

STP draws flak from urban planners

STAR BUSINESS REPORT

The Strategic Transport Plan (STP) faces fresh criticism for its proposal for shifting Kamalapur Railway Station out of the capital -- a move which some urban planners say will increase traffic jams.

The government on August 28 launched the 20-year STP at a cost of \$5.52 billion that suggests relocation of the prime railway station out of the city centre to ease traffic congestion.

But transport experts and urban planners said at a roundtable at National Press Club in Dhaka yesterday that the move, if implemented, would backfire.

If the railway station is shifted, the passengers bound for the capital will have to use hundreds of small vehicles to arrive downtown, which will increase traffic congestion instead of lessening it, Mahabubul Bari, a transportation expert, said in his keynote presentation.

Save the Environment Movement, WBB Trust, an advocacy group, and the Department of Urban and Regional Planning of



Mahabubul Bari, an international transportation expert, delivers his keynote speech at a roundtable on urban transportation system in Dhaka yesterday. AMM Safiullah, vice chancellor of BUET, was present at the event, moderated by Abu Naser Khan, chairman of Bangladesh Environment Movement.

Bangladesh University of Engineering and Technology (BUET) co-organised the roundtable.

As train transportation is cheaper than other systems, policymakers should prioritise it in policy agenda, Bari emphasised.

Trains are not allowed into the capital from 8am to 9:30am and for

a further two hours from 4pm to help cut gridlock, Bari said. Effective traffic management could help cut traffic jams when trains use crossings, he said.

"Globally trains are an effective, efficient and mass transportation system. Without developing an effective train transportation sys-

tem, it is not possible to ease traffic jams in the capital," Bari told the roundtable.

"A single train carries as much goods from Dhaka to Chittagong in a single journey as it takes between 200 and 250 five-tonne-capacity trucks to do the same job," said Abu Naser Khan, chairman of Bangladesh Environment Movement, who moderated the discussion.

At the function, BUET Vice-chancellor Dr AMM Safiullah urged the government to develop a public transportation system to reduce congestion.

Different companies have developed their own transportations to carry their employees due to undeveloped public transport systems, said Shafiullah, who attended the function as chief guest.

Most of those vehicles remain idle for most of the day and sometimes parked on public roads, adding to traffic jams, he added.

Terming the present STP private-car focused, the discussants also urged the government to change it in some areas before implementation, making it focused on people.

CA visits automated Customs at Ctg seaport

UNB, Dhaka

Chief Adviser Dr Fakhruddin Ahmed yesterday visited the recently automated Chittagong Customs House in the port city to see the different online trading services and facilities that accelerated external trade operations through the country's main seaport.

He went round different sections of automations, including the pouch centre, export-import desk, under-construction customs service pavilion and online banking services of Sonali Bank on the Customs House premises.

The present caretaker government automated the Chittagong Customs House, aiming to provide quick service to importers and exporters and to bring transparency and accountability in customs process.

The Chief Adviser recently launched the Chittagong Customs House automation at a function held at the Bangladesh-China Friendship Conference Centre in Dhaka.

Following automation of the customs, trading process has been shortened to five steps instead of the previous 45 steps, according to an official.

Next govt to patronise shipbuilders

Commerce adviser hopes

CU CORRESPONDENT

The commerce adviser has been very upbeat on Bangladesh's shipbuilding industry's role in graduating the country to a mid-income one in future on government patronisation.

"The industry will bring the country to a new height of glory in global shipbuilding," Hossain Zillur Rahman told a keel laying ceremony of 12 ocean-going ships yesterday.

Western Marine Shipyard Limited is building the vessels at its workshop on the bank of river Karnaphuli at Kolagaon area under Patiya upazila in Chittagong.

Shipping Secretary AK Motahar Hossain, Netherlands Ambassador Bea Ten Tusscher, German Ambassador Frank Meyke and AB Bank Limited President and Managing Director Kaiser A Chowdhury were also present at the ceremony.

"We have skilled manpower and natural infrastructure that are suitable for the industry. The entrepreneurs are also capable to supply ships to buyers as per their requirements," Hossain Zillur said, pointing to the fact that around 53,000 people have been employed in the industry.

The adviser hoped that the next elected government would help entrepreneurs, who are in need of policy support rather than financial assistance, aiming to uphold the country's new image.

"This is a great opportunity for Bangladesh to be great across the world through this sector, while it also ushers a greater prospect for the country's economy," the Dutch envoy said.

Western Marine received orders from MK Shipping of the Netherlands for building the ships, each of 5,200 tonnes capacity, at a cost of Tk 900 crore.

The company expects to hand these ships to the buyer by 2011.

Two local banks-- AB Bank Limited and City Bank Limited-- are financing the project.

World stocks mixed before key growth data

AFP, London

World equities saw mixed fortunes on Tuesday, with many investors away for the Christmas and year-end holidays, as dealers awaited key economic growth data in Britain and the United States.

"We're looking at another dip lower at the open as markets continue the wind down for Christmas," added CMC Markets dealer Jimmy Yates.

In European morning deals, London gained 0.74 percent and Paris added 0.87

percent, while Frankfurt was up a marginal 0.02 percent.

The German market will be closed on Wednesday for Christmas Eve, while London and Paris will shut at the half-way stage ahead of Christmas Day on Thursday.

At 0930 GMT on Tuesday, London investors will digest the third and final estimate of gross domestic product (GDP) growth for the third quarter of 2008.

Britain's economy shrank

0.5 percent in the three

months to September, plac-

ing it very close to recession,

according to the previous

estimate given last month.

That marked the first quarterly contraction since 1992 and was the biggest drop since 1990 amid mounting gloom about the global financial crisis.

The economy had already screeched to a halt in the second quarter to record zero growth. The technical definition of a recession is two quarters running of negative economic growth, or contraction.

Across the Atlantic, meanwhile, third-quarter GDP numbers will also be released in the United States

later Tuesday.

"UK and US GDP readings will be closely watched and with expectations low for both, any positive surprises could help provide some festive cheer," added Yates.

Meanwhile on Tuesday, fears of sweeping job losses caused by the global economic crunch deepened with more layoffs, as governments took added measures to ease the impact of the crisis.

The Hong Kong stock market shed 2.8 percent and Shanghai sank 4.55 percent

as a smaller-than-expected Chinese interest rate cut failed to boost market sentiment, dealers said. Tokyo was closed for a public holiday.

China's central bank has unveiled its fifth interest rate cut since September, but it failed to stimulate investors concerned at the scale of the downturn being felt across the globe.

The People's Bank of China has meanwhile cut the benchmark one-year lending and deposit rates by 27 basis points, the fifth cut since mid-September.



Incepta Pharmaceuticals Ltd Managing Director Abdul Mukhtar presides over the company's annual sales conference 2008 at Bangladesh-China Friendship Conference Centre in Dhaka yesterday. Other senior officials were also present.

China expects 18pc rise in foreign trade

AFP, Beijing

China's commerce minister said Tuesday the country's foreign trade was expected to have grown 18 percent in 2008 despite the negative impact of the global economic crisis, state media reported.

Chen Deming estimated that foreign trade increased to 2.6 trillion dollars this year, and that foreign investment in the country had exceeded 90 billion dollars, a 20 percent hike year-on-year, the official Xinhua news agency said.

Speaking at a conference,

Chen said steps would be taken to maintain stable export growth in 2009, including making more effort to explore emerging markets in south and central Asia, the Middle East, South America and Eastern Europe.

China's growth is being severely affected by the global economic crisis, especially as overseas markets for the nation's exports begin to dry up.

Growth of the heavily export-dependent Chinese economy eased to nine percent in the third quarter of this year, the lowest in more than five years.

AFP, Seoul

South Korea will form a task force to assess the finances of construction firms and smaller shipbuilders and will force unviable companies to restructure, the financial watchdog said Tuesday.

The Financial Supervisory Service (FSS) said banks would immediately form the task force with accounting experts and credit appraisers.

"Restructuring will begin early next year," FSS governor Kim Jong-Chang told reporters, adding the government would "boldly" weed out non-viable firms.

"Basically, the government will focus on salvaging firms by injecting fresh funds or putting them under debt rescheduling programmes."

The FSS said in a statement it plans to calm market jitters "by preemptively restructuring companies that may become insolvent."

It said the task force would scrutinise 26 small and medium-sized shipbuilders with orders from overseas, as well as construction companies with more than 5 billion

won (3.7 million dollars) in loans.

South Korea, home to seven of the world's top 10 shipyards, has secured record orders in recent years.

But the global financial crisis and a sharp decline in new orders have eroded their profitability, with smaller shipyards facing a severe credit crunch.

The slowing economy has also left a huge number of unsold apartments. Many smaller and mid-sized construction firms are struggling to service debts taken out during the 2005-2006 housing boom.

Banks have already agreed to roll over the debt of 27 cash-strapped construction firms by one year in return for restructuring.

Government data shows total loans extended by savings banks and other lenders to finance real estate projects stood at 79 trillion won (54 billion dollars) at the end of June.

Kim said local chipmakers and carmakers are not in a serious enough situation to require forced restructuring.

"The government will provide financial support or consider restructuring if their problems become serious," he said.

AL, BNP economic pledges

With the announcement of the Election Manifesto 08, voters now know the economic pledges of Awami League (AL) and Bangladesh Nationalist Party.

Business leaders and economic analysts have started examining the feasibility of these programmes and promises and considering the track record of the economic performances of the respective political parties during their tenure in power.



A close scrutiny of these economic policies and promises reveals that Awami League has put much needed and timely emphasis on economic issues, as newspapers have commented. The election manifesto of BNP has highlighted micro issues and it lacks long-term vision to keep up the growth momentum, as an economist remarked.

The prices of food items and other essential commodities rose beyond the reach of the common people during BNP-led coalition government. The increase in commodity prices by 100 to 200 percent caused untold suffering to the low-income and mid-income groups of people.

The AL has pledged price reduction and stability by bringing equilibrium between the demand and supply of com-

modities. They have also prioritised the production of domestic commodities and made arrangements for timely imports to ensure food security.

The party has also promised to eliminate hoarding and profiteering syndicates and stop extortion by creating an institution to control commodity prices.

The BNP has pledged for increased food production and subsidies for reducing the cost of production. They are silent on syndicates and promises to improve the supply chain by utilising storage facilities, creating job programmes to increase the purchasing power of the people, directly subsidising the prices of necessities.

Another area of failure of the BNP government was its inability to generate additional power, as a result of which people had to suffer a lot because of the frequent load-shedding, loss of industrial production and other businesses.

The BNP manifesto did not clearly spell out any concrete plan or programme for producing power on a priority basis for rescuing the nation from such a miserable power shortage. In fact energy ranks fifth in BNP's priority list.

The AL manifesto has identified the real need of power generation both through short-term and long-term programmes. The manifesto also turns to the longer-term task of poverty alleviation and economic development. They have promised to reduce poverty ratio from current 45 percent to 25 percent within the next five years.

The BNP manifesto promised to reduce poverty through economic growth through number of their vague economic policies, designed for industrialisation.

The BNP manifesto, in order to ensure market promotion and a better image for Bangladesh products abroad, pledged to set up a permanent Export Park. They view that it will enhance the country's earnings from export and create job opportunities.

The AL manifesto has mentioned that short, medium and long term plans would be made and implemented for efficient management for quick industrialisation that can provide employment, speedy expansion of stock market, elimination of bribe and corruption and administrative difficulties, creation of an investment friendly environment and a competitive market system, adoption of innovative technology and provision of infrastructural facilities that are able to attract entrepreneurs and expand domestic market.

Interestingly, both AL and BNP have mentioned setting

up a Deep Sea port in their respective manifestos.

In this connection, it may be mentioned here that the AL government during its tenure, approved a project for setting up a Container Terminal at Chittagong and Dhaka by an American company, which, due to lack of initiative by the successive government, had to face a legal death. The frustrated American company left the country after spending a substantial amount of money.

BNP plans to set up Special Economic Zones at different areas of the country for industrial and agro-based industries. This is undoubtedly a good proposal.

Finally one can reasonably come to a logical conclusion as to how far the two political parties are capable to implement their economic pledges by carefully considering their past successes or failures in the area of economic activities.

Zahid Hossain
Dhaka

Problems with family owned business

Ever since the caretaker government came into power, people have been talking about putting more emphasis on politics driven by experienced and new politicians and imposing restrictions on family based politics.

We have observed problems with family politics. Even experienced politicians dare to speak against any member whose relatives are involved in politics.

The same problem lies with family owned businesses in Bangladesh. These businesses are run directly by family members, thus it prevents people of the organisation to speak their minds freely when it comes to decision-making because members of the family are the ones who make the ultimate decisions. They are not liable to anyone and are immune to any accountability. Therefore, whatever decisions they take, no one dares to challenge them. This is definitely a bad sign for the organisation.

Even senior management becomes scapegoats and stay away from taking crucial decisions because their decisions are not honoured. I believe, businesses could be family-owned but it should definitely be run by experienced people.

And their accountability must be present, which is a must for any organisation to climb up the ladder of success.

Minhaj Ahmed
Dhaka

Brickfield woes farmers

Hundreds of brickfields are making bricks in full swing in this season across the country. Bricks are made mainly with soil and it is collected from cultivable land. These are fertile lands where farmers mostly grow cash crops, like paddy, jute and vegetables. Farmers ideally cultivate crops three times a year. But the frequency is reducing day by day. This is because brick manufacturers are collecting soil from farmers by giving lucrative cash money at a time.



Surface soil from cultivable land is usually evacuated from 1 to 2 feet below the ground. After cutting earth, that specific land becomes barren and it is very hard to regain its fertile position again. Some times, farmers have to wait more than two years to bring back the land to its previous form. Repeated soil evacuation from the same land makes the land suitable for only growing paddy. Actually, farmers are mostly ignorant. They have a little knowledge about the proper use of land. They are also not united among themselves. When a farmer sells earth from the middle of his land, the surrounding land automatically becomes barren. This is the reason why neighbouring farmers are compelled to sell soil from their land as well. This becomes a permanent loss for farmers and our country has to face food and vegetable crisis in daily life. The time has come now to think over the matter seriously. Otherwise our future will only bear complexities.

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