

DHAKA SUNDAY FEBRUARY 16, 2014, e-mail:business@thedailystar.net

CSE elects 4 directors

STAR BUSINESS REPORT

Four shareholders were yesterday elected to the first board of the demutualised Chittagong Stock Exchange.

Mirza Salman Ispahani, managing director of ISPI Securities, bagged the highest number of votes: 92 out of 113 valid votes, the bourse said in a statement.

Mohammad Khairul Anam Chowdhury, director and chief operating officer of LankaBangla Securities, won the second highest—86 votes—followed by Mohammed Mohiuddin, managing director of Island Securities, with 58 and Md Shamsul Islam, chairman and chief executive officer of Be Rich, with 57 votes.

The four new directors, out of nine contenders, were elected from the bourse's existing shareholders, in line with the demutualisation scheme approved by Bangladesh Securities and Exchange Commission (BSEC) on September 26 last year.

An annual general meeting was also held yesterday to adopt the newly-elected directors and hand over duties to the 13-member board.

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Only a third of \$1b Indian credit used in 3 years

Officials blame it on delays in implementing some railway projects

REJAUL KARIM BYRON

Bangladesh could use only a third of the \$1 billion Indian credit in the last three years due to delays in implementing some major projects by the Railway Division.

Of the amount, \$200 million is grant which the Indian government has already disbursed and has been earmarked for the Padma bridge project.

Of the rest \$795 million, \$127.30 million or 16 percent was disbursed against 16 projects till January 31.

Four of these projects involve \$460 million but no progress was achieved in implementing those as the disbursement was low, a finance ministry official said.

Though the Indian side is ready to disburse the fund, the line ministries in Bangladesh could not implement the projects, he added.

Under one of such projects, two railway bridges -- the second Bhairab bridge and the second Titas bridge -- will be constructed at a cost of around \$140 million of which India will provide \$120 million. Only \$1.34 million has been disbursed for the project so far.

Officials said feasibility study on the project caused four months' delay, while the Indian contractor could not start the work due to shutdowns and blockades in Bangladesh.

However, an official of the railway ministry said the work of the two bridges has started and there will be no further

delay.

Another project is the construction of a rail line from Khulna to Mongla port, including a feasibility study. The Indian government will provide \$175 million for the project against a total cost of \$250 million.

Of the loans, only \$0.59 million has so far been disbursed. Railway ministry officials said the delay was due to changes to the proposed route. They now hope to start the work by January next year.

Another project is for constructing the third and fourth dual gauge tracks between Dhaka and Tongi and doubling the dual gauge tracks between Tongi and Joydebpur.

Nothing was disbursed so far against the project worth \$109 million, where the Indian contribution is \$89 million.

As the railway authorities prepared the project plan without conducting any feasibility study, flaws were detected while awarding the work to an Indian contractor.

The finance ministry official said the project will start afresh as it will have to go through some changes which may also push up the cost.

Another big project is the procurement of 17 air-conditioned railway coaches at a total cost of \$111 million where India will provide \$77 million.

Officials said the design of the coaches was not compatible with the rail tracks of Bangladesh and so a decision was taken to procure 120 non-AC coaches about which

Nothing was disbursed so far against the project worth \$109 million, where the Indian contribution is \$89 million.

BY THE NUMBERS

India okayed \$1b in 2010

\$200m was grant

\$127.3m was disbursed so far

Number of projects: 16

Govt decides to export internet bandwidth

ABDULLAH MAMUN

The government has decided to export 40 percent of the total internet bandwidth capacity of its lone undersea cable to neighbouring countries through lease or sale, as the lifetime of the cable will end in the next 12 years.

Bangladesh can earn Tk 60 crore a year from lease.

The submarine cable has a bandwidth capacity of 200 gigabits per second, with 20 percent consumed for voice and data use, said Monwar Hossain, managing director of Bangladesh Submarine Cable Company Ltd, which deals with the bandwidth.

The decision was taken last week at a meeting of high officials from the telecom, foreign and finance ministries and the telecom regulator.

READ MORE ON B3

BoP surplus erodes 4pc in first half

STAR BUSINESS REPORT

Balance of payments surplus eroded about 4 percent to \$2.62 billion in the first six months of the fiscal year on the back of sliding remittance.

Between July and December last year, remittance dropped 8.3 percent year-on-year, according to data from the central bank.

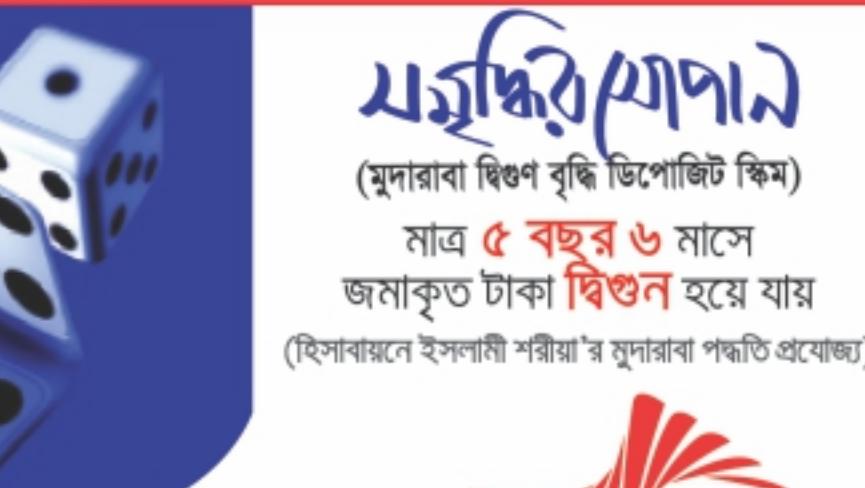
The surplus though is still at a high level, due to the squeezing trade deficit and higher flow of foreign direct investment. Trade deficit narrowed 58 percent to \$1.53 billion, while net foreign direct investment flow into the country rose 5.4 percent to \$844 million.

Exports grew 17.15 percent, while imports dropped 0.11 percent.

Bangladesh Bank, however, forecast further erosion of the BoP surplus in the second half, as there will be a correction in the pace of export growth due to a possible slowdown in apparel orders, along with a pick-up in imports as investor confidence grows.

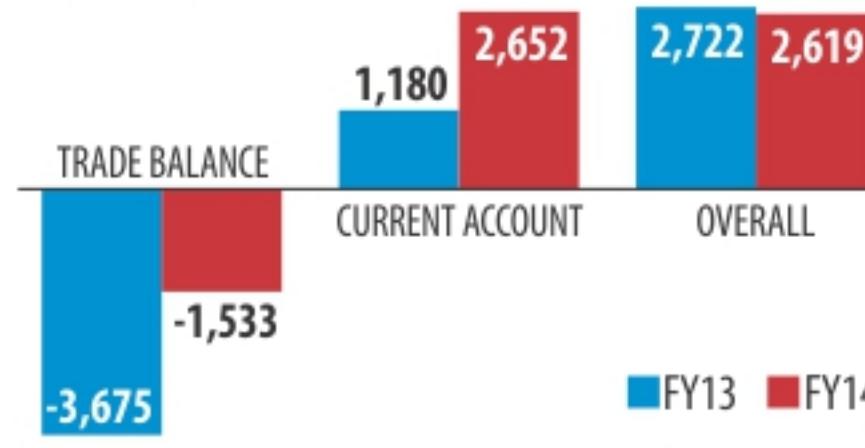
The central bank aims to further consolidate the country's external sector stability rather than fattening reserves, according to its latest monetary policy statement released last month.

The foreign currency reserves reached a



BALANCE OF PAYMENTS

JULY-DECEMBER / IN MILLIONS OF \$



record high of \$18 billion in the first half, sufficient to cover 5.5 months of projected imports. A further build-up of reserves is anticipated in the second half—at a more moderate pace.

Although the decline in remittance will not adversely affect external stability in the fiscal year, BB said it is imperative that manpower exports resume its growth so that remittances can be an important part of medium-term external balance.

The central bank, however, is hopeful of a turnaround in the remittance flow in the second half.

Bangladesh Bank projects overall export growth of 8 percent, import growth of 9 percent and remittance growth of -4 percent, which will lead to a healthy balance of payment surplus, according to

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Plastics fair starts Thursday

STAR BUSINESS REPORT

A four-day fair of plastics and food processing with over 200 exhibitors from 15 countries will begin in the city on Thursday.

The Bangladesh International Plastics, Packaging, Printing, Food Processing Industry Fair—IPF 2014—will be staged for the ninth time at Bangabandhu International Conference Centre on February 20-23.

Uttara Model Town Branch

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