

# Fast-track Bimstec deal, Dhaka says

DIPLOMATIC CORRESPONDENT

Dhaka has called for early finalisation of the Bimstec Free Trade Agreement to boost trade and investment among seven members in South and Southeast Asia.

"We believe early realisation of the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation FTA to promote trade and investment is of crucial importance," Foreign Minister AH Mahmood Ali said, adding that 2015 could be a game changing year for Bimstec as an organisation.

Bangladesh will host the sixth Bimstec Trade and Economic Ministerial meeting by mid-2015, and it is expected that four important instruments tied to the Bimstec FTA will be signed, he said.

Ali spoke at a seminar on 'Bangladesh and Bimstec: Way Forward' organised by the Bangladesh Institute of International and Strategic Studies or BISS.

"Dhaka wants to see negotiations on investment and services fast-tracked to run parallel to the negotiations on trade and goods," he said, as Bimstec members are showing impressive trends of

economic growth.

"To sustain the growth, we need to secure stable and affordable energy supply through exploration and utilisation of the regional energy resources which are a core priority for Bimstec," he said.

Bangladesh will host a taskforce meeting on energy in early February, during which a memorandum on Bimstec energy and grid interconnection is supposed to be finalised, he added. "We believe this MoU will help foster cooperation in the energy sector."

Connectivity is another area of cooperation which is likely to flourish from increased cooperation, he said. "This would facilitate trade, investment, tourism and people-to-people contact among the member states."

Analysts presented eight papers at the programme attended by Bhutanese Ambassador in Dhaka Pema Choden, Myanmar Ambassador U Myo Myint Than, Deputy Chief of Mission of Korean Embassy Kim Hyun-joo, BISS Director General AKM Abdur Rahman and Former Governor of Bangladesh Bank Mohammed Farashuddin.

# BB relaxes rules to set up ATMs

STAR BUSINESS REPORT

The central bank yesterday relaxed the guidelines for setting up electronic booths, including automated teller machines, to help banks expand their networks.

Banks now can set up all kinds of electronic booths including ATMs without prior permission from the central bank, Bangladesh Bank said in a notice.

But consent from their respective boards is still needed with regards to expenses and rents for the ATM booths.

The central bank will take actions if it finds irregularities in the rent and expenses, and may close down the booth if necessary.

Save for electronic transactions, no other banking operations can be done via the booth, said the notice.

Meanwhile, in another development, banks can now go for rental or leasing renewal without prior permission from the central bank within three years of the latest approval on the same issue.

BB will have to be notified of the renewal within one month of approval from the banks' board of directors.

However, if the rent increase is upwards of 15 percent, BB's approval has to be taken.

# Realtors cut apartment prices to boost sales

FROM PAGE B1

Sheltech, which conducted the study after taking data from leading real estate companies in the country, also found that Dhaka has now around 20,000 units of flat available for sale. The highest numbers of unsold flats are in Uttara, followed by Mirpur.

Banani saw the highest fall in apartment price from the previous year, by 15.38 percent, followed by Uttara and Shantinagar at 14.28 percent, and Mohammadpur and Kalabagan 12.5 percent, according to the study.

At present, flats in Mirpur and Shyamoli are the most affordable: they have an average price of Tk 5,500 per sq ft. Baridhara is at the other end of the spectrum: the average price per sq ft of a flat is Tk 18,000.

The Sheltech MD said the fall in apartment prices in the past couple of years has brought the real estate sector down to its bare minimum level of profitability. If the price falls any further, the realtors will incur losses.

The real estate sector has been passing through a tough time as apartment sales have declined significantly over the last two years. The sector's sales fell as much as 60 percent in 2013 and the situation is not any better now, according to Real Estate and Housing Association of Bangladesh.

The slump can mainly be attributed to buyers' lack of access to low-cost home loans and abnormal rise in apartment prices between 2011 and 2012, industry people said.

Land price in Dhaka also fell on an average 14.12 percent year-on-year, according to the study. Land owners are now selling each katha at Tk 1.94 crore on average, down from Tk 2.26 crore in 2014. Baridhara has the highest price -- Tk 4.5 crore per katha, while Badda and Basabo have the lowest price -- Tk 35 lakh.

Realtors find it challenging to build low-cost apartments in the capital due to an abnormal rise in prices of land and construction materials, said Seraj, also a former president of REHAB. Working on economies of scale is the only way to bring down the apartment prices, he added.

"To reduce apartment prices, we have decided not to undertake any small projects. We now prefer projects where we can build more than 50 apartments at one site -- we are trying to get economies of scale."

Big projects help minimise construction costs as developers can source materials at bulk rate and utilise the resources more efficiently, he added. Dhaka is now growing at an unprecedented rate, accommodating over 600,000 people per year. More than 120,000 household units are required to house the added population in Dhaka.

In this situation, the supply of housing in the city is only around 25,000 units, of which 15,000 are catered by private sector players like real estate development companies.

Currently, REHAB has around 1,200 members that build, on average, 15,000 units of apartment annually.

But top 20 companies hold 80 percent of the market share, Seraj said. The real estate sector now contributes around 7 percent to the country's gross domestic product, employing around one lakh skilled people and another 35 lakh in linkage industries, according to industry people.

suman.saha@thedailystar.net



Mahtab Uddin Ahmed, chief operating officer of Robi, poses during the opening of a Robi Seba centre in Mymensingh recently. Muhammad Mehedi Hasan, vice president for market operation, was also present.

# Tofail to attend 'partnership summit' in Jaipur

STAR BUSINESS REPORT

Commerce Minister Tofail Ahmed will leave for New Delhi today on his way to Jaipur, the capital of Rajasthan state, where he will participate in an international gathering of trade and economy ministers and business leaders of Asia.

After an overnight stay in Delhi, Ahmed will travel to Jaipur tomorrow and deliver his keynote speech on "revitalising South Asian economic cooperation: the options in

the midst of prevailing constraints" at the Partnership Summit.

Trade and economy ministers of China, Australia, Vietnam, Malaysia and Zimbabwe, along with WTO Director General Francis Gurry and ADB President Takehiko Nakao, will also attend the summit.

Ahmed will return to Delhi after the three-day summit and is expected to meet Indian President Pranab Mukherjee before he returns home on January 19.

# Bandwidth export deal with India this month

FROM PAGE B1

"We will rent the link to be developed by a firm suggested by Bangladesh Telecommunication Regulatory Commission," Hossain said.

Meghalaya and Assam also expressed their interest to have such facility from Bangladesh, he said. "We hope to export at least 100 GB bandwidth to the northeastern states of India in future," he said.

The deal was supposed to be signed in the middle of last year, he said. "But it was postponed then as BSNL wanted tele-transit through Bangladesh instead of purchasing bandwidth."

The Indian company later agreed to sign the purchase deal, as Bangladesh turned down the transit proposal.

Bangladesh is the best option for the north-eastern states of India to purchase bandwidth from -- at a cheap rate compared with other parts of India due to distance.

India also exports bandwidth through terrestrial cables to Bangladesh.

Currently, six Indian terrestrial cables are providing bandwidth and backup services to the lone submarine cable of Bangladesh.

Bangladesh's submarine cable, whose lifetime will end in the next 12 years, has a bandwidth capacity of 200 Gbps, while it sells only 32 Gbps.

Bangladesh will get another undersea cable of around 1,400 Gbps in 2016, while industry insiders say the country's demand for bandwidth may reach 210 Gbps by 2021.

# Lower oil prices to boost Asia-Pacific economies: survey

FROM PAGE B1

The survey, however, said the fall in oil prices could reduce growth in Russia, a net energy exporter, by 1.1 percentage points and deprive neighbouring Central Asian countries of \$1.7 billion in remittance from nationals working in Russia.

While a recovering US economy will support growth in Asia-Pacific exporting economies, slow growth in the eurozone and Japan will be a challenge as will be China's moderating growth.

The UNESCAP also alerts the region to brace for capital outflows following an expected hike in interest rates by the US Federal Reserve, although this could be buffered to some extent by new financial injections by the eurozone and Japan.

The UN agency also projects higher growth in all Asia-Pacific sub-regions in 2015, except North and Central Asia where it is expected to decline to 0.2 percent from 1.0 percent in 2014, mainly due to the diffi-

cult outlook for Russia. Russia accounts for almost 80 percent of the GDP of North and Central Asia sub-region.

The UNESCAP estimated that savings from energy subsidies could, for example, finance the provision of income security to all elderly and persons with disabilities as well as universal access to health and education in Indonesia, Malaysia, the Philippines and Thailand.

"This is a particularly critical and opportune time to decrease subsidies," said the UNESCAP executive secretary, noting that this would not only reduce budgetary strains but also prepare governments for the near future when global financing may be even more challenging to secure.

"Reducing subsidies can raise significant public financial resources for productive investment in the region and could make needed funds available for financing sustainable development," Akhtar said.



Md Habibe Millat, parliament member, attends the unveiling of a CCU manual at the conference room of National Institute of Cardiovascular Diseases in Dhaka on Monday. NICVD Director Abdullah Al Shafi Majumder was also present. Beximco sponsored the programme.

# Govt to import another 30-50MW power from India

FROM PAGE B1

In reality, the country has been getting 30-50MW of electricity less due to auxiliary consumption at the generating station and losses during transmission.

Subsequently, a decision was taken last year at the seventh meeting of the joint steering committee formed under the agreement signed between Bangladesh and India on electricity cooperation in 2010 to buy power from private suppliers in the neighbouring country.

BPDB then called for proposals from the two companies on whom to appoint as trading agent. The trading agent will purchase power from the Indian open market and supply to Bangladesh for a year.

As of now, BPDB is favouring the price quoted by NVVN, as it has offered the lower additional charges of the two com-

panies.

The average price for a kilowatt-hour of electricity from the Indian government is Tk 3.27 per unit, much less than the market rate of Tk 5.99 per unit.

But the new power import from private players will cost an approximate Tk 4.74 a unit, which seems consistent with the price paid so far, said a BPDB official.

Once approved by the purchase committee, the country will receive electricity, said an official of the power ministry.

Discussions between the two countries are also ongoing for import of another 600MW from India.

An agreement might be signed in February this year to pave the way for import of another 500MW of electricity from India, said an official of the power ministry.

## VISIT OPENS TODAY VISIT

**3** Sourcing shows **1**  
ALL UNDER ONE ROOF

**YARN & FABRICS** **UNDER-ONE-ROOF** **ACCESSORIES & PACKAGING**  
**GARMENT MACHINERY**

Exhibition Dates :  
**14-17 JAN 2015**  
BICC, Dhaka

### 3 Intl Shows 30 Countries 300 Companies 3000 Products

6th International Garment Accessories, Packaging Machinery & Raw Materials Tradeshow  
**GAPEXPO-2015**  
Largest Collection of Sewing Thread, Woven & Printed Label, Buttons, Zips, Gum Tape, Tags, Carton, Packaging Machinery, Polybag, Elastic and many more

14th International Garment Machinery & Allied Products Tradeshow  
**GARMENTECH**  
BANGLADESH 2015  
Experience the latest in Sewing, Finishing, Laundry, Embroidery, Cutting, Spreading, Printing, CAD/CAM, IT Solutions

6th Intl Yarn & Fabrics Sourcing Fair  
**YARN & FABRICS**  
SOURCING FAIR 2015  
Tailor made platform to source Knitted, Denim, Linen & Nylon Fabric, Poly Cotton, Yarn Dyed Fabric, Warp Knitting, Single Compact Yarn, Hosiery Dyed Yarn, Double Twisted Yarn etc.,

