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# Star BUSINESS

DHAKA THURSDAY MAY 10, 2012, e-mail: business@thedailystar.net

**Minister vows to get alternative funds for Padma bridge**

**BUSINESS REPORT**

Communications Minister Obaidul Quader yesterday said the government would manage alternative sources of funds, if necessary, to construct the Padma bridge if the World Bank (WB) decides not to finance the largest infrastructure project in Bangladesh.

"It is up to the World Bank whether it will finance the Padma bridge or not," he told reporters after the opening ceremony of a two-day regional seminar on infrastructure at Sonargaon Hotel in Dhaka.

"But we have to construct it because we promised the people that we would. The World Bank has no such liability to anybody," said the minister.

The minister also said he does not think there would be any relationship stalemate between Bangladesh and the WB even if the Washington-based lender decides not to finance the project.

He said if the WB does not finance the proposed bridge, the government could still ask it to finance the second bridge over the river.

"If we cannot construct the first Padma bridge with the financing of the World Bank, we will request it to help finance the second Padma bridge."

## Wait for Pangaon container terminal stretches further

**SAJJADUR RAHMAN and SOHEL PARVEZ**

Businesses will have to wait for another two years to get the benefits of carrying goods cheaper through rivers to and from Chittagong port, as the government is taking so long to make Pangaon container terminal operational.

Although the construction of the terminal is almost finished, the delay in appointing a private berth operator and selecting vessels to transport containers is the setback, port officials said.

"The private operator will be given at least one year's time to set up equipment to handle containers at the terminal. Further time will be needed to make vessels ready for transporting containers between Chittagong Port and Pangaon," an official of the port told The Daily Star.

To ease congestion on the roads between Dhaka and Chittagong, the government in 2000 undertook a Tk 177 crore scheme to build an inland container terminal (ICT) at Pangaon in Keraniganj.

The construction work started in July 2005 and was supposed to be complete by June 2011.

Presently, the majority of cargoes and containers are carried through roads due to inadequate capacity of trains. And, the pressure of vehicles on the Dhaka-Chittagong highway has worsened congestion, causing a truck or covered van to take more time to reach the destination.

Exporters and importers said higher time in transporting goods due to excessive dependence on roads affects them a lot, causing financial losses. They have to pay higher rents to transport service operators.

Mojibur Rahman, project director of

Pangaon ICT, said construction of container freight station, yard, jetty and other physical works has already been complete.

"Now, we are waiting for the appointment of a private berth operator and selection of vessels to carry containers to and from Chittagong Port," Rahman said.

The terminal, built on an area of 88 acres, will have capacity to handle 2,400 TEUs (twenty feet equivalent unit) at a time.

On the appointment of a berth operator, chairman of Chittagong Port Authority (CPA) Md Nizamuddin said they have sent a list of qualified bidders to the shipping ministry for approval from the cabinet committee on purchase.

After getting the approval, he said the CPA will appoint the operator for the Pangaon ICT for 20 years.

Despite repeated attempts, Shahjahan Khan, the shipping minister, could not be reached for comments on the update of appointing a berth operator of the ICT.

Shafiqul Islam Mohiuddin, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said exporters would benefit immensely once the Pangaon ICT starts operations.

"Sometimes it takes ten hours and more in transporting goods because of congestion on the Dhaka-Chittagong highway," said Mohiuddin.

The BGMEA president said goods transportation by road is not always smooth in Bangladesh because of numerous bazaars (market places) on both sides of the highway. Locals also block roads in case of accidents, he said.

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*The majority of cargoes and containers are carried through roads due to inadequate capacity of trains. And the pressure of vehicles on the Dhaka-Chittagong highway has worsened congestion*

## Two Bibiyana power projects didn't fit WB criteria: Goldstein

**STAR BUSINESS REPORT**

World Bank Country Director Ellen Goldstein yesterday said two Bibiyana private power projects did not fit the criteria to be funded under the bank's Investment Promotion Financing Facility (IPFF).

In other words, local company Summit that was awarded the two Bibiyana projects would not get its expected \$115 million from the IPFF.

Construction of both these projects failed to begin as per schedule due to financing problems. Summit has meanwhile started construction of another large plant in Meghnaghat without completing financial arrangement.

Talking to journalists at a regional seminar on infrastructure at Sonargaon Hotel, Goldstein said,

"The Bibiyana project does not actually meet the criterion to be financed under the IPFF. Unfortunately, that operation was not appropriate for financing that project."

She added that the WB has informed its stance to Summit many months ago.

Summit chief Muhammad Aziz Khan told The Daily Star that indeed such lower power projects did not meet the IPFF criterion, which was founded to finance smaller-scale schemes.

But not getting the IPFF is not the main problem with the Bibiyana financing. The WB had promised the government of \$100 million Performance Risk Guarantee (PRG) for each of the three power projects of Meghnaghat and Bibiyana. The PRG helps the project contractor to get

loans from other banks.

"But they have not given the PRG. As a result, we did not get loans. However we are continuing to pursue rightful remedies and hope that the project will be implemented," Aziz added.

As per the agreement with the government, Summit was supposed to close its finance in February for the Bibiyana power projects -- each with 341 megawatt capacity. Summit won the bidding for these power projects by submitting a very low price of around Tk 2.6 per kilowatt hour for 22 years.

Summit claimed that it is facing the problem because the WB refrained from giving the PRG apparently as it will not fund anything unless the Padma bridge corruption allegation is cleared.

## High Court stays BTCL bidding for seven days

**STAR BUSINESS REPORT**

The High Court yesterday stayed a procurement plan by Bangladesh Telecommunications Company Ltd for seven days, after an aggrieved bidder filed a writ petition alleging the state-run company disobeyed a decision by the purchase review panel.

BTCL sought bids for the job of building an optical fibre transmission network.

The court has issued the rule against BTCL asking why it did not follow the decision of the review panel, said Barrister Rumeen Farhana, a lawyer for the writ petitioner.

BTCL will have to respond in seven days. The bidding process will be on hold until then, she added.

The aggrieved bidder Istanbul-based Nortel Networks' Netas Telekomunikasyon filed the writ petition with the High Court on Tuesday.

Netas took part in the pre-qualification bid, but BTCL had disqualified the firm saying it did not submit

appropriate documents. BTCL moved on with two other bidders, KT Corporation of Korea and NEC Corporation of Japan, ignoring the decision by a review panel that allowed Netas's bid.

The quasi-judiciary panel that reviews all public purchases on the basis of any complaint ordered that BTCL allows Netas to take part in the tender on March 18.

Netas complained to the review panel against BTCL's decision after it was removed from a pre-qualification evaluation.

The panel, after a hearing, said the removal of Netas from the pre-qualification bid was illogical and unilateral. It further alleged that BTCL's conduct during evaluation was improper.

BTCL opened the financial offers on May 3, more than 40 days after the review panel's verdict.

BTCL disobeyed the telecoms ministry and its own board as well.

The ministry ordered BTCL to follow the review panel's decision on March 18, while the BTCL board directed the same on March 21.

## Titas Gas to offload more shares in market

**STAR BUSINESS REPORT**

State-run Titas Gas Transmission and Distribution Company, commonly known as Titas Gas, plans to offload more shares in the stock market.

Bangladesh Oil, Gas and Mineral Corporation (Petrobangla), the major corporate sponsor of Titas Gas, will sell 10 percent or 9.42 lakh shares of the company at market prices from its stake in Titas Gas.

However, the shares will be ready for sale on the stock exchanges after some regulatory requirements are completed.

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French trade deficit shrinks in March

AFP, Paris

France's trade deficit, which had increased sharply due to a cold snap in February, narrowed in March to hit 5.7 billion euros (\$7.4 billion), customs data showed Wednesday.

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