

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
4,099.20	7,681.77	\$1,208.05 (per ounce)	\$64.46 (per barrel)	0.62%	Closed	0.23%	Flat	BUY TK 77.15	82.78	116.97	0.64
				27,225.93		3,487.15	4,476.62	SELL TK 78.15	86.78	120.97	0.67

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DHAKA THURSDAY APRIL 30, 2015, e-mail:business@thedailystar.net

## Outlook stable, Moody's says

### Political turmoil may affect rating

**STAR BUSINESS REPORT**  
 Moody's Investors Service has projected Bangladesh's outlook as stable again for the current year, but said a fractious political environment threatens rating.  
 The country's growth volatility is lower than that of almost all other countries rated by the global credit ratings agency, it said.  
 Bangladesh is rated Ba3 with a stable outlook, Moody's said yesterday.  
 Bangladesh's Ba3 foreign currency government bond rating reflects its track record of macroeconomic stability, a modest debt burden, and limited external vulnerabilities with an ample foreign reserve buffer.  
 However, a narrow tax revenue base and a very low level of per capita income are some challenges that may constrain the rating, it said.  
 The analysis elaborates on Bangladesh's credit profile in terms of economic, institutional and fiscal strength, and susceptibility to event risk, which are the four main analytic factors in Moody's sovereign bond rating methodology.

**KEY POINTS**

- Volatile political situation remains a looming risk to economic performance
- Bangladesh's growth volatility is lower than that of almost all other countries rated by Moody's
- Narrow tax revenue base, low level of per capita income may constrain rating
- Ongoing revenue reforms may result in a considerable widening of tax base

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## Forex reserves hit record high at \$24b

**STAR BUSINESS REPORT**  
 Bangladesh's foreign exchange reserves reached a record high of \$24 billion yesterday, said Kazi Saidur Rahman, general manager of Bangladesh Bank.  
 The amount is enough to meet the country's import bills for more than six months. The reserves first crossed the \$23-billion mark on February 26 this year. A stable flow of remittances and export earnings, coupled with satisfactory foreign direct investment and foreign currency borrowing by the private sector, contributed to the rise, the official said.

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## Cost of shipping to India set to drop

### Dhaka, New Delhi sign draft agreement on coastal shipping

**STAR BUSINESS REPORT**  
 Bangladesh and India have signed a draft agreement on coastal shipping, a move that will reduce the cost of export and import between the two countries by two thirds.  
 The draft deal was signed at a meeting in New Delhi on April 20.  
 The final agreement will be signed during the upcoming visit of Indian Prime Minister Narendra Modi to Bangladesh, Shipping Minister Shajahan Khan said at a media briefing in Dhaka yesterday.  
 When the agreement comes into effect, both time and money will be saved in transportation of goods between the two countries, he said.  
 Bangladesh's Shipping Secretary Shafique Alam Mehdi and India's Shipping Secretary Rajive Kumar signed the draft agreement.  
 At present, for transporting goods between Bangladesh and India, the consignment has to be sent to Colombo or Singapore first.



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## Danish bike project to support poor children in Bangladesh

**STAR BUSINESS REPORT**  
 A Danish company has launched a fair trade project in Bangladesh with a plan to support poor children with educational expenses and food.  
 Under the project, Asian Nordic Group, with the help of local suppliers, will manufacture bicycles in Bangladesh for exports to 29 European nations as well as the United States and Canada.  
 "Each bike sold will pay a child's schooling for one year including a meal per day," Henrik Bach, managing director of Asian Nordic Group, said yesterday.  
 "The project is the first of its kind anywhere in the world," Bach said at the launch of the project at the Danish ambassador's residence in Dhaka.  
 Bangladesh's Pran-RFL Group will make bicycles named "b'fair" for Asian Nordic Group. The first shipment is scheduled to reach Denmark within three months.  
 "The b'fair bike is more than just a bike. It is part of a sustainable programme built on fair trade principles. It is environmentally-friendly and supports vulnerable children's schooling in Bangladesh," said Danish Ambassador Hanne Fugl Eskjær.  
 Each bike will sell for \$800. The company plans to raise the yearly export figure to 30,000 units of bikes.  
 "It creates opportunities, freedom and a future for disadvantaged children in one of the world's poorest countries," said Bach. "The more we sell, the more children we will be able to help," said Bach.  
 The bike is designed by Tobias Jacobsen, the grandson of famous Danish designer Arne Jacobsen. Martin Sylvest, Danish bicycle engineer, is the technical engineer of the b'fair bike.  
 Promod Mankin, state minister for social welfare, who launched the project along with Bach and the ambassador, thanked Asian Nordic Group for taking up the initiative.  
 Agape Social Concern, a non-governmental organisation working to promote child education in Bangladesh, will work as a local partner to manage the project.

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## Property tax on the way: Muhith

**STAR BUSINESS REPORT**  
 The government plans to reintroduce property tax next fiscal year, replacing surcharge on wealth, Finance Minister AMA Muhith said yesterday.  
 The move will help the government mobilise more domestic resources to meet additional

spending.  
 "The surcharge on wealth is not working; we'll have to change it to property tax," Muhith said, addressing a budget consultation meeting with the Economic Reporters' Forum at the finance ministry.  
 Economic growth will be close to 7 percent this fiscal year and will

go up 0.2-0.3 percentage points in the next year, Muhith said.  
 Property tax was withdrawn in 1999. Later, the government imposed a surcharge on wealth worth over Tk 2 crore in fiscal 2011-12.  
 Wealth tax is imposed on a person's net worth, which means assets minus liabilities. Many countries, including Austria,

Denmark, Germany, Sweden, Spain, Finland, Iceland and Luxemburg, have abolished it in recent years. The United States does not impose a wealth tax but it takes income and property taxes.  
 On the other hand, property tax is a type of wealth tax, but it is just imposed on real estate.

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