

Tk 10,000cr loss a year for delay in Dhaka-Ctg highway upgrade: DCCI

STAR BUSINESS REPORT

The economy is suffering a loss of Tk 10,000 crore a year due to delays in upgrading the Dhaka-Chittagong highway to four lanes from the existing two lanes, Dhaka Chamber of Commerce and Industry said yesterday.

A delegation of the chamber led by its President Hossain Khaled met Planning Minister AHM Mustafa Kamal in the ministry.

At the meeting, the minister said work on the Dhaka-Chittagong and Dhaka-Mymensingh highway will be complete in the next six months.

Gas and electricity crises have to be solved and land has to be made available, which are preconditions to increasing investment in the country, the team told the minister.

If these are addressed, new industries

will be set up that will generate more employment, the trade body said.

The minister said the BSCIC industrial city will be established at every district and all necessary infrastructure facilities will be provided there.

Kamal also said they have a plan to create 1.32 crore jobs in the next five years, for which the government and the private sector need to work in unison.

The minister said the annual development spending is slashed every year, and it has primarily been estimated that the ADP to be reduced to Tk 72,000 crore this year.

The size of the original ADP is Tk 80,314 crore, he added.

Kamal said the revised ADP will be finalised at the National Economic Council meeting on March 10. The figure may cross that of the primary estimate, he said.

Britain's Marks & Spencer to close 5 Shanghai stores

REUTERS, London

British retailer Marks & Spencer plans to close five stores in China's greater Shanghai region by August 2015, it said yesterday, though it stuck by its commitment to expand into other large Chinese cities.

M&S entered China in 2008 with a store in Shanghai, and it now has 15 in the greater Shanghai region. But the retailer has struggled to make a major impact in a country that remains one of its priority international markets along with India, Russia and the Middle East.

For the long-term M&S is in the process of evaluating potential local partners to grow its business in China, a path other British retailers, supermarket Tesco and home improvement firm Kingfisher, have taken.

Updating on its plans for the country following a review announced last April, M&S said it would continue to invest in its existing flagship store portfolio with the complete modernisation of its West Nanjing Road store in Shanghai in the autumn.

However, five of its supporting stores in the greater Shanghai region will close.

M&S said it has a firm intent to enter other cities such as Beijing and Guangzhou from 2015/16, while further expansion online would enhance its brand across China.

The firm plans to continue to invest in Hong Kong, where it currently has 18 wholly-owned stores and four standalone food stores, and grow its presence in Macau.



Rubaba Dowla, chief service officer of Airtel Bangladesh, and Sayeeful Islam, managing director of Software Shop Ltd, attend the signing of a deal at Airtel's head office in Dhaka recently. Airtel users will be able to recharge and pay bills with VISA/Master debit and credit cards.



Mahbubur Rahman, president of ICC Bangladesh, poses with the participating bankers of Bangladesh and Sri Lanka at a workshop on international trade and finance, organised by the Bangladesh and Sri Lanka chapters of ICC, at Galadari Hotel in Colombo, Sri Lanka recently.



M Mahfuzur Rahman, executive director of Bangladesh Bank, speaks at the opening of an anti-money laundering and terrorism financing workshop, in Dhaka recently. Golam Hafiz Ahmed, managing director of NCC Bank, was also present.



Tuhin Afroza Alam, principal of Dhaka College, and Mahtab Uddin Ahmed, chief operating officer of Robi Axiata, sign a deal at a programme on Dhaka College campus in the capital recently. The mobile operator will help digitise the college's education system and teachers and students of the institution will use Robi connections.

MTB gets new additional managing director

STAR BUSINESS DESK

Md Hashem Chowdhury was promoted to the post of additional managing director of Mutual Trust Bank on Sunday, the bank said in a statement yesterday.

He was serving as the deputy managing director prior to the promotion, it added.

He has also worked as the chief operating officer and CAMLCO of the bank previously, as well as being responsible for MTB's Dhaka division branches, banking operations division, infrastructure division, engineering department, special asset management division, credit monitoring department, and legal department. Chowdhury began his banking career with Janata Bank in 1981. He joined MTB as a member of its founding team in 1999.



India budget unlikely to impact credit rating: agencies

REUTERS, Mumbai

India's new budget is unlikely to have an impact on the country's sovereign credit given the absence of meaningful fiscal reform, credit-rating firms said on Monday, with Standard & Poor's ruling out a rating upgrade for at least a year.

The comments come after Finance Minister Arun Jaitley on Saturday announced a budget for the year through March 2016 prioritising economic growth over reform, which is likely to slow the pace of narrowing a fiscal deficit.

Jaitley set next fiscal year's deficit target at 3.9 percent of gross domestic product (GDP) - higher than analyst estimates -

and said the deficit is likely to fall to 3 percent of GDP in 2017/18, one year later than expectations.

Standard & Poor's Ratings Services (S&P) said the budget highlighted a commitment to keep the deficit low, but lacked structural reform.

S&P and major peers Moody's Investors Service and Fitch Ratings rate Indian credit at the lowest investment grade with a "Stable" outlook.

"In terms of the structural effects of the budget, we see the improvement has been not as great as it could have been," said Kim Eng Tan, S&P senior director for Asia-Pacific sovereign ratings, in a conference call.

Turning population into resource is the key

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Andaleeb also took a swipe at the local universities, including the private ones, which, he said, have turned into coaching centres. "Universities would have to work for knowledge dissemination, knowledge imagination, creation of knowledge, use of knowledge and knowledge extension. That is what western universities did. Universities also need to work with others through innovation that will have a positive social impact."

Arastoo Khan, member of the Planning Commission, said education is the key to helping workers from the informal sectors move to formal jobs. Besides, skills development by the technical and vocational institutions is needed to make graduates market-ready.

"Bangladesh would have to tap its demographic dividend," he said, adding that the country looks to benefit from the 80 million jobs that will leave China in the next one decade. Mosharraf Hossain Bhuiyan, industries secretary, said the government would attach importance to small and medium enterprises and attracting foreign investment in its next industrial policy.

The government also plans to allocate industrial plots to private sector and foreign investors to boost industrialisation in the country, he said.

Mustafizur Rahman, executive director of Centre Policy Dialogue, said there are structural difficulties that hold back informal industries from moving to the formal sector, adding that policy interventions is needed in this regard.

Labour activist Nazma Akter said compensation package is important for workers in both the formal and informal sectors.

For example, female workers in the garment sector cannot continue to work after they reach 40. They do not get anything from their employers, so they return home empty-handed and eventually end up as beggars, she said.

Nazneen Ahmed and Selim Raihan, professors of economics at Dhaka University, also spoke, while Sultan Hafeez Rahman, executive director of BIGD, moderated the workshop. Krishna Kumar and Shanthi Nataraj from Rand Corporation and Minhaj Mahmud from BIGD and Farzana Munshi from Brac University made a presentation on formal and informal labour nexus and growth.

Amalavoyal Chari of University of Sussex made a presentation on privatisation and productivity growth.

Netflix eyes entering tricky China market on its own

REUTERS, Shanghai

US video service provider Netflix Inc is likely to enter the Chinese market without a local partner, which could make it harder to do business in the world's biggest internet market widely known for censorship and strict regulation. The firm, known for its US political thriller "House of Cards", also plans to look at exporting content produced in China to the rest of the world, Netflix's Chief Content Officer Ted Sarandos told reporters at a talk in Shanghai on Monday.

Global firms are eyeing a slice of China's fast-growing entertainment market, but have often faced a rocky reception. Google Inc, YouTube, Facebook Inc and Twitter Inc have all been blocked in the country.

"It's unlikely that we would definitely pursue (a local partner model) as a strategy... These ventures become very complex

and very difficult to manage, and ultimately difficult to be successful," said Sarandos.

Without a local partner, Netflix would need to obtain multiple operating licenses on its own, something the firm has said previously may be a potential hold-up. The firm would need around eight different licenses to launch in China, Sarandos said, adding that business in the country was "subject to a censorship and regulatory environment that we haven't had to deal with."

The movie and TV streaming service faces competition from local rivals, including Tencent Holdings Ltd and Alibaba Group Holding Ltd, who are spending hundreds of millions of dollars to bring foreign TV and films to China.

China's regulators are also imposing new licensing and quota restrictions on foreign players and content in a move analysts say will help the domestic television and film industry.

Development work slows

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Planning Minister AHM Mustafa Kamal said 32 percent of the total outlay was spent in the first seven months of the fiscal year.

During July-January, Tk 25,858 crore of the ADP money was spent, up from Tk 21,857 crore in the same period a year ago, according to the IMED.

Zahid Hussain, lead economist at the World Bank's Dhaka office, told The Daily Star that ADP implementation usually remains slow at the beginning of a fiscal year, but it gathers momentum during the dry season.

Hussain said the fall in the implementa-

tion in January may be due to the political turmoil.

Earlier, Road Transport and Bridges Minister Obaidul Quader had told The Daily Star that there have been some problems in movement of project officials, as well as transportation of project goods, due to the political unrest.

Quader had said, if the unrest lingers, the tenure of some projects may be extended.

An official of the planning ministry said some advance payments were made against the Padma bridge project by December last year and there were no such payments in January.

Farmers deceived as traders cash in on unrest

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Over in the capital, beans sold for Tk 20-35 per kilogram at the retail on February 25. Brinjal sold for Tk 20-Tk 40 each kg, according to Department of Agricultural Marketing data.

"The blockade has come as a cruel blow for me and my fellows," said a crestfallen Ujjal, who is now waiting for a buyer to sell the potatoes he planted on 2.5 bigha of land.

He said the current price of the vegetable at the wholesale market in Meherpur stands at Tk 9 each kg.

And after deducting labour and transport costs and stockists' commission, he would get Tk 5.5 per kg, which is lower than his production cost.

So, he has decided to wait for a middleman. Middlemen buy from farmers and put them in cold storages to sell during the

lean season.

Last year, Ujjal sold potatoes to a middleman for Tk 350 a maund (40 kg) in the third week of February and made a profit out of it.

Unfortunately, no middleman has turned up yet, leaving him very anxious.

The potatoes can be left in the field for another ten days at best, after which their quality will start to deteriorate.

Ujjal, who is yet to get the full payment from the trader for the bananas, said he does not have enough cash in hand to store potatoes in a cold storage.

And even if he arranges the sum, it would leave him with no money to cultivate the next crop, taro.

"I don't know how I will get by. Had the political situation remained normal, I wouldn't have to lose sleep now."



Mesbah Uddin, director for operations at Quartel Infotech, poses at the launch of three maximus smartphones at a city hotel yesterday. Ahsan Ali Khan, managing director, was also present.

The next step in mobile tech

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Timotheus Hoettges, chief executive of Deutsche Telekom, said data protection is now an increasing demand from users. "We also need a regulatory environment, pricing and spectrum, consolidation among operators and a level playing field to provide customers with better services."

Moderating the opening session, Anne Bouverot, director general of GSMA, said mobile technology is changing every technology in the whole range of industries.

Citing financial services through mobile, she said, "Accounts for the mobile money services crossed the number of bank accounts in 16 countries."

Different teams from Bangladesh, including the government, regulator and mobile operators, are also participating in the event.

M. I. Cement Factory Limited

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Price Sensitive Information

This is for kind information of all concerned that the Board of Directors of M. I. Cement Factory Ltd. in its 150th Meeting held between 2:30 P.M. to 6:30 P.M. on 1 March 2015 at its Head Office has taken, among others, the decision to establish a fully owned subsidiary company in India with an initial Paid-up Capital of IRS. 5,000,000.

By Order of the Board
sd/-
(Md. Mozharul Islam, FCS)
Company Secretary

Dated, Dhaka
1 March 2015