STOCKS		COMMODITIES		ASIAN MARKETS			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 1.42%	▲ 1.21%	▲ $1,086.60 (per ounce)	▼ $45.07 (per barrel)	▲ 0.48%	▲ 0.03%	▼ 0.76%	▼ 0.48%
4,433.58	8,232.27			25,866.95	19,692.77	2,959.01	3,632.90

CURRENCIES — STANDARD CHARTERED BANK

	USD	EUR	GBP	JPY
BUY TK	79.85	84.46	120.33	0.63
SELL TK	80.85	88.46	124.33	0.67

স্বপ্নময় জীবনের চাবি আপনার হাতে

এসআইবিএল ইসলামিক হোম ফাইন্যান্স

এ্যাপার্টমেন্ট / ফ্ল্যাট ক্রয়, গৃহ নির্মাণ, গৃহ বর্ধিতকরণ অথবা গৃহ সংস্কারের জন্য সর্বনিম্ন ৫,০০,০০০ টাকা থেকে সর্বোচ্চ ১,২০,০০,০০০ টাকা পর্যন্ত বিনিয়োগ সুবিধা।

* ফ্রি অনলাইন সেবা

যে কোন প্রয়োজনে ০৯৬১২০০১১২২

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Star BUSINESS

DHAKA FRIDAY NOVEMBER 13, 2015

Gridlock costs economy $12.5b a year: study

STAR BUSINESS REPORT

Bangladesh can double its economic growth by just eliminating traffic congestion from Dhaka city, helping the government's efforts to move the economy beyond the 6 percent-plus output, according to a new study.

Gridlock costs the country $12.56 billion a year, equivalent to about 7 percent of the GDP, said Sonjoy Chakraborty, deputy director of the Board of Investment, who conducted the study.

If Dhaka can be freed from the crisis, the country's per capita income would go up by $78 to $1,392 from the current figure of $1,314, he said.

"Without congestion, economic growth would move up to 13 percent from the average 6 percent," Chakraborty said at a seminar on traffic congestion in Dhaka and its economic impact, at the BoI office yesterday.

The researcher arrived at the estimate by adding up the cost of lost travel time, avoidable social cost and the expenses linked to fuel, vehicles and road accidents.

The new number is much higher than the previous estimates.

Traffic snarls cost the economy $3.492 billion a year based on data of the 2010-11 period, according to a study conducted by Tanzila Khan, senior lecturer at Stamford University Bangladesh and Md Rashedul Islam, an assistant engineer of Bangladesh Water Development Board. It was published in the International Journal of Engineering Science and Innovative Technology.

Traffic congestion in the capital causes a loss of about $1.68 billion a year, said SM Salehuddin, then additional executive director of Dhaka Transport Coordination Board, in 2010.

To reduce traffic congestion, Chakraborty recommended administrative decentralisation, work redistribution among government agencies, creation of metropolitan government, empowerment of local government, introduction of e-governance and quality health care and education in the district and rural areas.

A robust public transport system must be introduced, he said.

Because of a lack of adequate public transport, middle- and upper-middle income people use cars, occupying 78 percent of road capacity but carrying only 5 percent of trips, according to Chakraborty.

A number of strategic decisions can help reduce the congestion immediately and these decisions will not require a lot of money to implement, he said.

BoI Executive Chairman SA Samad, who moderated the seminar, said the causes of traffic congestion have been identified but "we are not becoming a part of the solution".

"There is only one solution: follow the rule. We have laws but there is a lack of enforcement."

Something must be done about traffic congestion immediately, he said. "The solution has to be shorter than the short-term."

READ MORE ON B3

BB may ease rules for banks' stock exposure reports

SAJJADUR RAHMAN

The central bank hinted that it could reduce the frequency of banks' stockmarket exposure reports from weekly to fortnightly.

Bangladesh Bank will consider it if the stockmarket regulator sends a proposal, said a senior official of the central bank, quoting a decision of the coordination meeting of regulators held at the central bank's headquarters on October 29.

Bangladesh Securities and Exchange Commission is yet to send any such proposal to the BB.

"We are waiting on the minutes of the last meeting. Once we get them, we will move forward," said Saifur Rahman, spokesman for BSEC.

In January, the central bank had cut short the frequency at which the banks furnished their stockmarket investment reports -- from daily to weekly.

Prior to that, banks sent the reports to BB on a monthly basis.

READ MORE ON B3

Bicycle exports fall

Fire at the factory of a major exporter is to blame

SAJJADUR RAHMAN

Fire at a bicycle factory has significantly affected Bangladesh's bicycle exports in the first four months of the current fiscal year.

Exports fell nearly 31 percent in July-October of 2015-16, compared to the same period last fiscal year, according to Export Promotion Bureau.

Bangladesh exported bicycles worth more than $126 million in 2014-15; the export target for the current year was set at $132 million.

The strategic target for the first four months was accordingly determined at $41.46 million, but the actual export figure was less than $30 million.

"Production is totally suspended in one of our factories that burned down around six months ago. This has impacted the country's overall bicycle exports," said Lutful Bari, director of operations at Meghna Group.

Meghna Group is the market leader in bicycle exports with a number of factories, including the Transworld Bicycle Factory that was burnt down on May 2 this year.

Transworld had set a target to export 150,000 pieces of bicycles this year, against its export of 135,000 pieces worth more than $17 million last year. Till May, the company exported 54,000 bicycles, mostly to renowned companies in Europe.

"As soon as we get clearance from the Customs Bond Commissionerate, we will construct a new building and start production," Bari said.

The fire at Transworld destroyed imported goods worth Tk 25 crore brought under a duty-free facility to produce and export bicycles.

In line with tax rules, export-oriented industries have to pay taxes during the import of raw materials, if they work in a normal tax regime. After exporting their finished goods, they have to claim a duty drawback from the government. But under the special tax regime like the bond system, exporters do not need to pay tax for the import of raw materials.

Bangladesh Bank has already extended the tenure of its export development fund (low-cost financing for exporters) for Transworld by one year, soon after the company informed the central bank about the fire, said Mizanur Rahman, chairman of Meghna Group.

Transworld also got clearance from its insurer in August, he added.

Alita Bangladesh in Chittagong Export Processing Zone and Fire Fox in the port city also export bicycles.

According to data available in the Customs Bond Commissio-nerate in Dhaka, the licensees were given a tax benefit under a bond facility worth Tk 15,223 crore in 2008-09, Tk 20,277 crore in 2009-10 and Tk 25,072 crore in 2010-11 (till April).

Had the bond facility not been prevalent, exporters would have to pay these amounts of taxes for imports of raw materials.

There are about 6,000 fully export-oriented industrial units under the Customs Bond Commissionerate in Dhaka that get bonded warehouse facility.

Political stability key to achieving growth target

MCCI also stresses adequate infrastructure, energy

STAR BUSINESS REPORT

The government must maintain political stability to achieve the country's growth and inflation targets, a leading chamber said yesterday.

"Adequate infrastructure, energy, skilled manpower, political stability and investment-friendly climate are the key factors for higher economic growth," the Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) said.

The overall economic situation was positive as indicated by steady improvements in the major economic variables, the chamber said in its economic review for the July-September period.

"Although the progress made is below potential, the country experienced stable growth; inflation was under control, the exchange rate remained stable, and foreign exchange reserves rose and remained at a comfortable level."

The country achieved a stable average annual growth of 6.16 percent over the last one decade, and the government's seventh five-year plan aspires to achieve an average 7.4 percent GDP growth per annum and reach its goal of becoming a middle-income country by 2021.

"To achieve the target, it needs to increase the rate of economic growth, accelerate export, and attract more investments as well as improve the overall infrastructure."

Also, the country needs to improve its road and rail infrastructure, develop port facilities, increase its power and gas production and remove other infrastructure bottlenecks, the MCCI said. "These impediments must be removed to restore the confidence of the country's business and investor community."

During July-September, the agriculture sector performed well, but continuous government support with inputs and finance will be needed to sustain the sector's growth, the chamber said.

Infrastructure deficits and gas and power supply problems are undermining the performance of the manufacturing sector.

"So, the government will need to adopt suitable measures to remove bottlenecks in physical infrastructure and crisis in power and gas supplies in support of agriculture and industrial sectors."

The services sectors are doing well but these will need government support to be able to recover the losses they suffered during the political unrest in recent times.

Raising investment is a precondition for higher economic growth, but there are many impediments that have kept investment at a low level.

Maintaining macroeconomic stability, restoring momentum in economic activities, enhancing revenue collection, raising investment, achieving the export target, containing inflation, and above all, improving law and order conditions will be the major challenges for the government.

It apparently seems that foreign investors have adopted a 'go-slow' strategy in making fresh investments, the chamber said.

Teletalk to go for a brand overhaul

MUHAMMAD ZAHIDUL ISLAM

State-owned mobile operator Teletalk is moving towards a major brand overhaul by February 2016 -- with a new logo, website, packages and a modern complaints system -- to make the brand attractive to users.

Private mobile operators spend large amounts of money on branding, but Teletalk has never done so, said Tarana Halim, state minister for telecom.

"A lack of a brand image is a major weakness of Teletalk, and we must rectify it."

Tarana yesterday chose one of the two new logos presented to her by Teletalk officials at a meeting at her office. The logo will now be sent to the prime minister's ICT adviser for evaluation, and then the Teletalk's board will finally approve it.

Along with brand refurbishment, Teletalk is also working on setting up 1,000 new base stations across the country, said officials who were present at the meeting.

The operator currently has 3,750 base stations, of which only 1,562 are 3G sites. Teletalk has covered 476 upazilas with the 2G technology but their 3G coverage is available at only 91 upazilas till date.

TELETALK AT A GLANCE

ESTABLISHED	March 2005
CURRENT SUBSCRIBERS	42 lakh
CAPACITY TO SERVE	1cr
REVENUE 2014-15	Tk 969cr
TOTAL INVESTMENT	Tk 3,000cr
REBRANDING PLAN	February 2016

The operator is now focused on expanding 3G coverage to all upazilas and highways.

"Teletalk's network coverage will improve if we can increase the number of base stations, and we can also get more subscribers then," Tarana said.

Teletalk wants to use post offices in remote areas and "union digital centres" to set up base stations and has sought the state minister's support for that.

As of September, the operator has 42 lakh active connections and is working to increase the number of active users to one crore by December 2016, according to a plan of the operator.

Senior officials said raising investment is their main challenge though the operator received permission to offer 3G services 18 months before other operators did.

Compared to the market leader, Teletalk's investment is very small -- only Tk 3,000 crore, they said.

Teletalk started its journey as the country's fifth operator in March 2005 with a capital of only Tk 643 crore. Initially it had the capacity to serve only 40 lakh users. The number has now been expanded to one crore.

The operator's revenue reached Tk 969 crore in 2014-15, from Tk 753.69 crore in 2013-14, when its net loss was Tk 20.86 crore.

Teletalk is also considering a fourth generation mobile network project, of Tk 4,600 crore, which is currently being evaluated by the Planning Commission.

Under the project, the operator will establish 25,000 Wi-Fi hotspots across the country, and the project's tenure is supposed to be between 2016 and 2019, officials said.

However, Tarana said they will look for new investments from outside the company before moving to a 4G project.

Regent Textile to build new units

DWAIPAYAN BARUA, *Ctg*

Regent Textile Mills Ltd, a unit of Chittagong-based Habib Group, is set to build two new units, including a textile mill and a garment factory, at an estimated cost of Tk 179 crore.

Of the amount, Tk 125 crore will be raised through an initial public offering, while the rest will come from other sources.

"Expansion of the textile unit will more than double its production capacity," said Salman Habib, the company's managing director, at the IPO lottery ceremony in Chittagong yesterday.

The existing textile unit, which began commercial operations in 1999, can produce 40,000 metres of woven fabric daily, while the projected production capacity of the new unit is 1 lakh metres, he said.

The event was held to allot five crore ordinary shares of Tk 10 each, in addition to Tk 15 as premium, among successful subscribers, including general investors, non-resident Bangladeshis, affected small investors and mutual funds.

Speaking at the lottery function, Yakub Ali, the company's chairman, expressed gratitude to the subscribers for their interest, as the IPO subscription was oversubscribed by about 6 times.

The company exports its products to Wal-Mart, Hemtex AB of Sweden, Red Cats Asia Ltd, New Wave Group SA of Switzerland, Bonprix of Germany and Silex Vyvoz A Dovoz SRO of the Czech Republic.

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EXPO MAKER

A woman visits a stall at a three-day laptop show that began at Bangabandhu International Conference Centre in the capital yesterday.

Sri Lanka seeks investment from Bangladeshi firms

DIPLOMATIC CORRESPONDENT

The Sri Lankan government has invited Bangladeshi companies to invest in their country to boost ties between the two Saarc nations.

The two countries have identified several areas of cooperation, including trade, investment, tourism, agriculture, education, culture, defence, health, air, sea connectivity and human resources development.

Sri Lankan companies have already invested more than $300 million in Bangladesh, said its high commissioner, Yasoja Gunasekera, at a dialogue organised by the Diplomatic Correspondents Association, Bangladesh (DCAB) at the Dhaka Reporters Unity yesterday.

Gunasekera said Sri Lanka is a partner in Bangladesh's development in strategic sectors of the economy such as banking, power and readymade garment.

"I will work towards achieving expansion of our bilateral economic ties for mutual benefit."

In this context, she said a free trade agreement between the two countries is being discussed.

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