

DHAKA WEDNESDAY OCTOBER 23, 2013, e-mail:business@thelaststar.net

Forex reserves hit new record, cross \$17b

STAR BUSINESS REPORT

The foreign currency reserves yesterday crossed the \$17 billion mark for the first time on the back of a strong remittance inflow from eight million-odd migrant workers.

The reserves now stand at \$17.10 billion, enough to pay off six months' imports.

"The reserves have reached such a height due to remittances sent by expatriate Bangladeshis. Increase in export income also helped in boosting it," Bangladesh Bank said in a statement.

Export earnings increased 21.24 percent in July-September. Overall, exports rose to about \$2.6 billion in September, which is around 36 percent higher than in the same month last year.

The other reasons behind the new milestone are: stable taka exchange rate against the dollar, possibility for private companies to take more foreign loans and sluggish imports. Remittances saw a growth of 12.6 percent last fiscal year. Bangladeshi expatriates remitted \$14.46 billion in fiscal 2012-13 in comparison to \$12.84 billion a year ago.

On August 13, forex reserves crossed the \$16 billion mark for the first time in the history of Bangladesh.

Cut budgetary targets: CPD

The think-tank urges govt to discount weak growth prospects

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The Centre for Policy Dialogue (CPD) yesterday called for this year's budgetary targets to be downsized given the weakening of certain key macroeconomic fundamentals.

"It appears that the relative stagnation in economic activities observed in fiscal 2012-13 may continue in this fiscal year as well," the private think-tank said in its report titled, "Bangladesh economy in FY 2014: Three months after the budget, three months before the elections".

The need to readjust the fiscal parame-

ters will be no less an important task, along with maintaining fiscal discipline in fiscal 2013-14, it added.

"There is little indication that investment demand has picked up in the early months of the ongoing fiscal year."

Private sector credit growth is "stagnating" at 11.3 percent as of August 2013 – much lower than the target of 16.5 percent (for end of June 2014).

Performance of the banking sector has been deteriorating, with the industry's non-performing loans rising to nearly 12 percent on June 2013 from 7.2 percent a year ago.

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Debapriya Bhattacharya, distinguished fellow of Centre for Policy Dialogue, speaks at a programme at the CPD office in Dhaka yesterday. Second from right, Mustafizur Rahman, executive director, also spoke.

New project to give BTCL a boost

ABDULLAH MAMUN

The telecom ministry will place a project proposal for the state run telecom company to build 7 lakh new landline connections and countrywide optic fibre cable connectivity.

Of the Tk 2,126-crore project, Exim Bank of China will give Tk 1,586 crore and Bangladesh Telecommunication Company Ltd (BTCL) will provide the rest.

The proposal of the project—Installation of next generation network based telecommunication network for digital Bangladesh (NTN)—will be placed at a meeting of the Cabinet Committee on Economic Affairs today.

The project will start in approximately six months after completing the formalities, said Abubakar Siddique, telecom secretary and BTCL chairman.

He also said the government may take the amount from the Chinese authority at an interest rate of 1 to 2 percent and give it to BTCL at around 5 percent.

As per the proposal, BTCL will have to implement the project in four years and go for direct purchase from China Machinery and Engineering Corporation, the firm selected by the Chinese government.

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Standing from left, Gerben Sjoerd de Jong, Netherlands' ambassador; Abul Kalam Azad, ERD secretary; Srinivas B Reddy, ILO country officer; and Robert Winnington Gibson, British high commissioner, pose after signing a deal for a factory safety campaign worth \$24.21 million, at Ruposhi Bangla Hotel in Dhaka yesterday.

Govt signs \$24m deal with ILO for factory safety

STAR BUSINESS REPORT

The government and International Labour Organisation yesterday launched a \$24.21 million safety campaign in an effort to improve the working conditions in the readymade garment industry, the main export earner of Bangladesh.

The programme would focus on minimising the threat of fire and building collapse in apparel factories and ensure workers' rights and safety.

Under the project titled 'Improving working conditions in the readymade garment sector', experts led by Bangladesh University of Engineering and Technology, would conduct building and fire safety assessment in around 1,500 RMG factories.

The Department for International Development (DFID) of the UK and the Netherlands are funding the three-and-a-

half year project.

However, this will remain out of the purview of two other initiatives of the US and European retailers.

Canada will also take part as a donor to the project, which was initiated in response to a number of industrial accidents in the RMG sector, including the Rana Plaza building collapse that killed 1,132 workers in April this year.

Prior to launching the project, an agreement was signed among the Bangladesh government, ILO, DFID and Netherlands at Ruposhi Bangla hotel yesterday.

Abul Kalam Azad, secretary to the Economic Relations Division, Gerben Sjoerd de Jong, Netherlands ambassador, Robert Winnington Gibson, British high commissioner, and Srinivas B Reddy, ILO country officer, signed the agreement on behalf of their sides.

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Banglalink launches 3G services

STAR BUSINESS DESK

Banglalink launched 3G services in some parts of Dhaka and Chittagong.

The high-speed wireless internet services of the second largest mobile operator are currently available in Gulshan, Banani, Old DOHS, Baridhara and Motijheel areas of Dhaka and in Agrabad of the port city.

Banglalink has always been at the forefront of telecommunication technology in Bangladesh," Banglalink CEO Ziad Shatara said at the launching ceremony at the Westin Dhaka on Monday night.

A Banglalink subscriber availing the 3G services can also make video calls, according to a statement. Banglalink is the first operator to offer its customers 3G-enabled contents such as local radio apps, audio streaming and video streaming services, along with some useful mobile portals, the statement added.

Dhaka-Delhi to beef up 16 land customs stations

STAR BUSINESS REPORT

Bangladesh and India yesterday agreed to further boost bilateral trade through a total of 16 land customs (LC) stations on both sides.

Through a series of decisions, like allowing trucks to unload goods up to the LC stations of the importing country and synchronising the office working hours and days at these customs offices, it is expected that trade through formal channels will increase.

These 16 LC stations were selected on the basis of bilateral trade importance.

The agreement came yesterday at the 9th Joint Group of Customs (JGC) meeting of Bangladesh and India at Ruposhi Bangla Hotel in Dhaka.

The two-day meeting ended amid hopes of implementing decisions that also include exchanging export-import related information, such as assessed value and weight of goods. The move is expected to cut pilferage in revenue, particularly for Bangladesh, by putting a stop to misdeclaration of traded goods.

The exchange of export and import related information is likely to be effective from January and officials will be assigned at every LC station on both sides by November 30.

"We want to implement the decisions in a practical and time-bound manner," said Revenue Secretary of India Sumit Bose at a press briefing.

Bose signed the joint agreed minutes with his counterpart National Board of Revenue Chairman Md Ghulam Hussain.

Other decisions include the free movement of customs officials between the LC stations to resolve operational issues.

The grassroots problems should be solved at field level, said the NBR chairman. "Local problems should be solved locally."

The decision is likely to speed up the process of resolving field level issues faster and help boost trade.

India agreed to look into withdrawing the countervailing duty imposed on Bangladeshi garment exports to the country, said Bose.

India customs also promised to look into the issue of allowing Bangladeshi soap exports, particularly through Agartala Land Port.

Both sides agreed to improve infrastructure at the land ports and LC stations to expedite trade.

Apart from Benapole and Akhaura, the 16 LC stations include Bhomra, Darshana, Sonamasjid, Burimari, Hilly, Bibirbazar and Banglabandha.



Posts and Telecoms Minister Shahara Khatun and Chairman of Bangladesh Telecommunication Regulatory Commission Sunil Kanti Bose attend the launch of Banglalink 3G services at the Westin Dhaka on Monday.

Govt to ease migration process
Registration will be made mandatory for workers seeking jobs abroad

REJAUL KARIM BYRON

The government intends to set a reasonable point of reference for migration costs and make registration mandatory for jobseekers abroad in a bid to make the migration process more robust.

The decision was taken yesterday at the first meeting of the cabinet committee led by Finance Minister AMA Muhith on skills development, manpower export and remittance.

The committee was formed in May 2012 with the aim to stop the harassment faced by migrant workers and, particularly, to increase remittance inflow, which stood at \$14.3 billion in fiscal 2012-13.

Muhith told the meeting that the committee would prepare a guideline which will help the next government to carry forward the issues.

At the meeting, a report identifying about 24 problematic areas was placed, foremost among which is the absence of an official estimate of migration costs to countries other than Malaysia.

"The Baira (Bangladesh Association of International Recruiting Agencies) has not set a benchmark. It was decided that a benchmark will be

prepared on a government-to-government level and the private recruiting agencies would work around that," said a meeting source.

The labour counsellors in Bangladesh embassies will also publish booklets highlighting how much money may be required to go to the concerned country.

Yunus addresses Nobel peace prize laureates summit

STAR BUSINESS DESK

Nobel peace laureate Prof Muhammad Yunus took part at the 13th Annual Summit of Nobel peace prize laureates at Warsaw in Poland on Monday.

The event, which opened on Monday with the official motto of "Stand in solidarity for peace -- time to act", is being held for the first time in Eastern Europe, Yunus Centre said in a statement yesterday.

The event is taking place exactly 30 years after Lech Walesa, former trade union leader, received Nobel peace prize for successfully leading workers at strike in the Gdansk Shipyard, which led to historical downturn of the communist regime by means of negotiation and without violence.

Prof Yunus, President of Clark of South Africa and President Lech Walesa spoke at the opening session of the summit.

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YUNUS CENTRE
Nobel peace prize laureate Professor Muhammad Yunus speaks at the opening of the 13th Summit of Nobel peace prize laureates at Warsaw, Poland on Monday.