



# BUSINESS

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 From 26 December, 2012

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DHAKA THURSDAY DECEMBER 27, 2012, e-mail: business@thedailystar.net

## New GDP base year on cards

GAZI TOWHID AHMED

The government will introduce a new base year next month to calculate the country's gross domestic product in a more accurate and realistic manner, an official said yesterday.

"GDP calculation from the next financial year will be in line with the new base year of 2005-06, instead of the current 1995-96," Ziauddin Ahmed, deputy director of Bangladesh Bureau of Statistics, told The Daily Star.

The new base year will be approved in the next meeting of a technical committee formed by the government's statistical agency earlier, Ahmed said.

Economist Wahiduddin Mahmud is the chief of the committee tasked to

- 15 SECTORS IN CURRENT GDP**
- Agriculture and forestry
  - Mining and quarrying
  - Manufacturing
  - Electricity, gas and water supply
  - Construction and real state
  - Wholesale and retail trade
  - Hotel and restaurants
  - Transport
  - Storage and communication
  - Financial intermediations
  - Renting and business activities
  - Public administration and defence
  - Education
  - Health
  - Social work and community

finalise the new base year.

"There are a lot of products and services included in the country's recent economic activities but those remained out of the purview of GDP. Under the new base year, we will include all these sectors in the GDP basket," he said.

The GDP size will increase significantly after the inclusion of the new sectors such as ship-building, internet, event management, security services and some other informal economic activities, he said.

The per capita income will also go up, Ahmed said. The BBS currently calculates the country's economic growth in line with the performances of 15 sectors.

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## Govt signs deal with Marubeni, Hyundai on power project

STAR BUSINESS REPORT

The Power Development Board yesterday signed a Tk 2,923 crore deal with a consortium of Marubeni Corporation and Hyundai Engineering and Construction to build a 399.28MW power plant in Habiganj.

The project will be implemented under the buyer's credit system.

The contractors will arrange most of the funds for the project, Bibiyana-III power plant, from Japan Bank for International Cooperation and other agencies in Japan.

Initially, the plant will start supplying 273.57MW power to the national grid in 22 months from now and 399.28MW in 30 months.

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## GLOBAL CONNECTEDNESS INDEX Bangladesh moves 6 notches up

STAR BUSINESS REPORT

Bangladesh has moved up six positions to rank sixth among 12 countries in South and Central Asia and 91st out of 140 countries in the DHL Global Connectedness Index (GCI) this year.

Bangladesh scored 37 points out of 100 this year while it was 36 last year, according to the global logistics leader which released the report from Frankfurt, Germany yesterday.

The index ranks countries according to their depth and breadth of global connectedness in terms of international trade, capital, information and people.

Bangladesh ranked 97th last year when DHL released the first GCI, a comprehensive analysis of the state of globalisation around the world.

The index, now in its second edition, ranks Bangladesh higher on breadth at 33rd out of 140 countries but 134th in terms of depth, owing primarily due to the country's limited intra-regional integration within its region.

Bangladesh's connectedness is highest on the trade pillar, where it ranks 63rd globally and third within its region.

The country's connectedness has risen steadily over the period from 2005 to 2011, with most of its increase over the past year coming from depth on the trade pillar, DHL said.

Depth refers to how much of a given activity is international (rather than domestic). Breadth complements depth by looking at how broadly the international component of a given type of activity is distributed across countries.

The report, drawing on over one million data points from 2005 to 2011, concludes that the world today is less globally connected than it was in 2007.

The index showed the global connectedness has yet to recover from its steep drop at the onset of the financial crisis.

It documents how global connectedness, measured by international flows of trade, capital, information and people, grew robustly from

the report's baseline year of 2005 to 2007, and then dropped sharply at the onset of the financial crisis.

Despite modest gains since 2009, global connectedness has yet to recapture its pre-crisis peak.

"The GCI 2012 indicates that today's volatile and uncertain business environment bears the lasting impact of the financial crisis," said Frank Appel, chief executive of Deutsche Post DHL.

"Especially in this period of slow growth, it's important to remember the tremendous gains that globalisation has brought to the world's citizens and to recognise it as an engine of economic progress," he added.

"Above all, governments must resist protectionist measures that hinder cross-border interactions."

The countries with the largest increases in their global connectedness scores from 2010 to 2011 are Mozambique, Togo, Ghana, Guinea and Zambia all of which are located in Sub-Saharan Africa.

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ICC Bangladesh President Mahbubur Rahman, centre, speaks at a seminar on "Trade fraud in Bangladesh: challenges and remedies" at the DCCI auditorium in Dhaka on Wednesday. DCCI President Asif Ibrahim; BIBM Director General Toufic Ahmad Chowdhury and ICC Bangladesh Secretary General Ataur Rahman were also present.

## Fraud puts international trade at risk

The ICCB chief says genuine companies find it hard to get loans from banks

STAR BUSINESS DESK

Companies engaged in international trade are facing growing threat from fraud and forgery and the recent scams in some state banks have shaken private commercial banks, a business leader said.

Now the genuine companies find it hard to access loans from banks, Mahbubur Rahman, president of International Chamber of Commerce Bangladesh (ICCB).

"The commercial banks are also taking extra precautionary measures in opening of LCs, and if this trend continues, the much needed development of the country's industrial base will be in jeopardy,"

Rahman said.

Rahman spoke at a seminar on "Trade fraud in Bangladesh: challenges and remedies" organised by ICCB at the Dhaka Chamber of Commerce and Industry auditorium on Wednesday.

"The recent scam is nothing but a straight cheating by some so-called companies in connivance with a group of bank officials and influential group," he said in a statement yesterday.

Bangladesh Bank must be given full autonomy to monitor the activities of state banks like private commercial banks, he said.

There should not be any interference of the Banking Division of the finance ministry to operate the state banks, Rahman said, adding that

Bangladesh Bank and all commercial (both public and private) banks should also develop modern fraud detection mechanism and take early action.

Bangladesh has been growing fast in the international trade. Both import and export are increasing at substantial rate. Bangladesh is now considered to be an emerging trading nation with a trade volume of \$60 billion.

As the international trade is growing, all parties involved in the trade are also getting exposed to the risk of fraud, Rahman said. "The more the market of import-export is expanding the more we are facing the risk of unknown events including fraud."

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**Gratitude is the completion of thankfulness!**

We at **Abdul Monem Limited (AML)** thank the Government of Bangladesh, the Bangladesh Army and the people of Bangladesh for their long lasting patience, withstanding support and good wishes towards the timely completion of "Construction of Part 2 (Overpass & Link Bridge Portion - Alignment E and F) of the Flyover at Mirpur - Airport Road and Overpass at Banani Rail Crossing."

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## New Year optimism powers stocks

STAR BUSINESS REPORT

Stocks gained yesterday thanks to a buying spree in anticipation of a bull run in the New Year.

DGEN, the benchmark General Index of Dhaka Stock Exchange, finished the day at 4,179.39 points, after gaining 28.67 points or 0.69 percent.

Market saw increased participation in comparison to the previous day as investors were hoping for a positive reversal of the market, said LankaBangla Securities in its daily market commentary.

The stockbroker further said: "With the foreign exchange reserve ballooning, the money market is easing up every day. This high liquidity is conducive for the secondary market."

Though institutions are not actively participating in the market, one can expect better institutional participation at the beginning of 2013, it added.

"Non-bank financial institutions continued its rally, gaining 2.90 percent along the way, due to the impending increase in paid-up capital of the sector," said IDLC Investments in its regular market commentary.

"As the year end is approaching, investors are being slow in taking any significant position now. Rather, they are using the time to plan for the coming year's investment strategy," added the investment banker.

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## BTCL internet gateway down for 3 hours

STAR BUSINESS REPORT

The state-run Bangladesh Telecommunication Company Ltd's (BTCL) internet gateway service was down for three hours yesterday due to a disruption in its network.

Mir Mohammad Morshed, BTCL's director for public relations and publishing, told The Daily Star that the total internet bandwidth of the company was down due to a problem with its upstream bandwidth with SingTel at Singapore.

The service was cut from 2.45 pm to 5.45 pm, he said, adding that the problem was technical but could not give any specifics.

**86<sup>th</sup> Branch**

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**Inauguration**  
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