ASIAN MARKETS

TOKYO

1.36%

MUMBAI

\$101.36

"নারীর সমতা ও উনুয়ন নিশ্চিত করো' (নারীদের জন্য বিশেষ সঞ্চয় স্কিম) ইসলামী শরী 'আহ নির্দেশিত মুদারাবা নীতির ভিত্তিতে হিসাব পরিচালিত for any query **09612001122**

DHAKA WEDNESDAY APRIL 9, 2014, e-mail:business@thedailystar.net

COMMODITIES

Gold A

\$1,312.13

Political shadows dog economy: IMF

GDP growth to slip below 6pc this fiscal year; Bangladesh stands to gain from recovery in advanced economies

ARUN DEVNATH, from Washington

STOCKS

V 0.46%

DSEX

CSCX

V 0.77%

Domestic demand in Bangladesh is expected to recover in 2014 as activity is normalising after a year of political unrest, but economic growth will go below 6 percent this fiscal year in lingering fallout, the International Monetary Fund said yesterday. Bangladesh fits the pattern for much

of developing Asia as more idiosyncratic risks stemming from domestic political tensions and uncertainties remain in several countries.

For Asia as a whole, growth is expected to accelerate only modestly, from 5.2 percent in 2013 to about 5.5



Olivier Blanchard, IMF's chief economist, speaks at a press briefing.

percent in both 2014 and 2015, the IMF said in the World Economic Outlook report released in Washington.

The IMF said global recovery "has broadly strengthened" and will "improve further" in 2014, but it trimmed its growth forecast amid a sharp rise in Japan's sales tax and a slowdown in emerging markets. An accelerating US recovery will

help the world economy grow 3.6 percent this year, the IMF said, up from 3 percent in 2013 but down slightly from its 3.7 percent projection in January.

READ MORE ON B3

Padma bridge allocation won't change: Muhith

CURRENCIES

BUY TK 77.20

SHANGHAI

1.92%

SINGAPORE

V 0.33%

STANDARD CHARTERED BANK

STAR BUSINESS REPORT

Finance Minister AMA Muhith yesterday said the allocation for the Padma bridge project would neither increase nor decrease in the revised budget of the current fiscal year.

He said the allocation would be Tk 2,100 crore in the revised budget.

"We will be able to spend the allocated fund this fiscal year. So, the allocation would not be increased or decreased," he told reporters after a meeting of the Executive Committee of the National Economic Council.

READ MORE ON B3

Civil servants may get new pay scale next fiscal year

Employees may

retirement under

get flats after

a joint fund

Taking car

loans could be

made mandatory

for senior officials

STAR BUSINESS REPORT

......

The eighth pay and service commission plans to submit its recommendations on a new pay structure for the country's 13 lakh-odd civil servants before December 16.

Mohammed Farashuddin, chairman of the 17-member commission, said they are aiming for

the date so that the government employees can get salaries education materials instead of hard cash. under the new pay scale from the upcoming fiscal year.

He was talking to reporters after a meeting with Finance Minister AMA Muhith at the latter's secretariat yesterday.

A former governor of Bangladesh Bank, Farashuddin said the commission would work to keep inflation in check, as a salary

increase is invariably accompanied by a rise in the price level.

The commission is exploring whether it would be possible to extend various facilities to the government staff in place of an increase in allowance, he said. For instance, the panel is considering whether it would be possible to hand out education allowance by way of tuition fees, books and other

Farashuddin said they are also considering whether to recommend various insurance facilities including health and accident for all government staff, adding that the constraints of the government will be kept in mind when making recommendations in the pay structure.

READ MORE ON B3



Novo Nordisk regional head arrives in Dhaka today

STAR BUSINESS DESK

Camilla Sylvest, regional vice president of the world's largest Danish insulin manufacturer Novo Nordisk, is scheduled to arrive in Dhaka today for a short visit.

Sylvest is responsible for Novo Nordisk operations in 21 countries, including Bangladesh, Asean countries, Australia and New Zealand. Before coming to South East Asia, Sylvest was the vice president for Novo Nordisk, Germany.

During her stay, she will attend the launch of Tresiba: a once daily ultralong acting basal insulin, Novo Nordisk said in a statement yesterday. She will also visit the

factory of Eskayef Bangladesh Ltd, which has a dedicated formulation and packaging facility of insulin, exclusively for Novo Nordisk.

READ MORE ON B3

Concern over growing underground economy

The size increased to 63%

of GDP in 2010

Capital flight amounts

to \$1.5b a year

Investment is stagnant at

24-26% of GDP

Govt assures IMF of continued reforms

STAR BUSINESS REPORT

The government is set to conduct a new study on the underground economy after economists voiced concerns about the rise of black money and capital flight.

"Alongside the increase in economic growth rate, the underground economy also expanded," Finance Minister AMA Muhith said after a pre-budget meeting on Monday with the country's leading economists.

STAR BUSINESS REPORT

Citing a study conducted during his last stint as finance minister, he said the government will start another study on the size of underground economy next year, likely to be concluded in two years' time.

The finance minister said many

The government will continue to focus

on fiscal prudence and debt manage-

ment and work to bring discipline in the

state-run commercial banks as part of its

commitments to International Monetary

Fund (IMF) as the global organisation

reviewed the country's progress on

promises before it releases the fourth

instalment of its \$985.66 million loan.

Bangladesh recently reiterated the

efforts to keep the economy on track.

economists raised the The size of the underground issues of capital flight and increase in black money at economy was 7% of the meeting. GDP in 1973

"I am not sure what can be done in this regard," he said, adding that investment ratio compared to GDP has been "stagnant" at 24 to 26 percent and savings rate is 29 percent.

Muhith said it shows that the underground economy in the country is expanding, while advocating for steps to increase investment in a bid to reduce the size of the black economy.

The size of the underground economy in Bangladesh was only 7 percent of nominal GDP in 1973, according to a finance division study conducted in 2011. Since then, it increased phenomenally, and in 2010, stood at 62.75 percent of

Another case filed against Hall-Mark

COURT CORRESPONDENT

Sonali Bank yesterday filed another case against Hall-Mark Group on charges of taking over Tk 60.27 crore in loan on fake documents.

Abdus Salam, executive officer of the bank's Ruposhi Bangla branch, filed the case with the Artho Rin Adalat-1 against Hall-Mark Group Chairperson Jasmine Islam, Managing Director Tanvir Mahmud and Design Wear Ltd, a concern of the group.

After hearing, Judge Md Robiuzzaman directed the defendants to explain by May 12 why steps would not be taken against them.

Earlier on March 25, 27 and 30 and April 1, the bank filed 11 cases against Jasmine, Mahmud and nine of their companies with the same court for taking Tk 101 crore in loan on forged documents.

Sonali started filing cases after it failed to get buyers for the mortgaged assets of Hall-Mark.

The Anti-Corruption Commission filed 11 cases against 27 persons of Hall-Mark and its lender Sonali Bank in October 2012 and pressed charges against 25 of them in October last year on money laundering allegation.

Fly Business Class to New York **USD 1400** (One way) USD 2690 (Return)

Ticketing to be completed by 30th April 2014

Outbound travel must be completed by 31st May 2014

Above fares are exclusive of Taxes

Other Terms & Condition apply

KUWAIT AIRWAYS www.kuwaitairways.com

SINCE1954 **Earning Your Trust**

For more information please contact Kuwait Airways offices at the following numbers:

Dhaka Office: : 8881742-49 Fax: 8881558

Chittagong Office: Tel: 031 2511463 - 64 Fax: 031 715978

Sylhet Office: Tel: 0821 712231 Fax: 0821 711435

An IMF mission led by Rodrigo targets and policies needed to complete Cubero, deputy division chief in the Asia the fourth review under the ECF arrangeand Pacific Department of the lender, ment," he said.

visited Dhaka between March 19 and April 2 to conduct the fourth review under the three-year Extended Credit Facility (ECF) programme. In a statement posted on the IMF website

on Monday, Cubero praised the government for ensuring sound macroeconomic policies in the face of difficult times. "Throughout recent turbulent times, macroeconomic policies have been sound,

the government's economic programme remains on track, and there has been good progress on structural reforms." "As a result, the mission and the authorities have been able to reach a staff-level agreement on the quantitative

READ MORE ON B3



BE THE FIRST Let Others Follow Samsung GALAXY 55

Pre-book and enjoy

- 500MB 3.5G data
- Missed call Alerts
- Breaking News
- Sports Alerts

A lucky few will also enjoy the **GRAND LAUNCH CEREMONY**



Pre-book by April 10th

Samsung GALAXY 55 Free S-view cover 12 months EMI Robi bonuses

Samsung GALAXY 55 Free S-view cover Discounted Samsung Gears 12 months EMI Robi bonuses

Tk70,00

Be empowered with Robi and Samsung.

To pre-book, visit www.robi.com.bd or www.samsungmobile-bd.com/PrebookGalaxyS5/robi

You can also visit selected Robi sheba points: Gulshan, Uttara, Dhanmondi, Mirpur, Muradpur, Sylhet & Comilla

