



BUSINESS

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Shrimp exports bounce back

SOHEL PARVEZ

Shrimp exports picked up in the first quarter of fiscal 2016-17 after remaining on the downturn over the past two fiscal years thanks to lower production in the major producing countries, said industry operators.

Export earnings from shrimp rose 14 percent year-on-year to \$124 million in the July-September period of the fiscal year, according to data from the Export Promotion Bureau.

"We have been seeing higher demand for black tiger shrimp in the last couple of months," said Kazi Belayet Hossain, managing director of Sobi Fish Processing.

The demand for black tiger, locally known as Bagda, has particularly increased in the EU and the US, said Hossain, also a former president of the Bangladesh Frozen Foods Exporters Association.

In its recent market report on shrimp, Globefish, a unit of Food and Agriculture Organisation, said production was lower in the major shrimp-producing countries, particularly China, India and Vietnam.

Exports from China and India declined in the first quarter of 2016, the report said, adding that Chinese imports rose in the January-February period.

"Chinese traders have been active in Southeast Asia, buying directly from farms at strong prices. Meanwhile, raw material availability for export to traditional developed markets is low," Globefish said.

The increased demand for shipment has enabled shrimp farmers to get better prices this year, said a manager of a depot at Rupsha, a shrimp-processing belt near Khulna city.



SHRIMP EXPORTS

In millions of dollars; July-Sept

SOURCE: EXPORT PROMOTION BUREAU



The domestic demand for shrimp is also growing in many producing countries, according to Globefish.

"The black tiger shrimp production in Bangladesh also found a growing local market, as exports suffered during the last two years with falling prices in the international market," it said.

The availability of shrimp is not encouraging, said Md Golam Mostafa, senior vice-president of BFFEA. "There is a huge demand, but we do not have enough production."

Bangladesh grows shrimp on 2.75 lakh hectares in its saline-prone southwestern coastal region, shipping over 45,000 tonnes a year, according to the Department of Fisheries.

Some 8.33 lakh farmers are engaged in producing briny water shrimp and prawn, harvesting 400-500 kilograms per hectare in each production cycle.

This is lower than in other shrimp producing countries in Asia, according to industry operators.

"It appears that production here is lower this year than in the previous year," Hossain said.

adding that the current prices of shrimp might persist until December because of the lower production outlook.

The price of shrimp now hovers around \$6.5 per pound (16-20 pieces) from \$5.5 a year earlier, he said.

The production forecast for farmed shrimp in Asia remains less promising for 2016 due to the ongoing disease problem in China and in some parts of Southeast Asia along with draught and a delayed monsoon in the region, Globefish said.

"Supplies in the coming months are likely to be lower than earlier predicted," it said.

Globefish, however, said China, which is seeing rising demand, is likely continue to influence the global market and prices if its domestic production does not improve.

The market will also depend on the supply situation in India and Vietnam, which currently does not have a promising forecast for the coming months.

"Thus, with low production and possible demand growth in Asia, the global shrimp market could see rising prices for the rest of 2016," it added.

New WB loans for infrastructure in the offing

REJAUL KARIM BYRON

Bangladesh is set to take loans under a new scheme of the World Bank that carries high interest rate, to meet the huge public and private sector investment demand.

The Washington-based multilateral lender formed a new fund named "Scale-Up Facility (SUP)" in March this year and Bangladesh can take loans from it at high interest rate in addition to normal concessional credit.

Since Bangladesh is a low-income country, it only gets loans from International Development Association, the arm of the World Bank Group that hands out loans and grants to the world's poorest developing countries.

The service charge on IDA loan is 0.75 percent and the repayment period is 38 years including six years grace period.

But now, the Washington-based lender has proposed the government to take loans from SUP in addition to the loans it gets from the IDA.

Subsequently, the government has sought \$300 million from the SUP for three projects, including one for the power sector.

The rate of interest on the new loan will be fixed between 3.74 percent and 4.16 percent, with repayment period being 24-30 years including 5-9 years' grace period.

In addition, there would be 0.25 percent front-end fee and 0.25 percent commitment charge.

The government has already decided that they will take loans from SUP as Bangladesh has deficiency of resources compared to the

investment need in the public and private sectors, said a finance ministry official.

Even though it is a semi-commercial loan, it is more tolerable than the international market rate, he said.

Bangladesh borrows the second highest amount from the Asian Development Bank after the WB.

The ADB provides two types of loans to Bangladesh: one from the Asian Development Fund that carries a 2 percent interest rate and another from the Ordinary Capital Resource, whose interest rate is LIBOR-based.

The rate of interest on this loan is up to 3 percent and the highest average repayment period is 20 years.

Among the bilateral donors, Bangladesh is going to take a big amount of loan from China in the near future.

The interest rate on the Chinese loan is 2 percent. In addition, 0.4 percent other charges are applicable and the repayment period is 20 years including five years' grace period.

However, in case of Chinese soft loan, the government of that country selects bidders or suppliers. There is no scope for competitive bidding.

The SUP would be a good opportunity for Bangladesh taking into consideration the rate of interest, terms and conditions, said Sadiq Ahmed, vice-chairman of Policy Research Institute.

"Whether Bangladesh will take this opportunity depends on the country's requirement."

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Caring India gives Bangladesh easier medical access

STAR BUSINESS REPORT

Caring India, an India-Bangladesh joint venture, started its operation in Bangladesh yesterday.

The joint venture between Ezzy Services and Resource Management and Udaan India Pvt Ltd will provide Bangladeshi people who want to go to India for medical treatment with a variety of services.

The company will help people in making appointments, post-treatment follow-ups, processing of passport and medical visa processing, ticket management, travel packages, accommodation, transportation and guide.

The company organised an inaugural programme at All Community Club in Banani, Dhaka.

Taskeen Ahmed, president of India-Bangladesh Chamber of Commerce and Industry; Shahnuj Hasan Khan, director of Ezzy Group; Rajan Dua, general manager of Udaan India Pvt Ltd, and Dipak Shukla, director for administration at PSRI Hospital in India, attended the event.

Caring India will soon start services for the Indian people who would come to Bangladesh for treatment as he believes quality treatment at a low-cost in specific sectors is also available in Bangladesh.

National data centre to be ready by 2017

REFAYET ULLAH MIRDHA

The construction of the national data centre will be completed by 2017, said a senior official of Chinese telecom giant ZTE Corporation, which is implementing the \$154-million project.

ZTE started building the government-sponsored centre at the 'high tech park' in Kaliakoir, Gazipur, said Jerry Wang, chief marketing officer of ZTE Corporation Bangladesh.

The test run of the data centre, which will preserve all sensitive data of the country, will start in February 2018, Wang told The Daily Star.

On the country's progress towards digitisation, he said most of the people of Bangladesh are becoming tech-savvy now.

"Despite some challenges, Bangladesh has huge potential in ICT. The annual revenue growth of Bangladesh's ICT industry has reached about 40 percent," Wang said.

Many foreign investors are now interested to do business in the telecom sector of Bangladesh, which proves that the country has become a hub for telecom business, he said. It has been forecast that the average revenue from the telecom sector will be Tk 1,500 crore a year.

Though the current infrastructure in the telecom sector is not much developed, the industry is suitable for foreign investment, he said.

In 2013, the communication



market in Bangladesh valued between \$3 billion and \$4 billion; the mobile sector accounted for 90 percent of the incomes, and the average income of the mobile sector is \$2 per user in every month.

In alignment with the 'digital Bangladesh' vision of the government, the national data centre project aims to foster awareness and understanding of Bangladesh's ICT development, and facilitate access to information for Bangladeshi society.

ZTE Corporation is a global leader in telecom and IT solutions with branches in 160 countries. ZTE has more than 15 years of experiences in data centre industry constructing

green, innovative and reliable data centres for customers.

In 2014, ZTE got the job to establish the national tier IV data centre for Bangladesh. Tier IV is the highest level regarding reliability, availability and performance. "This will be the number one secured data centre in the whole South Asian region, and the sixth most secured data centre in the world," Wang said.

The project occupies seven acres of land including a two-storey main building, securely independent entrance building, isolated power supply building and spacious outdoor facility area.

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Bangladesh seeks to use Indian network to export bandwidth to Bhutan

MUHAMMAD ZAHIDUL ISLAM

Bangladesh Submarine Cable Company Ltd or BSCCL has urged its Indian counterpart to allow it to use its infrastructure to export internet bandwidth to Bhutan, a landlocked country.

"We sent an e-mail to BSNL and discussed the matter over the phone. We hope a tripartite meeting can be arranged shortly to remove any obstacle," Md Abdus Salam Khan, company secretary and acting managing director of BSCCL, told The Daily Star yesterday.

Although Bangladesh is yet to receive an official response from India's state-owned Bharat Sanchar Nigam Ltd (BSNL), both Bhutanese and Bangladeshi officials are expecting a positive outcome, said a senior official of BSCCL.

On Saturday evening, Bhutan's Minister for Information and Communications Lyonpo DN Dhungyel attended a meeting on the issue at the BSCCL office in Dhaka with State Minister for Telecom Tarana Halim.

Senior officials of the telecom ministry, the Bhutanese ambassador in Dhaka and other high officials were also present.

Tarana asked BSCCL officials to expedite communication with India on the matter, while the Bhutanese minister said they will do their part to convince the Indian government, said an official present at the meeting.

At the meeting, BSCCL proposed six alternative routes to export bandwidth from Bangladesh to Bhutan. They will initially select two -- Sylhet-Tamabil-Shillong-Guwahati-Bhutan and Akhaura-Tripura through which they are importing 10 Gbps of internet bandwidth from Bangladesh at a price of \$100,000 a month.

In the last few months, Bhutan has expressed its interest in importing bandwidth from BSCCL; several delegations have also come to Bangladesh.

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GE's profit rises 6.7pc

REUTERS

General Electric Co reported a 6.7 percent rise in quarterly profit, helped by strength in its power and renewable energy businesses.

Net income from continuing operations attributable to shareholders rose to \$2.10 billion in the third quarter ended Sept. 30 from \$1.97 billion, a year earlier.

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