

# ADB awards three best performing project teams

STAR BUSINESS DESK

ADB has awarded three of its top performing project teams in Bangladesh in an effort to recognise efficient project implementation, it said in a statement yesterday.

The awardees are Dhaka Water Supply Sector Development Project by Dhaka Water Supply and Sewerage Authority (WASA); Participatory Small Scale Water Resources Sector Development Project by Local Government Engineering Department; and Secondary Education Sector Development Project by Directorate of Secondary and Higher Education.

M Teresa Kho, ADB country director in Bangladesh, presented the awards to the winners at a ceremony in Dhaka on Sunday. Senior government officials, project directors of various ADB-assisted projects, members of the winning project teams, and ADB staff attended the ceremony.

The best project team recogni-

tion program, initiated in 2001, is part of an ongoing effort by ADB to improve effectiveness of the projects finances.

"The awards recognised the project teams' efficiency, results delivery, transparency in procurement, effective project implementation, efforts to empower women, and other criteria", Kho said.

The Dhaka Water Supply Sector Development Project, with \$202.5 million in ADB assistance, works to improve water supply services in Dhaka, for better health and sustainable economic growth. It also supports rehabilitation and optimisation of the water distribution network of the Dhaka WASA to minimise losses and allow for 24-hour pressurized water supply and assure water quality.

The Participatory Small Scale Water Resources Sector Development Project, with a \$55 million ADB loan, is improving small-scale water services to help cut rural pov-

erty, improve food production, increase access to water, and address the adverse impacts of climate change. It works on improving flood management, drainage, water conservation, irrigation, and developing water management cooperative associations.

The Secondary Education Sector Development Project, which ADB is financing with \$89.05 million, supports implementation of policy reforms, helps improve efficiency and quality of secondary education, while enhancing equitable and inclusive access including establishing schools in underserved areas, furnishes and equips schools, updates the curricula, and helps the government modernise madrasah education.

As a major development partner of Bangladesh, ADB is currently supporting a wide range of development programs under 60 government projects worth more than \$5 billion.

## Stocks end flat

STAR BUSINESS REPORT

Stocks ended flat yesterday, as institutional investors remained inactive which eroded investors' confidence.

DGEN, the benchmark general index of Dhaka Stock Exchange, finished the day at 4,008.83 points, after falling 9.23 points or 0.22 percent.

Investors' confidence level was pulled down for the second time by increased political violence, which was also accused of affecting financial sector's quarterly earnings, said IDLC Investments, a leading investment banker.

"Index is struggling to find positive direction amid bearish sentiment," said LankaBangla Securities said in its daily market report.

"Uncertainty regarding Padma bridge seems to linger the long-awaiting boost for the infrastructure sector of the economy. Merchant banks are unable to

contribute to positive movement, as they are already burdened with margin loan," said the stockbroker.

Turnover lost 1.05 percent to Tk 210 crore than the previous day.

A total of 0.80 lakh trades were executed while 5.76 crore shares and mutual fund units changed hands on the Dhaka bourse.

Of the 265 issues that traded on the DSE, 55 advanced and 194 declined and 16 remained unchanged.

All the major sectors closed in the red. Non-banks lost 0.76 percent, pharma 0.75 percent, power 0.39 percent and telecom 0.27 percent while only banking sector registered a 1.13 percent gain.

Generation Next Fashion featured in the most traded stocks' chart, as its 66.92 lakh shares worth Tk 28 crore changed hands.

Prime Bank was the biggest gainer, posting a 5.70 percent gain, while Envoy Textile lost 11.63 percent as the worst loser.



Mostaq Ahmed, chief executive officer of International Centre for Microfinance and Social Enterprises (ICMSE), attends the launch of the ICMSE's development project with the Nigerian government to foster enterprise development, at a ceremony in Port Harcourt in Nigeria recently.

## StanChart to pay \$327m to resolve US sanctions case

REUTERS, Washington

British bank Standard Chartered Plc will pay \$327 million to resolve allegations that it violated US sanctions and other laws, the Federal Reserve said on Monday.

The bank will pay \$100 million to resolve Fed allegations that it provided "inadequate and incomplete responses" to bank examiners and provided insufficient oversight of its sanctions compliance program, the Fed said.

The bank separately entered into deferred prosecution agreements with the US Justice Department and the New York District Attorney, and will forfeit \$227 million in connection with those agreements,

## BB strengthens banking supervision to check fraud

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Bangladesh Bank has taken initiative to receive online statement through its web portal. As part of the programme, its Foreign Exchange Operation Department has already started monitoring export transactions through online reports submitted by authorised dealers.

The central bank has developed online reporting system for all types of cross border foreign exchange transactions, including foreign exchange transactions, through inland back to back letters of credit.

The measures came as Bangladesh Bank tries to strengthen its supervision on banks following unmasking of the Hall-Mark scam, which unfolded that a number of state-run banks settled local LCs

## Workplace safety imperative to become RMG leader

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"The changes in the Chinese economy has creates opportunities for Bangladesh, with Western buyers being in search of the 'next China' and China itself wants to source its apparel from other countries," she said.

But the BIDS research fellow said the opportunities can only be availed if Bangladesh's RMG sector can promptly address the several challenges it is facing at present, such as power and gas shortage, skill deficiency in workers, dependency on imported raw materials and political instability.

Nazneen Ahmed said the steps needed are: human resource development, power and infrastructure projects, safety net for RMG workers, lower interest rates, prudent economic diplomacy and industry and nation branding.

Speaking as the chief guest, Foreign Minister Dipu Moni said the government is working to diversify its export destinations and products through participation in fairs the world over and opening new missions.

She stressed the need for practicing strong corporate governance to ensure better workplace safety.

The minister said Bangladeshi apparel makers have to pay huge amount of taxes to the US exchequer due to imposition of higher duty.

In 2010, Bangladesh paid \$630 million in duty to the US, data showed.

She said if the US allows duty-free access to Bangladeshi products, the RMG makers can provide yearly bonuses of Tk 25,000 to each worker.

Bhattacharya, however, is sceptical of Bangladesh's chances of getting duty-free access to the US.

"From the recent global signals, we can be very sure that duty-free and quota-free market access to US market is not coming," Bhattacharya said.

He urged the country's garment manufacturers to focus on capacity building and better workplace safety to grab the US market rather than hold their breath over securing duty waiver from the US.

Farooq Sobhan, president of Bangladesh Enterprise Institute, said BGMEA has to make partnership with its members, buyers, government and workers for nation branding.

He said diplomats of the country will have to play a pivotal role to grab more emerging markets.

Like the Foreign Minister, Sobhan, too, urged the garment manufacturers and buyers to practice corporate governance strongly to ensure a safer workplace.

Mamun Rashid, director of BRAC Business School, said Bangladesh's garment industry is a success story the world over.

"It happened not for cheap labour, but for the resilience of the entrepreneurs and capacity development," he said.

Shafiq Islam Mohiuddin, president of BGMEA, said they will soon form a taskforce to assess the country's RMG sector. "Based on the findings of the taskforce, BGMEA will take steps to rebuild the

## Extreme poverty to go by 2015: ADB study

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Helped by national agriculture research centres, farmers shifted from coarse to quality rice production, faster than their Indian and Chinese counterparts.

About 25 percent of seeds were also subsidised and sold by Bangladesh Agricultural Development Corporation.

More than 80 percent of the rice and potato farmers having mobile phones negotiate prices for their produce and obtain other information about the

market, said the study.

More integrated rice and potato chains benefited urban consumers with affordable price for quality rice, and year-round supply of potatoes.

Farmers' incomes have also increased. Farmer's share of the retail price of rice is roughly 60 percent, while for potatoes their share is 50 percent.

The study said affordable and stable domestic prices for rice and potatoes can be achieved

not just at improvements at the farm production level, which is often the focus on interventions, but more importantly, at the post harvest levels through more private sector engagement.

The ADB study also indicated that agriculture's share to gross domestic product has declined through the years, down to 20 percent in 2011, next to services and industry sectors. The sector still employs about 47 percent of the country's labour force.

## US champions new route to regional prosperity

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Building alternative transportation routes to move goods more cheaply from South Asia to Southeast Asia would increase integration for the entire region including Nepal, Bangladesh, Bhutan, Sir Lanka, Thailand and the countries of the Lower Mekong delta, he added.

The concept of trade and transit links between Southeast and East Asia cropped up

from the recent political progress in Myanmar (Burma), the resolution of long-standing differences between Bangladesh and India and the enhanced economic dialogue between the Indian and Pakistani governments.

"The groundswell of momentum is promising," Blake said.

Furthermore, the US gives the regional linkage the "highest strategic priority" as it would be

a "conduit for peace".

Citing the benefits of the economic linkages between Canada, Mexico and the US and the US-German relationship since World War II, he said the economic integration would be a boon for Asia as well.

"The lessons are clear -- the closer countries and individuals are bound together by trade and mutual benefit, the more incentives there is to work together."

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