

Star BUSINESS

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GDP swells, per capita income crosses \$1,000

Statistical agency starts calculations using 2005-06 as new base year

SOHEL PARVEZ

The size of the economy, its growth rate and per capita income have increased in Bangladesh Bureau of Statistics' new estimates using 2005-06 as the base year.

Under the new base year, fiscal 2012-13's gross domestic product (GDP) in current prices stood at \$153.58 billion, whereas it came to \$134.17 billion using the existing 1995-96.

The new estimate also shows an increase in fiscal 2012-13's growth rate: the economy grew by 6.18 percent in constant prices as opposed to 6.03 percent under the existing base year of 1995-96.

Per capita income, which stands at \$923 in the existing base year, rose to \$1,044 in the new estimate. In addition, the new base year shows a reduced gap in savings and investment in the economy.

The estimates were presented yesterday at a meeting attended by Finance Minister AMA Muhith, Planning Minister AK Khandker, Food Minister Muhammad Abdur Razzaque, and Fisheries and Livestock Minister Abdul Latif Biswas.

Economist Tahiduddin Mahmud, who heads a technical committee for revision and rebasing of GDP calculation year, was also present at the meeting held at the BBS headquarters.

"Usually, the GDP size increases under the new base year because of the addition of new elements in the economy. So, this change is nothing significant or unusual," Muhith said after the meeting.

BBS said the calculation of GDP under the new base year will help reflect a more accurate picture of the economy as many new sectors have emerged since 1995-96.

The statistical agency, which last rebased in 2000, has got the nod of the

technical committee and is now awaiting the green light from the government to start computing GDP using the 2005-06 base year, a senior official of the agency said, seeking to remain unnamed.

Under the latest base year, 24 new crops have been added to the basket of 100 to calculate the contribution of the agricultural sector. The new additions include green banana, green papaya, green coconut, soybean, cucumber, hog plum, red amaranth, bottle gourd, olive, ripe palm, marigold, rose and tuberose.

The contributions of Bangladesh Forest Industries Development Corporation and Bangladesh Fisheries Development Corporation such as fish fry and dried fish have been included in the agriculture sector in the new base year.

BBS says the inclusions will boost the gross value addition (GVA) of agriculture by 9 percent.

In the industrial sector, gas refining activities by state-run Petrobangla and data of survey of manufacturing industries (SMI) has been included in the new base year.

Private power plants along with Power Grid Company of Bangladesh have been added to compute GVA of the power sector. In construction sector, brick, wood and fixtures and fittings have been added with the existing cement and rod in the new 2005-06 base year.

Overall, the GVA in the industrial sector will increase 5 percent after the inclusion, according to BBS.

The GDP of services sector, too, is set to increase, by 16 percent, under the new base year. BBS has included motor vehicles repairing, activities of Trading Corporation of Bangladesh.

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GROSS DOMESTIC PRODUCT
(IN BILLIONS OF DOLLARS/ IN CURRENT PRICES)
BASE YEAR 1995-96
134.17
BASE YEAR 2005-06
153.58

ECONOMIC GROWTH RATE
(IN CONSTANT PRICES; %)
BASE YEAR 1995-96
6.03
BASE YEAR 2005-06
6.18

PER CAPITA GNI
(IN DOLLARS)
BASE YEAR 1995-96
923
BASE YEAR 2005-06
1,044

Industrial park for pharma ingredients picks up steam

Govt signs deal with drug makers

SUMAN SAHA

The long overdue active pharmaceutical ingredients (API) industrial park got the much-needed impetus yesterday after the government inked a renewed deal with pharmaceutical companies.

"We want to first prepare the plots in the industrial park, which we expect to be done by December. After that, we will allocate them to the pharmaceutical companies," Industries Minister Dilip Barua told The Daily Star.

Bangladesh Small and Cottage Industries Corporation (BSCIC), an industries ministry wing, has already completed the preliminary work, he said, adding that Prime Minister Sheikh Hasina is likely to lay the project's foundation stone next month.

The industries minister touted the 200-acre park at the Gojaria upazila of Munshiganj to bring about a revolutionary change in the pharmaceutical sector.

The development comes at a time when the local companies are meeting 98 percent of the domestic demand, with exports fast rising as well. In fiscal 2012-13, the country shipped around Tk 463 crore of medicine products, up 23.98 percent year-on-year, according to Export Promotion Bureau.

"The API park will ensure smooth supply of raw materials and help the pharmaceutical companies gain more export orders and maintain stable prices in the domestic market," said Abdul Muktedir, general secretary of Bangladesh Association of Pharmaceutical Industries (BAPI).

Due to the absence of such parks in the country, pharmaceutical companies now import around 90 percent of their raw materials. But once the park is up and running, the raw materials imports are expected to come down to 30 percent.

A total of 42 industries would be set up under the project expected to cost a total of Tk 331.86 crore. The government will provide Tk 151.12 crore in loans and Tk 100.74 crore in equity, while the companies would foot the Tk 80 crore needed to set up the central effluent treatment plant, incinerator and dumping yard.

The industries ministry will send the second revised proposal to the planning ministry next week to get the final approval, said Barua.

The project implementation work originally started in 2008 under a budget of Tk 258 crore. It was supposed to be complete by December 2012, but due to land acquisition and other problems the timeline never stood.

The government has now extended the project deadline to June 2015.

BB to access info on smuggled goods

REJAUL KARIM BYRON

The intelligence unit of the central bank will get internet access to different regulatory and law enforcing agencies from next month, a step towards strengthening the country's preparedness to combat money-laundering and terrorist financing.

The decision came at a meeting of the National Committee on Anti-money Laundering and Combating Terrorist Financing at the secretariat in Dhaka yesterday, with Finance Minister AMA Muhith in the chair.

The Bangladesh Financial Intelligence Unit (BFIU) will now get easy and quick access to the information on seizure of goods such as gold, precious metals and foreign currencies smuggled into the country.

This is part of a number of government initiatives to upgrade the BFIU to international standards. Bangladesh Bank has already sent letters to concerned law-enforcing agencies and regulatory bodies, a finance ministry official said.

The committee also instructed the National Board of Revenue to take steps so the BFIU gets all information about the seizure of smuggled things.

The committee also instructed concerned departments to speed up process to prepare a draft of the regulations of the Anti-Money Laundering Act-2012 and the Mutual Cooperation Agreement on Money Laundering Crimes.

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Pass formalin control law in next parliament session

Eminent citizens form human chains with calls for curbs on toxic substance



STAR BUSINESS REPORT

Business leaders and eminent citizens yesterday called for the urgent passing of Formalin Control Act 2013 to check the trade and use of the toxic substance widely used to preserve foodstuff.

A draft of the law is now lying with the import and internal trade wing of the commerce ministry.

"We demand that the government pass the law in the next parliamentary session, due to begin in a few days' time," Helal Uddin, vice-president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI), adding that it is not possible to control the use of formalin if it can easily be imported.

AAMS Arefin Siddiqui, vice-chancellor of Dhaka University, recommended that the Trading Corporation of Bangladesh be the sole vendor of the chemical and that they be sold only to licence holders.

The demands came at a human chain formed in front of the Malibagh kitchen market to protest the easy availability of the chemical and its unauthorised use in foodstuff.

Eight other markets, which were declared formalin-free by the FBCCI, held similar midday rallies and suspended trade for 15 minutes.

Sultana Kamal, chairman of Transparency International Bangladesh, said that it is the state's responsibility to provide assurance of formalin-free food.

"We should also create social awareness against the uses of formalin in our foodstuff," she said.

Actress Rokeya Prachi urged ordinary people to be vocal against the use of formalin in food.

Eminent citizens form a human chain in front of the Malibagh kitchen market in Dhaka yesterday to press for the Formalin Control Act 2013 to be passed in parliament.

STAR

RMG FACTORY INSPECTION

All parties agree on common action plan

REFAYET ULLAH MIRDHA

Three separate platforms, formed to inspect Bangladesh's garment factories and ensure fire and building safety, have agreed to follow a common action plan drawn by the government, officials said yesterday.

Of the three, two are global initiatives -- one led by IndustriALL, an international trade union, and the other is North American Alliance, a platform of 20 US-based retailers and brands.

The third one, initiated by the government, will be led by Bangladesh University of Engineering and Technology.

Initially the platforms that emerged after the deadly Rana Plaza collapse had a plan to inspect the factories under their own guideline.

"But a factory can be inspected thrice if we go for the previous plan, as the three platforms will follow separate inspection rules," Labour and Employment Secretary Mikail Shipar said.

This will lead to production suspension in factories for a long time, the official said.

Reaz-Bin-Mahmood, vice-president of Bangladesh Garment Manufacturers and Exporters Association, said IndustriALL in a recent meeting has agreed to follow the common guideline for factory inspection.

"Yes, we have agreed to the National Action Plan for factory inspection. A circular will be published soon in this regard," said ZM Kamrul Anam, a coordinator of the IndustriALL Bangladesh Council.

The North American Alliance has agreed much before, Mahmood said.

Labour Secretary Shipar said the government will not allow anybody to inspect factories if they do not follow the common guideline.

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Regulator serves notice on IGW operator over unpaid bills

ABDULLAH MAMUN

BTRC served notice on an international gateway operator, Telex, on Monday asking why the telecom regulator would not cancel its licence due to the unpaid dues of around Tk 70 crore in revenue and annual licence fee of the last one year.

Telex will also face action if it fails to give a satisfactory answer to Bangladesh Telecommunication Regulatory Commission in 30 days from the issuance of the notice.

Telex owes Tk 62.47 crore in revenue to BTRC—piled up from October last year to June this year, and Tk 7.5 crore in licence fees for 2013-14.

On August 28, the regulator blocked the services of Telex, and cut the incoming call volumes of 17 others to a certain limit due to unpaid dues of over Tk 350 crore, although the deadline for payments were August 26, according to Sunil Kanti Bose, chairman of BTRC.

"We are discussing the issue with the regulator," Liaquat Rahman, company secretary of Telex, told The Daily Star.

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