

DHAKA FRIDAY MAY 17, 2013, e-mail:business@thelaststar.net

## GDP growth falls to four-year low

Provisional estimates put the rate at 6.03pc, far below the govt target but higher than development partners' forecasts

REJAUL KARIM BYRON and MD FAZLUR RAHMAN

Bangladesh's GDP growth came down to 6.03 percent in the current fiscal year, the lowest in four years, due to low investment and deadly political unrest, according to provisional estimates.

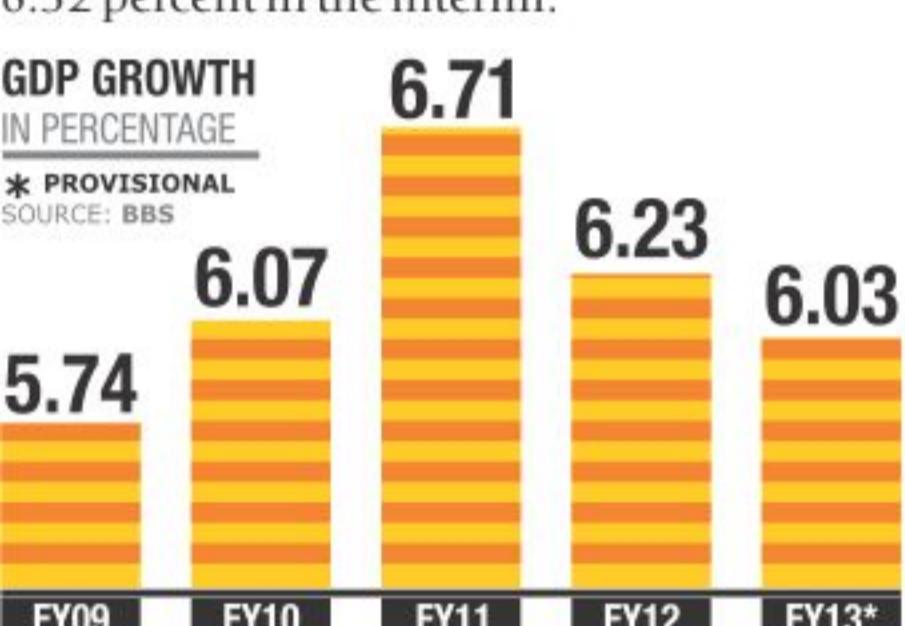
The economic growth is much lower than the government's target at 7.2 percent.

The growth in economic expansion is, however, higher than the forecasts of development agencies who said the rate would hover between 5.5 percent and 5.8 percent.

The estimates were made on the basis of available data of the first nine/ten months of the current year and the trends for the rest of the months.

The country has scored 20 basis points less than the last fiscal year's growth, according to Bangladesh Bureau of Statistics.

The final GDP achievement went down last fiscal year to 6.23 percent, which was 6.32 percent in the interim.



However, economists were not surprised at this year's growth rate.

Zaid Bakht, a research director at Bangladesh Institute of Development Studies, said: "We had forecast long ago that the target would not be achieved this fiscal year due to political instability and low investment."

"It's, however, encouraging that the growth remains over 6 percent," he told The Daily Star, giving credit to the steady growth in exports and better implementation of the annual development programme by the government.

The economist said remittances also helped indirectly keep the growth at a much higher level, which boosted domestic demand.

However, the final estimates would show whether the country would be able to retain the provisional figure, Bakht said.

"It will depend on the political situation in the rest of the months of the current fiscal year."

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### Per capita income goes up to \$923

STAR BUSINESS REPORT

Per capita income rose by around 9 percent to \$923 in the current fiscal year due to higher remittance inflow.

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## Minister makes commitment for worker safety

Dipu Moni says as she meets US officials on GSP

DIPLOMATIC CORRESPONDENT

The government is committed to improving factory conditions and has engaged all stakeholders of the garment sector to make a safe working environment, Foreign Minister Dipu Moni said.

The cabinet approved an amendment to the 2006 labour law which is expected to be passed in the next parliamentary session, she said in a meeting with US Congressman Joseph Crowley in Washington DC on Wednesday.

The minister is now in the US for meetings with US Secretary of State John Kerry, Congressmen, garment buyers and other stakeholders for continuation of the GSP for Bangladesh.

Ethical buying and responsible roles of retailers are important to improve safety standards and labour welfare, Dipu Moni said, according to a statement.

She told Crowley that a baseline survey is underway to fix factories housed in faulty buildings and take punitive measures against the violators of building and fire safety codes.

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## Questions over changes to labour law

Trade union leaders say new rules won't help workers much

STAR BUSINESS REPORT

Most of the amendments to the labour law approved by the cabinet on Monday go against workers, especially in the garment sector, trade union leaders said yesterday.

The amendment, in many cases, does not comply with the standards of the International Labour Organisation, particularly on workers' right to union, they said.

At least 30 percent representation of workers of a factory will be required to form a trade union, said Mojibur Rahman Bhuiyan, general secretary of Bangladesh Mukto Shramik Federation.

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## Politics to figure high in budget

Former caretaker adviser says at discussion organised by ICAB, Prothom Alo

STAR BUSINESS REPORT

The budget for fiscal 2013-14, which comes ahead of the national election, is likely to be governed by political motives, a noted economist said yesterday.

"The economy will take a backseat in the budget to be placed in parliament early next month. Politics will get priority," said Akbar Ali Khan, former adviser to a caretaker government.

"We can guess what we will have in the budget, but we do not know the fate of Bangladesh in 2014."

Khan's comments came at a pre-budget discussion co-organised by the Institute of Chartered Accountants of Bangladesh (ICAB) and Prothom Alo, the country's top-selling newspaper.

He said the budget has become a political instrument for the incumbent party. "We have to come out of this tendency, but it's not so easy and will take time to do so."

## Govt halves SIM tax and VAT on 3G spectrum

STAR BUSINESS REPORT

The tax administrator yesterday took decisions to halve SIM tax and value-added tax applied on 3G spectrum prices, said an official of the National Board of Revenue.

The statutory regulatory order regarding the tax cut has been issued, the official said. The VAT on 3G spectrum fees will be 7.5 percent, down from 15 percent stipulated by the 3G guideline.

The mobile operators have been urging the government in the last few years to slash the SIM tax, which is currently Tk 605 and has been affecting mobile penetration.

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## BTRC to alter transmission network licensing

ABDULLAH MAMUN

The telecom regulator is set to increase the number of licences for backhaul service in a bid to boost the country's network infrastructure.

The amendment comes as the current licence holders, Fiber@Home Ltd and Summit Communication, failed to develop the countrywide network to the extent that Bangladesh Telecommunication Regulatory Commission (BTRC) hoped when it handed out the licences four years back.

The transmission network transports bandwidth for voice and data operators such as mobile and internet service providers through optical fibre cables.

Fiber@Home and Summit Communication did not develop their own transmission network, said Sunil Kanti Bose, chairman of BTRC.

"They simply leased from the mobile operators' networks and leased them out again," he said.

"So the commission has decided to open the NTTN [Nationwide Telecommunication Transmission Network] licences for the mobile and WiMAX operators."

However, a new subsidiary company has to be formed where the mobile or WiMAX operators' share would be no more than 25 percent, Bose added.

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