

STOCKS		COMMODITIES		ASIAN MARKETS		CURRENCIES						
DGEN	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY	
0.38%	0.05%	\$1,547.20 (per ounce)	\$93.33 (per barrel)	0.25%	0.86%	0.30%	1.39%	BUY TK	81.25	101.33	127.89	1.00
4,991.79	9,440.07			16,070.48	8,876.59	2,822.61	2,378.89	SELL TK	82.25	105.34	131.90	1.06

Celebrating **19 YEARS** OF COLORFUL SUCCESS

**NCC Bank Ltd.**  
Where Credit and Commerce Integrates  
www.nccb.com.bd

# STAR BUSINESS

DHAKA FRIDAY MAY 18, 2012, e-mail: business@thedailystar.net



**Second from left, Finance Minister AMA Muhith speaks at a consultative committee meeting of the National Board of Revenue (NBR) on the next national budget, at Sonargaon Hotel in Dhaka yesterday. The NBR and the FBCCI co-organised the meeting. NBR Chairman Nasiruddin Ahmed and FBCCI President AK Azad are also seen.**

## Ashuganj Power Station signs 450MW deal

STAR BUSINESS REPORT

State-owned Ashuganj Power Station Company Ltd yesterday signed a deal with a consortium of Sweden and Spain to set up a 450 MW gas-fired combined cycle power plant.

The consortium of Inelectra International AB of Sweden and TSK Electronica y Electricidad SA of Spain will set up the plant at Tk 2,556.75 crore in the next 27 months on the south premises of the power station in Ashuganj.

According to the deal, the plant's gross production capacity will be 382.30MW while the net output will be 373.312MW. The plant will run at 56.81 percent efficiency using natural gas of 48.80 million cubic feet per day.

The consortium will supply and install the machines from Siemens of Germany.

Jose Antonio Souto, country manager of Inelectra International AB; Alfonso Targhetta, deputy managing director of TSK Electronica y Electricidad SA; and Md Nurul Alam, managing director of Ashuganj Power Station Company, signed the deal.

Finance Minister AMA Muhith was present at the signing ceremony at Bidduyt Bhaban in the capital.

Ashuganj Power Station Company is the country's second largest power station and will add 1,100MW of electricity in the next three years, Muhith said.

HSBC's Hong Kong branch will finance the project as coordinating arranger of the fund under the ECA (export credit agency) facilities, while HERMES of Germany, ONDD of Belgium, CESCE of Spain will provide the ECA facilities to implement the project.

READ MORE ON B3

## Shahjalal airport set for upgrade in two months

SHARIFUL ISLAM

Work for upgrading Shahjalal International Airport will start in a couple of months with Danish funds, but it will leave out some vital parts of the original project due to fund shortage.

Now the airport's taxiway and its lighting will be rehabilitated at a cost of 311 million Danish krone (Tk 435 crore at current exchange rate), to be provided by Danish International Development Agency (DANIDA) as grant.

For its part, the government will bear around Tk 85 crore in duty and taxes on imports of equipment.

The parts of the project which will be on hold for now include primary and secondary radars, a new control tower and expansion of the operational building and drainage system.

An aircraft control system, voice communication and control system, aeronautical fixed telecom network, master clock, equipment for control room and approach control will also be shelved for now.

The government plans to accomplish the work with own funds, officials of the Civil Aviation Authority of Bangladesh (Caab) said.

The government approved an airport upgrade project in 2008 at a cost of 311 million Danish krone (Tk 414 crore at the time). The project, however, could not be implemented because of a procedural delay and, consequently, the project cost increased to Tk 636 crore.

It became uncertain as DANIDA refused to provide the additional fund sought by the government in the middle of last year.

The stalemate was resolved last month, after the government decided to complete whatever work is covered by the Danish funds. The government then asked Munck Asphalt, a Danish firm, to reconstruct the taxiway and its lighting.

An agreement was signed on April 26 between Caab and Munck Asphalt. The work will be completed within 21 months of the work order issuance.

Of three Danish companies, Munck Asphalt was primarily selected by Caab after a second round of inviting bidders for the project floated in March 2011.

The first tender was floated in 2009, but all the participating firms became non-responsive.

The Caab initiated the project in 2001 but it could not find any financier until 2006. At this point, DANIDA agreed to fund the project on condition that only Danish firms would participate in the tender.

### WORK DONE

Meantime, Caab has recently set up and renovated some equipment at a cost of Tk 7 crore to keep the prime airport operational.

READ MORE ON B3

## Let local firms invest abroad

FBCCI in its budget proposal says the move will curb illegal capital flight

STAR BUSINESS REPORT

The country's apex trade body yesterday urged the government to allow local entrepreneurs to invest abroad to help them exploit the opportunities opening outside the country.

The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) also called for lifting the existing restrictions on such investment from the next fiscal year.

"We appeal for encouraging investments in foreign countries," said AK Azad, president of the FBCCI.

Azad also cited opportunities for investments in countries such as neighbouring Myanmar and in Russia.

He said Indian investors are going to Myanmar to tap the busi-

ness potential there.

"We will be able to make profits," Azad said.

The FBCCI chief made the plea at a consultative committee meeting of the National Board of Revenue (NBR) ahead of the budget for fiscal year 2012-13.

The tax administrator and the apex trade body coorganised the meeting.

Representatives from various business chambers and associations attended the meeting and raised their issues to Finance Minister AMA Muhith and NBR Chairman Nasiruddin Ahmed.

Now local entrepreneurs face various regulatory barriers to taking capital for investing abroad.

However, there have been allegations that the existing restrictions have opened scope

for illegal capital flights.

Azad said opportunities for local investors are also there in Russia. "We can invest there and employ Bangladeshi workers," he said.

Citing the current ceiling up to \$5,000 that one can take for a trip abroad, Azad also demanded an increase in the limit to \$25,000.

In its budget proposal, the FBCCI called for imposing 1 percent duty on import of capital machinery and 3 percent on industrial raw materials to promote industrialisation, create jobs and fuel economic growth.

The trade body also favoured continuation of incentive for export oriented sectors and urged for duty-free benefit for importing machinery and chemicals for effluent treatment plants.

On income tax, it said tax-free income limit should be raised to

Tk 2.20 lakh from present Tk 1.80 lakh as increasing cost of living has affected people's purchasing capacity.

Submission of tax return should be made mandatory for all TIN (tax identification number) holders, said Azad, adding that such compliance would help the government log Tk 400 crore more in revenue.

The finance minister said the government considers continuation of incentive for exporters to help them find new markets and reduce dependence on Europe and the US.

"We are trying to keep most of the provisions of the current year unchanged," he said, but added that incentives would be given to some areas such as skill developments, maize cultivation and poultry.

READ MORE ON B3

## Bad loans pile up as business slows

REJAUL KARIM BYRON

The amount of default loans increased by Tk 2,645 crore or 11.68 percent in public, private and foreign commercial banks in the first quarter of 2012.

Officials said a sluggish trend in business was the main reason behind the rise in such loans.

According to Bangladesh Bank (BB) statistics, banks had default loans worth Tk 25,298 crore or 6.57 percent of their outstanding loans on March 30, up from Tk 22,644 crore or 6.12 percent on December 31, 2011.

Of the total default loans, the amount in four state-owned commercial banks went up by Tk 950 crore or 10.35 percent.

Such loans in 30 private banks increased by Tk 1,576 crore or 21.88 percent during the period.

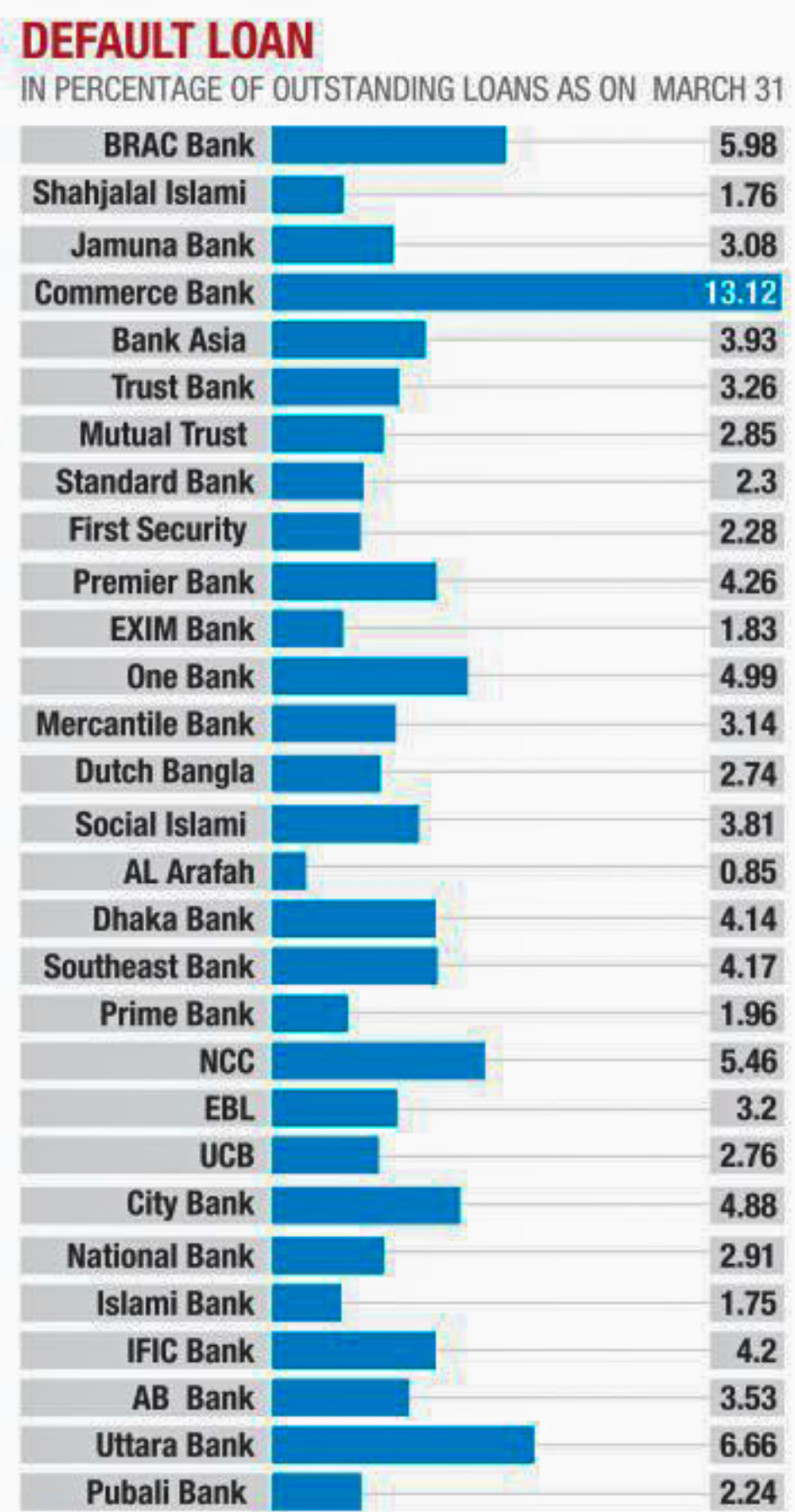
Nine foreign banks registered a rise of Tk 88 crore or 14.05 percent in their default loans.

Though the default loans of foreign banks rose in percentage, the amount was low -- Tk 717 crore -- at the end of March, which was Tk 626 crore at the end of December.

Default loans of five specialised banks increased by 0.53 percent or Tk 30 crore.

A central bank official said, usually the amount of default loans marks a rise in the first quarter.

The official said the banks take a big move in December to recover default loans but the efforts slow down after the year-end. As a result, the amount of default loans goes up in the first quarter of



a fiscal year, he added.

A high official of National Credit and Commerce Bank Ltd agreed with the observation of the BB official and said businesses, especially the export sector, have been going through a sluggish period.

As a result, the recovery rate is low, he said.

## Banglalink's revenue up 19pc

ABDULLAH MAMUN

Banglalink's revenue rose 19 percent to Tk 1,070 crore in the first quarter, compared to the same period a year ago.

An aggressive subscriber acquisition strategy for the quarter, in addition to a higher level of value-added service and data adoption led to the revenue increase for Q1, the country's second largest mobile phone operator said in a report.

Average revenue per user (ARPU) declined 1.6 percent to Tk 145 while it was Tk 148 in the first quarter of 2011, according to the report.

Alongside the negative impact of currency devaluation, the strong growth of subscribers in rural and youth segments resulted in some ARPU dilution for the quarter.

"In Bangladesh, subscribers increased by 23 percent year on year, which translated into revenue growth of 19 percent for the quarter in local currency terms, proving that this under penetrated market holds a huge potential upside for us," said Ahmed Abou Doma, chief executive officer of Orascom Group.

Banglalink's subscriber base stands at 2.47 crore for strong customer acquisitions following the reduction of the SIM tax in June 2011, according to the report.

The operator achieved an EBITDA (earnings before interest, taxes, depreciation and amortisation) of Tk 365 crore, a 13.4 percent increase compared to the same period previous year, the report said.

Capital expenditure in Q1 of 2012 reached \$2.9 crore, an increase of 123 percent over the same period last year.

Banglalink paid approximately \$25.6 crore to the national exchequer to renew its licence for the next 15 years.

Doma is scheduled to arrive in Dhaka in a two-day trip to take part in a programme to announce Banglalink's recently accomplished key milestone.

**1** 24/7 ATM Booths

**MTB ATM**

@ MTB Centre, 26 Gulshan Avenue, Gulshan 1, Dhaka 1212

MTB Contact Centre just dial **16219** or 096040 16219

www.mutualtrustbank.com

**State Bank of India** Bangladesh Operations With you - all the way

**1 + 1 = 2** So Simple to Double your Money with

**SBI Double Your Deposit**

Eligibility: All Bangladeshi Nationals  
Period: 6 years  
Minimum Amount: Tk. 50,000/- & multiple of Taka 5000/-  
Premature Withdrawal: Allowed, as per prevailing terms  
Secured Overdraft Facility: Available

**Nomination Facility - Available**  
Easy and convenient access to 24 X 7 information available @ SBI Internet Banking "www.onlinesbiglobal.com"

Kindly contact for more details

<b>Dhaka Branch :</b> 01730712655	<b>Gulshan (Dhaka) Branch :</b> 01715579831	<b>Chittagong Branch :</b> 01711114539
<b>Khulna Branch :</b> 01730313131	<b>Sylhet Branch :</b> 01196097504	<b>Rajshahi Branch :</b> 01715025873