

ADB reviews its projects to deliver better results

STAR BUSINESS DESK

The Bangladesh government and the Asian Development Bank (ADB) jointly reviewed ADB-assisted projects in the country yesterday to deliver better development results.

Senior government officials, project directors, and ADB officials from its headquarters and the Bangladesh Resident Mission (BRM) participated in the day-long review, the Manila-based lender said in a statement yesterday.

Md Abul Kalam Azad, secretary of the Economic Relations Division; and Juan Miranda, director general for South Asia Department of ADB, and Stefan Ekelund, deputy country director for ADB's BRM, jointly chaired the event.

"The review agreed on time-bound actions to improve the performance of the portfolio and achieve 2013 development targets," said Ekelund.

"The review will help improve project implementation by removing bottlenecks and constraints to achieving development results for the people of Bangladesh."

Specific actions agreed include reducing start-up delays, early preparation and approval of development project proposal (DPP), raising capacity for DPP preparation and procurement, and strict adherence to project readiness filters before loan approvals, according to the statement.

Agreements were also reached on finalising plans for procurement of goods and services, appointment of project staff by executing agencies, completing preparation of bid documents, and finalising land acquisition and resettlement plans before project approvals.

ADB assistance to Bangladesh currently amounts over \$900 million a year.

As one of the lead development partners in energy, water supply and sanitation, agriculture and natural resources, education, and transport sectors, ADB's cumulative lending to Bangladesh amounts to \$14.1 billion for 234 loans, while the technical assistance grants for 422 projects stood at \$228.41 million until June 23, 2013.

ADB portfolio for Bangladesh currently includes 57 loans amounting to \$5.13 billion, and 39 TAs amounting at \$32.15 million.

Tesco to stay with local partners to solve safety issues

REFAYET ULLAH MIRDHA

The UK-based retail giant Tesco will continue business with its partners in Bangladesh and support them to address concerns wherever they are identified, the company said Tuesday.

The retailer in a recent move cancelled a work order worth \$2 crore over building safety concerns of the Liberty Fashions factory in Savar when an engineer of Tesco identified some problems in the factory's beams, columns and slabs.

But, later an expert panel of the Bangladesh University of Engineering and Technology certified that the Liberty Fashions has no immediate risk or need of evacuation and it is fit to continue production.

The experts recommended the factory owner to conduct a comprehensive analysis to further strengthen the building's structure.

"Tesco is committed to continuing its business with its trusted partners in

Bangladesh," the company said in a statement to The Daily Star.

"In the case of Liberty Fashions, as we have always made clear, we stand by the assessment of our professional surveyors that there are critical risks at one of the buildings at this site."

"Nothing is more important than the safety of workers, and we believe that no production should take place at the Liberty Fashions building until improvements have been made."

"We are committed to providing support for these improvements, in line with our responsibilities under the Bangladesh Fire and Safety Accord, as long as production remains suspended, to ensure a sustainable future for all concerned."

Mozammel Huq, managing director of Liberty Fashions, said he will start strengthening the factory building soon as he plans to resume production as early as possible.

"Tesco has also assured me that they will stay with us."



AL-HASSAN DIAMOND GALLERY
Md Khabir Uddin, chairman of Al-Hassan Diamond Gallery, and Md Khairul Hassan, managing director, cut a cake to mark the company's 38th anniversary recently.

Foreign investors flock to stockmarket

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He also sees the jump in net investment as an outcome of an aggressive marketing abroad by stockbrokers to bring more foreign investment into Bangladesh.

"We have organised road shows, seminars and symposiums in several countries to attract foreign stockbrokers and fund managers to come to the Bangladesh market," he said.

The central bank's recent permission to share commissions with foreign stockbrokers encouraged the foreign brokers to guide their clients, especially the fund managers, to the Bangladesh market, he added.

Previously, commissions from trade made on behalf of investors referred by foreign stockers went solely to the local brokerage houses, an act that discouraged foreign stockbrokers from participating in the country's capital market. Also known as portfolio investment, foreign investment accounts for less than 1 percent of DSE's total market capitalisation.

Banks were the foreign investors' preferred sector, but non-bank financial institutions, power and energy, pharmaceuticals, multinationals, telecoms and IT also caught their attention.

Foreign investors bought shares worth Tk 1,241.05 crore and sold stocks worth Tk 329.28 crore in the six months of 2013, according to DSE data.

Kh Asadul Islam Ripon, chief executive officer of City Brokerage, said internal demand works as the key driver of the country's economy.

Of around 3,000 public limited companies, only 10 percent are listed with the exchange, making Bangladesh an attractive destination for investment, he said.

"Inflation dropped from 11.84 percent to 7.8 percent along with the forex reserve going up to \$15.37 billion. However, market capitalisation was 50 percent of GDP in 2010, where as it now stands at 28 percent -- a clear opportunity for growth of 22 percent," he said.

"Our market indicators are also showing vigorous improvement. Overall price earning is around 10 (as of April), which attracted foreign investors in investing in Bangladesh."

Revenue collection falls short of target

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The NBR saw a 14 percent growth in revenue collection in fiscal 2012-13 compared to the previous year.

However, despite higher growth, the revenue authority failed to collect the targeted amount for the first time in four years. The shortfall in customs duty was due to reduced imports mainly of consumer goods. VAT receipts were also behind the target.

Only income tax exceeded the goal by posting a 27 percent growth thanks to the expansion of tax offices to upazila level and increased manpower under the wing.

Tax imposition on people having more than one flat and car will also help boost revenue, he said.

Various automation initiatives will also facilitate increased revenue collection, he added.

Remittances soar to record high

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Furthermore, it helps the beneficiaries score higher in the social and economic indicators like education, nutrition, living condition, housing, health care, poverty reduction, social security and investment.

In June, migrant workers sent home \$1.06 billion from overseas, compared with \$1.07 billion in the same month a year ago, according to data from Bangladesh Bank.

Between July and February of fiscal 2012-13, some 3.73 lakh Bangladeshis have gone abroad for employment, according to Bangladesh Economic Review.

Accenture to pay \$10m for 51pc stake in GPIT

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"Grameenphone and Telenor have a strong commitment to strengthening the IT sector in Bangladesh, and with Accenture, the Grameenphone board has found an ideal partner to enhance GPIT's capabilities," Sigve Brekke, chairman of Grameenphone, said.

Established in 2011, GPIT provides end-to-end solutions to banks, financial institutions, fast-moving consumer goods, pharmaceuticals and telecom companies.

Accenture has operations in 120 countries, and in the fiscal year that ended on August 31, 2012, it generated net revenues of \$27.9 billion.



DHAKA REGENCY
Anwar Hossain, head of sales and marketing of Dhaka Regency, and Tawfique Imam, head of cards, consumer banking division of Standard Chartered Bank, exchange documents of a deal recently to jointly promote "buy one, get one free Iftar buffet" and dinner during Ramadan at Dhaka Regency for all cardholders of the bank.



KEBAB ZONE
Faruk Khan, civil aviation and tourism minister, speaks at the opening of a restaurant -- Kebab Zone -- in Banani, Dhaka on Tuesday. Anwar Hossain Belu and Mehadi Hasan, founders of the restaurant, were also present.

Abu Dhabi to invest \$50b in India infrastructure

AFP, New Delhi

Abu Dhabi has promised to invest \$50 billion in India's cash-hungry infrastructure at a time when growth in Asia's third-largest economy has sharply slowed, a newspaper reported Wednesday.

The pledge by Abu Dhabi was the key factor in pushing New Delhi to approve a bilateral deal to increase flights between the two countries, an Indian official told the Indian Express.

"A commitment to invest \$50 billion in the infrastructure sector of the country by Abu Dhabi was a key reason for us to agree to the increase," a senior government official, who declined to be named, said.

News of the investment comes just months after the International Monetary Fund criticised India for not improving its creaky infrastructure during the period it experienced growth rates close to double figures.

The IMF said in February that India would likely see slower growth than expected in 2012/13 at 5.4 percent and pay the price for failing to ensure investment in infrastructure kept pace with economic growth in the previous decade.

The plan to increase flights between the UAE and India is linked to a controversial proposal by the Abu

Dhabi-based Etihad airline to purchase a 24 percent stake in India's Jet Airways for 20.5 billion rupees (\$342 million).

That deal, the largest foreign investment proposal in India's aviation sector, faces regulatory hurdles, with many ministries raising objections over the bilateral increase in flights as well as over control of Jet after the sale.

"The increase was arrived at based on the request for a hike in entitlements made by various carriers, including Jet," the government official said.

Many of the new seats -- a nearly three-fold jump from 13,000 to 36,600 seats -- would go to Jet and Etihad.

India's opposition has alleged that the increase in flights was aimed at clinching the Jet-Etihad sale and could divert vital business from ailing state-run flagship Air India.

The Jet-Etihad deal, announced in April, marked the first overseas investment in an existing Indian carrier since New Delhi eased restrictions to allow foreign firms to take up to a 49 percent holding in the country's airlines.

But a request by the Indian prime minister's office on Monday for the plan to be discussed by cabinet provoked new worries about the fate of the sale and sent shares of Jet plunging 6 percent.

Britain unveils plans to charge migrants for healthcare

AFP, London

Britain announced plans on Wednesday to charge migrants hundreds of pounds a year to access its state-run National Health Service (NHS), in a bid to clamp down on so-called health tourism.

Health Secretary Jeremy Hunt also proposes to stop giving visitors from outside the European Economic Area (EEA) free access to general practitioners (GPs). "We have been clear that we are a national health service, not an international health service, and I am determined to wipe out abuse in the system," he said.

Ministers have yet to establish exactly how much GP visits for migrants are

costing the NHS. The move to charge them is tied in to a wider clampdown on immigration by Britain's Conservative-led coalition government.

Access to accident and emergency care will not be affected by the changes and will remain free.

The proposals have sparked concern among health professionals, who warn that the measures pose a public health risk by deterring ill patients from seeking treatment.

"People use the NHS if they've got infections and we certainly don't want to have people wandering around for fear of being charged at the GP surgery," Clare Gerada, chairwoman of the Royal College of General Practitioners, told BBC radio.

She added: "I don't think we should be turning the GP surgery into a border agency."

The National AIDS Trust (NAT) said the plans also threatened to undermine years of work to encourage marginalised at-risk groups to access HIV testing and treatment.

"By limiting access to primary care for some migrants living in England we would cut off the only place many of them will get an HIV diagnosis," chief executive Deborah Jack said.

Under the proposals, which will be put out to public consultation, people visiting Britain for less than six months would have to pay to visit a GP. They already have to pay for routine hospital care.

China court hears claim Apple's 'Siri' is a copycat

AFP, Shanghai

A case against US technology giant Apple brought by a Chinese firm for alleged patent infringement in its digital personal assistant "Siri" has begun in a Shanghai court, state media said Wednesday.

Lawyers representing Apple and Zhizhen Network Technology Co. on Tuesday argued over the technical specifications of Siri and the Chinese company's "Xiao i Robot" product, reports said.

Trademark and patent infringement are rife in China but the legal challenge to Apple comes after it paid

Chinese computer maker Shenzhen Proview Technology \$60 million last year to settle a long-running dispute over the "iPad" name, whose ownership was claimed by both companies.

Zhizhen is demanding Apple stop making and selling products in China which carry Siri, an "intelligent" personal assistant which responds to a user's commands through voice recognition software.

The firm claims it filed a patent for the "Xiao i Robot" software in 2004, which was approved two years later.

Apple's Siri, which made its debut with the release of the iPhone 4S in

2011, was first developed in 2007.

In Tuesday's court session, Apple's lawyers argued that the two function in a similar way but use different technology.

"One can achieve the same results through various means," a lawyer for Apple was quoted by the Global Times newspaper as saying.

"Apple has its own technology for Siri, which is totally different from the plaintiffs," said the lawyer, whose name was not given.

Yuan Yang, a lawyer representing Zhizhen, told AFP: "Our main goal at the current stage is to let the court validate our claim regarding the infringement."



DBBL
KS Tabrez, managing director of Dutch-Bangla Bank, inaugurates the bank's 127th branch on Shaheed Tajuddin Ahmed Sarani in Dhaka recently.



BKASH
Kamal Quadir, chief executive of bKash Ltd, and DS Faisal Hyder, chief executive of Qubee, attend a programme recently when the companies signed a deal allowing Qubee users pay internet bills through bKash.



ENVOY
Kutubuddin Ahmed, chairman of Envoy Textiles, cuts a cake to mark the 18th anniversary of the company recently. Abdus Salam Murshedy, managing director, was also present.