SINGAPORE SHANGHAI

ASIAN MARKETS

The trend is likely continue into fiscal

Although the government's bank bor-

2013-14, with the bank borrowing target

likely to be Tk 25,990 crore in the budget

rowing of Tk 8,377 crore during the first

half of current fiscal year is only 36 percent

of the initial target, it picked up drastically

by the end of the year," said a finance min-

rowing on grounds that it increases the

governments' fiscal costs, crowds out

private sector investment and fuels infla-

But subdued non-bank borrowing

Initially, the total non-bank borrowing

target for the fiscal year was Tk 10,484

crore, with Tk 7,400 crore to be acquired

through saving instruments. Till March 30,

the government has managed only Tk 692

revised down its non-bank borrowing

nally billed at Tk 13,300 crore, but sources

said the figure may increase by Tk 2,000

through the roof: the actual amount is said

to double from the government's alloca-

higher fiscal costs for the government.

Four years ago, the government paid

around Tk 15,000 crore on interest pay-

ment, but the finance ministry's projection

says the figure is likely to double in the

In view of that, the government has

Subsidy to the energy sector was origi-

Agricultural subsidy, too, has shot

Increased bank borrowings mean

crore through that channel.

target to Tk 4,000 crore.

tion of Tk 6,000 crore.

upcoming fiscal year.

figures and burgeoning subsidy expendi-

ture meant that the government had to

istry official preferring not to be named.

"It would comfortably cross the target

Economists tend to oppose bank bor-

to be rolled out on Thursday.

tion.

resort to it.

crore.

TOKY0

NCC Bank Ltd. Where Credit and Commerce Integrates

DHAKA WEDNESDAY JUNE 5, 2013, e-mail:business@thedailystar.net

COMMODITIES

Bank borrowing to spiral

REJAUL KARIM BYRON

STOCKS

DGEN

CSCX

Bank borrowing during the outgoing fiscal year is likely to shoot up by as much as 24 percent, due to falling collections from saving instruments and rising subsidy costs.

EYE ON BUDGET

To meet the budget deficit for fiscal 2012-13, the government set the bank borrowing target at Tk 23,000 crore. The in the latter half of the year. actual amount is tipped to stand at Tk 28,500 crore by year-end.

Muhith rolls out budget tomorrow

STAR BUSINESS REPORT

Finance Minister AMA Muhith will present the national budget in parliament at 4pm tomorrow for fiscal 2013-14, the last of the present government. Together with the copy of the

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finance minister's budget speech, the government will release supporting documents to be downloadable from www.mof.gov.bd. Feedback on the budget can be left

behind on the website, which the finance ministry says would be taken into consideration.

The documents will also be made available at these websites: www.bangladesh.gov.bd, www.nbrbd.org, www.imed.gov.bd, www.bdpressinform.org and www.pmo.gov.bd.

The Daily Star will post budget documents on its website: thedailystar.net.

A post-budget press briefing will be held at Osmani Memorial Auditorium at 4pm on June 7.

Africa is future source of food, energy: Yunus

STAR BUSINESS DESK

Africa will be the future source of food and energy for the whole world and should pick up the doubledigit growth rate across the continent, Prof

"Africa is one of the regions with the highest said the Nobel laureate.

Yunus spoke at the closing luncheon for the governors of African Development Bank (AfDB), during the Governing Board of the AfDB, in Marrakesh, Morocco on May 31. Yunus was invited by the AfDB president to deliver the keynote speech at the event.

"No one should be unemployed. Given the strength of human creativity, no problem can remain unresolved."

seminar on social business organised by the human development department

of The New York Forum, moderated the seminar attended by over 600 participants, Yunus Centre said in a statement yesterday.



CURRENCIES

STANDARD CHARTERED BANK

SUSD €EUR €GBP ¥JPY

Muhammad Yunus said.

potential for social business,"

2013 Annual Meeting of the

Earlier, Yunus was also the keynote speaker at a

of AfDB. Richard Attias, founder

Earlier this year, AfDB along with Professor Yunus's organisation --Yunus Social Business -has launched the Holistic Social Business Movement in Africa (HSBM) programme, which includes pilot projects in Tunisia and Uganda.



Second from left, Nobel Laureate Professor Muhammad Yunus attends a seminar on social business organised by the human development department of the African Development Bank, in Africa recently. Extreme left, Richard Attias, moderator and the founder of The New York Forum, is also seen.

Dhaka bourse slams CPD for comments on stock stimulus

The think-tank says it did not contest the measure

STAR BUSINESS REPORT

The Dhaka Stock Exchange authorities yesterday came down on the Centre for Policy Dialogue, saying the remarks that the think tank made on a stockmarket refinance scheme were baseless. Opposing the CPD observations

about the stock stimulus package of Tk 900 crore, the premier bourse said a think-tank should not make comments on the stockmarket without knowing the facts or conducting a study. Debapriya Bhattacharya, distin-

guished fellow of CPD, said on Monday the government makes up for the losses of individual investors from

punish the manipulators and ensure good governance in the market. Ahmed Rashid Lali, senior vice tive to bring back stability in the mar-

should not worry about the punishment of the manipulators. The trial is ongoing." of cost. We will pay back the fund with

president of DSE, said: "The CPD

a 10 percent interest," he said. "The CPD is in the dark," said

Rakibur Rahman, president of DSE. "We had sat with the finance ministry, the National Board of Revenue, the central bank and the parliamen-

state exchequer to mask its failure to stockmarket gets importance in the next budget.' The refinance scheme is an initia-

> ket, Rahman said. "The CPD should have congratulated us," he said.

The DSE officials made the com-"We never asked for anything free ments replying to queries from journalists at a press briefing on the

bourse premises. However, when his attention was drawn to the comments of the DSE officials, Bhattacharya yesterday said:

gets a boost

ABDULLAH MAMUN

Telecom backhaul infrastructure is set to get a massive boost thanks to a deal struck with Power Grid Company Bangladesh (PGCB) on Sunday to provide 4,000 kilometres long optical fibre cable across the country.

The backhaul infrastructure, essentially, act as the limbs of the telecommunication network, taking services to wider areas.

With this cable from PGCB, it has now become possible to take internet bandwidth to remote areas, possibly at lower costs. The internet price, at present, is much higher in semi-urban areas in comparison to Dhaka due to high transmission costs.

As per the terms of the deal, the two nationwide telecom transmission firms (NTTNs) -- Fiber@Home and Summit Communications -- will have to provide internet connectivity to public and autonomous institutions in districts and upazilas at a nominal cost of Tk 2,500-3,000 for 1 Megabit per second.

The length of the cable would be evenly split between the two NTTNs: Fiber@Home would get the part of the cable running through the Chittagong, Barisal, Rangpur and Rajshahi divisions, while Summit Communications will get the Dhaka, Khulna and Sylhet divisions and the greater

Mymensingh district. The two firms will have to pay Tk 15 crore to PGCB in rents a year. "This deal will facilitate the government's goal of a digital Bangladesh," said Sunil Kanti Bose, chairman of

Bangladesh Telecommunication Regulatory Commission.

Regent Airways to connect Malaysia



STAR BUSINESS REPORT

Regent Airways, a local private airline, will operate its first

international flight to Malaysia next month. With a promise to offer quality service at reasonable costs, the carrier will begin Dhaka-Kuala Lumpur flights

Tickets sales start today, said Imran Asif, chief executive of the airline.

daily from July 7 with two Boeing 737-700 aircraft.

Owned by Chittagong-based Habib Group, Regent is expected to get delivery of the two 126-seat aircraft from the USA and Germany this month, he added.

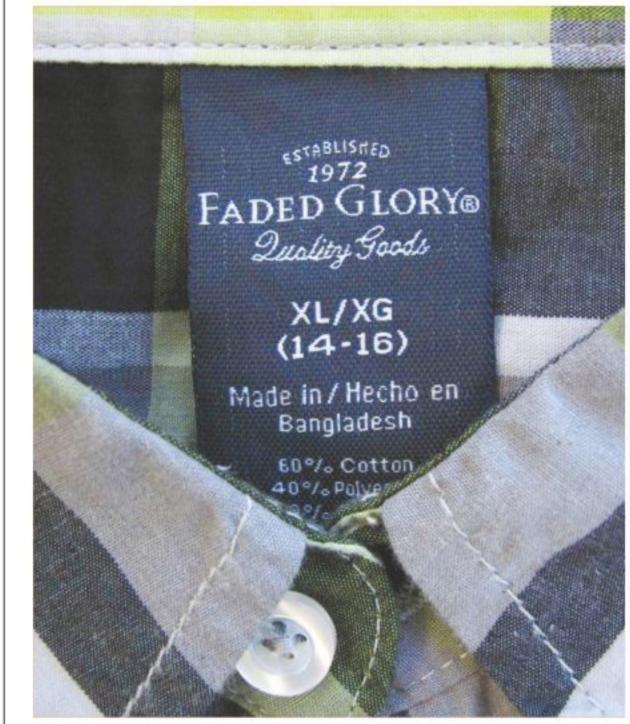
The airline leased the planes from International Lease

Finance Corporation for six years.

class seats, the plane is equipped with modern avionics for flight safety and fuel-saving winglets. READ MORE ON B3

With configuration for 12-business and 114-economy

Telecom backhaul Labour rights activists to join Wal-Mart protests in US





REUTERS

Tags on clothes made in Bangladesh for Faded Glory, a brand owned by Wal-Mart.

STAR BUSINESS REPORT

Bangladeshi rights activists will demonstrate at Wal-Mart's annual general meeting on June 7 in the US, to pile pressure on the world's largest retailer to pay more for products from here, ultimately improving labour conditions.

Kalpona Akter, executive director of Bangladesh Centre for Worker Solidarity, will join the demonstrating workers of Wal-Mart at the meeting on Friday in Bentonville, Arkansas, a lobby group, Making Change at Wal-Mart, said in a statement.

Sumi Abedin, a survivor of the Tazreen fire that killed 112 in

November, is also in the US to join Kalpona in the protests, according to the statement. Making Change at Wal-Mart is a

campaign challenging Wal-Mart to help rebuild the economy and strengthen working families.

Demonstrators will also urge shareholders to push for improved

supply chain.

working conditions and safety in the

"Wal-Mart and the other large retailers hold the key to ending senseless deaths in garment factories throughout the world," Kalpona said. "Wal-Mart must ensure good pay

and safe working conditions for all workers in its supply chain: from factories to warehouses to stores." Kalpona will meet hundreds of

Wal-Mart workers, members of Organisation United for Respect at Walmart (OUR Walmart), at the culmination of their week-long 'Ride retail giants, asking for better working for Respect', a caravan that has taken workers through nearly 30 cities in Bentonville for the annual Wal-Mart shareholder meeting.

Workers are on strike to protest Wal-Mart's retaliation against them for speaking out for the company to

do better. The Bangladesh Centre for Worker Solidarity has worked with

several large retailers to improve safety regulations in Bangladeshi factories. Many of them, including Marks and Spencer, have agreed to sign an

agreement on fire and building

safety, but Walmart did not.

"After the Rana Plaza incident, there is more discussion on the horrid labour conditions inside the factories that produce clothing for major global brands like Wal-Mart," Kalpona said.

"Unfortunately, as other retailers start to take responsibility, Wal-Mart and Gap continue to turn a blind eye." In May, investors and religious

groups signed a letter addressed to conditions in the overseas factories and more respect for human rights. In April, Kalpona toured the US

with Sumi.

Bangladesh Centre for Worker Solidarity is a labour organisation in Bangladesh, Europe and the United

States that developed the Accord on Bangladesh Fire and Building Safety. More than 40 major brands, including Marks and Spencer, Carrefour, H&M, Benetton, Abercrombie and Fitch, and PVH, owner of Calvin Klein and Tommy

Hilfiger, have signed the agreement,

but Wal-Mart has refused to do so.

"We are not contesting the purported measure. We have only highlighted why tary standing committee on the such measure becomes a necessity." finance ministry so that the

READ MORE ON B3

Allowances too scanty for the old

SOHEL PARVEZ

Every three months, Rokeya Begum makes the long and tedious 12-kilometre journey to a town nearby to collect her elderly allowance from a bank.

Somebody has to accompany her to draw the money from an Agrani Bank branch in Bagerhat.

But now at the age of 65, she is not able to travel alone.

She receives Tk 900 as her three-month allowance, which the government pays her along with 24.75 lakh other poor senior citizens.

The journey itself, along with lunch, costs her Tk 150. "The rest of the money finishes in a week," said Rokeya, a

resident at Dema union of Bagerhat upazila. She has been receiving this elderly allowance of Tk 300 a

month for three years now. All the 24.75 lakh elderly persons throughout the country receive the same amount. Each of the 9.2 lakh widows and deserted and destitute

women also receives the same amount from the nation's social safety net programmes designed to protect the poor, now 31.5 percent of the population, from hunger.

The amount has remained static for the last four years despite food and non-food price hikes every year.

Inflation hit a 15-year high at 10.52 percent in fiscal 2011-12, according to Bangladesh Bureau of Statistics. The prices of most of the items, starting from rice, cook-

ing oil, eggs and vegetables to clothes, went up in the last four years. Rokeya lives with her two grandsons at her village, and

her only son, who works in Dhaka, sends her Tk 1,500 a month. But the amount is not enough for buying food for the family and meeting other expenses, including medicines for her old-age diseases.

"Last time, I had to spend the entire allowance for my treatment," she said. When times get tougher, Rokeya works as a domestic help.

The last time the government raised the allowances for elderly poor citizens, widows and destitute women was in fiscal 2009-10, although the overall expenditure on various safety net schemes increased along with the entry of new

programmes. The government spent Tk 16,705 crore in fiscal 2009-10. The amount under social safety net schemes rose to Tk

22,750 crore in the current fiscal year. Only the number of recipients and allocation for old age allowance were raised in the last four years.

"The money is too scanty. All the money I get is spent on my medicines," said 75-year-old Motaleb Howladar over phone from his village under Amtali upazila of Barguna district.

He lives with his wife and a daughter and has to depend on the earnings from a small vegetables store he owns to meet his family's needs. Motaleb has two sons but they are poor also and live separately with their own families. "One of my sons drives a rickshaw van and the other sells

chutney at a bazaar. They do not earn enough to help us," said the elderly, who thinks the allowance should be Tk 1,000 a month.

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