

# Sustainable development conference kicks off in Ethiopia today

DIPLOMATIC CORRESPONDENT

A new and stronger global partnership for sustainable development will be brought to light at the third international conference on financing for development (FFD) beginning today in Addis Ababa, the capital of Ethiopia.

"The conference will set a framework for financing sustainable development over the next 15 years," said Wu Hongbo, conference secretary-general and United Nations under-secretary-general for economic and social affairs.

"The outcome will be a comprehensive package to aid sustainable development goals to be adopted in September. The framework will be ambitious and universally inclusive," he said ahead of the four-day conference.

"No-one should be left behind."

The new agenda will advance sustainable development in all countries,

including Bangladesh, a foreign ministry official said.

The outcome of the conference will be crucial for building momentum toward agreement on an ambitious post-2015 development agenda at a summit in New York in September and the conclusion of a comprehensive and universal new climate agreement in Paris in December.

Thirty heads of state and government along with more than 110 ministers from finance, foreign affairs and development cooperation will attend the conference which will end on July 16.

State Minister for Finance Abdul Mannan is leading the Bangladesh delegation which will include the finance secretary, NBR chairman and senior officials of ERD and foreign ministry.

In addition, about 1,000 representatives from civil society and the business sector are expected to be in Addis Ababa for the conference.

"The conference is all about implementation of ambitious sustainable development goals. It is expected to provide means of implementation," Alexander Trepelkov, a high official at the UN headquarters, told Bangladesh reporters, via video conferencing recently.

"The year 2015 is a 'pivotal' year for fostering sustainable development," said Trepelkov, director of the financing for development office at the United Nations Department of Economic and Social Affairs.

"The agenda contains 17 goals," he said adding that there are three aspects of implementation -- social, economic and environmental that would require enormous financial resources and other means of implementation.

"The international community is committing itself to help countries meet those challenges and international public finance is the most important for LDCs," Trepelkov said.

## Biman cuts domestic fares

STAR BUSINESS REPORT

Biman Bangladesh has cut fares for domestic flights by Tk 200-Tk 1,000 as part of its Eid promotional offer.

Besides, the national flag carrier will also operate special extra flights from Dhaka to Jessore, Rajshahi and Saidpur starting July 15 to carry more home-bound people ahead of the festival, the airline said in a statement yesterday.

The reduced fares will be valid up to July 31.

Also, travellers from Sylhet can fly to Dhaka on Saturday with just Tk 2,000 including taxes on the BG-607 that comes from London, and on the flight BG-605 for Tk 2,500 including taxes, on Tuesday, Thursday and Saturday.

## A good start to the week for stocks

STAR BUSINESS REPORT

Stocks opened the week in the black with the key index crossing 4,600 points level in more than a month.

DSEX, the benchmark index of Dhaka Stock Exchange, finished the first day of the week at 4,615.19 after gaining 15.28 points or 0.33 percent.

Investor participation increased as sellers flocked to the market to book profits, according to LankaBangla Securities, a leading stockbroker.

On the other hand, expectations for bright earnings data from top-value stocks piqued strong buying interests.

IDLC Investments said the index inched above the 4,600 point level after one month of corrections, backed by earnings expectations.

"Investors showed clear preference for blue chip scrips," the merchant bank said. The gaining streak attracted the investors from the sidelines.

Turnover, another important indicator of the market, jumped 16 percent to Tk 553.75 crore on transactions of 12.35 crore shares and mutual fund units.

Of the traded issues, 138 advanced and 138 declined with 34 securities closing unchanged on the premier bourse.

ACI dominated the turnover chart with 12.99 lakh shares worth Tk 82.46 crore changing hands, followed by Lafarge Surma Cement, Grameenphone, ACI Formulations and Beximco Pharma.

Among the major sectors, telecom gained 1.33 percent in market capitalisation, followed by fuel and power that increased 0.81 percent and pharma 0.78 percent.

Conversely, cement and textile lost 1.43 percent and 0.36 percent respectively.

MBL 1st Mutual Fund was the day's best performer rising 10 percent, while Hakkani Pulp and Paper that shed 9.46 percent was the worst loser.

The Chittagong bourse's benchmark index, CSCX, increased 18.38 points to stand at 8,645.25.

However, losers beat gainers as 117 declined and 94 advanced, while 35 finished unchanged on the Chittagong Stock Exchange.

The port city bourse traded 1.21 crore shares and mutual fund units, generating a turnover of Tk 45.76 crore.



Mohammad Azmat Ullah Khan, head of corporate and high value service experience at Airtel Bangladesh, and Subhash Chandra Das, head of admin at Nabila Boutiques, attend the signing of an agreement recently. The members of Airtel Favourites and Airtel employees will enjoy 15 percent discounts on each purchase from Nabila Boutiques.

## Cabinet panel approves construction of 520 flats

STAR BUSINESS REPORT

The cabinet committee on purchase yesterday approved the construction of 520 flats in Mirpur costing Tk 272.67 crore to sell them among low- and middle-income buyers.

The flats, each covering an area of 1,500 square feet, will be housed in five 14-storey buildings, according to a proposal from the housing and public works ministry.

The committee also selected five bidders for constructing the buildings.

The flats are part of a government plan to construct ten 14-storey buildings at Mirpur Section-9 by 2018. The government has already allotted Tk 670 crore for the purpose.

The committee also gave consent to the purchase of electric equipment, including 182,423 poles at a cost of Tk 473.85 crore, to expand electricity coverage in rural areas.



Md Mehmood Husain, managing director of Bank Asia, launches the credit card online statement service of the bank at its corporate office in Purana Paltan, Dhaka yesterday. Deputy managing directors Md Arfan Ali and Humaira Azam were also present.

## IMF loan scheme ushers in an era of reforms

FROM PAGE B1

One of the conditions was that the amended VAT law has to be approved in the cabinet meeting, and the cabinet on June 29 gave it the green light.

Another condition was that the government would assign a vendor to implement the tax automation system.

An official of the National Board of Revenue said a proposal was sent to the cabinet committee but due to objections from some members of the purchase committee a fresh tender was floated.

The new tender is now being evaluated by the technical committee and will soon be placed before the cabinet committee on purchase.

Approved in April 2012, the ECF programme has enforced a number of major reforms in the economic sector.

One of them was the amendment to the Banking Company Act to heighten the power of the central bank.

For instance, the central bank governor now has the authority to remove managing directors of state-owned banks.

The amendment also put a ceiling on investment by banks in the stockmarket, a major cause for the crash in 2011.

As per IMF's advice, the government also brought about stockmarket demutualisation, a process that separates the bourses' ownership from their management.

To deter the government from taking on too much of high-cost external borrowing, the IMF set a ceiling for it.

And to increase the government's revenue earning potential, the IMF was insistent on implementing the VAT law, due to take effect from July next year.

Under the law, a 15 percent VAT will be imposed at any stage.

Businesses with annual turnover of up to Tk 30 lakh are likely to be excused from paying VAT. Also, some new commodities, deemed to be basic needs, were included in the list of items enjoying VAT exemption.

Besides, many other small reforms were carried out, including bringing the state-owned banks under a strict regulation.

The IMF did a mid-term review in 2013 and found that the reforms increased foreign currency reserves, decreased non-food inflation, raised tax revenue and curbed poorly-targeted energy subsidies.

The country achieved GDP growth of above 6 percent during the period.

The finance ministry official said the IMF programme played a positive role in maintaining macroeconomic stability.

Several officials said, after the present programme is concluded, the government is likely to seek another round of ECF programme to help maintain economic stability in the coming years.

## Small industries should get more incentives: economist

FROM PAGE B1

The US-led proposed Trans-Pacific Partnership among 12 Asian and Pacific nations will be a challenge for Bangladesh, as Vietnam—a major garment producer—is a member of the treaty, he said.

Commerce Minister Tofail Ahmed said Bangladesh has limited scope to liberalise its trade policies as the country needs to safeguard its own industries.

Bangladesh has become sufficient in cold-rolled coil, paper and cement industries with the help of the protected trade policies, he said. Ahmed suggested giving incentives to the sectors, which add high value. "The services sector is very important for us."

In the 1972-73 period, the contribution of agriculture to the GDP was 78 percent, which came down to 15 percent now, as the manufacturing and services sectors are contributing more to the national economy.

Mashiur Rahman, economic affairs adviser to the prime minister, suggested formulation of industrial policies in accordance with the World Trade Organisation.

He also suggested shifting the industries to the northern districts to make best use of the available lands.

In the plan, the Planning Commission cut the targeted contribution of agriculture to the GDP to 12.9 percent from 16.1 percent achieved in the sixth five-year plan in 2014.

For the industrial sector, the target has been set at 33 percent, up from 27.6 percent in the previous year while for manufacturing it increased to 21.5 percent from 17.4 percent.

The contribution of the services sector has been fixed at 54.1 percent from 56.3 percent in 2014, according to a document from the Planning Commission.

## Funds raised through rights issue double

FROM PAGE B1

The Bangladesh Securities and Exchange Commission imposed some conditions on rights issue rules in October last year to make the capital raising mechanism more transparent.

No listed company can offer rights shares within two years of publication of an IPO prospectus, or before full utilisation of the funds raised through an IPO or repeat public offering or previous rights, according to the modifications.



Finance Minister AMA Muhith hands a crest for paying the highest amount of VAT in the production sector at district level to Choudhury Atiur Rasul, a director of Pran-RFL Group, at Bangabandhu International Conference Centre in Dhaka yesterday.

## Low-paid British workers brace for more austerity

AFP, London

Money was already tight for single mother Nicola Marshall and looks set to get tighter in a new austerity drive in Britain that will affect millions of low-paid workers.

"There's going to be people out there who simply don't have money to spare," said the 37-year-old part-time office worker, who relies on tax credits to top up her £11,000 (15,000 euro, \$17,000) a year salary.

Britain is slashing the credits, which currently help 4.5 million households, in a drive to reduce welfare dependency that has prompting warnings the cuts would hit the poor -- and could be counterproductive.

The measures form the core of £12 billion of welfare savings over the next five years as Prime Minister David Cameron's newly-elected Conservative government seeks to eliminate a budget deficit.

Reducing tax credits and restricting them to two children will cut £6 billion from a system that costs £30 billion a year, something finance minister George Osborne said

was "simply not sustainable".

Unveiling his budget on Wednesday, Osborne told the House of Commons that tax credits were "subsidising lower wages".

To offset the change, he announced the introduction of a higher minimum wage for the over 25s and income tax cuts for the lowest earners, promising to "make work pay".

Analysts warned however that these measures would not mitigate the benefit cuts, prompting charities to warn the poorest could see their incomes slashed.

"In practical terms it means families forced to choose between paying the bills or missing meals," said Nick Bryer, head of UK policy and campaigns for Oxfam.

The changes were hailed by Conservative lawmakers, and the mass-selling Daily Mail tabloid said it was a bold assault on Britain's "bloated" welfare system.

"It was nothing less than a blueprint for transforming Britain into a better, more prosperous country -- of self-reliant families, rescued from welfare dependency to enjoy the dignity and rewards of work," it said.

## Bandwidth prices nearly halved

FROM PAGE B1

Once implemented, this will be the second price cut in three months.

"We need to rethink about the price to keep our business secured," said Hossain, who is hopeful of capturing a major share of the country's bandwidth business.

The government also has plans to export 10 Gbps of bandwidth to the north-eastern states of India.

Bangladesh was connected to SEA-ME-WE-4 in 2006 at a cost of \$63 million. BSCCL recouped the investment three years ago.



Citi Bangladesh organises a workshop recently on anti-money laundering and sanctions components on foreign correspondent banking programme, facilitated by Kristine Howse, head of Citi's Asean country cluster.



Quazi Osman Ali, additional managing director of First Security Islami Bank, opens a branch of the bank in Brahmanbaria yesterday. Abdul Aziz, deputy managing director, was also present.

## China growth slows to 6.9pc in second quarter

AFP, Beijing

China's GDP growth likely slowed further in the second quarter, an AFP survey has found, as a slowdown in investment and trade weighed on the world's second-largest economy.

The median forecast in a poll of 14 economists indicates gross domestic product (GDP) expanded 6.9 percent in April-June, marginally down from 7.0 percent in the first three months of this year.

That would be the worst quarterly result since the first three months of 2009, in the depths of the global financial crisis, when China's economy expanded by 6.6 percent.

The National Bureau of Statistics (NBS) will release the official GDP figures for the first quarter of 2015 on Wednesday.