

DHAKA FRIDAY DECEMBER 16, 2016, POUSH 2, 1423 BS

Govt mulls \$5b sovereign wealth fund

STAR BUSINESS REPORT

Bangladesh is set to form a sovereign wealth fund with an authorised capital of \$5 billion to finance big projects.

A seven-member team led by Bangladesh Bank's Deputy Governor SK Sur Chowdhury that was formed last year to evaluate the prospects of creating the fund submitted its report to Finance Minister AMA Muhith yesterday.

It is a government or state-run fund usually created with central bank reserves or profits from natural

resources such as oil, gas or minerals.

"But Bangladesh does not have any such natural resource. I do say I have natural resource, which is human," Muhith said, acknowledging the contribution of the expatriate Bangladeshis, who send home vast sums of money every year.

The government had initially planned to directly draw into the country's sizeable foreign currency reserves for mega projects but there are some problems with the budget deficit management, so the idea of creating a SWF is being considered.

"The sovereign wealth fund is a new concept for Bangladesh," he said, adding that a law needs to be passed first before forming the fund.

A proposal for creating the fund will be sent to the cabinet next month. Once the approval comes, work on enacting the law will start.

"If the cabinet approves the proposal, I am hopeful that the act will be presented in the next parliament session. The government will complete the process in three to four months."

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Overseas calls in freefall as mobile apps take hold

MUHAMMAD ZAHIDUL ISLAM

International call volume through the legal channel continued its slide in fiscal 2015-16 as free mobile applications like Viber, WhatsApp and Skype are fast becoming the chosen medium for communication.

The total outgoing international call minutes stood at 27.83 crore last fiscal year, down 16.85 percent year-on-year, according to Bangladesh Telecommunication Regulatory Commission's annual report, which was published last week.



calls, which help the government earn foreign currency, declined 11.03 percent to 3,158.32 crore minutes in fiscal 2015-16.

BTRC Chairman Shahjahan Mahmood said they have no clear

idea why this is happening.

"We don't know if the reason is illegal call termination or the rising popularity of free mobile applications like WhatsApp, Viber or WeChat."

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Apparel workers at Ashulia factories call off work abstention

STAR BUSINESS REPORT

Union leaders of the garment sector yesterday decided to withdraw their work abstention programme at the factories in Ashulia from tomorrow, as they agreed to hold a meeting with factory owners this month to place their demands.

The decision came at a meeting of the union leaders with Mujibul Haque, state minister for labour and employment, at his secretariat in Dhaka.

At least 10,000 workers of 10-12 factories had been observing work abstention over the last few days to press home their demands, including a hike in salaries, Haque told The Daily Star by phone.

"We told the union leaders to place their demands properly so we can resolve the disputes through discussion. We will hold a meeting with labour leaders either this month or next month," he said.

"The workers are observing work abstention without any valid reason as everything is going normal," said Siddiqui Rahman, president of Bangladesh Garment Manufacturers and Exporters Association.

"If they have any valid demand we can talk to them to resolve the disputes. We are ready to hold a meeting with them," Rahman said.

Ashulia is an industrial hub for garment factories, where thousands of workers are employed.

Chevron under pressure to share profits with workers

HC issues rule seeking explanation from govt, Chevron

STAR BUSINESS REPORT

The High Court yesterday asked the government to explain in two weeks why it should not be directed to take appropriate legal action against Chevron Bangladesh for not sharing a due part of its profit with its employees.

Justice Quamrul Islam Siddique and Justice Sheikh Hassan Arif delivered the rule following a writ petition collectively filed by 538 Chevron employees yesterday.

The employees urged the HC to order the government to take necessary action against Chevron for not giving a part of profit to them - accumulated from 2006 to 2013.

Chevron is supposed to share 5 percent of net profits with its workers and officials under Bangladesh Labour Act 2006, Petitioners' lawyer Barrister Omar Sadat told reporters.

The law also permits the government to take legal action against the company for not doing so, he added.

The labour ministry and Petrobangla

have directed Chevron to give the dues, but the US oil and gas giant is yet to comply, according to Sadat.

The labour secretary, energy secretary, power and mineral resources ministry, inspector general of the inspection for factories and establishments department, chairman of Board of Investment, Chairman of Bangladesh Oil, Gas and Mineral Corporation (Petrobangla) and Chevron Bangladesh Block 12 and 13 have been made respondents to the rule, the lawyer added.

Any company with a minimum paid-up capital of Tk 1 crore or immovable assets worth a minimum of Tk 2 crore will have to pay 5 percent of its net profit to the workers' profit participation fund, according to the law.

Regulations under the law were formulated and approved in 2013. Since then, some companies, including Grameenphone, have been paying their employees 5 percent of their net profits each year.

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Bangladesh to graduate from LDC in 2024: UN

STAR BUSINESS REPORT

Bangladesh will be among 16 countries that are expected to graduate from the group of the least developed countries by 2025, according to the United Nations.

In a report published on Tuesday, the United Nations Conference on Trade and Development said Bangladesh is projected to graduate in 2024 meeting all three criteria: income, human asset index and economic vulnerability index.

If it happens, Bangladesh will be one of the three countries that will graduate from the LDCs. The other two countries will be Djibouti and Yemen.

The report said some, but not all, of the 16 countries that are projected to have graduated by 2025 are likely to achieve graduation with momentum through broad-based development of productive capacities, diversification and structural economic transformation.

"This is the case for some manufac-

tures-exporters (Bangladesh and Bhutan) and mixed exporters (the Lao People's Democratic Republic and Myanmar)," the UN agency said in its report -- the Least Developed Countries Report 2016.

The report also said most of the countries whose graduation is expected by 2024 have included graduation as an explicit goal in their development plans and programmes.

Five of these countries -- Bangladesh, Bhutan, Laos, Myanmar and Nepal -- have set explicit timetables, it said.

It said Bangladesh is among countries that have brought in tax reforms to improve government revenues by simplifying and modernising tax collection and expanding the tax base.

The report said following several years of apparent resilience to the international economic and financial crisis, economic growth in the LDCs has declined steeply since 2012, reaching a low of 3.6 percent in 2015.

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Green bonds on the horizon



Siddique Zobair, member of Sustainable & Renewable Energy Development Authority, speaks at a conference on financing green initiatives at The Daily Star Centre yesterday.

STAR BUSINESS REPORT

The government plans to issue a green bond to facilitate low-cost financing of environment-friendly and sustainable initiatives in Bangladesh, an official of Sustainable & Renewable Energy Development Authority said yesterday.

"We have already started discussions with the development partners on this issue," said SREDA Member Siddique Zobair at a daylong conference held at The Daily Star Centre.

NeoSTAR Innovation, a green technology-focused company, in association with Dhaka Bank, Rahimafrooz Solar, NCC Bank, IFIC Bank and Social Islami

Bank organised the event to discuss policies for green business, explore effective business models and identify low-cost financing opportunities.

The rate of interest is relatively high to make a green project commercially viable, Zobair said.

Banks charge 9 percent interest on lending to green projects under Bangladesh Bank's Tk 200 crore revolving fund, formed in 2009 to give out low-cost loans for solar energy, biogas and effluent treatment ventures.

Under the scheme, the central bank provides funds to financial institutions at 5 percent interest, which they lend out for renewable energy projects at 9

percent interest.

Zobair said it would not be difficult for the BB, and commercial banks could cut down interest rate to 6-7 percent.

Renewable and sustainable initiatives are relatively new in Bangladesh and many bankers are not aware of green energy, said Syed Mahbubur Rahman, managing director and chief executive of Dhaka Bank.

The attitude of bankers and board members is important to facilitate increased financing for green projects, he said, while calling for more involvement from board members.

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BREAKING THE DAWN OF GOLDEN AGE

NEW ECONOMIC THINKING: BANGLADESH 2030 AND BEYOND

December 21, 2016 | 9:00 a.m. - 9:00 p.m.
Radisson Blu Dhaka Water Garden

How do we behold the future possibilities of Bangladesh? Our vision is ambitious, which is nothing less than to reshape the path of economic growth. We have achieved an exemplary growth rate. Now we need futuristic strategies to facilitate the advancement of untapped investment ambience in Bangladesh for Sustainable Development. This is an attempt to break the dawn of a new age, through this International Conference.

Chief Guest

Her Excellency Sheikh Hasina, MP

Honorable Prime Minister

Government of the People's Republic of Bangladesh

INAUGURAL PLENARY
"New Economic Thinking:
Bangladesh 2030 and Beyond"

Conference Speaker
Mr. Lim Siong Guan
Group President
GIC, Singapore

CONCLUDING PLENARY
"New Economic Thinking:
Charting the way forward"

Session Speaker
Dr. Jeffrey David Sachs
Professor, Columbia University
USA

Session 1
Bangladesh's Energy Economy

Keynote Speaker
Mr. Anders Hasselager
Senior Project Manager
Gate 21

Session 2
Water and land resource
management, sustainability and
environment impact

Keynote Speaker
Dr. Gerhard van den Top
Chairman
Water Board Amstel & Vecht

Session 3
Era of Infrastructure:
Bangladesh Context

Keynote Speaker
Mr. Rémy Prud'homme
Emeritus Professor
University of Paris XII

Session 4
Sustainable Development Goals
(SDGs- 2030)

Keynote Speaker
Dr. Debapriya Bhattacharya
Distinguished Fellow
Centre for Policy Dialogue (CPD)

Session 4
Sustainable Development Goals
(SDGs- 2030)

Session Speaker
Dr. Bjorn Lomborg
President
Copenhagen Consensus Center

Session 5
The Next Billion Dollar
Opportunities in Bangladesh

Keynote Speaker
Mr. Joseph Alfred Divanna
Managing Director
Maris Strategies Ltd.

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