



star BUSINESS

DHAKA SUNDAY JUNE 7, 2015, e-mail:business@thedailystar.net

Two economic zones for India

SOHEL PARVEZ

Bangladesh yesterday signed a deal with India to develop two economic zones to bring in more Indian investments and reduce the rising trade imbalance with the neighbour.

The industrial enclaves will be set up in Mongla, the country's second seaport, and Bheramara, Kushtia in five years, Paban Chowdhury, executive chairman of Bangladesh Economic Zones Authority, told The Daily Star by phone.

He shared the development after signing an agreement with Indian Foreign Secretary Subrahmanyam Jaishankar, marking the two-day visit of Indian Prime Minister Narendra Modi in Dhaka.

The Indian Economic Zone will promote Indian investments in Bangladesh, said Modi in his written speech.

India becomes the third country after Japan and China to have shown interest in developing economic zones in Bangladesh. Once set up, they will create jobs and give a boost to the economy as it aims to break the 6 percent growth trap.

Chowdhury said India will develop the economic zone near the government-sponsored one in Mongla, which is now under construction.

India wants over 200 acres of land in Mongla and 477 acres at Bheramara to establish the zones, he added.

The zones will be developed with funds obtained from the \$2 billion line of credit from India, according to the BEZA executive chairman.

READ MORE ON B3

India to give \$2b in low-cost loans

REJAIL KARIM BYRON

India will provide \$2 billion of fresh low-cost loans to Bangladesh, most of which will be used for connectivity-related projects to increase trade between the two countries.

"Our development partnership is scaling new heights," Indian Prime Minister Narendra Modi said after a preliminary agreement was signed yesterday.

The fund will support infrastructure and other development activities in Bangladesh, he added.

The neighbouring country last extended a \$1 billion line of credit in 2010, during Manmohan Singh's tenure as the prime minister. Of the

POSSIBLE TERMS & CONDITIONS

Interest rate	1%
Repayment period	20 years
Grace period	5 years

amount, \$200 million has already been converted into grants and disbursed.

The terms and conditions of the fresh loan will be similar to those of the earlier loan, said a finance ministry official.

The first line of credit carried 1.75 percent rate of interest per year, which was later lowered to 1 percent by

India. The loan has to be repaid in 20 years with a grace period of five years.

Some 75 percent of the overall procurement for the projects has to be made from India; in case of civil procurement, it will be 65 percent.

The finance ministry official said they have prepared a primary list of around 20 projects after discussions with the Indian side for which the new line of credit can be used.

Most of the projects are related to power, rail and port, which, once completed, will make both the import of electricity from India and the transit of commercial goods to Nepal, Bhutan and India using the Bangladesh territory easier.

READ MORE ON B3

The Modi effect

MD FAZLUR RAHMAN

Bangladesh has long been trying to woo major Indian companies to make investment in the country, but the efforts have been met with limited success to date.

At last, two behemoths -- Reliance Group and Adani Enterprises -- have forayed into Bangladesh to explore business opportunities.

Their close ties with India's business-friendly Prime Minister Narendra Modi have long been established.

To start off, Reliance Power and Adani Power yesterday signed separate deals with Bangladesh Power Development Board to potentially invest a combined \$5.5 billion in the country to generate 4,600 megawatts of electricity.

One of the officials signing the agreements on behalf of the Indian companies expressed hope that the agreement is the beginning of the long-term electricity business in Bangladesh.

Modi has been actively promoting his country's businesses abroad since taking over power a year ago. But his relationship with the two groups seems special, and it dates back more than a decade.

When Modi ruled Gujarat as its chief minister, he was able to win support from Adani Group chief Gautam Adani and Mukesh Ambani, who controls Reliance Industries, India's most valuable company, as well as leverage the well-acknowledged business acumen of Gujaratis and a prosperous global diaspora to make the state wealthy.

Modi provided a platform for growth for companies in the state such as Adani Group, according to a report of Bloomberg published in May last year. Billionaire Gautam Adani is a native of Gujarat.

The 52-year-old has travelled with Modi in the past year more than any other billionaire, helping him emerge as the most prominent face of India Inc to the wider world.

READ MORE ON B3

Bandwidth export may begin in Sept

Deal signed with India

MUHAMMAD ZAHIDUL ISLAM

Bangladesh Submarine Cable Company Ltd (BSCCL) will start exporting bandwidth -- 10 gigabits per second -- to the northeastern Indian state of Tripura by September, as Bangladesh and India inked a deal yesterday.

BSCCL will export the bandwidth at \$10 per mbps—which is 33 percent higher than its local market price—and earn \$1.2 million or Tk 9.6 crore in a year.

READ MORE ON B3

HELI fork lift

Energypac
www.energypac.com
01713046042, 01729078255

stay updated with

The Daily Star

@

www.thedailystar.net

f t /dailystarnews

SECURITY DOORS

FIRE PROOF
BULLET PROOF
SOUND PROOF
WEATHER PROOF

EMEK
RTCL

SHOWROOM
RASHID TRADE CONSORTIUM LTD.
2ND FLR,
KA-61/41 PRAGATI SARANI
PS - VATARA, DHAKA
011 99 85 85 33
MADE IN TURKEY



Fly to Amsterdam starting June 2015

Paint your next escape to one of the world's most eclectic and creative cities. The heart of the Netherlands and home to renowned art galleries, museums, festivals and music venues, this vibrant world city has it all.

For more details please contact +880 9610 800 800 or visit qatarairways.com/bd

Economy Class BDT **90,785**

Business Class BDT **204,779**



World's 5-star airline.

Enjoy **10% Discount**

Privilege BANKING
Pleasure of Privilege

at Spitfire, Saltz, El Toro and Tastebud using your MTB Privilege Debit Card.

16219 or 09604016219

Mutual Trust Bank Ltd.

DAIKIN
Multi VRF

- Energy Efficient DC Inverter Technology
- Solution For Every Requirement
- Quiet Operation With Ultra-low Noise
- Wide Range Of Operational Voltage & Temperature
- A Single Outdoor Can Support Multiple Types Of Indoor

Electro Mart Limited
www.electromart.com.bd
0175569611
0175569612

শারদিক জমা ১০০ টাকা

ফ্রি এটিএম কার্ড ও চেক বই

হিসাব রক্ষণাবেক্ষণ চার্জ নেই

ফার্স্ট সিকিউরিটি ইসলামী ব্যাংক লি.
FIRST SECURITY ISLAMIC BANK LTD.

02-90006600
02-90006600
www.fsibbd.com

The Daily Star **Lamudi.com.bd**

HOT-ESTATES

Five featured properties of this week

Powered by: **CROWN CEMENT**
FOR SOLID FOUNDATION

1350-sq-ft-type-a-3-bedroom-apartment-for-sale-in-tech-ven-ridoy-castle-bashundhara http://bit.ly/1EY7u7t	1600-sq-ft-type-a-3-bedroom-apartment-for-sale-in-total-akmol-lotus-banasree http://bit.ly/1AjZ5KH	1500-sq-ft-3-bedroom-south-facing-apartment-for-sale-in-amble-blue-bell-bashundharara-ra http://bit.ly/1AP8NKC	2200-sq-ft-4-bedroom-apartment-for-sale-in-uni-mass-ratree-nakhatra-mirpur-dohs http://bit.ly/1CoF8GE	1350-sq-ft-3-bedroom-apartment-for-sale-in-elephant-road http://bit.ly/1Fwfg8Y

**This is a promotion only. Buyers must examine the properties before they make an agreement. The Daily Star and Lamudi do not take any responsibilities of the contracts or agreements made between buyers and sellers.