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## Sloppy economic management snowballs into big troubles: CPD STAR BUSINESS REPORT

The Centre for Policy Dialogue (CPD) yesterday blamed sloppy macroeconomic management for the recent economic woes, including falling investment and soaring public expenditure.

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the outgoing fiscal year was the weakest one among the three years of the present government," said the private think tank in a review report.

"From economic perspective,

It also said the coming year will be more challenging in the wake of declining investment and rising political instability.

"The single most important objective for the next fiscal year should be reverting the investment situation to attain the targeted GDP (gross domestic product) growth," it said.

DHAKA TUESDAY JUNE 5, 2012, e-mail:business@thedailystar.net

COMMODITIES

The CPD's observation came at an analytical review report on Bangladesh's macroeconomic performance for fiscal 2011-12 and challenges for the next year at its office in Dhaka.

Generally, the think-tank reviews the economy twice a year, but did it for a third time this year considering the present economic situation, said Dr Debapriya Bhattacharya, a distinguished fellow of the CPD, while presenting the report before journalists.

The first review was published in November last year and the second one in March.

The CPD said fiscal management in 2011-12 was put under serious pressure in view of the soaring revenue expenditure



Debapriya Bhattacharya, distinguished fellow of the Centre for Policy Dialogue, speaks at the launch of its review report on the economy, in Dhaka yesterday. Right, Mustafizur Rahman, executive director, and extreme left, Khondaker Golam Moazzem, senior research fellow, are also seen.

(32.5 percent in seven months) and a mounting subsidy demand (Tk 40,000 crore).

A lack of support from foreign and non-bank sources of financing also made the economic

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situation further critical.

The latest review focused on four major issues -- investment situation, employment generation, reform initiatives and crop production and food security -to understand the present economic conditions.

"A stagnating, if not faltering, investment is holding back the economy from achieving higher levels of growth," said Bhattacharya.

Private investment came down to 19.1 percent of GDP this year from 19.5 percent in 2010-11, which was also focused in the World Bank's economic outlook report released on Sunday.

CPD Executive Director Prof Mustafizur Rahman also spoke, while Research Director Dr Fahmida Khatun was present among others.

## Ban on salt, egg imports temporarily lifted

REFAYET ULLAH MIRDHA

The government yesterday removed all restrictions on the import of eggs and salt until June 30 in preparation for the Ramadan and to arrest the soaring prices of the items, said an official of the commerce ministry.

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The price of eggs increased by 51.06 percent to Tk 36 for four pieces from Tk 24 a year ago, according to data from Trading Corporation of Bangladesh (TCB).

Salt production this year of 1.16 million tonnes, against the production target at 1.45 million tonnes, was way short of the 1.43 million tonnes the country consumes, sector leaders said.

Under current import policies, the commerce ministry permitted imports of eggs on a case-by-case basis, while there was a strict embargo on salt import.

"Between now and June 30, businessmen can import any quantity of eggs without permission from the commerce ministry," the official said. "They have to certify, though, that the eggs originated from avian influenzafree countries."

"The industries ministry recommended we allow imports of 2 lakh tonnes of salt," the official added.

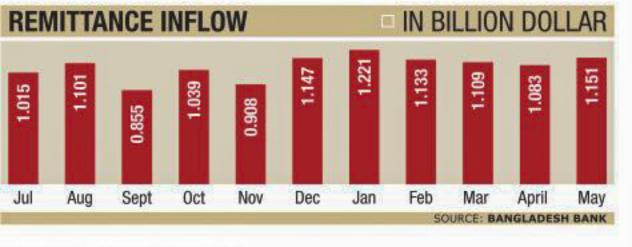
Daily demand for eggs across the country is 2 crores while the production of all kinds of eggs in the country is 1 crore a day, according to data from Bangladesh Poultry Industries Association.

"Our industries will be sufferers, but we have little to do as we cannot produce the required number of eggs," said MM Khan, secretary general of the association.

However, if the prices of these two items come down by June 30 the government might not continue with the withdrawal, the official of the commerce ministry said.

reefat@thedailystar.net

### Remittances rebound, rise 6.21pc in May



STAR BUSINESS REPORT

**ACI Power Tiller** 

Inward remittances rebounded in May, rising by 6.21 percent to \$1.15 billion compared to a month ago, despite an economic crisis in Europe.

April. The overall growth in the first 11 months of the current fiscal year reached near 11 percent.

Inward remittances fell 2.43 percent to \$1.08 billion in

During the 11-month period, Bangladeshi migrant workers sent home \$1 billion on average a month, except September and November, according to data from the central bank.

# Big projects, big shocks

STAR BUSINESS REPORT

The government spent only 10.3 percent of allocation of 20 biggest projects in the last three years, the Centre for Policy Dialogue (CPD) said yesterday.

A report -- Analytical Review of Bangladesh's Macroeconomic Performance in Fiscal Year 2011-12 -- of the think tank presented the expenditure data in 20 biggest projects taken from January 2009 till November 2011. In the 20 projects, the total allocation is Tk 63,441

crore, of which the share of foreign aid is Tk 28,177 crore. Of the projects, the allocation for the Padma bridge is Tk 20,507 crore. Debapriya Bhattacharya, distinguished fellow of the CPD, said, if the Padma bridge (revised) project is

excluded, the cumulative implementation rate marginally improves to 13.2 percent for the remaining 19 projects. The report was released at the CPD office in Dhaka yesterday. According to the report, of the 20 projects, not a

single taka was spent in 9 projects. In six projects, the government spent only 1 percent

to 6 percent of allocation, according to a CPD list.

#### PROJECTS THAT DID NOT SPEND A SINGLE TAKA

- Revitalisation of community health care project Metallurgical observation centres in Panchagarh,
- Bandarban, Khagrachhari and Cox's Bazar Development of physical infrastructure of
- non-government high schools Shiddhirganj 350MW combined cycle power plant
- 3G network technology set-up; 2.5G network extension
- Feasibility study and rail line from Khulna to Mongla port
- Rural electrification upgrade project Machinery procurement for dredging of rivers
- Ashrayan-2 project

Another exercise by the CPD on a separate list of 20 foreign-aided projects with largest allocations in the revised ADP (annual development programme) for the current fiscal year also digs out a similar story.

"Thus it is evident that the slow pace in ADP implementation is overwhelmingly dictated by the state of large and foreign aided projects where both sets are coterminous," the CPD study said.

## 335 directors fall short of share requirement

STAR BUSINESS REPORT

...... A total of 335 sponsors and directors of 100 listed companies individually hold less than 2 percent shares in their own firms, showing they have failed to comply with a regulatory directive on minimum shareholding.

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Apart from individual sharholding, directors in 38 companies jointly hold less than 30 percent shares, according to statistics available from the Dhaka Stock Exchange, which recently asked all listed firms to inform the bourse of their shareholding as of May 21, within May 31.

The SEC set May 21 as the last

date for sponsors and directors to acquire the minimum number of shares to comply with the two percent shareholding rules.

Twenty-six listed companies, out of 235, however did not submit information on their latest shareholding position to the Dhaka bourse.

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## **Heartiest Felicitations**

We extend to Mr. M. Anis Ud Dowla, Chairman,

efforts to strengthen the economy and improving deserved.

