

Hasina: political turmoil slowed GDP growth

UNB, Dhaka

Bangladesh's 6.51 percent economic growth for the current fiscal year despite the political turmoil was a big achievement, Prime Minister Sheikh Hasina said yesterday.

GDP growth this year could have crossed 7 percent if there had been no political turmoil from January to March, she said. "I believe we could have gained over 7 percent GDP growth rate had there been good and peaceful environment in the country."

She spoke at a meeting with senior officials of the defence ministry at its office. Prudent economic policies and steps by the government have led to the attainment of over 6 percent growth rate on average for the last five years, she said.

The government's main aim is to free the country from the cycle of poverty by any means and thus present them a better life, move the country ahead as a dignified nation not relying on others as well as keep intact the sovereignty and independence of the country and make massive socio-economic development, Hasina added.

Earlier on May 14, Planning Minister AHM Mustafa Kamal said the provisional GDP growth in the current fiscal year reached 6.51 percent although the government was earlier hopeful of achieving 7 percent growth.

HP sells stake in China unit for \$2.3b

AFP, New York

Hewlett-Packard announced Thursday it was selling a 51 percent stake in its China-based server business, creating a joint venture with Tsinghua Holdings that will be a sector leader in China.

The US tech giant said it would sell the stake for \$2.3 billion, creating a new business called H3C worth \$4.5 billion that would be the leader in China in computer servers, storage and technology services.

The deal brings together HP with the investment arm of China's Tsinghua University in a company with some 8,000 employees and \$3.1 billion in annual revenue.

"HP is making a bold move to win in today's China," said Meg Whitman, HP's chairman and chief executive.

Advanced Group introduces multi-purpose construction material

STAR BUSINESS DESK

Advanced Technology and Ideas Ltd has become the first company in Bangladesh to make the industrial form of insulated sandwich panel (ISP).

The new product aims to ensure complete solution for all sorts of structures with high quality expanded polystyrene sandwich panels for better insulation, the concern of Advanced Group said in a statement yesterday.

ISP is a new type of lightweight and decorative multi-purpose construction material that helps in controlling temperature, heat and sound insulation, waterproofing and fire-resistance, according to the statement.

Hence ISP can be used to make walls or roofs for industrial, residential and commercial buildings, as well as prefabricated houses, the company said.

Advanced Technology uses expanded polystyrene as the core insulation material, which offers complete insulation, allows quick construction and is comparatively more durable than competitor items.

The company has set up a new plant to increase production capacity and can now make maximum 600,000 metre cubes of EPS blocks and 500,000 square metres of EPS insulated sandwich panels per year, the company said.

Advanced Technology has a technical licensing agreement with ISOWALL International (UK) Ltd, a UK-based globally reputed sandwich panel expert, for the UK firm to consult on all technological and technical activities.



Atiur Rahman, governor of Bangladesh Bank, and Shamsul Huda Khan, managing director of National Bank, hand over an SME loan cheque to Hasina Begum, owner of Opsori Beauty Parlour and Cosmetics, at a seminar held in Sylhet recently. Pierre Mayaudon, ambassador and head of delegation of the European Union in Bangladesh, was also present.

Panel formed to offload shares of state power companies

FROM PAGE B1

On the Dhaka bourse yesterday, each Desco share traded between Tk 72.2 and Tk 68.4, before closing at Tk 69.3; a PGCB share traded between Tk 37.6 and Tk 34.7 before finishing at Tk 37.6.

Titas Gas Transmission and Distribution Company was the last state-owned company

that was listed on the stockmarket in 2008.

After that, the government in January 2010 selected 26 state companies and instructed them to offload shares in the next six months. But since then, no companies offloaded shares, despite repeated deadlines and instructions from the finance ministry.



Syed Nasim Manzur, president of Metropolitan Chamber of Commerce and Industry, and Daniel M Sabet, former director of the Centre for Enterprise and Society of the University of Liberal Arts Bangladesh, pose at the release of a publication on overcoming business challenges in Bangladesh, at a programme organised by ULAB and MRB Bangladesh in Dhaka recently.



Ravi Pisharody, executive director of Tata Motors, and RT Wasan, head of international business, pose at the launch of four new next-generation Prima heavy commercial vehicles, in Dhaka on Wednesday.

Dhaka Bank elects chairman

STAR BUSINESS DESK

Reshadur Rahman has been elected chairman and Rokshana Zaman re-elected vice-chairperson of Dhaka Bank.

Rahman brings more than three decades of experience as an industrialist and association with several companies at home and abroad to the new post, the bank said in a statement yesterday.

He currently serves as honorary consul of Poland in Bangladesh, the bank said.

Rokshana Zaman is a former chairperson of Dhaka Bank, and first joined the bank as an alternate director in 1996. She also served on the bank's executive committee and audit committee, it said. Zaman is also the owner of Manehor Fisheries and Dhaka Enterprise.



Reshadur Rahman

Bangladesh invites US firms to invest in infrastructure

FROM PAGE B1

"There are many other sectors which may work profitably for both the countries," the minister said.

"We are aware of the expectations and needs of our investor friends from the US. The government is working to address some of the key bottlenecks and we believe a meaningful government-business coalition can take our economic profile to a new height."

He hoped that Bangladesh would eventually become a hub in the network of distribution channel linking all the rising economies of Asia including China and India.

Ali said the post-Rana Plaza situation has helped deepen business cooperation between the two countries, particularly in case of labour rights and workplace safety in the garment sector.

"We have been able to considerably improve on those issues and as such the future of the business seems upbeat," he said, adding that the garment sector is forging ahead to reach an export target of \$50 billion by 2021.

Among other sectors, the ICT, pharmaceuticals and shipbuilding hold great potentials, according to the foreign minister.

The IT companies have earned over \$260 million last year, while the pharmaceutical companies have managed to meet 97 percent of the domestic needs before exporting to more than 90 countries, he said.

The sector is now awaiting the final clearance from US Food and Drug Administration.

The shipbuilders, who are capable of making medium and light vessels, have

also joined the fray, he said.

The country now enjoys only a 1 percent share of this \$200 billion-market, but holds the potential to earn billions more within the next ten years, he said.

Commenting on the World Trade Organisation, he said the country has urged all the developed countries including the US to fulfil the commitments made in the Doha round of negotiations.

"We believe this would help our business partnership with the US to grow and sustain in the days ahead. It would yield a win-win business proposition for all the stakeholders including exporters, importers, investors and the end level consumers," he added.

In his welcome speech, AmCham President Aftab-ul-Islam proposed to the governments of the two countries to increase the validity period of visas from the existing 5 years to 10 years, as it will increase the level of connectivity.

He said the US exports to Bangladesh was \$1 billion in 2014, while Bangladeshi exports to the US was \$5.2 billion at the same period.

"The above statistics although generally positive are not enough -- we need to see much more happening than this."

An accelerating and strengthening economic partnership of Bangladesh with the US means more economic engagements between the two countries, he said.

It can result into, especially for Bangladesh, more exports to the US, more US investment in Bangladesh, more transfer of technology to Bangladesh, more educational progress, more industrial development and more employment, he added.

StanChart relaunches collateral-free loan

FROM PAGE B1

He said for some years now, the central bank has been instilling socially responsible financing ethos in the entire banking sector, to realise its vision of high and inclusive economic growth with rapid poverty alleviation.

The financial inclusion campaign from the central bank targeting farm and off-farm productive economic activities is thus the major driver of inclusive growth, he said.

The governor also talked about the central bank's role in promoting environment-friendly growth, rapid digitisation in the banking sector, widening of mobile financial services and no-frills accounts for disadvantaged population segments. "I am happy to say that Standard Chartered has been an active player in this campaign, with many humanitarian activities," he said.

Robert Gibson said the footprint of 110 years is a remarkable achievement for the bank. "It has raised financing for projects that are important for Bangladesh's growth and development."

Abrar A Anwar, chief executive of Standard Chartered Bangladesh, said the bank never closed its doors even during the most difficult periods facing the world. "It is a testimony to our confidence in growth and development of this market."

He said the bank assisted the central bank with reconstruction of the records that were damaged during the Liberation War and with setting up of the exchange rate mechanism. The bank also organised three investment summits on Bangladesh to relay the real stories of Bangladesh to foreign investors and bring more foreign investment to the country.

"We will not stop here. This will continue to be on the top of our agenda in the days to come," Anwar said.

Aditya Mandloi, head of retail clients at the bank, said they would bring more innovative products for women entrepreneurs in the coming years.

Standard Chartered, which sees Bangladesh as one of its top 10 markets among 70 countries where it has operations, started its journey in Bangladesh in 1948 by opening its first branch in the port city of Chittagong.

In August 2000, the bank completed the acquisition of Grindlays Bank and inherited the Grindlays Bank's presence in the country that dates back to 1905, thus becoming the oldest and the leading international bank in Bangladesh in the process. Standard Chartered handles more than \$3 billion a year in garment exports. It finances backward linkage and textile sectors so that the apparel manufacturers can widen their reach.

The bank has also arranged financing for 30 percent of the country's more than 10,000 megawatts of installed capacity of electricity, which is crucial for the economy. It is also a major player in the telecom sector financing.

The largest international bank in Bangladesh has 26 branches and booths and 83 ATMs and employs 2,000 people. It is the only foreign bank in the country with presence in six cities: Dhaka, Chittagong, Khulna, Sylhet, Bogra and Narayanganj. Its asset based in Bangladesh is worth \$4 billion. Standard Chartered directly supports 1.1 percent and indirectly 1.5 percent of Bangladesh's gross domestic product, a 2013 independent study found.

Through its onshore financing, the bank supports, directly and indirectly, 466,000 jobs in Bangladesh, equivalent to about 0.6 percent of the country's total workforce.

When the bank's lending to financial institutions is included, its impact amounts to 655,000 jobs, or 0.9 percent of the labour market.

Tax relief may widen for individuals, firms

FROM PAGE B1

Officials said even a minor reduction in the tax rate for these sectors, which together account for a fifth of the government's direct tax, would affect the revenue collection goal.

The surcharge on wealth tax will continue into the next fiscal year, but the lowest ceiling of net wealth may be revised upwards following calls from executives of private and multinational companies, whose retirement benefits nearly reach Tk 2 crore.

To attain the direct tax collection target of Tk 65,932 crore in the next fiscal year, the government may not extend the current privilege of source tax on garment exports.

The present 0.3 percent source tax on garment exports is set to go on June 30 this year. As a result, garment entrepreneurs may see a 0.8 percent source tax on their exports again.

The tax authority is looking to log in Tk 2,500 crore from the increase in source tax

on clothing exports, said officials.

Earlier this month, Policy Research Institute (PRI), a private research organisation, suggested the government increase the tax rate on apparel exports in the upcoming budget.

It said the garment and textile sector is the most dynamic sector in Bangladesh but it is the most under-taxed sector as well. The tax rate on apparel exports was slowly increased from 0.25 percent of export volume to 0.8 percent in fiscal 2013-14, it added.

However, in order to mitigate the high costs incurred by the sector due to political unrest, the rate was temporarily cut down to only 0.3 percent in fiscal 2014-15.

"This rate should now go back to at least the original level of 0.8 percent in FY16 and should further go up in the coming years. The revenue impact from this move would be about Tk 600 crore," PRI Executive Director Ahsan H Mansur said on May 9.



Shaikh Abdul Aziz, managing director of Uttara Bank, speaks at the bank's branch managers' conference held at City Inn hotel in Khulna recently. Mohammed Rabiul Hossain, deputy managing director, was also present.

RELIANCE INSURANCE LIMITED
SHANTA WESTERN TOWER (LEVEL-5), 186, TEJGAON I/A, DHAKA-1208
PHONE: 8878836-44, FAX: 8878831

**DISTRIBUTION OF BONUS SHARES
& CASH DIVIDEND-2014**

This is for information of all valued Shareholders of Reliance Insurance Limited that 15% Stock Dividend for the year 2014 as approved in the company's 27th AGM held on 30th April, 2015 have already been credited to the respective BO Account of the shareholders through Central Depository System on May 21, 2015.

Furthermore, warrants against 15% cash dividend will be distributed from May 24, 2015. Shareholders are requested to collect their dividend warrants from Head Office of the Company during office hours from **24.05.2015 to 28.05.2015**, after which the same will be dispatched by courier/post at the risk of the shareholders. Amount against Fractional Stock Dividend Warrants will be distributed soon.

(MD. ANISUR RAHMAN)
 Company Secretary

May 21, 2015