

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
▲ 0.66%	▲ 0.68%	\$1,239.00 (per ounce)	\$39.05 (per barrel)	▼ 0.86%	▲ 0.22%	▲ 0.08%	▼ 1.35%	BUY TK 77.92	87.75	109.00	0.70
4,443.06	8,304.78			24,685.42	15,749.84	2,813.59	3,009.51	SELL TK 78.92	91.15	112.40	0.74

আপনার বিআরটিএ ফি এবং সকল ইউটিলিটি বিল এসআইবিএল এর যে কোন শাখায় মাধ্যমে জমা দিন



* ফ্রি অনলাইন সেবা
যে কোন প্রয়োজনে ০৯৬৯২০০৯২২

Star BUSINESS

DHAKA FRIDAY APRIL 8, 2016

Fees loom over Airtel-Robi merger

STAR BUSINESS REPORT

The Telecom Division yesterday sent its recommendations along with a proposal for fees on the merger of mobile phone operators Robi and Airtel to Prime Minister Sheikh Hasina for approval.

"This is the first time we are handling such a big merger. So we sent our recommendations to the prime minister, highlighting some points to follow from similar instances in neighbouring countries," said State Minister for Telecom Tarana Halim.

In November last year, India's Supreme Court charged Vodafone about \$300 million over its plan to merge four regional subsidiaries in preparation for a long-awaited initial public offering. Bangladesh may follow this example, said a senior official of the Telecom Division.

The Telecom Division has endorsed most of the proposals made by Bangladesh Telecommunication Regulatory Commission.

The government will file the merger proposal with the High Court next week, after receiving the prime minister's consent, who is also the telecom minister.

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7th April, 2016
Finance Minister AMA Muhith, NBR Chairman Md Nojibur Rahman, and President of MCCI Syed Nasim Manzur attend the chamber's second quarterly luncheon meeting and pre-budget discussion at its conference hall in Dhaka yesterday.

Protection for local businesses to come down: Muhith

STAR BUSINESS REPORT

The government will reduce the level of protection that local industries enjoy against imported products, Finance Minister AMA Muhith said yesterday.

"This time I am going to warn you that the level of protection will come down because we have got to get used to the idea of infants becoming adults. Infancy must have a limit and we should try to get out of it as quickly as possible," Muhith said at a pre-



budget discussion.

Muhith is expected to unveil a Tk 340,000-crore budget for the next fiscal year on June 2.

The Metropolitan Chamber of Commerce and Industry (MCCI) organised the event at its headquarters to share concerns and recommendations for the upcoming fiscal year, beginning in July.

Muhith talked about the plans of reducing the level of protection, given mainly through supplementary duty, after MCCI President Syed Nasim Manzur said the actual level of effective rates of protection (ERP) is above 55 percent on average, and in some cases, it is more than 75 percent.

Manzur said ERP in Bangladesh is much higher compared to most countries in the region.

"This high rate of total tax incidence distorts costs and encourages avoidance. In order to reduce costs, boost production and widen the tax net, these high rates of taxes should be rationalised, where needed," Manzur said.

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Private consumption falls as remittance slows

REJAUL KARIM BYRON

The private consumption to GDP ratio fell 2.23 percentage points in the current fiscal year, mainly due to a decline in inward remittance, which took a hit from lower fuel prices in international markets.

Private consumption as a percentage of gross domestic product fell to 70.21 percent in fiscal 2015-16 from 72.44 percent last year, according to provisional data from Bangladesh Bureau of Statistics.

Over the past several years, the consumption to GDP ratio saw a gradual fall -- of less than 1 percentage point a year, as the savings ratio increased.

It fell more than 2 percentage points this fiscal year.

In the first nine months of the current fiscal year, remittance declined 1.82 percent compared to the same period last year, according to data from Bangladesh Bank.

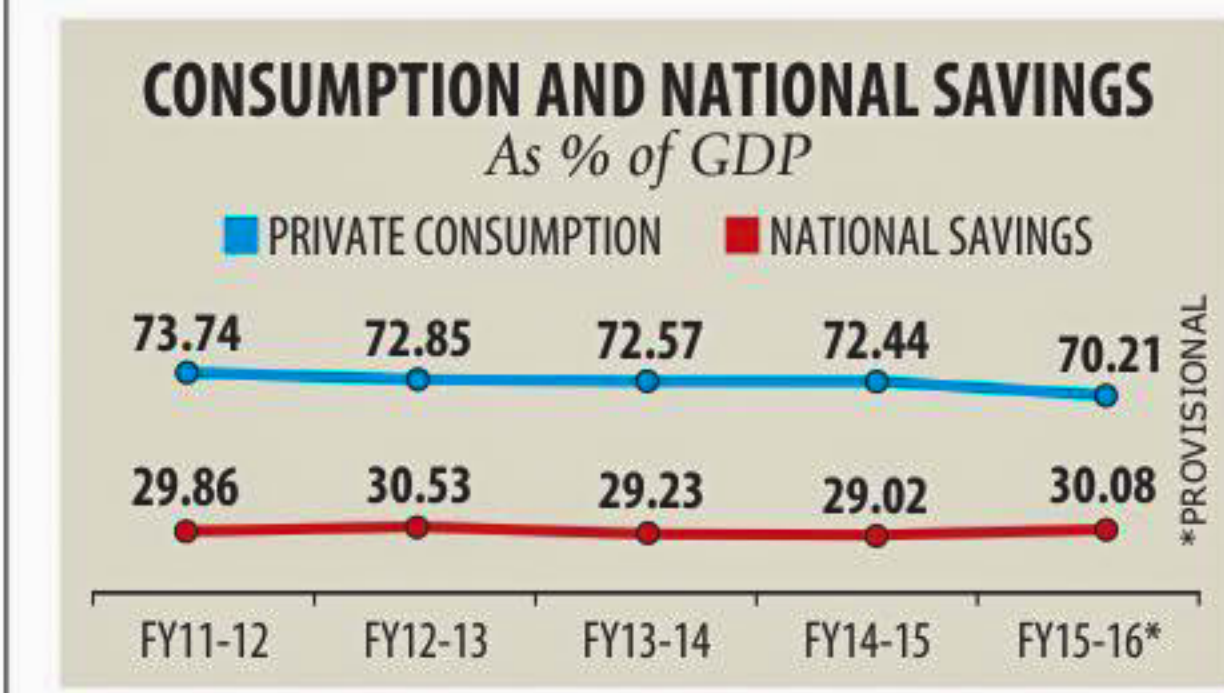
Zahid Hussain, lead economist at the World Bank's Dhaka office, attributed the fall in the consumption ratio to a decline in remittance.

According to central bank data, 59 percent of Bangladesh's remittance comes from Middle Eastern nations, with 22 percent from Saudi Arabia and 18 percent from the UAE.

As of February, the average monthly remittance stood at \$247 million from Saudi Arabia, compared to \$279 million last fiscal year; it was \$220 million from the UAE, down from \$235 million last year.

Fuel prices fell by around 65 percent in the last two years, while the economies of the Middle East are dependent on fuel.

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Bangladesh gets \$217m from WB to upgrade power plant

STAR BUSINESS REPORT

The government yesterday signed a \$217 million financing agreement with the World Bank to upgrade Ghorasal power station, more than doubling the generation capacity of one of its units.

A repowering project will transform a gas-fired steam unit, which is currently generating 170 megawatts, into an energy-efficient 409MW plant.

Such a conversion to combined cycle technology will increase the plant's overall efficiency from an existing 30 percent to 54 percent while requiring only 18 percent more natural gas, the WB said in a statement.

"Bangladesh can grow its economy much faster and reduce poverty significantly if its energy infrastructure can meet demand for reliable, low-cost electricity," said Rajashree Paralkar, the WB's acting country director for Bangladesh.

"The project will increase efficiency in gas utilisation of an existing unit, while adding new generation capacity to address the country's severe power needs."

The project will also reduce the specific fuel consumption per gigawatt/hour by 44 percent and lower greenhouse gas emissions. In addition, the project will provide capacity building and institutional support to Bangladesh Power Development Board.

Kazi Shofiqul Azam, additional secretary of the Economic Relations Division, said the government has prioritised improving the efficiency of gas-based power plants, given the shortages in natural gas production.

The repowering of the unit will quickly add new generation capacity without adding major infrastructure costs for fuel supply, he said.

Azam and Paralkar signed the agreement at the ERD.

With this credit, the WB's total support to Bangladesh's power sector passes \$1.7 billion. In 2015-16, the WB committed more than \$773 million in new financing to Bangladesh.

The credit from the WB's International Development Association has a 38-year term, including a six-year grace period and a service charge of 0.75 percent.

Envoy Textiles raises Tk 70cr through commercial papers

STAR BUSINESS DESK

Envoy Textiles has raised Tk 70 crore through commercial papers, a short-term unsecured debt instrument.

City Bank Capital, an investment bank, arranged the subscription of commercial papers for the textile company, with Pubali Bank, Prime Bank and Industrial Promotion and Development Company of Bangladesh as investors, according to a press statement.

A commercial paper is issued by companies to meet their interim financing needs. It is issued at a discount from the prevailing market interest rates.

Kutubuddin Ahmed, chairman of Envoy Group, Ershad Hossain, managing director of City Bank Capital, Tanzim Alamgir, head of structured finance at City Bank Capital, and representatives from participating banks and financial institutions were present at the subscription closing ceremony in Dhaka Wednesday.

Since it is not backed by collateral, only firms with excellent credit ratings can find buyers without having to offer a substantial discount (higher cost) for the debt issue.

"As one of the leading textile companies in the sector, Envoy Textiles has greatly contributed to the growth of textiles and denim exports throughout the world," said Ahmed.

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Vegetable exporters demand a separate scanner at airport

REFAYET ULLAH MIRDHA

Vegetable exporters have called for a separate machine at the airport for quick screening of their consignments as many are missing flights due to delays arising from stricter rules on security grounds since March 21.

They met secretaries of the commerce and civil aviation ministries early this week and put forward their demand.

Every day, at least 200 tonnes of goods are returned for missing flights as a result of delays in screening, according to exporters.

Take, for instance, the case of Liton Devnath, proprietor of AH Trade International.

He was due to ship 7.5 tonnes of fresh fruits and vegetables to Kuwait on April 4. He brought his consignment to the airport at 10am -- well ahead of the 7:10pm scheduled departure of the Biman Bangladesh Airlines flight.

Yet, his consignment could not be loaded to the aircraft due to delays in screening.

At present, there are four machines to physically screen nearly 800 tonnes of goods a day at Hazrat Shahjalal International Airport in Dhaka.

"The export value of the goods was \$18,000. I had to sell the goods to the local markets at a big discount," he added.

Khaledur Rahman, an exporter to the UK, said export of fresh fruits and vegetables has declined nearly 10 percent due to delays in screening and re-screening at a third country.

From March 8, the UK-bound cargoes from Dhaka need to be re-screened at a third country after the British government introduced new rules for Bangladesh.

At least 20 percent of the goods are damaged due to the long journey and the re-screening, Rahman said.

Previously, the whole process, from the screening in Dhaka to the goods landing in the UK, took 17 to 18 hours. Now, it takes two days.

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