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DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY		
0.83%	0.96%	\$1,906.84	\$41.52	0.79%	Closed	0.9%	1.29%	83.95	97.72	106.65	12.15		
4970.10	8,514.28	(per ounce)	(per barrel)	37,734.08		2,463.29	3,274.30	BUY TK	SELL TK	84.95	101.52	110.45	12.78

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## Planning ministry against holding back low-priority projects

Ecneec okays 5 projects including Tk 246cr for hilsa

REJAUL KARIM BYRON and JAGARAN CHAKMA

The planning ministry has expressed dissatisfaction over a decision to put on hold implementation of low-priority projects.

"It would delay the implementation of the projects and the cost of the projects will increase," said Md Ashadul Islam, senior secretary to the planning division.

The implementing ministries and divisions also opposed the move and expressed disappointment, he said.

Islam made the comments while briefing reporters after the meeting of the Executive Committee of National Economic Council (Ecneec) yesterday.

"It is not clear on what basis the finance division categorised the low priority projects," he said.

The implementing ministries and divisions are facing problem as they cannot pay bills to contractors since the finance ministry is not disbursing funds against the projects, said Islam.

The finance ministry is, however, disbursing the salaries and allowances for the officials of the projects, he said.

In July, the finance ministry decided to put on hold the implementation of low-priority development projects involving Tk 40,000 crore to free up funds for the productive sectors.

The amount accounts for about 20 per cent of the Tk 205,145 crore annual development programme for the current fiscal year.

## Chinese loan deals for four projects hopefully this year

REJAUL KARIM BYRON and JAGARAN CHAKMA

With development projects losing steam for the ongoing pandemic and several months of shutdown, the Economic Relations Division (ERD) hopes to get four back on track by getting loan agreements signed with China this fiscal year.

Sources at the ERD said talks were underway for availing \$2.4 billion in loan for the four, including one on constructing an elevated expressway connecting Dhaka and Ashulia.

A point to note, the final decision is still out there as negotiations on the details are yet to begin.

The four are among 27 projects for which China assured providing a loan of \$20 billion as per a memorandum of understanding styled "Strengthening and Production Capacity Cooperation" signed during Chinese President Xi Jinping's visit to Dhaka in

October 2016.

Till date, the deal has been sealed for seven of them involving a loan of \$6.65 billion, of which \$1.54 billion has been disbursed.

The latest two had been signed by the ERD last fiscal year, one bringing \$1,402.93 million for an "Expansion and Strengthening of Power System Network" project under Dhaka Power Distribution Company.

The other brought over \$970.02 million for a "Power Grid Network Strengthening Project" under the Power Grid Company of Bangladesh.

The agreement for the Dhaka-Ashulia expressway project was supposed to be signed in the second half of last fiscal year but because of the onset of the pandemic in China, it did not materialise, ERD officials said.

About the four in the pipeline, Md Shahriar Kader Siddiky, joint secretary to the Asia Wing of the ERD, said the loan proposal for



### PROJECTS WITH CHINESE ASSISTANCE

Dhaka-Ashulia elevated expressway	\$1,155.18 million
Establishing digital connectivity	\$837 million
Rajshahi WASA surface water treatment plant	\$276.25 million
Establishing 6 TV stations for BTV	\$125.12 million
<b>Total assistance</b>	<b>\$2,393.55 million</b>

the expressway, which would turn out to be very effective, has attained preliminary approval from the Chinese authorities.

Once this approval was available in writing, official formalities would begin, including vetting and final negotiations, he said, reminding that it took time for such official formalities to be carried out by both sides in finalising loan agreements.

Speaking of which, this loan application was sent to the

Chinese authorities on October 25, 2018.

The Tk 16,901 crore expressway project first got approval from the Executive Committee of the National Economic Council (Ecneec) in 2017, with 65 per cent of the cost expected to be borne from a Chinese loan.

The project documents say the work was supposed to have begun in 2019 and finish in June 2022.

In tune, a contract was signed on the construction's design

review and supervision in June 2019 between Bangladesh Bridge Authority and a joint venture of three companies from Spain, South Korea and Bangladesh.

Once completed, the 24-kilometre expressway will connect Hazrat Shahjalal International Airport to Abdullahpur, Ashulia, Dhaka Export Processing Zone and Chandra on a highway which connects the northern part of the country.

It will also act as an extension of a 26-kilometre Dhaka elevated expressway linking the airport to the Dhaka-Chittagong highway near Shanir Akhra.

Of the remaining three projects, the "Establishing Digital Connectivity" one, approved by the cabinet committee on economic affairs, has had a preliminary loan application sent to the Chinese embassy on December 27, 2018 seeking a \$837 million loan.

The project involves, among other things, bringing two lakh small institutions, including educational institutions, health centres, post offices and agriculture offices, under digital connectivity to boost trade and economic activity in remote areas.

It also plans to set up 10,000 "points of presence" at business growth centres across the country to expand digital financial services and e-commerce.

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### PROJECTS THAT GOT THE NOD

NAME	I COSTS
Establishment of 40 technical training centres in 40 upazilas and one marine tech institute in Chattogram (1st revision)	Tk1667.07cr (Original Tk 1,331.29cr)
Hilsa resource development and management	Tk 246.28cr
Establishment of 8 old-age homes	Tk 73.98cr
Construction of 73 BGB composite/ modern border observation posts in border areas	Tk 233.52cr
Upgradation of Dipgati-Sarishabari-Tarakandi road in Jamalpur district	Tk 376.55cr

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## Three local banks' names come out in suspicious cross-border transactions

STAR BUSINESS REPORT

Three Bangladeshi banks were allegedly involved in suspicious cross-border transactions between 2014 and 2016, according to a report released by the International Consortium of Investigative Journalists (ICIJ).

The lenders - Islami Bank Bangladesh Ltd (IBBL), Social Islami Bank Ltd and Rupali Bank - transacted \$832.917 through three foreign banks as they sent \$495,204 and received \$337,733 in eight transactions.

The leaked documents, known as the FinCEN Files, include more than 2,100 suspicious activity reports filed by banks and other financial firms with the US Department of Treasury's Financial Crimes Enforcement Network.

The FinCEN is an intelligence unit at the heart of the global system to fight money laundering.

American news website BuzzFeed News obtained the records and shared them with the ICIJ. The consortium organised a team of more than 400 journalists from 110 news organisations in 88 countries to investigate the world of banks and money laundering.

Australia and New Zealand Banking Group (ANZ) sent \$336,113 to IBBL between August 23 and September 1, 2016 in three transactions, according to the ICIJ website.

State-run Rupali Bank sent \$495,204 to Deutsche Bank AG of Germany through four separate transactions in September 2016.

Regionala Investiciju Banka in Latvia sent \$1,600 to Social Islami

### BANKS IN CROSS-BORDER SUSPICIOUS TRANSACTIONS

Figure in \$; SOURCE: ICIJ

BANKS	TRANSACTIONS
Islami Bank Bangladesh	336,113 (Inflow)
Social Islami	1,600 (Inflow)
Rupali	495,204 (Outflow)

Bank on April 14, 2014.

These transactions were processed via two US-based banks, which filed suspicious activity reports with the FinCEN.

The Bank of New York Mellon Corp received \$336,133 in three transactions, while Standard Chartered Plc sent \$495,204 and

received \$1,600 in a total of five transactions. The central bank will look into the matter, said an official of the Bangladesh Financial Intelligence Unit.

"We will take punitive measures if any illegal transactions are found," he said.

In all, an ICIJ analysis found,

the documents identify more than \$2 trillion in transactions between 1999 and 2017 that were flagged by financial institutions' internal compliance officers as possible money laundering or other criminal activity.

Suspicious activity reports reflect the concerns of watchdogs within banks and are not necessarily evidence of criminal conduct or other wrongdoings, the ICIJ said.

The records show that five global banks - JPMorgan, HSBC, Standard Chartered Bank, Deutsche Bank and Bank of New York Mellon - kept profiting from powerful and dangerous players even after US authorities fined these financial institutions for earlier failures to stem flows of dirty money.

## Bangladesh should aim to join Asean

Says BGMEA chief as experts discuss logistics in cross-border trade

STAR BUSINESS REPORT

Bangladesh needs to join the Association of Southeast Asian Nations (Asean) in order to boost the country's trade as this single market will become the world's fourth largest economy by 2030 following the US, China and EU, according to Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

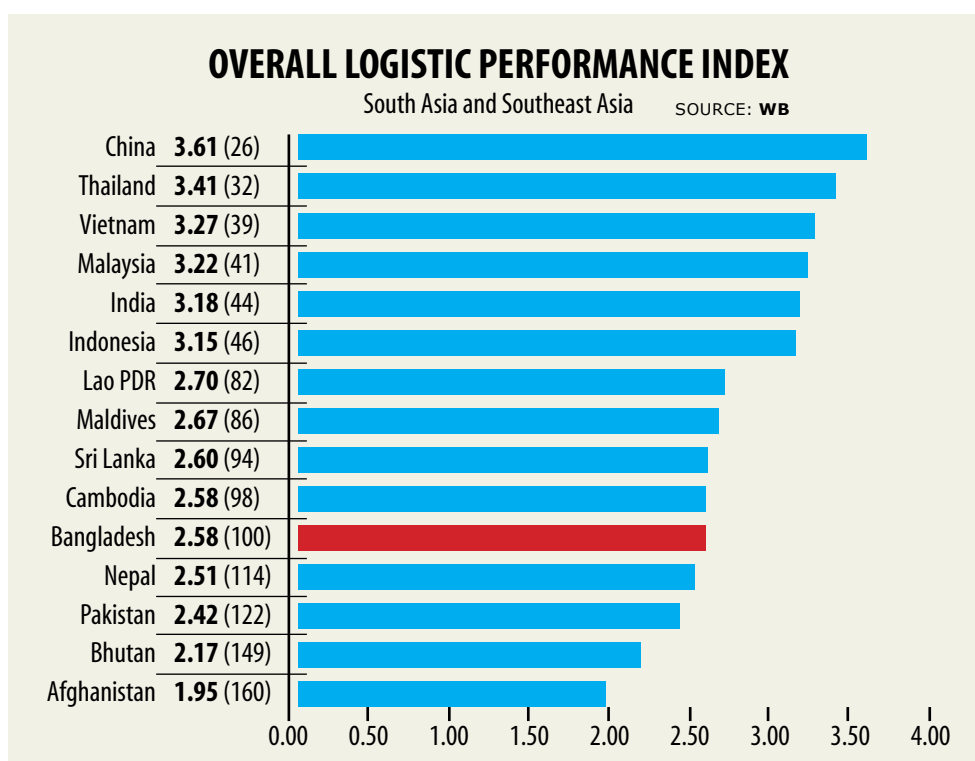
"Our trade will grow significantly if we join the Asean," Huq said yesterday while speaking at a virtual discussion on the 'logistics issues and challenges in cross border trade of Bangladesh', organised by the Dhaka Chamber of Commerce and Industry (DCCI).

Various government officials, exporters, researchers, trade body and business association representatives participated in the meeting.

In Bangladesh's context, joining the Asean would be greatly beneficial as a number of its member nations have turned into good destinations for raw materials sent to and from the country, she added.

Petrapole, the Indian side of the Petrapole-Benapole land port and Bangladesh's largest and most active border crossing, is a very important aspect of the country's trade, the BGMEA chief also said.

For instance, hundreds of trucks laden with goods were stranded at the Petrapole end for three days earlier this week, causing untold sufferings to the local businessmen



as shipment delays caused the products to deteriorate in quality over time.

And so, port activities need to be expedited a lot to improve trade, Huq said, adding

that certain initiatives have been taken to improve the ease of doing business and overall port performance but those measures do not get enough publicity either locally or

internationally.

Therefore, strong inter-ministerial coordination among the finance, commerce, National Board of Revenue (NBR), port authorities and other related ministries is crucial to improve logistics services, Huq said.

While discussing the poor state of logistic support for trade growth, Masrur Reaz, chairman of the Policy Exchange, said the port charge for a single consignment in Bangladesh is \$408 while the rate in Vietnam is \$290 and \$211 in Indonesia.

Besides, these rates are declining in both Vietnam and Indonesia, he added.

It takes 168 hours to secure port clearance for a consignment in Bangladesh but in Vietnam, it takes just 55 hours, said Masrur, a former economist for the International Finance Corporation (IFC).

Meanwhile, the combined storage space of all warehouses across Bangladesh is currently about 4.2 million square feet, which is set to increase to around 6.7 million square feet by 2022. Due to a lack of formal warehousing facilities in the country, most importers and exporters take it upon themselves to store their products, usually inside their own factories or other private property.

In other countries though, there are third party warehousing facilities, which provide a secured environment and a number of other services to maintain product quality.

These inefficiencies in the country's warehousing and logistics services are the

root cause of increased operation costs and extended lead times, which badly impacts a business's competitiveness, Masrur said.

Echoing the sentiment, Zaidi Sattar, chairman of the Policy Research Institute (PRI), said Bangladesh needs to expedite the development of logistics services.

Modernising the country's port customs services is also needed to facilitate trade growth but not as a means to solely increase revenue, he added. The PRI chief also said Bangladesh ships 1,400 various goods abroad each year while 100 new products are added to the export list annually.

"However, 80 different products are excluded from the export list as they cannot compete in the business. So, we need to incentivise the exporters of those goods so that they can sustain their businesses," Sattar said.

Of the country's total export basket, only 290 different products have a yearly export value of above \$1 million.

But the remaining goods are still very valuable for the economy and so, the government should facilitate their growth, he added.

Mahbubul Alam, president of the Chittagong Chamber of Commerce and Industry, said nearly 10,000 goods laden trucks from Dhaka enter Chattogram each day to offload export-oriented products.

However, since there is no truck terminal in the port city, mile-long tailbacks on the roads and highways of Chattogram always hamper the trade.

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