



# BUSINESS

DHAKA SUNDAY JULY 16, 2017, SRABAN 1, 1424 BS

## Foreign aid use slumps

REJAU KARIM BYRON

Foreign aid disbursement slid 4.78 percent last fiscal year even though a huge amount is ready for use and is now sitting idle in the pipeline.

In fiscal 2016-17 foreign aid disbursement stood at \$3.39 billion, according to statistics from the finance ministry. The government had targeted to utilise more than \$4 billion of foreign aid last fiscal year.

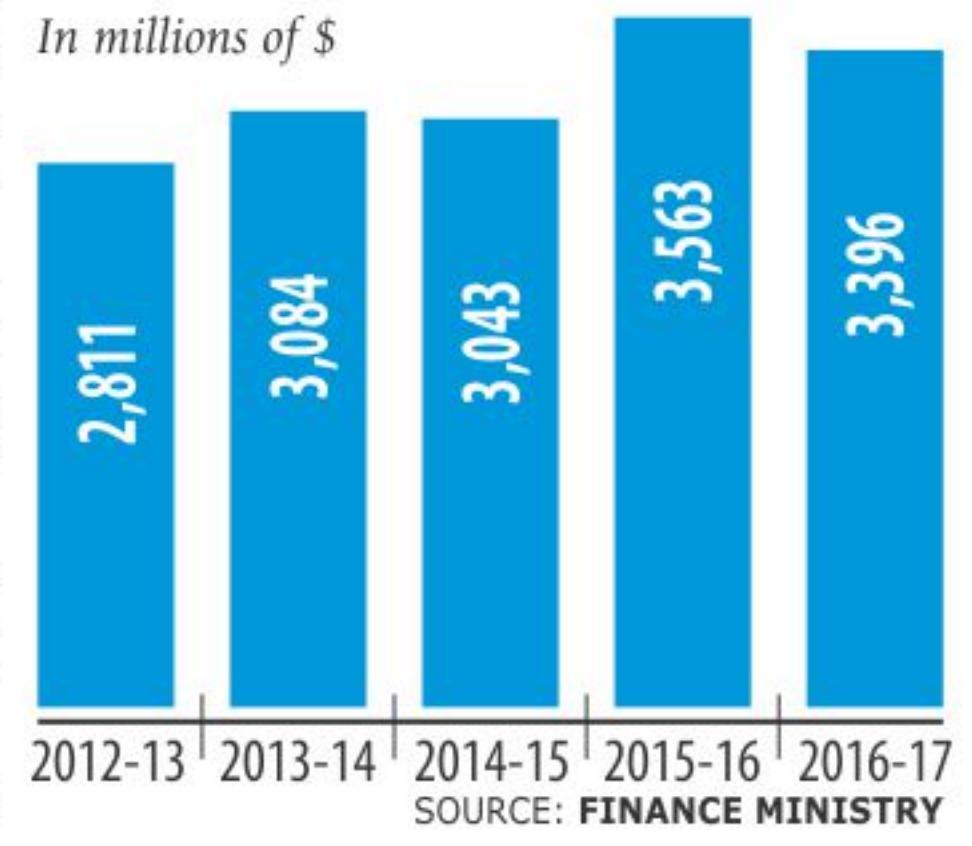
The government typically deems spending one-fifth of the amount at the start of a fiscal year to be a satisfactory outcome.

On July 1 last year, the amount of foreign aid in the pipeline was \$21.87 billion, and the ministries and divisions could manage to use only 15.54 percent of the sum during the course of the year.

In recent years, the capacity of the ministries and divisions in spending foreign aid has increased slightly but it is yet to reach the targeted level.

In fiscal 2008-09 the amount of aid utilisation was less than \$2 billion; it crossed the \$3-billion mark in fiscal 2013-14. And for the next

### FOREIGN AID DISBURSEMENT



three years more than \$3 billion was spent.

Over the last one decade, commitment from donors has been on the rise, but the implementation capacity of the ministries and divisions did not increase accordingly, said a finance ministry official.

However, last fiscal year the implementation of many mega projects had ground to a halt following the militant attack in Gulshan.

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Construction work is going on in Gazipur at one of the two Bangabandhu-1 satellite's ground stations. During a visit yesterday, State Minister for Telecom Tarana Halim said testing would begin from September as 88 percent of the project's work has been completed.

PHOTO: BTRC

## Satellite's ground stations testing begins in Sep

STAR BUSINESS REPORT

Bangabandhu-1 satellite's ground stations will be ready for testing from September as 88 percent work of the project has already been completed, said State Minister for Telecom Tarana Halim yesterday.

"We hope to launch the Bangabandhu-1 satellite commercially by April next year, which was earlier scheduled for next June," she told reporters while visiting one of the stations in Gazipur to oversee the progress made. The other is in

Rangamati's Bethunia.

She said the ground stations would start holding test runs from October.

Construction of Bangladesh's first satellite is expected to be completed in November. The launch depends on different factors such as the weather and schedule of the launch from the US.

The government had earlier planned to hold the launch in December from Florida.

French firm Thales Alenia Space is manufacturing the satellite for \$248 million (Tk 1,959 crore) under an agreement signed with Bangladesh

Telecommunication Regulatory Commission in November 2015.

The most sophisticated technological project in Bangladesh is costing around Tk 2,967.95 crore. It might come down by a few hundred crore taka, said Tarana in reply to a question.

Tarana said local and foreign companies were being contacted for the sale of half of the satellite's capacity on connectivity.

There have been positive responses from Indonesia and some local companies, said project officials.

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## India's trade deficit narrows to \$13b in June

REUTERS, New Delhi

India's trade deficit narrowed more-than-expected to \$12.96 billion in June as gold imports nearly halved from a month earlier, government data showed on Friday.

Economists in a Reuters poll had predicted that trade deficit would decline to \$12.5 billion in June compared with a provisional \$13.84 billion in the previous month.

Gold imports declined to \$2.45 billion from almost \$5 billion a month ago.

Merchandise exports for June came in at \$23.56 billion, up 4.39 percent from a year ago. Goods imports for the month were \$36.52 billion, up 19.01 percent from a year ago, data from the commerce and industry ministry showed.

CURRENCIES As on Thursday STANDARD CHARTERED BANK

	USD	EUR	GBP	JPY
BUY TK	80.45	91.39	103.34	0.70
SELL TK	81.95	94.99	106.94	0.73

As on Thursday STANDARD CHARTERED BANK



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## Businesses welcome FTA move

STAR BUSINESS REPORT

Top businesspeople from Bangladesh and Sri Lanka yesterday welcomed the two countries' decision to sign a free trade agreement.

They spoke at a programme -- "Bangladesh and Sri Lanka investment and business dialogue: Moving towards greater economic partnership" -- at a hotel in Dhaka.

Sri Lankan President Maithripala Sirisena attended the dialogue along with Bangladesh's Foreign Minister Abul Hassan Mahmood Ali and Principal Coordinator on SDG Affairs Abul Kalam Azad.

On Friday, Dhaka and Colombo agreed to sign an FTA by 2017 to boost bilateral trade.

Two-way trade between the two countries stood at \$75.47 million in 2015-16, according to a number of trade bodies. Bangladesh's exports stood at \$30.45 million and Sri Lanka's \$45.02 million in the year.

"The current volume of bilateral trade is nothing. We want to expand our business and investment with the island nation," said Md Shaful Islam Mohiuddin, president of the Federation of Bangladesh Chambers of Commerce and Industry.

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## Export tariff should be cut further

Says joint statement after Sri Lankan president's visit

DIPLOMATIC CORRESPONDENT

Acknowledging that bilateral trade is far below the potential, Dhaka and Colombo yesterday agreed that tariff on economically meaningful exports should be lowered further and non-tariff barriers expeditiously addressed.

To reap the benefits of wider economic partnership, leaders directed authorities concerned to fast finalise customs cooperation agreements, avoid double taxation, and promote and protect investment.

Prime Minister Sheikh Hasina and Sri Lankan President Maithripala Sirisena also underlined that investment could reap profits through increased joint ventures and public-private partnerships.

In a 35-point joint statement issued at the end of Sirisena's three-day state visit, the duo agreed to work for shared prosperity through mutually beneficial win-win partnerships and underlined the need for a peaceful, stable, inclusive and sustainable South Asian region.

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