

# British firm wins contract for Payra seaport consultancy

STAR BUSINESS DESK

HR Wallingford, a British research company, has won the bid for consultancy on the 'conceptual master plan' for the proposed Payra seaport in southern Bangladesh.

A Tk 18.36 crore deal was signed at a programme in Dhaka on Wednesday.

Payra Seaport stands on the west bank of Rabnabad Channel in Kalapara upazila in Patuakhali, the port authority said in a statement yesterday.

The construction of the port's infrastructure is already underway.

"The conceptual master plan will make a vital contribution to assessing environmental and economic feasibility besides planning on the main works of the port, channel design, as well as building of the jetty and terminal," Payra Seaport

Authority Chairman Rear Admiral Nizamuddin Ahmed said.

The country's port usage is growing by 12 percent a year, according to the statement.

The port will have a terminal for loading and unloading of coal, to ensure setting up of a 6,340-megawatt power plant, Shipping Minister Shajahan Khan said in the statement.

The shipbuilding industry will flourish, and an oil refinery and fertiliser factory will emerge by using the port's infrastructure, Khan said.

The long-term construction activities will generate many jobs for the local people, he added.

Robert W Gibson, British high commissioner to Bangladesh, and Tim Chesher, team leader from Wallingford, were present at the signing programme.

# Stocks end flat amid political jitters

STAR BUSINESS REPORT

Stocks ended flat for the second day yesterday as investors became cautious over trading amid political jitters.

DSEX, the benchmark general index of the Dhaka Stock Exchange, closed at 4,956.09 points, after gaining 4.40 points or 0.09 percent.

DSES, the shariah index of the premier bourse, finished the day at 1,174.35 points, after falling 0.54 points or 0.05 percent.

The market closed flat amid thin participation of investors due to political volatility, said IDLC Investments.

Turnover, the most important indicator of the market, fell 15.2 percent to Tk 331 crore, compared to the previous day.

However, positive economic expectation reinforced by the World Bank's optimistic growth forecast boosted investor confidence, the investment bank said.

The WB has forecast 6.2 percent economic growth this fiscal year, up from last year's 6.1 percent, supported by continued robust remittances and recovery in private consumption.

The growth forecast is based on the assumption of continued political stability, as witnessed throughout 2014, accord-

ing to WB.

But the country is going through a new political instability due to the BNP-led 20-party alliance's demonstration for fresh election.

LankaBangla Securities said tension over the countrywide strike affected the gain in early trading.

Though political fracas dampened the market sentiment, banking stocks led the gain until the close of trading, the stockbroker said.

Banking stocks were mostly green with a 0.54 percent gain in market capitalisation, it said.

Food and allied gained 0.74 percent followed by tannery 2.65 percent and textile 0.77 percent.

Losers beat gainers 136 to 127 with 47 remaining unchanged on the Dhaka bourse.

Bangladesh Building Systems was the turnover leader with 32.18 lakh shares worth Tk 18 crore changing hands followed by IDLC Finance, Saif Powertec, Titas Gas, Western Marine Shipyard, Grameenphone and Desco.

Wata Chemicals was the highest gainer of the day, as it posted a 6.59 percent gain, while Zeal Bangla Sugar Mills was the worst loser, plunging by 7.22 percent.

# Airtel to launch Young Leader Programme

STAR BUSINESS DESK

Airtel will launch its fourth flagship management trainee programme, Young Leader Programme, the company said yesterday.

Through this programme, fresh graduates, going-to-be graduates or post-graduates in any discipline can apply for a full-time job opportunity at Airtel, a unit of Bharti Airtel.

The company will give them an accelerated career track and training in leadership enhancement.

Beginning January 21, applications can be submitted through the bdjobs website.

# Co-founder of SpiceJet agrees to take control

REUTERS, Mumbai

A co-founder of Indian airline SpiceJet has agreed to buy a majority stake from its billionaire owner, pushing ahead with a long-awaited bid to revive the low-cost carrier that has been struggling for months to pay its bills. The firm did not disclose financial details of the deal. Co-founder Ajay Singh could not immediately be reached for a comment.

Singh, who helped set up the low-cost airline in 2005, had been expected to submit a rescue plan for SpiceJet, India's second-largest budget airline, by the end of this month.

SpiceJet was forced to ground its fleet briefly last month after it ran out of cash to pay creditors and its majority owner, Kalanithi Maran's Sun Group, said it would not put up any more money.

Maran and his KAL Airways Private Ltd owns nearly 59 percent of SpiceJet, assuming the full conversion of warrants and securities, according to Bombay Stock Exchange data. The stake is worth about \$102 million at the current market price.

# Govt leases orbital space for country's first satellite

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The duration of the deal for the slot in the 119.1 east longitude is extendable up to 45 years.

"The government will form a satellite management company in the next two years. We plan to send multiple satellites in the space; otherwise it will not be viable," Bose said. Payment for the slot will be cleared in four instalments, according to a BTRC official.

The first instalment of \$5.6 million will be paid in three months, while the second instalment of \$8.4 million will be cleared in 18 months, the third of \$7 million in 36 months and the fourth of \$7 million in 42 months, the official said.

However, there is a risk for Bangladesh, Bose said. "If the country fails to send the satellite into the space by September 2018, the slot will be cancelled." "We plan to float bidding by February to build the satellite and give work order by the third quarter of the current year."

The total cost of the satellite project is Tk 2,967 crore, of which Tk 1,652 crore will be spent by the contractor, he said.

The satellite -- Bangabandhu Satellite -- with a capacity of 1,600 megahertz will have 40 transponders, the physical equipment of the space capsule that measures the capacity, Bose said. Half of the capacity will be reserved for the country and the rest will be rented out, he said.

The regulator will also insure the satellite against blasts or any damage to get the investment back in case of any accident in the space, he said.

Currently, local satellite television channels spend around \$14 million a year, which will be saved after the activation of the satellite, Bose said. "Other communication businesses will also get economic benefits from it."

Within the next few years, Bangladesh will enter the elite club of satellite-sender countries, said Below of Intersputnik.

Earlier, the International Telecommunication Union, a UN organisation on telecom, allotted Bangladesh two orbital slots, which the country did not use as those were not positioned in a business-friendly space.

# Consumer confidence perks up further

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Besides, the private sector credit growth also improved, as businesses invested to maintain existing production or made short-term investment.

"So, most of the economic indicators were very positive in the second half," he said, adding that nobody had anticipated the current level of violence.

The index is based on a survey conducted between October 2014 and November 2014 on 8,235 respondents aged 18-64 in 16 countries across the Asia Pacific.

The respondents were asked to give a six-month outlook on five economic factors including the economy, employment prospects, regular income prospects, and their quality of life. The index is calculated with zero as the most pessimistic, 100 as the most optimistic and 50 as neutral.

However, Asia Pacific's emerging markets saw a slight decline in overall consumer confidence.

The Asia Pacific markets are still optimistic despite a decrease of 2.9 points to 65.5 in the second half of 2014.

Compared to the first half of 2014, only the Philippines (up 7.7 points) and Bangladesh (up 16.9 points) out of the 16 Asia Pacific markets surveyed recorded more than 5 points of improvement in consumer confidence. Ten out of 16 Asia Pacific markets remained stable with either slight improvements or declines. Myanmar, India and Indonesia are the region's most optimistic markets, with 97.2 points, 91.6 points and 90.1 points respectively.

Within Southeast Asia, consumer confidence rose in the Philippines by 7.7 points, pushing into the optimistic territory (77.1 points). Malaysia saw deterioration in consumer confidence, down 11.5 points to 49.9 in the second half, sliding below the 50-point neutral mark for the first time since the financial crisis low in the first half of 2009.

Vietnam (85.3 points) and Thailand (83.6 points) remain very optimistic and Singapore optimistic (60.9 points).

"The slight drop in Asia Pacific's consumer confidence reflects an outlook of cautious optimism. Consumers across the region are holding their breath for signs of sustained economic growth and opportunity," said Pierre Burret, head of delivery, quality and resource management for Europe, Asia Pacific, the Middle East and Africa of MasterCard Advisors.

He said emerging markets such as Myanmar, India and Indonesia are the most optimistic because of either positive anticipation for a brighter future or excitement around their respective newly-minted governments. This is the 44th survey of consumer confidence conducted since 1993.



MH Khan, a physician, inaugurates a branch of Bank Asia on Masjid Road in Tangail yesterday. Md Nasir Uddin, head of the Tangail branch, was also present.



Md Hedayetullah, chairman of the executive committee of Mutual Trust Bank, inaugurates the second Privilege Banking Centre at the bank's Banani branch in Dhaka yesterday. Anis A Khan, managing director, was also present.

# Garment makers meet retailers abroad as blockade lingers

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Real production in the garment sector is valued at Tk 430 crore a day. So, if half a day of production is hampered, output worth Tk 215 crore is damaged, according to BGMEA. The sector lost Tk 450 crore in 12 days.

"As in 2013, BGMEA sent forms to factory owners to know their real losses due to the ongoing political crisis. We will disclose the amount of losses soon after receiving the responses."

The Daily Star spoke to a number of garment exporters to know the situation, and everyone shared a similar experience.

"I am going to Germany on January 26 to attend a meeting with a retailer, although the meeting was supposed to be held in Dhaka," said Bakhtiar Uddin Ahmed, general manager at Fakir Apparels Ltd, a Narayanganj-based garment maker.

In a desperate effort to maintain the lead-time, garment makers are sending goods trucks to Chittagong Port braving the blockade.

The buyers are still satisfied with the

supply of goods, but the apprehension remains as the political impasse is deepening and lingering, he added.

"One of my Australian buyers has asked me to go to China to attend a meeting that was supposed to be held in Dhaka. I will have to go to there if I want to maintain business with them," said Syed Shafiqat Ahmed, managing director of Saiham Knit Composite Ltd, a leading garment exporter.

"Buyers have booked work orders up to March, so in short term, they might not shift work orders in bulk quantities to other countries. But in long term, they will think about alternatives to Bangladesh."

Despite several internal and external shocks over the last two years, the key export earning sector was still going strong, as the sector earned \$2.3 billion in December last year, the highest in the last 30 months.

Shipments overseas rose 2.4 percent in December from the same month a year earlier on the strength of foreign demand for woven items up 11.2 percent, while exports of knit apparel shrank 8 percent.

# Soaring transport costs stoke inflation fears

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Arrival of rice from the mills has almost stopped since the blockade started, said Abdul Matin, owner of Titas Enterprise at Mohammadpur Krishi Market.

The few truckers that are coming are charging very high fares, due to which the rice prices have increased by Tk 1-Tk 2 in the city markets, he said.

Md Jasim Uddin, a rice trader at Karwan Bazar, said the prices are rising due to dwindling stock and higher transport costs.

The transport fare now depends on the risk factors: the higher the risk of arson and vandalism, the higher the fares. The Rajshahi division, particularly Chapainawabganj district, carries high risk, Khan said.

The association maintains that nearly one lakh trucks and covered vans transport goods within the country during normal times.

With the onset of blockade on January 6, the number plummeted to 30,000-40,000, and on the first few days, it cost as much as Tk 20,000 to send goods to the port city from the capital.

But of late, more and more vehicles are coming out: the government offered to compensate owners for arson attacks and vandalism and provide police escort on the highways.

As a result, about 50,000 trucks and covered vans are out on duty now, according to Khan. "More vehicles will ply in the coming days -- sitting idle means losses to both owners and workers."

Rahidul Islam, a vegetable wholesaler at Bogra's Mahasthan Bazar, a depot for vegetables in the north, said

the increasing availability of trucks has eased the problem of sending farm produce to Dhaka and other cities of the country.

The cost of transport has also fallen, he said. Islam sent vegetables from Bogra to Chittagong for Tk 70,000 on the second day of blockade. On Wednesday, he sent the same for Tk 39,000.

"The non-stop blockade has wiped out the incomes of the truck drivers. What they say is that they have to feed themselves and their families. So, they have decided not to sit idle anymore."

Md Alamgir Hossain, an onion importer, said the cost of sending the perishable item to Dhaka has almost doubled to Tk 35,000-Tk 40,000 due to political turmoil.

Meanwhile, inflation extended its downward trend in December, coming down to 6.11 percent -- the lowest in 25 months, mainly due to falling commodity prices on the global markets.

Food inflation was the biggest driver behind the drop in the overall inflation last month, sliding to 5.86 percent from 6.44 percent in November, according to Bangladesh Bureau of Statistics.

However, non-food inflation, which has been rising for a long time, went up further to 6.48 percent in December from 5.84 percent a month ago, because of a rise in house rent, transportation costs, education and medical expenses and prices of other non-food items.

"We have no way but to accept the fare because we deal with perishable goods -- if we wait, we incur losses," Hossain said.

Roads account for 80 percent of the freight transport in the country.



Habibur Rahman Sarker, chairman of Brothers Furniture, and Mahbubul Alam, president of Chittagong Chamber of Commerce and Industry, open a showroom of the furniture maker at VIP tower in Chittagong on Monday.



Sabbir Hasan Nasir, executive director of ACI Logistics, open's an outlet of Shwapno in Banani, Dhaka yesterday. Sohail Tanvir Khan, head of business development, was also present.