,703 crore, while the allocation for the entire year was Tk 46,000 crore.

A finance ministry official said the demand from different ministries is far more than the budgetary allocation on subsidy in the current year.

The allocation on subsidy in the total budget was Tk 20,447 crore, according to finance ministry statistics. The ministries have demanded Tk 40,000 crore.

In the first three months of the current fiscal



year, Tk 4,080 crore was spent on subsidy for Bangladesh Petroleum Corporation, Power Development Board and the agriculture sector.

No money was spent on subsidy in these areas during the same period last year.

The official said the expenditure on subsidy increased further in the first six months this year.

Though the prices of power and fuel were hiked several times, the government will still need to spend a big amount on subsidy for these sectors, the official said.

So the fuel and electricity prices are likely to see further hikes within the current fiscal year, he added.

Another reason behind the rising expenditure is the failure of some ministries to utilise foreign assistance in their development projects and banking much on local resources

The government's spending on interest payment is also on the rise, which in turn is fuelling the non-development expenditure.

However, the finance ministry official said the government's spending did not speed up much compared to a bigger outlay the government has taken.

Though the development expenditure increased slightly, only 27 percent of the allocation was spent.

SEC vows to go tough on unusual trading

Opens probe into two firms

STAR BUSINESS REPORT

The Securities and Exchange Commission (SEC) will go tough on unusual share trading by brokerage firms in an effort to ensure transparency in the market, a senior SEC official said yesterday.

The commission is continuing its own investigation to find out if any syndicate is involved in the market, he said.

He said the SEC is working with Asian Development Bank to improve its surveillance system to ensure transparency in the trading system.

The regulator yesterday launched two inquiry committees to investigate 'unusual share trading' of Remons Investment and Securities Ltd and Wifang Securities Ltd.

The commission assigned Ohidul Islam, a deputy director of the SEC, to investigate share trading of Remons Investment, while Rakibur Rahman, another deputy director, will look into share trading of Wifang Securities Ltd.

They will submit reports to the SEC within five working days.

The net sale of Wifang Securities was Tk 3.81 crore and its turnover to market turnover was 1.3 percent on Monday.

Earlier, the SEC had formed three investigation teams to look into the unusual trading by three brokerage firms.

The firms are LankaBangla Securities Ltd, Rapid Securities Ltd and Royal Securities Ltd.

IATA suspends GMG Airlines from billing network

SHARIFUL ISLAM

The International Air Transport Association (IATA) has suspended GMG Airlines Ltd from its billing and settlement plan (BSP) as the carrier failed to pay dues.

Due to the suspension, all travel and ticketing agents and general sales agents will remove GMG Airlines' ticketing authorities from their systems. The BSP travel agents will also stop all ticketing and refund transactions through the BSP link.

Industry insiders said the suspension will be a huge setback to the country's first

private passenger airline as its payments using the BSP link and ticket sales in different countries will come to a halt.

GMG said its tickets sales will not be affected much, as agents can book tickets through their internet booking engine or B2B (business to business) system.

IATA provides services for the settlement of financial transactions between travel agents and airlines. The BSP link is an internet-based system, which facilitates these interactions and exchange of information between all participants.

READ MORE ON B3

India's ban on cotton export to hurt spinners

REFAYET ULLAH MIRDHA

Spinners will face yet another blow due to a sudden ban on cotton export by India, as Bangladesh is one of the major consumers of Indian cotton, businessmen said.

The Indian government on Monday imposed the ban mainly to build up its domestic stock amid fears of a low yield this year due to unfavourable weather.

India is the second largest cotton producer worldwide and Bangladesh imports 35 percent of its total consumption from India per year.

The monthly consumption in Bangladesh is 60,000 tonnes, people involved in the industry said.

According to media reports, the Indian decision has also affected the prices on

the international markets.

The prices, which were at 90-91 cents per pound even a few days back, jumped by 3.33 percent in the New York futures trading yesterday.

India slapped the ban for the first time this year, while temporary bans have been imposed several times over the last two years.

Razeeb Haider, managing director of Outpace Spinning Mills Ltd, said the Indian decision will definitely delay production at garment factories as the spinners will have to look for alternative markets of cotton.

"India is an easy option for Bangladeshi cotton importers. It takes shorter lead-time compared with other cotton producing countries," Haider said.

READ MORE ON B3

SMS BANKING

Your account balance is BDT. 00000

BANKING ON THE GO

Access your Account 24X7 through SMS
It's Free of Charge

Services	Service Code
Balance Enquiry	EBL BAL PIN AccountNumber
Cheque Status	EBL CHS PIN S ChequeNumber AccountNumber
Loan Details	EBL BLN PIN AccountNumber
Mini Statement	EBL STM PIN AccountNumber
PIN Change	EBL PIN OldPIN NewPIN
TD Details	EBL LTD PIN AccountNumber

Sample Service Request Process for Balance Enquiry

New Message

EBL BAL PIN AccountNumber

6969

Go to message option Type Service Code Send to 6969

In addition, you will automatically receive following alerts on regular basis:
Account Balance Change | Account Status Change | Cheque Clearing | Cheque Stop

To get started, please visit your nearest EBL branch today and register for SMS Banking.

EBL 24X7 CONTACT CENTER
8332232
or 16230

ebi.com.bd

myebi

myebi

Superbrands

Global Awards for Brand Excellence

Awarded Best Financial Institution 2010

EBL

Eastern Bank Ltd.

Simple Math™

Food that has won hearts.

We want our food to leave a lingering impression on your taste buds, every time. This is why our world renowned chefs keep perfecting the authentic gourmet cuisine.

Gourmet cuisine by renowned chefs. Fly Emirates. Keep discovering.

emirates.com/bd

Over 500 international awards and over 120 destinations worldwide. Terms and conditions apply. For more details visit emirates.com/bd or call Emirates on 9892801 (Dhaka), 725647-8 (Chittagong), 711200-711300 (Sylhet). Discover frequent flyer benefits at skywards.com