

BBS to start early forecast of rice and potato output

STAR BUSINESS REPORT

The Bangladesh Bureau of Statistics plans to start early forecasting of rice and potato production next year to reduce the information gap in the market and help keep the prices stable.

Traders sometimes hike prices of essential commodities, taking advantage of the information gap related to production, said Bidhan Baral, joint director of BBS.

"Our aim is to reduce that gap and help arrest price fluctuations," Baral said at a workshop on agriculture market information system (AMIS), at the BBS office in Dhaka yesterday.

The workshop was organised as part of a Tk 7 crore project to strengthen the information system in the agriculture market.

The aim of the project is to improve the quality of agriculture statistics through reviewing and updating the existing crop output estimation methodology.

The statistical agency also aims to introduce crop forecasting for periodical moni-

toring. Baral, who is also the project director of AMIS, said the BBS estimates production of 126 crops, including cereal but the stakeholders have to wait for months to get output estimates.

As a result, the prices of the crops, particularly rice, fluctuate between the time of plantation and harvesting, he said.

The BBS wants to start forecasting about possible output from next boro cultivation, which usually begins in November-December.

The prediction will be made based on acreage, past production and factors that influence prices, Baral said.

The BBS also aims to improve production statistics of four crops -- rice, wheat, potato and maize -- by reviewing the existing methodology which has remained unchanged for more than three decades now.

Kaniz Fatema, secretary of Statistics and Informatics Division, and Mike Robson, country representative of Food and Agriculture Organisation, were also present at the workshop.

Stocks reverse six-day losing streak

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Stocks broke a six-day losing streak yesterday, led by non-banking financial institutions and drug-makers.

DSEX, the benchmark index of Dhaka Stock Exchange, rose 46.93 points or 1.05 percent, finishing the first day of the week at 4,502.22 points. Pharma and NBFIs stocks led the rally while bank and engineering sectors were in the reassuring position, LankaBangla Securities said.

The NBFIs sector rose 4.53 percent in market capitalisation while pharma went up 1.65 percent.

The stockbroker said the textile sector took a hit and became one of the top losing sectors. "Investors might not have reacted positively to the government's decision on the tax at source on export oriented industry."

The government is likely to reduce the tax at source to 0.8 percent from the proposed 1 percent from the next fiscal year. The investors in pursuit of safe assets preferred large- and mid-cap stocks, IDLC Investments said.

Turnover, an important indicator of the market, rose 4.4 percent to stand at Tk 362.04 crore at the end of yesterday's trading.

Of the traded issues, 160 advanced, 110 declined with 41 securities remaining unchanged on the premier bourse.

Beximco Pharma dominated the turnover chart with 33.73 lakh shares worth Tk 21.04 crore changing hands, followed by Lafarge Surma Cement, Square Pharma, Olympic Accessories and Saif Powertec.

Hakkani Pulp and Paper was the day's best performer, advancing 9.83 percent while Samata Leather Complex was the worst loser, slumping 6.86 percent.

The Chittagong bourse's benchmark index, CSCX, gained 66.07 points to stand at 8,415.9.



SONY RANGS
Stanley Tan, head of Sony International's Bangladesh operations, and J Ekram Hussain, managing director of Rangs Electronics, at the launch of Sony PlayStation-4 at Bashundhara City Shopping Mall on Saturday. The PlayStation is being offered at Tk 39,510, down from its market price of Tk 43,900. Buyers will also get a Blu-ray movie disc for free and 15 percent rebate on any purchase of PS4 games.



CITY BANK
Rubel Aziz, chairman of City bank, presides over the bank's 32nd annual general meeting at Golf Garden in Dhaka yesterday. The bank declared 15 percent cash and 5 percent stock dividends for 2014. Sohail RK Hussain, managing director, was also present.



BSRM
M Shami Z Bosunia, president of the Institution of Engineers, Bangladesh, speaks at a seminar organised by BSRM on steel-making through induction furnace. Bharat Tank, head of business development of Electrotherm (India) Ltd, and Tapan Sengupta, executive director of BSRM, were also present.

National Bank of Pakistan gets new country manager

STAR BUSINESS DESK

Md Quamruzzaman has been appointed country manager of National Bank of Pakistan in Bangladesh, it said in a statement yesterday.

Quamruzzaman is the first Bangladeshi to take up this assignment, and brings more than 25 years of experience with financial institutions such as Standard Chartered, AB Bank, Trust Bank, Premier Bank, AlFalsh and IDLC, according to the statement.

He has worked in corporate banking, branch banking, credit risk management and service delivery, it said.



SBAC
SM Amzad Hossain, chairman of South Bangla Agriculture and Commerce Bank, opens the bank's 37th branch in Motijheel yesterday. Managing Director Rafiqul Islam was also present.

Reduce tax on garment exports: Tofail

STAR BUSINESS REPORT

Commerce Minister Tofail Ahmed yesterday called for reducing tax at source on exports of garments to a tolerable level from the proposed 1 percent for the sake of the country's highest foreign currency earning sector.

In his budget speech on June 4, Finance Minister AMA Muhith proposed increasing tax at source for the export sectors from 0.30 percent to 1 percent for 2015-16.

Bangladesh is the world's second largest garment exporting country, which was badly affected in the 92 days of shutdowns and blockade enforced by the BNP-led 20-party alliance this year, Ahmed told parliament. The devaluation of the euro has also hit the businesses hard, he said.

Because of these factors, the garment sector may fail to attain its export target of \$33.2 billion in the outgoing fiscal year, he said.

He urged Muhith to take practical and rationale steps to save the local industries and suggested the government should impose high duty on imports to protect the industries.

Ahmed said the government should give more attention to the prospective sectors like furniture, jute, shipbuilding and pharmaceuticals and give cash incentives to help them flourish.

He hoped the current level of exports of \$1.5 billion from leather and leather products would go up to \$2 billion in the next two to three years and sought tax holiday for the poultry sector.

The minister said Bangladesh would become self-reliant in tea production and go for more exports by 2021.

He also suggested reduction of import duty on completely knocked down kits to help local industries assemble more motorcycles.

The minister said steps have already been taken for product and market diversification in Latin America and preferential trade agreements have been signed with Brazil, Argentina and Chili to boost exports of Bangladeshi products.

Bangladesh has got duty- and quota-free access to many developed countries, including Australia, New Zealand, Norway, China, Canada and the EU, he said.

Even India has also provided Bangladesh with such facility, he said.

Considering the current purchasing power parity, Bangladesh would not only become a mid-income country by 2021 but also be graduated from a least developed country soon, Ahmed said.

The extensive government monitoring has kept the prices of essentials stable since the beginning of the month of Ramadan, he said.

Summit signs hi-tech park deal with govt

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The developers will have to start handing over a part of their physical infrastructure within the next two years so that they can be leased out to ICT companies.

Summit Technopolis will finalise a design this week and will go for the construction work as soon as possible, Khan said.

A deal will be signed soon with Fiber@Home for block No. 3 soon, said Hosne Ara Begum, managing director of Bangladesh Hi-Tech Park Authority. The block is spread across 40 acres.

The tender evaluation is ongoing for block No. 4, which is located over 36 acres, she added.

The authority has set aside block No. 1, which spans across 65 acres, for its own use.

The government is hopeful of creating 60,000 new jobs in this park in ten years.

"We hope the hi-tech park will change the economy of the country," Zunaid Ahmed Palak, state minister for ICT, said at the signing ceremony.

The project is as part of the government's efforts to move the country toward a digital economy.

Initiated in 1999 by the Awami League government, the hi-tech park project was not continued by the subsequent government. The project got a fresh lease of life in 2009, when the AL returned to power.

Nasrul Hamid Bipu, state minister for power; Shyam Sunder Sikder, secretary of ICT Division; and Muhammed Aziz Khan, chairman of Summit Group, were also present.

Foreign investment proposals in slow lane

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The highest number of proposals came in the services sector: the investors plan to set up 26 ventures involving \$118.5 million.

It was followed by the engineering sector, which received 24 proposals with investment plans for \$361.35 million.

Agro-based industries received proposals worth \$130.73 million, chemical sector \$162.16 million, tannery and leather sector \$151.52 million and textile \$60.66 million, according to BoI.

The country received \$1.526 billion in foreign direct investment in 2014, down 4.5 percent from the previous year, said the United Nations Conference on Trade and Development last week.

Meanwhile, the local companies might

have started to shake off their political uncertainty-induced jitters when it comes to making investment decisions.

Local investment proposals soared in the first 11 months of the fiscal year, reversing the negative trend of the last three years.

Some 1,184 projects involving \$10.72 billion were proposed. The projects would create jobs for 186,719 people, according to BoI.

This is the highest amount of proposed investment by local investors since fiscal 2005-06, when the amount stood at \$2.73 billion.

In fiscal 2013-14, the local investors promised to invest \$6.392 billion in 1,302 projects.

ADB gives \$505m loans for rail links

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The South Asia Sub-regional Economic Cooperation (SASEC) Railway Connectivity: Akhaura-Laksam Double Track Project will help upgrade the 72-kilometre Akhaura-Laksam section of the Dhaka-Chittagong railway corridor to a double track dual-gauge railway line, along with modern signalling equipment, an ADB statement said.

The existing track will be upgraded in accordance with the requirements of the trans-Asia railway network. Eleven railway stations will be reconstructed with special facilities for the elderly, women, children and the disabled.

The ADB said the Akhaura-Laksam section is part of a major sub-regional corridor and the trans-Asia railway network. The project was endorsed by the SASEC Trade Facilitation and Transport Working Group at a meeting in Singapore in October 2013.

The total project cost is \$805 million. The European Investment Bank will co-finance the project with \$175 million, while the government will provide \$125 million. The project will be executed by Bangladesh Railway and is expected to be completed by 2022.

As Bangladesh borders India and Myanmar and is close to the landlocked countries of Bhutan and Nepal, it has the potential to become a transport and transshipment centre for the sub-region, according to an ADB report.

The South Asian Association for Regional Cooperation (Saarc) Regional Multimodal Transport Study determined priority corridors in Bangladesh that include six out of 10 road corridors, two out of five rail corridors, and two principal ports -- Chittagong and Mongla.

The ADB report said a major constraint in sub-regional rail connectivity is the lack of connectivity between the rail networks. The key issues are the differences between the rail gauges in the member states, the potential incompatibilities in rolling stock, and the overall condition of the rail network, especially in northeastern India and Bangladesh.

The ADB said the market share of the railway in the sub-regional transport is low; only 11.9 percent or 876,855 tonnes of Bangladesh's imports from India and only 1.1 percent or 17,832 tonnes of exports from Bangladesh to India were transported by rail in 2011.

The lender said the main reasons for the limited cross-border rail traffic are missing links and congestion in main domestic railway corridors, which do not allow operating additional trains for domestic and international traffic.

Govt to upgrade criteria for wheat import

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The agency has already placed a proposal with the food ministry so that it can buy wheat from the international market from next fiscal year based on the tightened specifications, Khan said.

In the outgoing fiscal year, the food directorate signed a contract to buy six lakh tonnes of wheat from the international market and received 3.26 lakh tonnes from contractors so far.

The government aims to buy 9.5 lakh tonnes of wheat from abroad next fiscal year.

To attain the target, the government has allocated Tk 2,432 crore, up from Tk 1,615 crore in the revised allocation for the current fiscal year.



PRIME BANK
Habibur Rahman, deputy managing director of Prime Bank, and Amer Ahmed, director for business development at Ascent Group, sign a deal for collection of tuition and other fees of Scholastica.



STANDARD BANK
Md Nazmus Salehin, managing director of Standard Bank, and Yesar Ahmed Khan, chairman of Vasavi Fashions, attend the signing of an agreement recently. The bank's Visa cardholders and employees will get 15 percent discount at Vasavi.