

Bangabandhu satellite may be ready before time

MUHAMMAD ZAHIDUL ISLAM

Bangabandhu-1 satellite is on course for its scheduled Victory Day launch, with more than two-thirds of its construction work already completed. "About 70 percent work of the total project is done. We can finish it before the deadline," said Shahjahan Mahmood, chairman of Bangladesh Telecommunication Regulatory Commission (BTRC). The regulator is implementing the sophisticated and highly technical government project at a cost of Tk 2,967 crore. The satellite's structure is being built by a French firm -- Thales Alenia Space -- which it will deliver by November, according to the plan. Officials related the project said the structure's construction is going on in full swing and it will be completed by October.



BANGABANDHU-1

AT A GLANCE

- To be launched Dec 16, 2017
- Deal signed Nov 11, 2015
- Estimated costs Tk 2,967.96cr
- Govt will bear Tk 1,314.56cr
- Foreign loan Tk 1,653.40cr

- French company Thales Alenia Space is making and will launch the satellite
- Different equipment of the satellite is already being manufactured
- The satellite can serve Middle-East, South and Southeast Asian countries
- It will be launched by SpaceX of the USA from Florida's Cape Canaveral station

France on March 22 to receive the ground station equipment. The equipment will be brought to Bangladesh in the first week of April for installing them up in two ground stations: in Gazipur and Rangamati. The ground stations are also nearing completion, said BTRC officials.

The BTRC is currently promoting the satellite programme in order to sell half its capacity. "We are going to launch a high capacity satellite with 40 transponders and we have decided to sell half of it," said Mahmood.

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Inflation creeps up in Feb

STAR BUSINESS REPORT

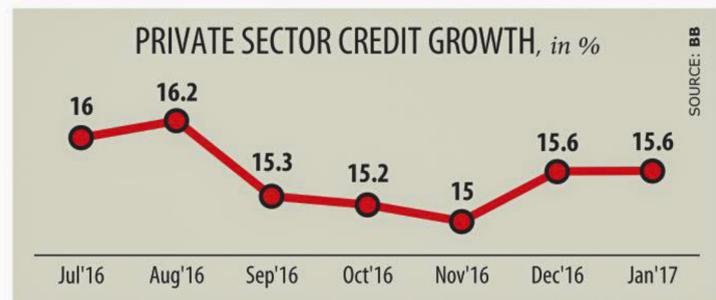
Inflation went up 16 basis points to 5.31 percent last month due to a rise in the prices of food items, especially beef and edible oil. Food inflation crept up 31 basis points to 6.84 percent in February, according to Bangladesh Bureau of Statistics.

The price of per kilogram of beef and per litre of soybean oil rose about 10 percent last month from a year earlier, according to Trading Corporation of Bangladesh.

Meanwhile, non-food inflation declined 3 basis points to 3.07 percent. "Overall inflation rose last month due to a hike in beef and edible oil prices," said Planning Minister AHM Mustafa Kamal yesterday.

Though inflation is still below the government's target of 5.8 percent, Bangladesh Bank announced a cautious monetary policy instead of an expansionary one in anticipation of a rise in inflation.

Private sector credit growth remains steady



STAR BUSINESS REPORT

Private sector credit growth remained steady in January amid higher import and rising business activities in the country.

In January, private sector credit growth stood at 15.6 percent, which is almost identical to the previous month's figure.

Since September last year, the credit growth has been hovering around the 15-percent mark amid a stable political situation and lower lending rates.

The Bangladesh Bank has kept the private sector credit target at 16.5 percent for this fiscal year, which its projections say will be enough to support the GDP growth target of 7.2 percent.

Total credit to private sector stood at Tk 719,000 crore at the end of January, up from Tk 717,019 crore the previous month, according to data from the BB.

"But the matter is whether the credit is going to the manufacturing sector, which plays a role in employment generation," said Mohammed Nurul Amin, managing director of Meghna Bank.

Capital machinery imports increased due to the implementation of mega projects by the government, which contributed to the credit growth, he said.

In the first half of the fiscal year, letters of credit settlement for capital machinery imports soared 70 percent year-on-year to \$2.86 billion.

Meanwhile, public sector credit growth has remained negative in January as the government is taking money from savings instruments.

Public sector credit growth stood at 3.9 percent in the negative, far below the target of 14.3 percent set for March.

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Jute millers want low-cost funds

State minister says he will discuss the matter with the central bank next week

SOHEL PARVEZ

Jute millers have urged the government to ensure low-cost finance to establish new factories and diversify products to cater to both the local and export markets.

"The prospect of job creation and earning foreign currency is rising, as a result of growing demand for diversified jute goods at both home and abroad," said Muhammad Shams-uz-Zoha, chairman of Bangladesh Jute Mills Association, in a letter to the textiles and jute ministry early this week.

The trade body, a forum of 160 members, demanded formation of a Tk 10,000 crore fund, similar to the Export Development Fund (EDF) under Bangladesh Bank.

The government formed EDF in 1989 to provide low cost finance and enable export oriented sectors to buy raw materials from abroad to make exportable items. The size of the EDF, a revolving fund, is about \$2.5 billion, according to a senior official of the central bank.

Jute millers said formation of such a fund in the local currency would be instrumental to the sector's growth.

When contacted over the phone, State Minister for Textiles and Jute Mirza Azam said, "We are taking an initiative. Such a fund will further facilitate advancement of the jute sector."

Azam said the issue was raised before the prime minister on March 13. "She asked us to examine what can be done."

He will be discussing the matter with Bangladesh Bank next week.

"The leather and garments sectors are getting such benefits. The rights of the jute sector to avail the benefit are much more."

The jute millers' appeal comes at a time when the government is enforcing a rule to pack a number of commodities, including rice, wheat and maize, in jute sacks to promote



Diversified jute products are on display at an exhibition at Krishibid Institution in Dhaka recently.

the use of environmentally friendly products and increase the domestic use of jute.

The government is also taking steps to modernise and diversify jute products to restore the past glory of jute, once the biggest export earner. It also observed March 6

as Jute Day for the first time this year in order to highlight the significance of jute in the Bangladesh economy.

The ministry organised a fair in Dhaka on March 9-13 to showcase diversified jute goods, made from nearly 80 lakh bales of

raw jute produced here annually.

About 4 crore people are directly and indirectly involved in the sector that ensures 100 percent value addition against exports, according to the ministry.

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HC asks Accord to inspect Liberty Fashion

REFAYET ULLAH MIRDHA

The High Court has directed the Accord, a factory inspection agency of more than 200 European clothing brands, to arrange an immediate inspection at Liberty Fashion Wears Limited, a major supplier of the platform's members.

The factory was skipped for inspection by the agency after Medway Consultancy Services, one of the consulting firms of Accord member Tesco, in May 2013 deemed the four-storied building on 20 bighas of land at Zirani to be vulnerable.

Following MCS's report Tesco and other buyers stopped sourcing from the factory, which compelled Mozammel Huq, chairman and managing director of Liberty Fashion Wears, to close down operations.

At that time, Liberty Fashions shipped garment items worth Tk 312 crore a year and employed 5,000.

Huq, however, refused to accept the report from MCS and ran tests on soil and Detailed Engineering Assessment by the experts of Bangladesh University of Engineering and Technology and Bangladesh Garment Manufacturers and Exporters Association.

Experts from the International Labour Organisation also said the building was fit for operation.

Emboldened by the positive reports from BUET, BGMEA and ILO, the factory management opened negotiations with Tesco, the factory's lead buyer, once again but Tesco did not budge from its previous position.

As per the rules, the Accord engineers were supposed to check the Liberty Fashion Wears building as well when the inspection rounds started in June 2013, as Tesco is a member of the platform.

But, the Accord upheld the decision of the MCS and did not inspect the building. Huq challenged the decision of the Accord and filed a case with the High Court, whose verdict was given on March 2.

The court in its verdict also ordered the Accord to publish the inspection report on its website and circulate it among its members.

"These matters are pending in the Bangladesh High Court. Accordingly, the Accord has no comment at this time on these pending court matters," said Rob Wayss, executive director and acting chief safety inspector of the Accord.

"Even after the verdict from the High Court nobody from the Accord has contacted me or my management," Huq said. The Liberty Fashion Wears was constructed following the building codes of Bangladesh and the standards set by the buyers, he added.

Yousuf Ali, one of the lawyers of the case, said the Accord cannot deny the inspection of Liberty Fashion Wears building as the company had been supplying garment items to the association's members.

In another verdict on the same day, the High Court issued a stay order on termination of business relations by the Accord with two other factories, Interloop BD Ltd and Heasong Knitwears Limited.

For Interloop, the stay order is for eight weeks and for Heasong, until the next hearing on March 21.

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Mobile operators face show-cause notices over unused balance

STAR BUSINESS REPORT

The telecom regulator yesterday served show-cause notice on Banglalink, Teletalk, Citycell and Robi for their failure to deposit the unused balance of blocked connections between 2008 and 2014.

The Bangladesh Telecommunication Regulatory Commission did not give a timeframe to the operators to reply to the notice. Robi received two show-cause notices: one for itself and another for Airtel.

The telecom regulator last month directed all six mobile operators to deposit the unused balance of blocked connections, but only Grameenphone complied with it.

On February 9, Grameenphone deposited Tk 7.33 crore to the BTRC after deducting 15 percent value-added tax from the unused credit.

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Two more economic zones in Narayanganj, Chittagong

STAR BUSINESS REPORT

The government is set to acquire and develop about 1,000 acres of land in Narayanganj and Chittagong at a cost of Tk 762 crore with the view to setting up two economic zones for foreign and local investors.

Of the lands, 491 acres will be acquired in Arahazar of Narayanganj and 500 acres in Mirersarai in Chittagong.

The project, which will be implemented by the Bangladesh Economic Zones Authority, got the approval from the Executive Committee of National Economic Council yesterday.

The government plans to set up about 100 special economic zones all over the country, Planning Minister AHM Mustafa Kamal told reporters after the meeting.

"This will stop wastage of agricultural lands," he added.

Executive Chairman of BEZA Paban Chowdhury told The Daily Star that the government will develop the lands for now and will decide later who will set up industries in the zones.

The government has a master plan to build an industrial area on about 30,000 acres of land in Mirersarai, half of which will be on khas lands,

according to Chowdhury. Another BEZA official said Indian investors have asked for a dedicated economic zone in Mirersarai on about 1,000 acres of land.

Once the master plan is implemented India's request may be accommodated, the official added.

The government will also set up a special economic zone for Japanese investors, said a planning ministry official.

The Japanese investors have requested that their dedicated economic zone to be near Dhaka, so the one being developed in Narayanganj may be allocated to them, he added.

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