STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES (STANDARD CHARTERED BANK)	USD	EUR	GBP	JPY
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	BUY TK	77.20	82.65	119.04	0.61
▲ 0.19%	▲ 0.18%	▲ $1,091.00 (per ounce)	▲ $49.95 (per barrel)	▼ 0.41%	▼ 0.14%	▼ 0.05%	▲ 3.69%	SELL TK	78.20	86.65	123.04	0.64
4,871.81	9,092.44			28,071.93	20,520.36	3,191.04	3,756.54					

Star BUSINESS

DHAKA WEDNESDAY AUGUST 5, 2015

Sovereign wealth fund in the offing to fix infrastructure

REJAUL KARIM BYRON

Bangladesh plans to form a sovereign wealth fund with its foreign currency reserves to invest in infrastructure, the lack of which is turning out to be the main barrier to getting out of the 6-percent economic growth trap.

A sovereign wealth fund (SWF) is a pool of money derived from a country's reserves, set aside for investment purposes that will benefit the country's economy and citizens.

The initial size of the fund would be $1-$2 billion, according to Bangladesh Bank Governor Atiur Rahman.

At present, the central bank has foreign exchange reserves of more than $25 billion, and by the end of the year will cross the $26-billion mark.

The central bank does not keep the reserves idle: it invests in various lucrative areas, so much that a big chunk of its profits come from them.

But in recent times, the rate of interest in the world market has dropped sharply, and in many sectors it is zero percent. As a result, BB's returns from its investment of the reserves have shrunk.

The development has prompted the government to devise ways to utilise the reserves for a cause that will accelerate the growth rate of the gross domestic product.

For the past decade, the economy has been stuck in the 6 percent growth trajectory, the main cause of which is the lack of conducive infrastructure.

Once the SWF is formed, the government will borrow from it to spend on big infrastructure projects like the Padma bridge, according to the BB governor.

READ MORE ON B3

Telecom networks sign up more users

STAR BUSINESS REPORT

The telecom sector saw good growth in the first half of the current year as both SIM and internet connection numbers grew remarkably.

About 65.16 lakh new SIMs were activated between January and June, which is a 135 percent increase from the same period last year. Currently, there are about 12.69 crore active SIMs.

New mobile internet connections grew 121 percent year-on-year in the first six months of 2015, taking the total number to 4.6 crore, according to Bangladesh Telecommunication Regulatory Commission.

There are 4.84 crore active internet connections in Bangladesh as of June, the regulator said in its monthly report published on Monday.

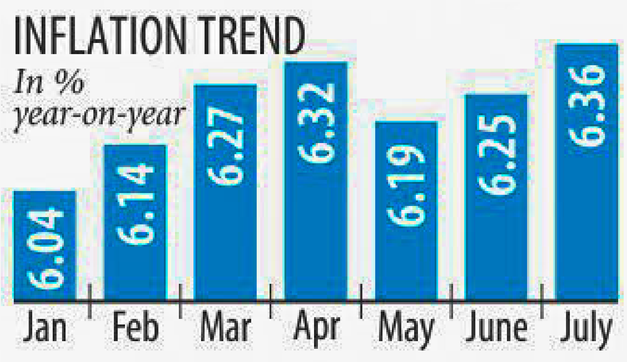
Ziad Shatara, chief executive of Banglalink, attributed the growth to an increasing preference for 3G connections, as many people have started using tablets as well as phones.

Competition between the mobile operators is also intensifying, leading to greater efforts behind increasing sales, added Shatara, who is also the current chairman of the Association of Mobile Telecom Operators of Bangladesh.

READ MORE ON B3

Inflation inches up

STAR BUSINESS REPORT



Inflation went up 11 basis points to 6.36 percent in July, compared to the previous month, on the back of a non-food price increase.

The figure was announced less than a week after Bangladesh Bank admitted it would face challenges in bringing down inflation to 6.2 percent, the government's target for the current fiscal year.

The concerns over inflation prompted the regulator to keep the policy rates unchanged.

Food inflation went down 25 basis points to 6.07 percent in the first month of the current fiscal year, compared to June, while non-food inflation increased 65 basis points to 6.8 percent, according to Planning Minister AHM Mustafa Kamal who released the data yesterday.

"The price hike of non-food items is responsible for the latest rise in inflation," he said. In June, overall inflation fell by 79 basis points, compared with the previous month, to stand at 6.25 percent.

The planning minister said people spent more on non-food items than the food items during Eid-ul-Fitr last month.

Bangladesh Bank last week released the Monetary Policy Statement for the first half of the fiscal year where the main focus was on controlling inflation.

Some economists suggested loosening the policy slightly to boost investment and recommended increasing the private sector credit growth target to convince investors to pour more money into their projects.

The central bank aims to achieve the private sector credit growth target of 15 percent by June next year, while the target was 15.5 percent in last June.

The repo and reverse repo rates have been kept unchanged at 7.25 percent and 5.25 percent respectively.

READ MORE ON B3

Komen costs Ctg port Tk 1.61cr

DWAIPAYAN BARUA, *Ctg*

Cyclone Komen cost Bangladesh's premier seaport in Chittagong about Tk 1.61 crore in losses, and caused some minor physical damage.

The Chittagong Port Authority, for the first time, has assessed the losses by collecting data from different departments.

However, losses suffered by importers and ship operators were not added to the assessment, port officials said. Port activities were mostly affected on Thursday and Friday.

The authorities had taken 21 types of precautionary measures, which included securing equipment away from possibly dangerous areas.

"The cyclone forced port activities to slow down significantly," said Md Jafar Alam, member (administration and planning) of the CPA.

Rains caused by the cyclone disrupted unloading of goods from larger vessels in the outer anchorage.

Vessel operations and cargo handling at the port jetties were also hampered, as the CPA barred incoming vessels from berthing and using the on-shore cranes to handle containers.

The prolonged disruption of the port activities led to the Tk 1.61 crore losses in revenue, Alam said.

Waterlogging created by tidal waves damaged roads stretching about one kilometre into the port's area, and high winds felled six trees, he added.

Chittagong port handled some 5,424 TEUs (twenty-foot equivalent unit) of import and export containers on Wednesday, the day before Komen became threatening. The figures fell to 3,966 TEUs on Thursday, and just 841 TEUs on Friday, when incessant raised suspended operations.

READ MORE ON B3

Multi-currency exchange rate can lessen exporters' earnings losses

STAR BUSINESS REPORT

Bangladesh lost $380 million on its exports last fiscal year due to fluctuations in the dollar and euro, an expert said yesterday.

The country exported $33 billion of goods in fiscal 2014-15 and could have saved $350 million had it adopted a multi-currency exchange rate developed by Danish firm Global Currency Union, said Jesper Toft, the company's chief executive officer.

Toft's comments came at a seminar at the headquarters of Bangladesh Garment Manufacturers and Exporters Association.

READ MORE ON B3

Clarification

Brac EPL gave a clarification of the views stated in a report headlined "New BB rules to impact business of mobile financial service providers" published yesterday. It said the report reflects independent view of the analyst who covers the financial service sector. None of the statements in the note reflects the management view of the subject companies.