

**NCCB**  
SureCash  
টাকা পাঠাই ফোনে ফোনে  
Send Money thru Phone

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

## Energy key to higher growth

Analysts say Bangladesh needs more foreign investment in the sector

STAR BUSINESS REPORT

The government should attract more investment in the energy sector to help the country maintain its growth momentum and ensure energy security, analysts said yesterday.

The suggestion came at a US-Bangladesh partnership dialogue on the energy sector at the auditorium of Dhaka Chamber of Commerce and Industry in the capital.

Robert Ichord, deputy assistant secretary for energy transformation of the US, said investment requirement in Bangladesh's energy sector is enormous, as the country would need at least \$15 billion to implement its energy sector plan by 2030.

He said energy is critical for supporting growth and ensuring energy security.

He also said energy security and environmental safety would be a major challenge for the countries around the world in striking a balance among economic growth figures.

The US official said the cost of not having energy is very high. He also urged Bangladesh to consider energy diversification.

Prime Minister's Energy Affairs Adviser Tawfiq-E-Elahi Chowdhury said Bangladesh must go for coal-based power plants.

"There is no escape from that."

He also sought US assistance in exploiting Bangladesh's vast reserve of coal resources lying



Sabur Khan, president of Dhaka Chamber of Commerce and Industry, presents a crest to Jose Fernandez, US assistant secretary for economic and business affairs, at a discussion on US-Bangladesh partnership, organised by the chamber in the capital yesterday. Tawfiq-E-Elahi Chowdhury, energy adviser to the prime minister, was also present. Related story on page 1

mostly untapped in the northern part of the country.

The adviser said: "The government is taking a second look at the fiscal terms for the offshore fields to attract foreign companies to the country."

He, however, ruled out the

possibility of bringing changes to current tariff structure for the onshore fields.

Chowdhury also urged the US entrepreneurs to invest in Bangladesh, as the country offers continuity in policies.

"Since our Independence, we

have never reneged on any of our contracts. We have never defaulted on our payments. Bangladesh is the best place for investment."

M Tamim, a former adviser to a caretaker government, said the best option for power sector

development would be using local gas even at \$5 per thousand cubic feet.

The next best option is local coal followed by the imported one.

He also said more investment should be made in fertiliser factories to increase efficiency and gas should be supplied to such plants on a priority basis.

Tamim said Bangladesh would face the biggest challenge in developing primary energy sources and investment financing for the energy sector.

"We have to have investment from outside for discovering and drilling oil and gas fields," he said.

He said new investment opportunities have been created in oil and gas exploration and production, coal mining, power generation, power and gas transmission and distribution, liquefied petroleum gas for household and transport, and fertiliser factories.

"Our main focus should be developing coal. Besides, we should open our doors for more companies to discover our untapped mineral resources," said Tamim, also a professor of Bangladesh University of Engineering and Technology (Buet).

Ijaz Hossain, another professor at Buet, said Bangladesh really needs funds for exploring its mineral resources, as the country cannot be comfortable with its 16 trillion cubic feet of gas amid an annual consumption of 0.74 tcf.

READ MORE ON B3

## Deep-sea port is a must

US help sought in setting up the port

STAR BUSINESS REPORT

Setting up a deep-sea port is a must for Bangladesh to ensure regional connectivity and boost its trade and economy further, speakers said at a discussion yesterday.

They also requested the US to help Bangladesh set up such a port.

They, however, said the regional integration or connectivity should be based on economic, not political, agendas.

The discussion on 'regional integration' was organised by Dhaka Chamber of Commerce and Industry on the sidelines of a US-Bangladesh partnership dialogue at the chamber's office in the capital.

"The US will be a part in setting up connectivity within this region," James F Moriarty, a former US ambassador to Bangladesh, said in response to the discussants' plea for assistance in establishing the deep-sea port.

Mozibur Rahman, chief executive officer of Bangladesh Foreign Trade Institute, said: "Regional integrity, especially in the form of transport connectivity, is important for trade in commerce, trade in services as well as movement of people."

"We need the deep-sea port first," he said.

"Once the port is built, the cost of doing business will fall by a half, which currently stands at 30 percent of the total cost of a company," he said.

He said China is conducting a study on setting up a deep-sea port in Myanmar, though there is no feasibility of establishing such a port in the country as the risks involved are very high.

"But we should not waste time. The US can come forward with an infrastructure development process and international investors for the deep-sea port in Chittagong," he said.

Abul Kasem Khan, a former president of Dhaka chamber, said regional integration could not succeed so far due to many complex regional issues.

READ MORE ON B3

## Muhith differs with BBS on economic growth estimate

STAR BUSINESS REPORT

Finance Minister AMA Muhith yesterday differed with Bangladesh Bureau of Statistics over its provisional estimate of the current fiscal year's GDP growth and said it would be no less than the last year.

The GDP growth might have slowed to 6.03 percent against the government target of 7.2 percent, according to a provisional estimate by BBS.

Economic growth usually slides by 0.5-0.8 percentage points in the election year, but this time that will not happen, Muhith told reporters after a meeting of the cabinet committee on economic affairs.

The bureau's provisional estimate was 6.3 percent last fiscal year whereas their final estimate was 6.2 percent.

Muhith said the BBS showed "very low" growth of agriculture. "The agriculture growth will be higher than what BBS has estimated," he said.

Before the cabinet committee meeting, a US business delegation met Muhith. The team came to Bangladesh as part of US-Bangladesh Partnership Dialogue being held in Dhaka.

*Economic growth usually slides by 0.5-0.8 percentage points in the election year, but this time that will not happen, Muhith told reporters*

Muhith said the US team wanted to know about Bangladesh's political and economic situation and business environment.

The minister said he told the team members that they would finally reach a compromise regarding the prevailing political hitch in the country.

Muhith said shutdowns are causing much more damage to the country's economy than the accidents at garment factories.

"Let the shutdown stop. The buyers will start arriving from tomorrow. Hartals are our real problem," he said.

Inviting US investors to make investment in Bangladesh, the minister said Bangladesh is not only a stable economy, but also a big market.

The US team enquired about the power sector situation in Bangladesh. The South Asian country will produce 18,000 megawatts electricity by 2017, and will import 2,500MW of power in the next three to four years, Muhith said.

## Gap renews pledge to stay in Bangladesh

Spokesman for US retailer defends decision not to sign safety accord for garment industry

STAR BUSINESS REPORT

Gap Inc will continue to buy garments from Bangladesh and help improve working conditions at factories, a spokesman for the US retailer, said yesterday.

Darryl Knudsen, a senior adviser on business and human rights for Gap, spoke at a discussion on 'Best Practices and Benefits from Improving Labour Rights' at Dhaka Chamber of Commerce and Industry in the capital.

Gap is one of the major US retailers that refused to sign a legally binding fire and building safety accord that



pledges to finance workplace upgrades in Bangladesh. On this, Gap breaks with 40 other international retailers that signed the accord designed by IndustriALL, a global federation union.

Morally, Gap supports the agreement, but cannot sign it as the legal systems in Europe and the US are different from each other, Knudsen said.

"We will remain hopeful for the accord. Each of us has taken the issue seriously."

"Gap has been pressing for a comprehensive fire safety measure since two years ago -- even before the Tazreen fire and Rana Plaza collapse, but no agreement was possible to sign," Knudsen said. "The identification of the problem is not the solution; we need to work together."

READ MORE ON B3

## Non-banks demand tax waiver for zero coupon bonds

STAR BUSINESS REPORT

Non-bank financial institutions yesterday demanded tax exemption on the interest income earned on zero coupon bonds in a bid to revitalise the bond market. The non-banks made the plea at a meeting with the Bangladesh Bank.

"Tax exemption, at least for a while, is a must for developing the bond market in the country," Asad Khan, president of Bangladesh Leasing and Finance Companies Association (BLFCA) and managing director of Prime Finance, told The Daily Star after the meeting. The central bank has suggested the association should take up the issue to the National Board of Revenue, Khan said.

Income on zero coupon bonds was tax waived till 2008 when the revenue board ordered to withdraw the facilities, affecting the term loans provided by leasing companies, industry players said.

NBFIs issued zero coupon bonds for the first time in February 2005. Around 15 leasing companies have issued Tk 2,000 crore zero coupon bonds, according to the industry insiders.

READ MORE ON B3

**PRESIDENCY UNIVERSITY**  
www.presidency.edu.bd UGC & Govt. Approved

Admission Going on: Summer 2013  
Special offer for:  
**BBA | MBA | EMBA**  
01741378506, 01741378570, 01768371820  
Gulshan Campus:  
Plot: 11-A, Road: 92, Gulshan-2, Dhaka.  
Tel: 9857617-8, 8831182-3. Ext: 102/107

**MTB SECURITIES**  
you can grow with us

New address:  
**WW Tower (Level 4)  
68 Motijheel C/A  
Dhaka-1000**

**RELOCATED**

Corporate Head Office of  
**MTB Securities Ltd.**

Old address:  
7-8 Motijheel C/A  
Dhaka 1000

**MTB CONTACT CENTRE  
16219 or 9604016219**

www.mtbsecurities.com  
A Mutual Trust Bank Company