

WB funds rise despite Padma bridge hiccups

STAR BUSINESS REPORT

The World Bank's lending to Bangladesh rose over the past four years despite strained relations between the multilateral lender and the government over the Padma bridge funding.

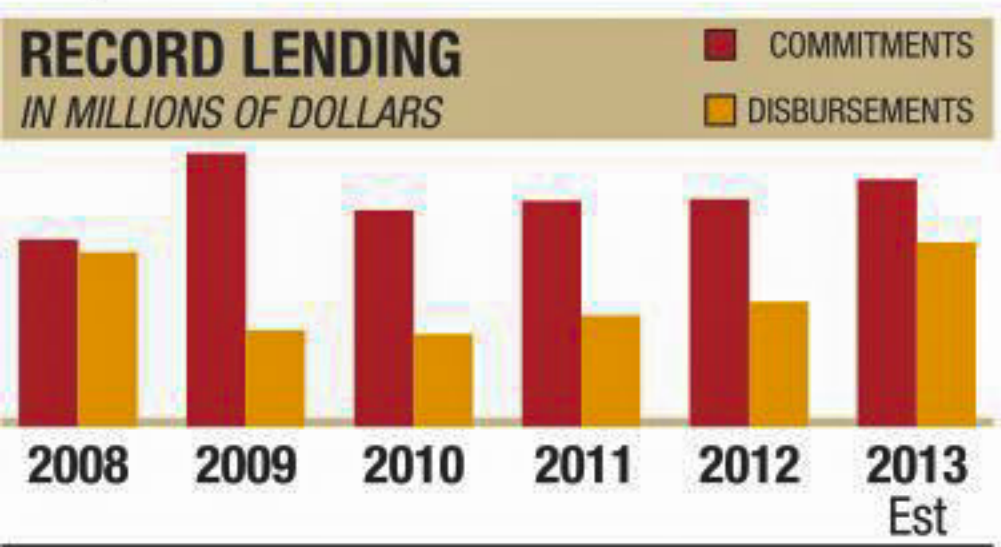
Also, improvements have been seen in various projects financed by the WB, reveals a mid-term review of the bank's 2011-2014 country assistance programme.

The results of the review, conducted jointly by the government of Bangladesh and the WB, were shared at a programme at the Planning Commission office yesterday.

A third-party monitoring and evaluation report on some projects was also presented at the event. Manusher Jonno Foundation, which promotes human rights and good governance, prepared the report.

The amount of fund release may rise about 60 percent to \$800 million in fiscal 2012-13, compared to the previous year, according to the government and WB estimates.

The WB disbursed \$500 million in fiscal 2011-12, a rise of 11.11 percent from the previous year.



Disbursements are at record levels in the first half of fiscal 2013 which bodes well for the full year if the pace can be maintained," the WB said in a statement.

It said the bank and the Bangladesh government found progress from the baseline for 76 percent of programme indicators, with another 14 percent showing no change and 7 percent showing deterioration.

This is an improvement over the previous year, with a notable upswing in data availability for indicators from only 56 percent to an impressive 97 percent, it said.

"It gives me immense pleasure that the



Middle, Ellen Goldstein, WB country director for Bangladesh, speaks at a mid-term review of the lender's country assistance programme at the Planning Commission office in Dhaka yesterday.

Goldstein's tenure ends this month

STAR BUSINESS REPORT

Ellen Goldstein, the World Bank's country director in Bangladesh, will conclude her tenure here at the end of the month, the WB said yesterday.

She will take on her new assignment on February 1, the bank said. Goldstein joined the Dhaka office in November 2009.

Salman Zaheer, South Asia's regional cooperation director of the lender, will

become the acting country director for Bangladesh and Nepal, and will be based in Dhaka until a new country director joins the Dhaka office in May.

Johannes Zutt, the present country director for Kenya, Eritrea, Rwanda and Somalia, is expected to be the next head of the WB's Bangladesh office, said an official of the finance ministry, asking not to be named.

Zutt, a Dutch national, took his existing charge in January 2009.

government and the World Bank were able to deliver results in most of the areas in our strategy," said Ellen Goldstein, WB's country director for Bangladesh.

"We have piloted innovative approaches and scaled up where we have seen measurable results."

Positive results were measurable for an array of programmes, with particularly good results achieved at all levels of the education

system, in the provision of health, population and nutrition services, she said.

Public expenditure management and community participation and empowerment also showed progress, according to the WB.

Goldstein said the bank scaled up its support to solar home systems remarkably, finding its success.

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Streets shouldn't be places for political showdowns: DCCI

UNB, Dhaka

Amid apprehensions about stormy politics in the coming months, a leading trade body yesterday urged both the ruling and opposition parties to come up with peaceful political programmes to keep the economy unhurt.

"We're ready to take any step to help all the political parties reach a consensus. We're really committed," M Sabur Khan, president of Dhaka Chamber of Commerce and Industry, told reporters.

"We hope the political parties will set an example showing respect to each other and launching tolerable political programmes," Khan said at a press conference.

According to Khan, directors are writing to him for taking an initiative as the overall political scenario is not favourable for business. "Politics and economy are complementary to each other. Political stability is a must for balanced development."

Opposing hartal as a means of realising political demand, the newly elected president said hartal causes economic losses of about \$200 million a day, and thanked the political parties for holding peaceful programmes in the recent days.

"Streets shouldn't be the places for political showdowns and demonstrations. There should be a specific place for that type of programmes to keep the normal life and business activities unhurt," Khan said.

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Garment buyers sharpen watch on supply chain

REFAYET ULLAH MIRDHA

International buyers have become more cautious about their Bangladeshi contractors and sub-contractors who make clothes for the multinational retailers.

In the past, the local liaison offices of the buyers used to deal with the contractors and check their safety standards before placing orders.

But now the headquarters of the buyers want to know exactly which factories are -- directly or indirectly -- making garment products for them.

The buyers tighten the screw amid growing concerns over factory safety after around 112 workers were trapped and killed in a factory fire in Ashulia in November.

The buyers' worries intensified as the world's largest retail chain, Walmart, after the fire at Tazreen Fashions, said it did not know Tazreen used to make garments for the company.

To maintain strict compliance, the headquarters of different retail chains are sending repeated mails to their Dhaka-based liaison offices to confirm the names of the factories.

Some buyers in Dhaka said their head offices were not so serious about the sub-contractors before the fire incident at Tazreen Fashions.

"Previously, the headquarters tried to know only about the contractors from their liaison offices," said a Spanish buyer, asking not to be named.

"But now they are serious about both the contractors and sub-contractors and their safety standards as well," he said.

In such a letter, which The Daily Star obtained, the headquarters of a buyer asked its liaison office in Dhaka to send the names of the factories for confirming the purchase order.

Another Hong Kong-based buyer said their headquarters now focus more on factory inspection.

"Factory inspection is a regular practice for our business. But after the Tazreen fire, we have strengthened the process with our own manpower," said the buyer, who also did not want to be named.

Many buyers now carry out unannounced factory inspection regularly, said KM Rezaul Hasanat, chairman and managing director of Viyellatex Group, a local garment group.

"Recently a buyer paid a surprise visit to my factory and asked for a fire drilling. Such a visit was rare in the past," he said.

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India's Ujala maker sets up factory in Tongi

Jyothy Laboratories, Kallol Group invest Tk 7.5cr

SUMAN SAHA

Jyothy Laboratories Ltd, an Indian fast-moving consumer goods company, is set to open its first subsidiary in Bangladesh in April.

The company has set up a factory in Tongi, in a joint venture with Bangladesh's Kallol Enterprises, to manufacture detergents and cloth whitening liquids.

The subsidiary is named Jyothy Kallol Bangladesh Ltd, Ghulam Mostafa, managing



director of Kallol Group of Companies, told The Daily Star, while adding that the total investment has so far been Tk 7.5 crore.

The Mumbai-based company holds a 75 percent stake in the subsidiary, while the remaining by Kallol Enterprises.

Bangladesh has witnessed huge demand in washing powders and cloth whitening liquids in the last several years, due to the fast growing middle-income group.

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Internet blackout for four days

STAR BUSINESS REPORT

The country will face disruption in internet and international call connectivity from today until Tuesday evening due to maintenance work on the submarine cable, SEA-ME-WE 4.

However, an arrangement has been made to import the required bandwidth for the country via satellite and international terrestrial cables, said Bangladesh Submarine Cable Company Ltd (BSCCL).

Monwar Hossain, managing director of the BSCCL, said installation works are scheduled between 2am and 5am on Sunday at a point between Thailand and Malaysia.

But internet service providers have been instructed to contact with the international internet gateways for back-up connectivity as well, he said.

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