

Exporters to benefit from Doha Round closure

WTO Director General Roberto Azevedo says

STAR BUSINESS REPORT
The successful conclusion of the Doha Development Agenda, the current round of the world trade talks, will open up further opportunities for Bangladeshi exporters, WTO Director General Roberto Azevedo said.
"Bangladesh has always been a strong supporter of the multilateral trading system. And it will continue to be its key player by maintaining and developing the leadership that has been so evident and so important in recent times," he said.
A number of the Bali decisions for least developed countries will also benefit a country like Bangladesh. One of them is the duty-free and quota-free market

access decision for LDCs, he said. Azevedo was addressing businesses at Sonargaon Hotel in the capital on Tuesday. He left Dhaka yesterday after a two-day visit.
Certainly, there is scope for improvements to further integrate LDCs in global trade, and Bali has seen some seeds for fruition, according to his speech posted on WTO website.
"My experience in the negotiations on this issue has shown that the implementation of duty-free access is not straightforward. Progress is possible, but will very much depend on the level of ambition and the balance that can be struck taking into account the sensitivities surrounding the issue."
Bali also delivered on a market access issue which had not yet been

fully or properly addressed in the World Trade Organisation -- preferential rules of origin for products from LDCs.
The Bali decision on preferential rules of origin in fact responded to a long-standing demand from the LDCs to make preferential rules of origin simple and flexible. The Bali decision, therefore, will further help members reform their individual rules of origin for LDCs.
Bangladesh is well placed to take a leadership position on this issue among LDCs. "And I encourage you to remain proactive on this matter."
Bangladesh's substantive input and continued active engagement can help the LDC Group realise the full potential from the Bali package and the Doha Development

Agenda, he said.
Bangladesh has an enlightened and vibrant private sector and business community, which keeps track of developments in the multilateral trading system.
"You have a strong manufacturing capacity and have shown the drive to diversify your export items beyond the current main item -- apparels."
In Bali, ministers instructed the WTO members to prepare, by December, a clearly defined work programme to conclude, once and for all, the Doha Development Agenda. Negotiations on the Doha agenda have been running since 2001.
The ninth WTO Ministerial Conference was held at Indonesian resort city Bali in December last year.



Mohammad Mamdudur Rashid, deputy managing director of Brac Bank, exchanges documents of a deal with Faroq Mohd Jafrul Alam Khan, business director of Edison Electronics, at a programme recently for providing nationwide cash management solutions to Edison Electronics for its Symphony brand outlets.



Md Mofazzal Hossain, chairman of Esquire Group, inaugurates a showroom of Esquire Electronics on Garibe-E-Nawaz road in Uttara, Dhaka recently. Esquire is the local distributor of Japanese brands: Sharp, General and Mitsubishi Heavy Industries.



Atiur Rahman, governor of Bangladesh Bank, poses as Ferdousi Ali, chairperson of Khulna University and Rotary District Community Hospital, receives a cheque for Tk 1.2 crore from Abdul Hai Sarker, chairman of Dhaka Bank, at a programme recently.



Abdul Latif Siddique, minister for post, telecom and IT, poses as Vivek Sood, chief executive of Grameenphone, and Shamim Ahsan, president of Bangladesh Association of Software and Information Services, exchange documents of a partnership deal to promote internet usage in Bangladesh, at a ceremony at Bangabandhu International Conference Centre in Dhaka yesterday.

Budget should benefit the poor

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The WB official said financing is not a problem for Bangladesh. "When you don't have enough revenue on your own, you can borrow from institutions like the World Bank, your own banking system, and there are other donors as well."
As of now, there is \$19 billion of committed aid money which is waiting for the government to be used in the next for four to five years, he added.
"We can't use them in a single year. But if we can use one-fourth of the committed aid money, it will be more than we are targeting in aid for next year."
ADP is another area where Hussain also finds weaknesses. At present, there are more than 1,035 ongoing projects under ADP.
"There is also a long list of unapproved projects at the start of the year, which take off hurriedly during the year and without a proper design and implementation arrangement." "So, the focus is lost. We have numerous projects, but we can't include them. We include them for non-economic reasons."
There should be a gateway of adequate scrutiny before the projects get the approval, he said.
"We need to focus on those high-priority transformative projects and concentrate our limited implementation capacity on getting the work done."
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Economic triumphs dim in haze of risks

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In this backdrop, analysts, economists and businesses said regaining investor confidence would be the biggest challenge for the government and the finance minister in particular, who will announce the budget for fiscal 2014-15 today.
"The government needs to go for drastic and visible actions to achieve the targeted accelerated growth set in the Sixth Five Year Plan," Mujeri said. According to the plan, which will expire next year, Bangladesh should register 8 per cent economic growth.
The CPD thinks the evolving situation could be addressed by institutional strengthening, reforms and good governance at all levels and by putting in place an inclusive and participatory political culture.
The independent think tank also identified three traditional non-economic factors—weak implementation capacity, weak oversight capacity and weak capacity for reforms—which it believes need to be addressed for achieving higher economic growth.
On the fiscal front, Mustafizur Rahman, CPD's executive director, said soundness of fiscal framework was undermined because of relatively slow pace of revenue mobilisation and development expenditure.
"Financing public expenditure will be a challenge for the government if the current trends of revenue collection and foreign aid continue in future," Rahman said.
Government documents show, dependence on domestic resources as a source of financing has increased significantly to 91.6 per cent during July-March of the current fiscal year, up from 72 per cent in the previous year's budget. Concerns arise as revenue earning is lagging behind (by around Tk 10,000 crore) so far this fiscal year.
"Bangladesh should look for low-cost foreign funds to plug its budget deficit," Mujeri of BIDS said. But the economist is in favour of increasing public expenditure, which he said facilitates private investments, both domestic and foreign.
Analysts advised the government to create a favourable environment for investors, at any cost. They sug-

gested the government address some issues immediately to regain confidence of the investors.
FAST-TRACKING BIG PROJECTS
Bangladesh's trade economy (export-import) now stands at around \$65 billion. Of the amount, at least \$50 billion worth of goods are carried through the Dhaka-Chittagong highway. The road is very narrow compared to the needs. Often, a truck loaded with export or import goods takes 12-15 hours to reach Chittagong port from Dhaka or vice versa, pushing business costs up.
The Dhaka-Chittagong four-lane highway project was approved in 2006 with an estimated cost of Tk 2,382 crore (revised at Tk 3,190 crore). The implementation of the project started in 2010 and was supposed to be completed by 2012. But the deadline for completing the project has already been extended four times raising questions about the government's seriousness. Analysts said the construction of the road should be given the highest priority as the country's resource mobilisation depends largely on trade through the road.
Another important highway is Dhaka-Mymensingh, beside which one-third of the country's industrial units are located. Due to traffic gridlock, it takes 2/3 hours to travel a distance of 30/40 kilometres. Many businesses said they are ready to pay toll if the government builds a highway or expressway. Yet, there is no visible initiative.
LAND AND GAS FOR INVESTORS
The China factor is more or less known to people of Bangladesh. It means the rise in production cost in China has forced many of its garment makers to shift their factories to cost effective countries, and Bangladesh is a topmost choice on the list. But scarcity of land and gas is a major barrier to cashing in on the chance.
Zahid Hussain, lead economist at the World Bank's Dhaka office, said recently that if Bangladesh can provide 40,000 acres of land to Chinese investors, around 15 lakh new employments will be created. Though the government plans to develop special economic zones, it is going very slow to implement those.

Another obstacle is the scarcity of gas in industrial units. Many industries are sitting idle after investing crores of taka for want of gas connections. Government data shows, the gap between demand and supply of gas is 750 million cubic feet per day.
"The government should tell us that it cannot give us gas connection, and that we should not set up new plants," said a managing director of a group of industries that exported more than \$300 million worth of garments last year.
REMITTANCES AND RURAL ECONOMY
Inward remittances play a big role in turning a country's rural economy into a vibrant one. But the recent decline in the inflow of remittances and manpower export indicates a weak prospect for Bangladesh to become a middle income country.
Remittances fell 3.54 per cent in the first 11 months of the fiscal year due to a shrinking outflow of migrant workers. During the first 10 months of the outgoing fiscal year, outflow of migrant workers declined 10.5 per cent, meaning the domestic economy has to absorb more than 20,000 workers every month. Recruitment of Bangladeshi workers in Saudi Arabia and the UAE is yet to resume, which according to analysts, is a matter of grave concern.
REINING IN GRAFT
The World Economic Forum Global Competitiveness Report 2012-2013, which surveyed business executives, found that the level of public trust in politicians is very low in Bangladesh. According to Transparency International's Global Corruption Barometer 2013, the Bangladeshi political parties are widely perceived by the surveyed households to be corrupt.
Large scale corruption in state-owned BASIC and Sonali banks in 2012 and 2013 involving more than Tk 7,000 crore has also eroded investor and financial sector's overall confidence.
Analysts said this endemic corruption must be reduced to give investors, both domestic and foreign, an idea that they do not need to bear additional costs.

BASIC suspends manager of Gulshan branch

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Updated data of the bank shows, the Gulshan branch lent nearly Tk 3,112 crore in 2013 against the branch's deposit of Tk 695 crore. Its loan-deposit ratio (LDR) stood at an astonishing 427 per cent, meaning the branch granted Tk 427 as loans against deposit of Tk 100. The permissible limit of LDR is only 85 per cent.
Nonperforming loans of the branch reached nearly 18 per cent of its total loans at the end of 2013.
Multiple attempts to contact Waliullah were unsuccessful.
Rabiul Alam Tipu replaced him as manager of the branch on Monday.

Digital World kicks off amid high hopes

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Hasina said the government established the High-tech Park Authority under which projects on setting up of high-tech parks, software technology parks, and building information incubator are being implemented, according to UNB.
The government has formulated the ICT policy and Information Security Guidelines, in addition to enacting the ICT Act and the Right to Information Act to expand the sector, Hasina said. The Telecommunications Act has been made time-befitting through necessary amendments and this service has been brought under accountability.
IT and software businesses have been exempted from paying income taxes and VAT has also been exempted on imports and at the production level of software, she said.
The prime minister referred to establishment of a 'research and development center' in Bangladesh by Samsung, and setting up offices by organisations like Google, Microsoft and Dell.
Russell T Ahmed, chief project officer of the event, said scope for business matchmaking of the local software development firms is created at the fair. At the same time, the government institutions can show their citizen services through the fair, he added.
"We want Digital World to become a signature event for Bangladesh," he said.
Currently, the country earns around \$250 million by exporting IT and IT enable services through firms or personal initiatives, which was only \$5 million five years ago. "We aim to develop it to \$1 billion by 2018 and contribute 1 per cent to the gross domestic product."
Mustafa Jabbar, an IT expert, said the fair can create a bridge between the people and government or the other facilitators. The ICT law and policy should also be included in the event, he added. However, there is no showcase of digital devices at the fair, though the dream of a Digital Bangladesh will not be possible without it, he said.
The event has been divided into different zones so that participants find it easier to meet their individual needs, like e-governance, outsourcing, e-commerce, business software, mobile content and application, IT education, IT job fair, career counselling, multimedia and animation communication and crowd and inspiration platform for the youth.
More than 200 exhibitors are taking part in the event including local and international software firms, mobile operators, educational institutions, government institutions, while over 100,000 visitors are expected to visit the fair.

Sonali Bank Limited

Head Office, Dhaka
Human Resource Development Division

Request for Expression of Interest for selection of Chief Financial Officer (CFO) in the rank of General Manager

Sonali Bank Limited announces a vacancy for the position of Chief Financial Officer (CFO) in the rank of General Manager for a period of two years contractual basis.

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* Deadline for submission of Application : **26/06/2014**

* Only short-listed candidates will be contacted.

Mojibor Rahman
General Manager