



**Md Arfan Ali, managing director of Bank Asia, cuts a cake at the launch of the bank's agent banking customer acquisition campaign, Grow and Gain, at a programme at the corporate office of the bank in Dhaka on Saturday.**

BANK ASIA

# Modi promises electricity for every Indian house

AFP, New Delhi

Indian Prime Minister Narendra Modi has vowed that every home in India will have electricity by December 2018 as he moves to shore up voter support amid doubts over his handling of the economy.

The \$2.5 billion scheme announced Monday would see the country's 40 million households without electricity linked up to power for free.

"Forty million of the total 250 million households still don't have power, which means 25 percent of people are living in the 18th century. The government will electrify every household,

whether it's in a village, city or a remote region," Modi said in a speech.

Political analysts have called the initiative another move by the right-wing prime minister to bolster rural support ahead of national elections in 2019.

Recent economic trends have been worrying, with official statistics showing India's growth slowed to 5.7 percent in the first quarter.

Many economists have linked this to the cancellation of more than 80 percent of banknotes in November last year and the introduction of a national goods and services tax in July.

Modi has repeatedly linked his electricity announcement and similar

initiatives, such as his 2015 promise to bring power to 18,452 villages without electricity, to the Indian government's concern for the welfare of the poor.

The latest government data suggests that fewer than 3,000 villages are still waiting for a power supply.

Per capita electricity consumption in the world's fastest-growing major economy is barely one third of the global average.

The new scheme could face hurdles from India's often hostile rural terrain and cash-strapped power distribution companies in some states.

# Graft bar to private investment in infrastructure development

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Before searching for the financing, the issues holding it back should be addressed, said Faisal Ahmed, chief economist of the Bangladesh Bank.

He said the present environment is favourable for investment in Bangladesh compared to that in other developing countries because of high national savings and reasonable inflation.

The economist suggested that banks assess the nature of risk of infrastructures before providing finance. He emphasised developing the bond market and strengthening

the primary market to finance the infrastructure sector.

The government should formulate rules allowing the insurance sector to invest life funds in infrastructure development projects, said Nizam Uddin Ahmed, chairman of Meghna Life Insurance.

He said the insurance sector is holding life funds worth Tk 30,000 crore which can be a source of financing for infrastructure development.

This huge amount of money remains idle in banks where insurance companies get only interest, he added.

Ahmed said government guarantee

was also needed to use the life funds because returns from infrastructure investment was very slow, which might put insurance businesses at risk.

The government will need \$100 billion in the next five to seven years for infrastructure development and private banks have the capacity to come up with the finance, said Sohail RK Hussain, managing director of City Bank.

He too stated of the necessity of government guarantee to woo funds.

"Local banks can also play an intermediary role to bring foreign investment," he said.

# India loosens up some conditions

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However, in case of service-oriented projects, 75 percent of the procurement must be made from the neighbouring country, which is the same as before.

Another change that would be made in the new loan agreement is that the funds can be disbursed in up to 60 months after the expiry of the tenure set by the commercial contract.

In the existing agreement, it is 48 months for service sector and 72 months for projects.

In the meeting, Bangladesh proposed to convert a part of the \$4.5 billion into grant. In the first line of credit of \$1 billion, \$200 million was converted into grant.

Bangladesh also proposed to waive the 0.5 percent commitment charge. The Indian side said the decision cannot be given at their level; it can be made by the higher authorities.

Last year, Exim Bank of India proposed to open a representative office in Dhaka for smooth implementation of the projects under the line of credit.

In the meeting, Bangladesh gave its consent to the proposal and said the Exim Bank can open the representative office after meeting the rules set by the other agencies.

At present, approval from the Exim Bank is required for project selection and various procurement proposals for the projects.

Apart from project implementation, the presence of an office of Indian Exim Bank would help in trade and investment-related activities, said an ERD official.

"The terms and conditions for the new loan are almost unchanged save for one or two," Islam said.

India in August 2010 and March last year committed \$1 billion and \$2 billion respectively, and the projects under the lines of credit are now at various stages of implementation.

The previous credits carry a 1 percent interest rate with repayment period of 20 years and a grace period of five years. It will be the same for the new line of credit.



**M Kamal Hossain, managing director of Southeast Bank, and Md Iqbal Bahar, commissioner of Chittagong Metropolitan Police (CMP), attend a programme where the bank handed over a donation for the purchase of a wrecker for the traffic department of CMP.**

SOUTHEAST BANK

# Rupee hits 6-month low on growth worries

REUTERS, Mumbai

The rupee weakened to its lowest in six months as concerns over weak economic growth and uncertainty over the government's implementation of reform measures hit foreign investor sentiment.

The rupee was at 65.3275 to the dollar after falling to 65.3550, its lowest since March 24, on corporate dollar purchases and dollar outflows from equity markets, said dealers. The Indian currency had ended at 65.12 on Monday.

The benchmark BSE index fell 0.5 percent, while the broader NSE index was 0.4 percent lower.

"There is panic among foreign investors on fiscal stimulus and growth," said one dealer at a foreign bank.

India's economic growth slowed to a three-year low of 5.7 percent in the June quarter, prompting the government to plan several steps including fiscal stimulus which would push the fiscal deficit wider than budgeted.

The concerns over weak macroeconomic fundamentals have led to foreign investors pulling out dollars from India's stock markets. So far this month, India has seen a net outflow of \$359 million led by a sell-off in stocks.

"Debt investors are also worried but they are hedging their forex risks while equity investors are pulling out," another dealer said.

# Textile sector crying out for investment

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"So, there is room for more investment in the sector. We need only gas connections and industrial plots," said Monsoor Ahmed, secretary to the BTMA.

At least five spinning mills cannot go into operation mainly due to a lack of gas connections, although the owners have constructed the factories by investing a lot of money, he said.

The hike in gas prices every year is also another problem for the sector.

The government raised the gas price to Tk 19.26 per cubic metre in 2016 from Tk 8.36 in the previous year for captive power plants. In 2015, the government had increased the gas price to Tk 8.36 from the previous rate of Tk 4.36 per cubic metre.

The textile millers have demanded duty-free import of heavy fuel oil or furnace oil to keep their factories up and running. Currently, importers pay 35 percent duty to import the oil, which, they say, was too high for users.

They said the tariff of gas was hiked 222 percent in the last two years, which was eating up the profitability of businesses as spinning, weaving, finishing and dyeing mills need uninterrupted gas supply.

"We have already started talks with the government to make fuel oil import duty-free so that the primary textile sector can run well," said Tapan Chowdhury, president of the BTMA.

The government has not fixed the prices of liquefied natural gas yet although it was saying that its import would start from next year, he added.

"If LNG price is fixed at a higher rate, the industrial sector might not be able to afford it."

The government plans to import 500 million cubic feet of gas a day (mmcf) from the start of next year and another 500 mmcf from the middle of 2018 to ride out the existing gas shortage.

"The time now is very much favourable to setting up new primary textile units," said Razeed Haider, managing director of Outpace Spinning Mills.

One of the reasons is that the bank interest rate declined to a single digit after many years.

"We have a lot of opportunities to diversify our business in the textile sector," he said.

Many factory owners have expanded their current operations as they cannot set up new units.



**Selim RF Hussain, CEO of Brac Bank, attends a seminar on "Foreign exchange market development: the way forward" organised by the bank at a hotel in Dhaka.**

BRAC BANK

**Government of the People's Republic of Bangladesh**  
Directorate General of Family Planning  
IEM Unit  
6, Kawran Bazar, Dhaka

Memo No. DGFP/IEM/Radio-2527/2017/758 Date: 25/09/2017

**Invitation for Tenders**

1.	Ministry/division	Ministry of Health & Family Welfare (Medical Education & Family Welfare Division).		
2.	Agency	Directorate General of Family Planning.		
3.	Procuring entity name	Director IEM & Line Director IEC.		
4.	Procuring entity code	None		
5.	Procuring entity district	Dhaka		
6.	Invitation for	Campaign through Private FM & Community Radio.		
7.	Invitation Ref. No.	DGFP/IEM/Radio-2527/2017/758		
8.	Date	25/09/2017		
<b>KEY INFORMATION</b>				
9.	Procurement method	Open Tendering Method (OTM).		
<b>FUNDING INFORMATION</b>				
10.	Budget and sources of fund	RPA (GOB).		
11.	Development partner	IDA		
<b>PARTICULAR INFORMATION</b>				
12.	Project/programme code	5-7481-5007		
13.	Project/programme name	Information, Education & Communication (IEC) under HNPSP.		
14.	Tender package No.	GD-9/2017-18		
15.	Tender package name	Campaign through Private FM & Community Radio.		
16.	Tender publication date	27/09/2017		
17.	Tender last selling date	Till 11/10/2017 during office hours from the date of IFT publication.		
18.	Tender receiving date and time	12/10/2017 up to 1.00pm.		
19.	Tender opening date and time	12/10/2017 at 3.00pm (Tenderers or their authorized representatives are allowed to attend the opening).		
20.	Name and address of the office(s) (selling receiving & opening)	1. Director, IEM & Line Director, IEC, Directorate General of Family Planning (7 <sup>th</sup> Floor), 6, Kawran Bazar, Dhaka. (Selling, Receiving & Opening) 2. Purchase & Procurement-1 Branch, Medical Education & Family Welfare Division, Ministry of Health and Family Welfare, Bangladesh Secretariat Dhaka. (Receiving only)		
<b>INFORMATION FOR TENDERER</b>				
21.	Eligibility of tenderer	The firm must fulfill the qualification criteria stipulated in the Tender Data Sheet (TDS) and other required conditions mentioned in the tender document.		
22.	Brief description of goods	4000 times campaign through Private FM & Community Radio.		
23.	Brief description of goods/services	As per technical specifications stated in the TDS.		
24.	Tender document price	Taka (one thousand) (non-refundable) per schedule. Payment should be made through Treasury Challan of Bangladesh Bank/Sonali Bank in favour of Directorate General of Family Planning, 6, Kawran Bazar, Dhaka-1215 in the following code:- "1-7481-0000-2366"		
25.	Lot No.	Identification of package	Location (final destination)	Tender security amount (Taka)
	01	Campaign through Private FM & Community Radio	Private FM & Community Radio Channels	1,70,000/- (one lac seventy thousand only)
				03 (three) weeks from the date of signing of the contract
<b>PROCURING ENTITY DETAILS</b>				
26.	Name of official inviting tender	Md. Ferdous Alam.		
27.	Designation of official inviting tender	Director, IEM & Line Director, IEC.		
28.	Address of official inviting tender	IEM Unit, Directorate General of Family Planning (7 <sup>th</sup> Floor), 6, Kawran Bazar, Dhaka.		
29.	Contact details of official inviting tender	Phone: 9146535, Fax: 58151074, email: iemdgfp@gmail.com		
30.	The procuring entity reserves the right to accept or reject all tenders without showing any reason.			

  
**Md. Ferdous Alam**  
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 Directorate General of Family Planning  
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 Phone: 9146535

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