

First Ticfa meeting in April

STAR BUSINESS DESK

Bangladesh and the United States will discuss trade and commerce at their first meeting under Trade and Investment Cooperation Forum Agreement in Dhaka in April, Commerce Minister Tofail Ahmed said in a statement yesterday.

The meeting comes after the two nations signed Ticfa in Washington on November 25 last year.

Ticfa provides a forum to discuss ways to remove trade disputes between the two countries.

On the World Trade Organisation's recent meeting in Bali, Ahmed said the government would also take all possible steps to help realise the potential benefits of preferential treatment decisions for LDCs taken at the meet.

In the last six months, Bangladesh exports were 3.08 percent higher than the target, which raises hopes that the \$30.5 billion export target for the year could be achieved, Ahmed said.

Big cuts unlikely in ADP outlay

Govt takes a host of steps to speed up implementation

REJAUL KARIM BYRON

The implementation of the annual development programme is lagging far behind its target in the first six months of the current fiscal year but the government has no plan to make a deep cut in the outlay.

Planning Minister AHM Mustafa Kamal has hinted that steps would be taken to speed up ADP implementation in the second half of the year, according to an official of the ministry.

The size of the revised ADP would be around Tk 60,000 crore while the original allocation was Tk 65,872 crore, the official added.

The allocations of the ministries that were slow in ADP spending would be transferred to other ministries in the revised budget, he said.

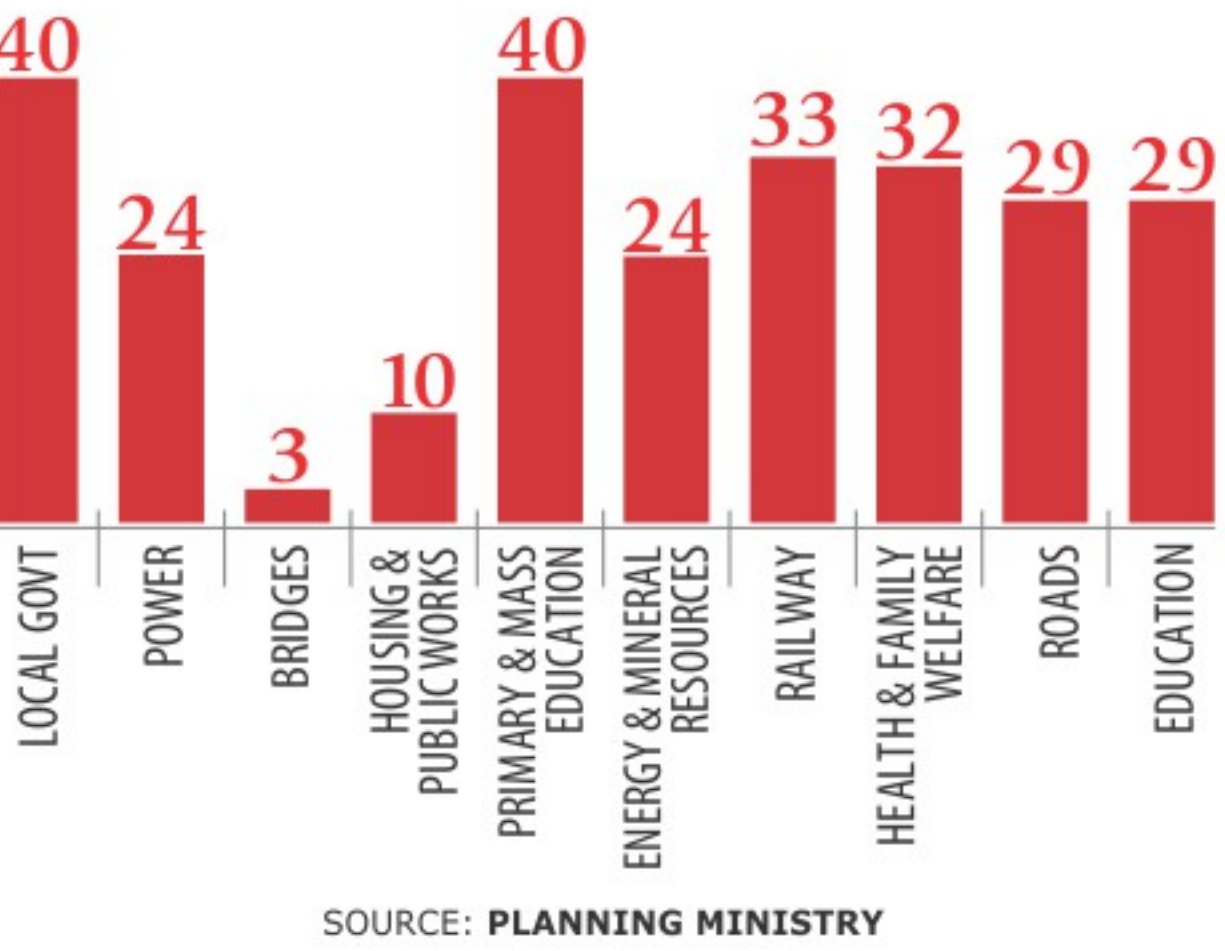
The government also plans to achieve significant progresses in ADP implementation to give a boost to its image stained with the latest parliamentary election, which many term controversial, the official added.

The implementation status will also be discussed regularly at the meeting of the Executive Committee of the National Economic Council (Ecne).

Prime Minister Sheikh Hasina has recently said, if necessary, the government will hold two Ecne meetings a

ADP IMPLEMENTATION OF TOP 10 MINISTRIES/DIVISIONS

JUL- DEC 2013 / IN PERCENTAGE OF TOTAL ALLOCATION



SOURCE: PLANNING MINISTRY

said.

In the first six months of the current fiscal year, 27 percent of the ADP or work worth Tk 18,087 crore has been implemented though the rate was 30 percent during the same period last fiscal year, according to IMED statistics.

The implementation rate usually remains low in the first half of the year and accelerates in the second half, the official said.

ADP implementation was slow in the first six months due to political unrest, the official said.

Of the 10 big ministries and departments who got 74 percent of the total ADP allocation, the performances of four ministries and divisions, including the bridge and

week, according to the official.

The planning minister has directed the Implementation Monitoring and Evaluation Division (IMED) to place a report on project implementation in every Ecne meeting.

The government has already formed a committee to fast-track six big projects and the weekly cabinet meeting will hold detailed discussion on the implementation of the projects.

If necessary, some clauses of the public procurement rules may be waived for the sake of quick implementation of the projects, the planning ministry official

Rana Plaza funds get closer

PROPOSED COMPENSATION FOR VICTIMS



- PERMANENTLY DISABLED TK 14.5 LAKH
- LOSS OF ONE LIMB TK 7.5 LAKH
- LONG-TERM TREATMENT TK 4.5 LAKH
- TRAUMATISED TK 1.5 LAKH
- DEAD OR UNIDENTIFIED TK 14.5 LAKH

REFAYET ULLAH MIRDHA

Victims of the nation's worst industrial disaster appear one step closer to receiving compensation from the government after a 31-member panel finalised a set of recommendations.

"We will submit them to the government anytime now," said MM Akash, chief of the panel formed on a High Court order on August 29 last year, after the Rana Plaza collapse.

The committee recommended Tk 14.5 lakh for the dead and missing workers and the permanently disabled ones, Tk 7.5 lakh for those who have lost one limb, Tk 4.5 lakh for workers needing long-term treatment and Tk 1.5 lakh for the traumatised survivors.

The victims who have already received a certain sum from the Prime Minister's

Fund will receive the balance of their respective package, he said.

For instance, families of the 777 deceased workers who earlier received Tk 1 lakh from the Prime Minister's Fund will get Tk 13.5 lakh.

The court will determine the source of funding for the compensation packages, Akash added.

Meanwhile, Atiqul Islam, president of the Bangladesh Garment Manufacturers and Exporters Association, said the body will contribute to the compensation packages as per the law of the land.

"It is still undecided who will contribute what amount, but everybody who is involved will have to donate," he said, adding he will sit with the international retailers once the government locks in the compensation committee's recommendations.

39 companies line up for IPO approval

SARWAR A CHOWDHURY

Some 39 companies are awaiting regulatory approval to raise around Tk 2,100 crore from the capital market by way of initial public offerings. IPO is the first sale of a stock of a private company to the public.

The companies, tied to the textile, power, real estate, ship building, manufacturing, engineering and financial sectors, have already submitted their IPO proposals to the Bangladesh Securities and Exchange Commission.

Of the companies, 37 plan to use the fixed price method, where the price at which the securities are offered is made known to the investors in advance.

The other two companies have opted for the book building system, where the issuers do not fix up a single price for the securities but provide a price range. Investors put their bid within the price range and depending on the demand and supply of the units, the final price is decided.

A BSEC official said the stockmarket regulator takes time to green-light the IPO proposals, with two applications approved on average every month. Merchant banks, who handle the IPOs, however, are urging the regulator to expedite the process for companies with good fundamentals, as the secondary trading market is finally picking up after a two-year-long bearish trend.

If a company is good, it can be permitted even with premium; but if the fundamentals are weak, it should not be allowed even with the face value, said Md Akter Hossain Sannamat, managing director of the merchant bank Union Capital.

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Political troubles, gas crisis slow investment in spinning mills

REFAYET ULLAH MIRDHA

No new spinning mills were set up in 2013 mainly due to political turmoil and a gas crisis although the country has a thriving garment industry.

The number of such mills was 392 last year when two factories were closed down due to non-compliance. The number was 394 in the previous year and 385 in 2011, according to Bangladesh Textile Mills Association, a platform of the spinners.

Spinning mills are the main strength of the export-oriented garment sector, as they play an important role as a backward linkage industry for exports. In 2013, the number of fabrics manufacturing units rose to 782 from 777 in the previous year.

The number of dyeing, printing and finishing units also increased, to 240 in 2013 from 234 in the previous year, according to the BTMA.

"Entrepreneurs set up some spinning units every year, but last year was a difficult one because of



political crisis," BTMA President Jahangir Alamin said.

The primary textile sector was also struggling with the perennial gas and power crises last year, he added.

"The sector has a lot of potential as the country has already proven its

strength in global apparel business," he said.

All types of mills under the primary textile sector, such as spinning, dyeing, weaving, finishing and printing, need adequate supply of gas and power, Alamin said.

"Businesses invested around Tk 2,200 crore last year to expand capacity of the existing factories."

Currently, the backward linkage industry supplies around 90 percent raw materials to the knitwear sub-sector and 40 percent to the woven sub-sector.

The rest of the demand is met through imports mainly from China and India. The total investment in the primary textile sector is 4 billion euros (around Tk 42,564 crore) now, according to the BTMA.

"We need political stability for investment to pick up," said Kazi Akram Uddin Ahmed, president of the Federation of Bangladesh Chambers of Commerce and Industry.

The gas and power crises should be resolved soon to attract both domestic and foreign investments,

Airtel plans to delegate tower management

ABDULLAH MAMUN

Airtel Bangladesh, the fourth largest mobile operator in the country, plans to transfer its telecom towers to a subsidiary company.

The company has received regulatory approval to transfer its tower infrastructure to the new company.

The objective of the new company will be to provide and share non-electronic infrastructure and services with other telecom companies, according to Airtel's letter to the regulator.

An official of Airtel said the company is now conducting a feasibility study on the new company, Bangladesh Infrat Networks Ltd.

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