

COMMODITIES		ASIAN MARKETS				CURRENCIES							
DSEX	CSXK	Gold	Oil	NI	MUMBAI	TOKYO	SINGAPORE	XANGHAI	USD	EUR	GBP	JPY	
▲ 0.26%	▲ 0.61%	\$1,196.80	\$64.07	27,531.41	▲ 0.41%	▲ 0.12%	▼ 0.03%	▲ 2.02%	STANDARD CHARTERED BANK				
4,627.16	8,712.72	(per ounce)	(per barrel)		27,531.41	20,437.48	3,459.98	4,910.90	BUY TK	77.15	83.02	118.50	0.61
									SELL TK	78.15	87.02	122.50	0.64



DHAKA WEDNESDAY MAY 27, 2015, e-mail: business@thedailystar.net

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১৬ পেরা স্ট্রাটজি ০৯৬২০০৯২২২

No surprises in upcoming budget

Small schemes to boost prospective sectors

REJHAUL KARIM BYRON

The upcoming national budget is unlikely to spring any surprises, finance ministry officials said.

Rather, it will be more of the same, but some small schemes will be incorporated to boost prospective sectors and the neglected sections of the society, they added.

Finance Minister AMA Muhih has already conveyed the ideas to the finance division, which is now busy setting up the programmes.

For instance, Bangladesh Bank has prepared a Tk 200 crore refinance scheme for livestock. The interest rate for the loans will be 10 percent – banks will take 5 percent interest from clients and the rest 5 percent from the government as subsidy.

The government will set aside some Tk 10-20 crore for spending on the subsidy, the officials said.

Besides, a Tk 50 crore allocation is likely

BUDGET BITS

An allocation will be made to subsidise low-cost loans for livestock

A Tk 50 crore allocation is likely for poor children, and a monitoring mechanism will be put in place

Around Tk 50Cr may be allocated for the development of the enclaves obtained from India

Small allocations may be made for the backward sections of the society

to be put in for the country's poor children.

The finance division has been preparing the scheme on the basis of what criteria and through which ministries the fund will be spent. A monitoring mechanism will be put in place to oversee how the fund is being spent.

The land boundary agreement with India will give Bangladesh ownership of around 111 enclaves, where the population is about 15,000.

Those enclaves have not seen any development activities like construction of roads and schools for a while now.

Subsequently, around Tk 50 crore may be allocated for the development of the enclaves, the officials said.

Besides, small allocations may be made for the backward sections of the society like the char dwellers, tea garden workers and tribal communities.

In the last six years, the government took on a number of big projects in areas of

Milk Vita to build another milk processing plant

STAR BUSINESS REPORT

Milk Vita will set up a new plant in Sirajganj to expand its storage and production capacity under a new project that aims to curb imports and help dairy farmers avert losses.

Dairy farmers in Shahzadpur under the district produce about 5.5 lakh litres of raw milk a day. Of the produce, Bangladesh Milk Producers' Cooperative Union Ltd, also known as Milk Vita, buys about 2.5 lakh to 3.5 lakh litres.

Small farmers face problems in marketing the rest of the milk and are forced to sell it in the local market at throwaway prices. The situation becomes acute particularly during peak production period of November to March.

To solve the problem, the Executive Committee of National Economic Council (Nec) approved a Tk 75 crore project yesterday. Planning Minister AHM Mustafa Kamal said.

Wheat imports soar on lower global prices

SOHEL PARVEZ

Wheat imports in the 11 months to May have exceeded last year's total, boosted by increased demand for flour and wheat-based snacks as the grain is cheaper than rice, market operators said.

Bangladesh imported 34.03 lakh tonnes of wheat between July 1 and May 25 of the current fiscal year, which is 26 percent higher than the full-year import in fiscal 2013-14, according to food ministry data.

Private traders accounted for 91

percent of the total imports during the period thanks to low prices in the global market that has allowed local businesses to sell the cereal cheaper.

"Prices of rice remained higher than wheat flour on the domestic market. It may be one of the factors behind soaring imports this year," said Anup Kumar Saha, business director of ACI Ltd.

He also linked higher wheat imports to the lower opening stock of wheat at the beginning of the fiscal year in July.

Currently, the lowest retail price of wheat flour is Tk 28 per kilogram, whereas lowest retail price of rice, the staple food, is Tk 30 per kg, according to the Trading Corporation of Bangladesh.

More affordable prices of wheat flour have increased consumption of wheat-based food. It appears that a section of low-income people have shifted to wheat because of a price gap, said Abul Bashir Chowdhury, chairman of BSM Group, a Chittagong-based commodity importer.

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DSE runs without chief tech officer

SARWAR A CHOWDHURY

The information and communication technology department of Dhaka Stock Exchange has been running without a chief technology officer for more than a year.

The premier bourse felt the need of a CTO when a technical breakdown in its main engine halted stock trading for hours on Sunday and Monday.

As its IT officials are yet to detect the reasons behind the malfunction, the DSE has called in professionals from the software vendor's office abroad.

Despite two recruitment advertisements, the bourse could not get a CTO as it found no one suitable for the job, which is now being carried out by two deputy general managers with the help of officials from other departments.

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Improved connectivity to boost exports 86pc: ADB

MD FAZLIR RAHMAN

Bangladesh's real income gains will be 6.9 percent of GDP and its export will grow by 86 percent by 2030 if connectivity between South Asia and Southeast Asia improves, according to a new study.

However, Bangladesh will have to do its part: the country will have to spend \$14.268 billion to prepare its road, rail, ports and energy infrastructures to contribute to the integration, the Asian Development Bank and the Asian Development Bank Institute said in a joint study.

In transport projects, Bangladesh needs to establish new deepwater ports, roads and railways. In the energy sector, it will have to develop the Myanmar-Bangladesh-India gas pipeline project.

Besides, the country needs to develop the infrastructure bonds market and improve the environment for boosting public-private partnership (PPP) projects.

As trade facilitation measures, transit agreements have to be signed with India and Myanmar and border operations have to be streamlined through easier documentations and procedures.

The study report said the potential gains from the connectivity-led closer South Asian-Southeast Asian integration are potentially large.

The connectivity would raise welfare by \$375 billion or 8.9 percent of gross domestic product in South Asia.

In case of Southeast Asia, it would be

\$193 billion or 6.4 percent of GDP.

Most participating countries show large gains, especially the smaller countries in South Asia, including Bangladesh, said the study.

The gains will however depend on the removal of all tariffs associated with South Asia and Southeast Asian trade, a 50 percent reduction in inter-regional non-tariff barriers, and a 15 percent reduction in trade costs reflecting improved trade facilitation and investment in infrastructure.

The study said the time is ripe for enhancing economic integration between the two subregions.

"Asian economies will need to rely on domestic and regional demand to secure inclusive growth because of slow growth in advanced industrial economies and the slowdown in China,"

Economic ties between the two subregions, while making progress, have been limited, hindered by bottlenecks in infrastructure, financial markets, trade facilitation, trade barriers and limited regional cooperation.

South Asia and Southeast Asia cross-subregional trade increased 23 times from \$4 billion to \$90 billion over 1990-2013.

But Southeast Asia's share of South Asian trade rose from 6 percent to only 10 percent, while South Asia's share of Southeast Asian trade just doubled from about 2 percent to only 4 percent.

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