

BUSINESS

DHAKA WEDNESDAY JANUARY 29, 2014, e-mail:business@thecitizenstar.net

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 yester-
day.

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 possi-
ble 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.

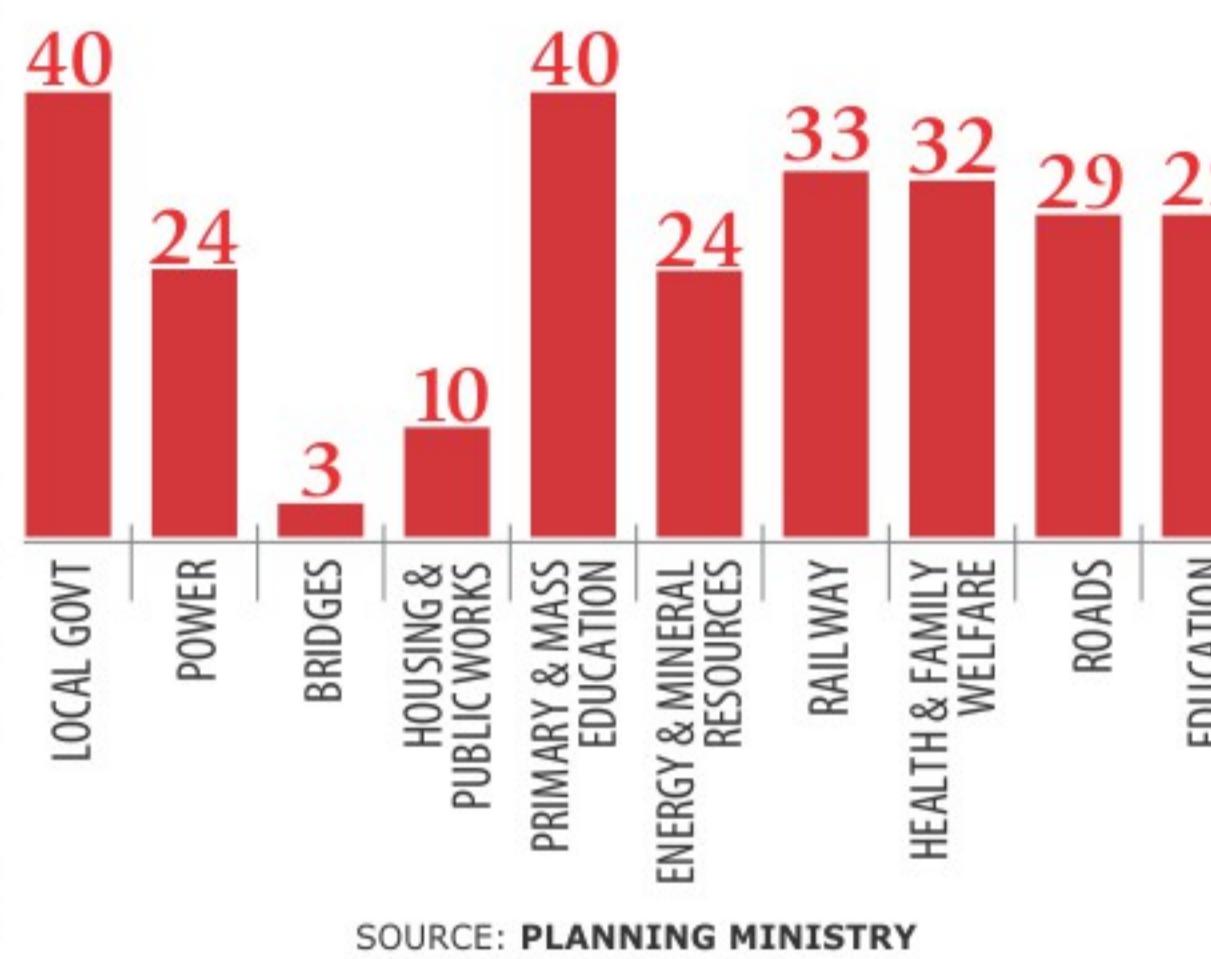
The government also plans to achieve significant
progresses in ADP implementation to give a boost to its
image stained with the latest parliamentary
election, which many term controversial, the official
added.

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

Prime Minister Sheikh Hasina has recently said, if
necessary, the government will hold two Ecnec 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.

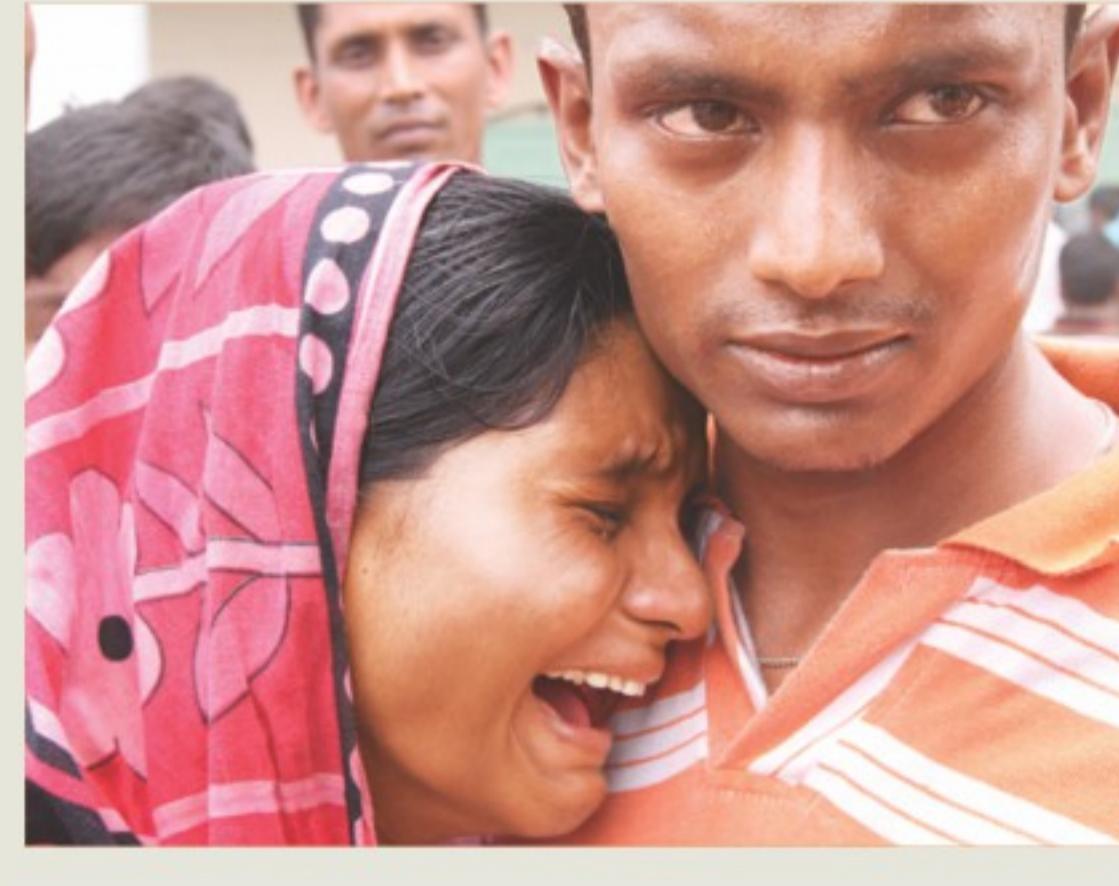
The planning minister has
directed the Implementation
Monitoring and Evaluation
Division (IMED) to place a
report on project implementa-
tion in every Ecnec meet-
ing.

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

If necessary, some clauses
of the public procurement
rules may be waived for the
sake of quick implementa-
tion 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

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, Atiquil 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 sector
has huge potential as 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

BY THE NUMBERS

The number of spinning mills
was 392 in 2013

The number was 394
in 2012

There were 385
spinning mills in 2011

A total of Tk 2,200 cr
was invested in 2013

2 units were shut last year
due to non-compliance

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
Infrated Networks Ltd.

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