

Summit to find ways for sustainable development

STAR BUSINESS REPORT

A four-day international summit on sustainable development will start on Saturday to find ways to attain development goals more comprehensively.

The event will bring together the participants to explore approaches to be adopted by developing countries to achieve sustainable development goals (SDGs) and confront new and emerging constraints, said Qazi Khaliquzzaman Ahmad, chairman of Palli Karma Sahayak Foundation.

Ahmad spoke at a conference on Bangladesh Summit on Sustainable Development 2014 at the National Press Club yesterday.

The summit will serve as a platform for civil society members, key government figures, donors, the academia and researchers to share and justify their views on a post-2015 sustainable development agendas and policy framework, he said.

The conference will be organised by Eminence, a non-profit organisation. Global Citizen's Forum on Sustainable Development will host the summit.

The citizen's forum is an open and inclusive forum for people to engage with and commit to the challenges of building a sustainable future for all.

A total of 26 international and national NGOs including the United Nations development agencies will participate in the fair at the Nawab Ali Chowdhury Senate building of Dhaka University.

The headline for the summit -- Mission for 100 Years -- posits that sustainable development goals and agendas must be forward-thinking and long-term, Ahmad said.

The conference will revolve around the themes of human development -- access to water and sanitation, sustainable agriculture, quality education, sustainable livelihood, gender equality and women's empowerment, sustainable land and ecosystem management, climate change and sustainable energy, said Shamim Hayder Talukder, founder and chief executive officer of Eminence.

The outcomes of the summit are to identify the scope of mainstreaming SDGs in national and international development agendas, he added.

Euromoney honours Citi as best trade bank in Bangladesh

STAR BUSINESS DESK

Euromoney, a leading magazine on global financial markets, has awarded Citi Bangladesh as the Best Trade Bank in the country at its annual Trade Finance Awards for Excellence 2014, the bank said in a statement yesterday.

"This award is excellent recognition for our team in Asia and I would like to thank our clients who place their trust in Citi," said Sanjay Tandon, managing director and head of trade for Asia, treasury and trade solutions.

"In a highly competitive market, this recognition is greatly appreciated by all of us at Citi. This win demonstrates Citi's commitment to providing the best solutions to its' clients in this region," said Rashed Maqsood, Citi country officer for Bangladesh.

In the global category, the bank also won the Best Overall Global Trade Finance Bank award, the Best Short-Term Trade Finance Bank award, and the Best Energy Finance Bank award at the ceremony, according to the statement.

Citi also picked up Best Bank and Best Investment Bank in India and Best Bank in Taiwan.

Euromoney Awards for Excellence have been recognised as among the most prestigious in the financial services industry for two decades.

Time to fortify institutions

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He said Dhaka is an important generator of gross domestic product. But the liveability of a city is tremendously important for ensuring that it continues to be a driver of the GDP growth.

Citing a study on China, Zutt said the WB found the cities that made huge investment in enhancing liveability were also growing much better because they were attracting people to live in the cities having the capacities to contribute to the growth.

On the transport sector, he said the capital city is close to becoming unliveable due to its transport problem.

He said the major transport corridor between Dhaka and Chittagong is dismal, and needs to be expanded.

The WB official called upon the government to expand the capacity of the Chittagong port as it is not growing with the pace of the economy.

Zutt said the number of economic zones, which are performing better, should be increased from the existing eight.

"If we want to tap growth potential in the areas other than garments we need to provide places that are conducive to those businesses. We need to support them to grow."

Zutt said Bangladesh scores badly in the World Bank's Country Policy Institutional Assessment, scoring 3.3, which is slightly above the fragile or conflict-affected states.

"Politics are divisive and tend to be confrontational. It is very hard for this country to undertake the type of actions needed to tackle the long-term problems the country is facing."

He said there is a considerable amount of rent-seeking within the economy. "Businessmen deal with it to keep their business going. People are very open about this and see as a cost of doing business."

He said the effect of this behaviour is quite large and it distorts investment decision and lowers growth.

Zutt also called for diversification of export basket instead of relying on garments, which at present account for about 80 percent of the total overseas sales.

"Still, there is potential for growth in the garment sector. But we need a more diversified economy," he said.

Sectors such as pharmaceuticals, shipbuilding, footwear, jute, bicycles and leather goods are areas where Bangladesh has already shown some competency and can do much more.

Zutt said Bangladesh needs to diversify its energy sources to get it ahead of the demand curve rather than running after it the way the country has been doing for decades.

He said regional power trade could find solutions to meeting the rising electricity demand. "This will also help regional connectivity, which is absolutely essential for the growth of all countries in South Asia."

He said a regional power pool could be a viable option for South Asia. "That power pool could function in the same way the coal and steel union functioned in Europe after the World War II."

Bangladesh is the largest recipient of the WB's low-cost fund, accounting for roughly 10 percent of the credit going to the developing nations from the multilateral lender.

Zutt said Bangladesh would get more than \$5 billion in development assistance in the next three years, including the current fiscal year.

AmCham President Aftab Ul Islam said the biggest hindrance the private sector is facing today is not the lack of electricity and gas, labour unrest or port mismanagement. "It is simply the threat, fear, uncertainty and poor governance."

US Ambassador Dan Mozena also spoke.

Worker leader threatens to resume protests

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Earlier, Mishu along with the nearly 1,600 workers of Tuba Group observed hunger strike for 11 days since July 28 to realise their due wages of three months and Eid bonus.

Later, the Bangladesh Garment Manufacturers and Exporters Association, the garment makers' platform, and Delwar himself paid the workers' three months' salaries and overtime allowance.

The workers are yet to get the Eid bonus.

AMA Muhith, finance minister, meets with a delegation of the Institute of Chartered Secretaries of Bangladesh led by Mohammad Asad Ullah, the institute's president, at the Economic Relations Division in Dhaka recently.

Cathay Pacific profits soar but competition hurts yields

AFP, Hong Kong

Cathay Pacific said Wednesday its first-half net profit soared to HK\$347 million (\$44.77 million) on higher passenger demand, but the Hong Kong flag carrier warned of a "challenging" outlook as surging competition held down fares.

The figure for the six months ending June 30 compared with a net profit of HK\$24 million in the same period last year. Revenue in the reported period jumped 4.6 percent to HK\$50.84 billion.

But despite its upbeat performance, the blue-chip airline faces several challenges including persistently high jet fuel prices, said group chairman John Slosar.

Transactions via SWIFT rise 32.7pc

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The BB governor said the central bank has taken an initiative to introduce real-time gross systems (RTGS), a specialist fund transfer system where transfer of money or securities takes place from one bank to another on a "real time" and on "gross" basis, in Bangladesh and would like to partner with SWIFT in this new venture.

"We look forward to having SWIFT play a vital role in the recent initiatives of RTGS in Bangladesh payment system. SWIFT may also consider exploring the inter-bank settlement system," Atiur said.

Car loan policy relaxed

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The new policy will be of particular benefit to the low-income group, according to Hamid Sharif, former secretary general of BARVIDA.

"The previous policy was to arrange for 70 percent of the price of the car and fill in the remaining 30 percent by taking a bank loan, which was beyond them," he added.

Last year, a total of 10,472 cars, 2,537 microbuses and 945 sports utility vehicles (SUVs) were sold, according to Haque. Between January and March this year, 3,624 cars, 946 microbuses and 355 SUVs were sold.

New technical director for Anwar Group



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Md Mizanul Karim has recently joined Anwar Group as its technical director, the company said in a statement yesterday.

Karim will provide the group's building materials division with technical support. The division includes Anwar Ispat, Anwar Cement, A-One uPVC pipe and fittings, oZo, Anwar Galvanising and Anwar Cement Sheet, according to the statement.

He is a former chief engineer of the Education Engineering Department and a member of the National Housing Authority.

Karim is a graduate civil engineer from Bangladesh University of Engineering and Technology and a life fellow of the Institution of Engineers, Bangladesh and a member of the American Society of Civil Engineers.

Agreement Signing Ceremony

Between DBBL and Nitol Motors Limited

For Nexus Payment Gateway to book and purchase

Nitol's vehicles

At Abdul Matlib Ahmad, chairman of Nitol-Niloy Group, and KS Tabrez, managing director of Dutch-Bangla Bank, attend the signing of an

agreement for use of Nexus Payment Gateway to book and purchase

Nitol's vehicles, at a programme on Tuesday.



Dan W Mozena, outgoing US ambassador to Bangladesh, visits the office of Grameen Intel Social Business Ltd in Gulshan, Dhaka yesterday.

GRAMEEN INTEL



Selim RF Hussain, managing director of IDLC Finance, and Masum Patwary, general manager for SME and special programmes at Bangladesh Bank, exchange documents of an agreement for a re-finance scheme for new entrepreneurs, at a programme in Dhaka recently. Atiur Rahman, governor of Bangladesh Bank, and M Shahjahan Khan, president of Dhaka Chamber of Commerce and Industry, were also present.



Atiur Rahman, governor of Bangladesh Bank, attends a programme to discuss the enterprise data warehouse of the central bank, at its office in Dhaka recently. Nazneen Sultana, deputy governor, was also present.

Political stability key to higher growth: MCCI

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Adequate infrastructure, energy, skilled manpower and investment-friendly climate are also the key factors for higher economic growth, the MCCI said.

The chamber said point-to-point inflation fell by 1.08 percentage points to 6.97 percent in June this year, from 8.05 percent in the same month last year.

The fall in the inflation rate can be attributed to a massive decline in the non-food inflation, which fell by 2.3 percentage points to 5.45 percent in June 2014, from 7.75 percent in June 2013, it said.

The chamber said growth prospects of the economy are being badly hurt by political uncertainty. "Entrepreneurs, whether local or foreign, are not encouraged to make any new investment in the present political environment," the MCCI said.

Foreign direct investment fell by \$158 million in the first eleven months of last fiscal year, compared to the same period of the previous year, it said.

The chamber said the investors are yet to get back confidence, fearing further political turmoil.

The prospective foreign investors have adopted a 'go-slow' strategy in making fresh investments since 2013, it said. "While public investment has increased, it cannot be an alternative to private investment, which is crucial to accelerating economic growth."

The damages inflicted by political unrest last year to the national economy also dented the confidence level of the intending investors causing a slower growth in investment in the private sector.

Analysing the last fiscal year's economic situation, the MCCI said the economy experienced stable growth, inflation was under control, the exchange rate remained stable and foreign exchange reserves rose and remained at a comfortable level.

"The international rating agencies have given stable ratings to Bangladesh as they have done for a number of years now."

The performance of the manufacturing sector needs to be improved by removing bottlenecks in physical infrastructure and the crisis in power and energy supplies, the chamber said.

It said services sectors are doing well but will need government support to be able to recover the losses they suffered during the political crisis last year.

The chamber said exports grew by 3.51 percent month-to-month to \$2.8 billion in June 2014 from \$2.7 billion, but remained 8.79 percent below the strategic monthly target of \$3.07 billion.

"This shortfall was because the country was yet to fully recover from the fallout of the political unrest."

However, it said, exports rose 8.34 percent in the last quarter of 2013-14. "The export growth was mostly driven by the RMG sector, which, despite political turmoil and labour unrest, registered 13.83 percent growth."

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