

# Support to continue: WB

## A team will visit Dhaka soon to see how the Padma bridge fund can be diverted to other projects

REJAUL KARIM BYRON

The World Bank will continue to support Bangladesh in its road to development despite frictions for one and a half years over financing of the Padma bridge project, said the global lender's president.

Jim Yong Kim said the WB and the Bangladesh government can collaborate to bring down the number of poor -- more rapidly.

"But, governance and anti-corruption measures must be in place to ensure that every dollar is used for the intended purpose of benefitting the poor," said Kim Yong during his meeting with Finance Minister AMA Muhith at WB's headquarters in Washington, DC, on Wednesday.

High officials of both the Bangladesh government and WB were also present at the meeting.

The WB has assured that the \$1.2 billion reserved for the Padma bridge project would be allowed for use in other projects, said finance ministry officials.

The fund, however, would be released upon satisfactory assessment of the proposed projects by a team from the WB headquarters, due in Bangladesh soon.

The government intends to use the sum for the construction of a separate rail bridge on the Bangabandhu Jamuna Bridge, budgetary support for social safety net programmes and a Bus Rapid Transit system between Shahjalal International Airport and the Dhaka city centre, the officials added.

The controversial Padma bridge did not come up in the discussions, but implementation of other social sector projects was discussed at lengths.

The WB president commended Bangladesh for the significant progress it made in overcoming poverty.

"Bangladesh has the potential for faster economic growth and poverty reduction," he said.

A WB statement following the meeting further said: "Bangladesh has made remarkable progress towards achieving the poverty reduction targets set by the Millennium Development Goals for 2015."

By sustaining annual growth rates of around 6 percent in the past decade, the country has witnessed "a profound



Jim Yong Kim

social transformation" with an influx of girls into the education system and women into the labour force.

Economic growth has pulled 16 million people out of poverty in the last 10 years, but the development needs still remain "large and pressing" with around 47 million people still living in poverty, the WB said.

The WB president also raised the Grameen Bank issue at the meeting, in response to which Muhith presented the government's position on it, said officials present at the meeting.

Muhith flew out to Washington on February 24 to "improve the relations with one of the largest development partners of the country", which has been strained due to the Padma bridge project.

Following allegations of corruption in June last year, the WB cancelled the \$1.2 billion financing for the Padma Bridge.

Upon request from the Bangladesh government, the global lender reengaged with the project, only for the government to withdraw on January 31 due to its inability to meet WB's conditions.

Since 1972, the WB has provided around \$16 billion for: strengthening the social safety net, enhancing the health and education systems, adaptation to climate change, infrastructure modernisation, empowerment of local governments, promotion of reforms to stimulate broad-based growth and agriculture development.

At present, the WB is financing 41 projects in Bangladesh worth \$4.23 billion.

## Fair brings new technologies for poultry farmers

STAR BUSINESS REPORT

An international poultry exposition in Dhaka has opened a window of opportunities for local growers to gain hands-on experience of latest technologies and farming knowledge to gear up production of meat and eggs.

"The fair will introduce new technologies to our local growers," Agriculture Minister Matia Chowdhury said at the inaugural session of the three-day show yesterday.

She advised the local growers to adopt the latest technologies to increase production of high-protein food.

The industry of Tk 15,000 crore has already created employment for around 50 lakh people, and it has the potential to generate more jobs, the minister said.

The industry will ensure food security and help Bangladesh become a middle-income country as early as possible in line with the government's vision 2021, she said.

The brand new technologies displayed at the fair will help local growers accelerate production, said Rafiqul Haque, secretary of World's Poultry Science Association-Bangladesh branch.

The association organised the fair at Bangabandhu International Conference Centre, where companies from 33 countries are showcasing poultry feed, hatchery, poultry medicine, modern equipment and technologies at 288 stalls.

Experts and scientists from different segments of the industry will present 54 papers to add to the local growers' knowledge, Haque said.

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Various equipment and tools are on display at a stall at the international poultry fair in Dhaka yesterday.

STAR

# Telenor targets financial inclusion in Bangladesh

Md FAZLUR RAHMAN, from Barcelona

Buoyed by the success of its mobile banking service in Pakistan, the Norwegian telecoms giant Telenor is now looking to replicate the model in Bangladesh via its subsidiary Grameenphone.

"With the ever-increasing mobile penetration in Bangladesh, it has become natural for us to explore how we can play a part in financial inclusion," said Abraham Foss, senior vice-president and head of financial services of Telenor Digital Services.

Financial inclusion is a major global issue, with about 2.5 billion people in the world lacking access to basic financial services, and in some countries, the penetration level can be as low as 0 to 15 percent.

Telenor deems extending banking facility to these individuals would, as well as serving a business opportunity, improve their lives and transform economies.

At the same time, 90 percent of

people live in areas covered by mobile networks, and more than 75 percent of the people living in developing economies own a mobile phone.

That is also the case in Bangladesh, where a quarter of the population have access to the formal banking system, but geographically about 100 percent people are under mobile coverage.



In numbers, there are 100 million active mobile subscribers in a country of 160 million people, according to Bangladesh Telecommunication Regulatory Commission, the industry regulator.

"Grameenphone has the reach and ability to provide financial services and deepen financial inclusion in Bangladesh," Foss

told a group of Bangladeshi journalists on the sidelines of the GSMA Mobile World Congress in Barcelona on Monday.

"Our financial service eliminates much complexity and opening hours, turning banking from a branch-based exercise to a branch-less one."

Vibeke Halvorsen, vice-president of Telenor ASA's financial services, said: "As we have the technology we can do it. The system is fast, intuitive and secure. It is a solution that has no more need for a physical wallet."

"It is a compact technology that can make life easier."

Grameenphone, which is Telenor's first operation in Asia, has already launched a number of products such as the MobiCash and BillPay, in light of this.

But the impetus to explore financial inclusion comes from the company's successful exploits in Pakistan.

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## Cheque clearance below Tk 50,000 free of charge

STAR BUSINESS REPORT

The central bank has removed the Tk 7 charge for cheque clearance amounting up to Tk 50,000, making the procedure charge-free from today.

But a charge of Tk 10 will be imposed for clearing cheques with amount upwards of Tk 50,000 but below Tk 5 lakh.

For cheques worth Tk 5 lakh or above, the charge would be Tk 25, with the amount going up to Tk 60 for same day clearance.

Transactions through the electronic fund transfer (ETF) system have also been made charge-free.

A notice was issued yesterday over this matter, to come into effect on March 1.

All types of G2P (government-to-person) cheques would remain free of charge.

"All types of cheques received against government bills, utility bills and all cheques accepted against various dues to the city corporations/ municipalities will be free of clearing charge," added the notice.

# Rice prices shoot up again

SOHEL PARVEZ

Rice prices are gradually rising in the face of strikes, syndication by traders and speculation of a fall in production due to late harvest.

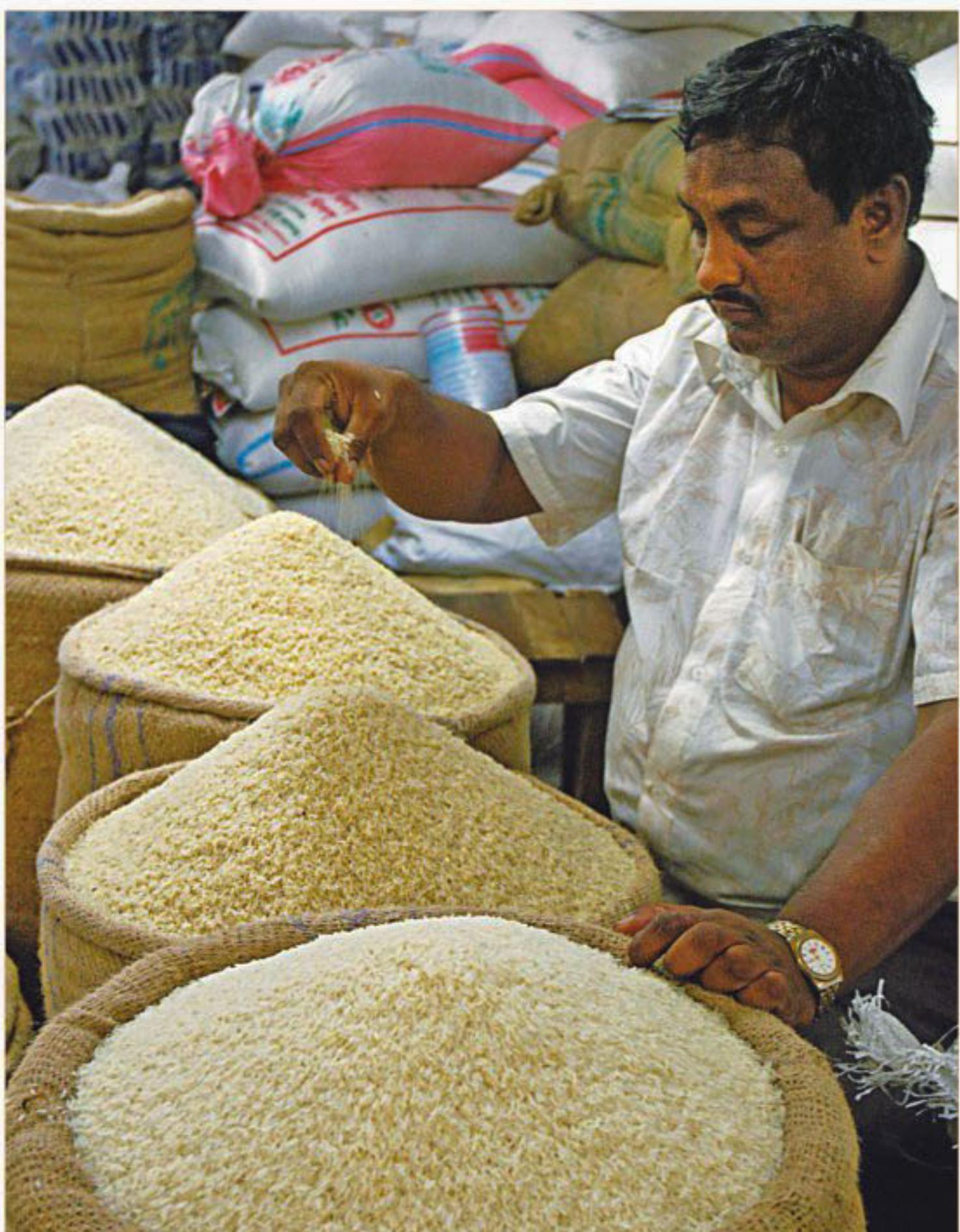
In the city markets, coarse rice prices increased 7 percent to Tk 30-32 per kilogram from Tk 28-30 at the beginning of the year. Prices of fine rice also edged up, according to the Department of Agricultural Marketing.

Prices began spiralling in January when a cold wave struck the country and a section of big millers and traders started purchasing paddy as seedlings were hit by fog and cold injuries in many areas, according to the traders.

Recent strikes and syndication by traders might be responsible for the price hike, according to the Fortnightly Foodgrain Outlook by the Food Planning and Monitoring Unit of the food ministry.

Jamaat-e-Islami mainly enforced the strikes, demanding release of their leaders, who face trials for war crimes in 1971's Liberation War of Bangladesh.

Boro rice production may fall this season due to late harvest and delayed transplantation, said Nirod Boron Saha, president



STAR/FILE

A man sells rice at a shop in Dhaka.

of an association of rice and paddy wholesalers in Naogaon.

He said prices of aman rice, harvested in November-

December, increased by Tk 200 a maund on an average in the last one and a half month amid increased purchase of the grain

by millers and stockists.

Price of a maund of coarse rice now hovers around Tk 1,000 in Naogaon, a major rice wholesale hub in the north, he said. Medium rice now sells at Tk 1,060 to Tk 1,100 a maund, he said.

The market remained stable in the last several days due to low presence of customers, said Saha.

Turnout of buyers is low now amid the fear of political unrests relating to the trials of war criminals, said Mohammad Jasim Uddin, owner of Haji Rice Agency at Karwan Bazar.

Hoarders have now started releasing their stocks, he said.

Rice production slipped 7 percent to 21.6 lakh tonnes during the aus season in 2012-13, according to Bangladesh Bureau of Statistics (BBS).

Estimate of aman output, the second biggest crop after boro, is yet to be finalised. The government expects it may achieve the production target of 1.33 crore tonnes depending on a bigger plantation area and a favourable weather.

Rice output rose nearly 1 percent to record 3.38 crore tonnes in 2011-12 from 3.37 crore tonnes the previous year, according to the BBS.

## Act on CSR, export more to Europe

### EU officials tell Bangladeshi exporters

STAR BUSINESS REPORT

Exporters having businesses in Europe need to focus more on corporate social responsibility as such practice has great importance to the European customers, said William Hanna, head of the delegation of the European Union in Bangladesh.

Bangladesh witnessed unprecedented economic growth and reduced poverty with the growth of business, but the main question is whether such development will sustain, Hanna said.

But, Bangladesh should also notice the environmental damage caused by the industrial growth, he said.

"Things should be produced in a sustainable way," Hanna said at the second Global Social Responsibility Conference at Radisson Water Garden Hotel in Dhaka yesterday.

Recognising the importance of CSR, the European Commission, the executive body of the European Union, has adopted a policy document on green economy with the help of CSR in 2001.

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