

# Compact townships promise to reduce urban congestion

## Economists speak at the launch of Compact Township Foundation

STAR BUSINESS REPORT

The tendency to hold on to ownership rights prevents the planned and controlled use of lands, setting the country back, economists said yesterday.

To accommodate the fast growing population, the country is losing 1-2 percent of agricultural land a year, Salim Rashid, chairperson of Compact Township Foundation, said at a seminar. The Foundation was launched yesterday.

"How will the people be fed if this continues?" he said while presenting his keynote paper.

Rashid, also a development economist, suggested urbanisation in a decentralised way or on a compact township basis.

"Not only are compact townships a solution to the problems of urbanisation, floods, industrialisation and agro-production,

it would also help the nation achieve double-digit economic growth."

A compact township is an agglomeration of houses, hospitals, schools, markets, rural industries and local government units that provide all basic services to a population of about 20,000 people.

Akbar Ali Khan, an economist and former adviser to caretaker government, said a very pertaining challenge facing the country is in reconciling the huge population to the limited supply of land.

"Land is a fundamental concept in Bangladesh, but we hardly talk on this issue."

He cited a study in the US which said for every 12.5 people one hectare of land is needed for their non-agriculture needs.

"In that context, for the 16 crore people of Bangladesh the entire land area would have

to be dedicated for non-agricultural needs. But, we are getting by -- through hunching."

Bangladesh's economic growth is in positive territory by quantity.

"But if we think about the qualitative growth, it will be negative. And if we cannot relate the mass people with the limited land in planned way, it wouldn't be long before the quantitative growth, too, trespasses to the wrong side of zero."

Khan cited the case of India, where apart from compact villages corporate villages are set up in a centralised manner.

"But in our country the villages or the towns are all over the place."

He said people's unwillingness to let go of the land they inherited poses a major setback to establishing compact townships in Bangladesh.

"This issue should be

addressed first before proceeding further with the concept of compact townships," Khan said, while calling for support from the private sector in applying the concept in Bangladesh.

Rehman Sobhan, a noted economist and chairman of Centre for Policy Dialogue, too, called for decentralisation, while touching on the thorny issue of people's deepest ties to ancestral lands.

"It is a socio-political issue. During reallocation of lands and final settlement, people will invariably question who the decision maker is."

Abdul Mueyed Chowdhury, chairperson of BRAC Net and a former adviser to caretaker government, said there is no alternative to the compact township concept in Bangladesh.

"The government should pore over the computerised records of existing lands to identify the culti-

vable lands, water bodies, forest lands and settlement areas."

However, decentralisation must be accompanied with provincial government, he said.

"Although Bangladesh is a small country in terms of land, it's a big one in terms of population. For any little task we have to come to Dhaka."

Jamilur Reza Choudhury, vice-chancellor of Asia Pacific University, proposed a strong rail network as an alternative to compact townships.

"If we can introduce commuter trains, physical movement will be easier and less time-consuming. Rural-urban migration will drop as well."

Mahbub Jamil, chairman of Singer Bangladesh, said: "All the activities are now centralised in Dhaka -- it is a major reason for unplanned urbanisation centring the capital city."

# Save businesses from hartal

## Speakers say at AGM of Fertiliser Association

STAFF CORRESPONDENT

Speakers at a meeting yesterday urged the government and the opposition party to ensure that the democratic right of calling hartals is not misused by certain faction of the society.

The current violent situation and continuous hartals are detrimental to the performances of businesses in the country, they said at the 19th annual general meeting of Bangladesh Fertiliser Association at Officers' Club in the capital.

Around 85 percent of employment in the private sector is provided by businessmen and thus, further financial loss to the businesses and damage to their properties during hartals are unacceptable, said Md Helal Uddin, vice president of the Federation of Bangladesh Chambers of Commerce and Industry.

The FBCCI will organise a rally on April 26, where their protest programmes against shutdowns will be announced, he said.

The government should stop importing torn sacks and low weighing urea from China, said Kamrul Ashraf Khan, chairman of Bangladesh Fertiliser Association.

He further urged the government to ensure that no individual or organisation apart from authorised fertiliser dealers is allowed to sell fertilisers in the country.

Dilip Barua, industries minister, and Omar Faruk Chowdhury, state minister for industries, were also present.

# BB chief spurs children on school banking



Atiur Rahman, governor of Bangladesh Bank, attends the First School Banking Conference 2013 organised by the bank in Dhaka yesterday. Md Zafar Iqbal, professor at Shahjalal University of Science and Technology, was also present.

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School banking is a step toward financial inclusion and financial literacy goals taken by Bangladesh Bank, as it helps children learn about the banking system, Governor Atiur Rahman said yesterday.

Besides, it encourages children to develop the habit of saving, he said.

Rahman spoke at the First School Banking Conference, organised by the central bank in Dhaka.

Wider financial inclusion and literacy are globally considered twin pillars necessary for eradication of poverty and economic growth, Rahman said.

The BB will also take more steps to spread financial literacy soon, like media campaigns through radio, television and newspapers, Rahman said. The campaign will also have an online section on the bank's website.

The school banking programme introduces children banking services such as online banking, ATM, debit and credit cards and makes them more aware about money and its management.

Rahman urged other banks and companies to create more such programmes that make children more aware not only about banking, but other such important issues.

# European retailer compensates families of Tazreen victims

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The government has taken several steps to ensure safe working environment at every garment factory, the minister said.

The government will develop a 550-acre "garment village" in Munshiganj to ensure maximum safety with modern facilities for the workers, he said. "It is our responsibility to give compensations to the victims," said Dinesh Perera, general manager of C&A Sourcing.

"We have engaged with the BGMEA and other buyers to support the children of the victims," Perera said.

However, the spouse of a victim said she was not happy with the compensation.

"My family was broken," said Jesmin Akter, who lost her husband at the fire. "With my four-year-old girl, I face stress even in leading the day-to-day life," she said.

BGMEA President Atiqul Islam said: "Our main challenge is to ensure safe working environment."

"We won't allow noncompliant factories to enter the garment village," said Islam.

IFIC Bank will give loans at a 6 percent interest rate to the financially weak factories to help them become compliant, he said. He urged the government to allocate special funds in the upcoming budget to ensure safe working environment for workers.

Islam also called upon the government to allow duty-free import of fire equipment for garment factories.

The government will develop a welfare fund for workers with the help of different trade bodies and buyers, said Mikail Shipar, secretary to labour and employment ministry. However, families of 45 victims are yet to get any compensation, according to the BGMEA.

DNA (deoxyribonucleic acid) test of 10 workers is underway, three have no next of kin, and 32 will receive compensation soon, said M Shahidullah Azim, vice president of the trade body.

# Call for wider water access for disadvantaged areas

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WaterAid Bangladesh and Human Development and Research Centre yesterday proposed an equitable allocation for water, sanitary and hygiene (WaSH) in the upcoming budget, which addresses the big city-bias in previous years' funds.

"The recent WaSH budget allocation trend will put the government under pressure to achieve the millennium development goals in time," said Dr Khairul Islam, country representative of WaterAid, an international non-governmental organisation.

Keeping it in mind, economist Abul Barakat proposed a WaSH budget of Tk 36.29 billion for fiscal 2013-14, up from the current fiscal year's Tk 26.25 billion.

"The proposed WaSH budget would result in higher allocation to the most disadvantaged and hard-to-reach areas such as the chars, haors, coastal areas and hills," said Barakat, also the chairman of Janata Bank.

This will also keep the same level of per capita investment in the six big cities and increases per capita investments in hard-to-reach areas as well as districts and towns, he added.



Abul Barakat, chairman of Janata Bank, speaks at a press meet on water and sanitation budget allocation organised by WaterAid and Human Development and Research Centre in Dhaka on Friday. Khairul Islam, country representative of WaterAid, was also present.

# Chittagong chamber stresses fair distribution of gas connections

STAFF CORRESPONDENT, Ctg

The leader of Chittagong Chamber of Commerce and Industry yesterday urged the government to eradicate discrimination in approving new gas connections to businesses in the port city.

The trade body's president Mahbubul Alam made the call through a letter to Tawfiq-e-Elahi, energy adviser to the prime minister.

Recently, the government lifted a ban on new industrial and commercial gas connections and approved connections to 92 enterprises, including three CNG stations.

It is quite discriminating, as none of the 92 industries were from Chittagong, said Alam.

Gas crisis is holding back numerous industries in Chittagong to start production, he said.

Imported capital machinery worth around Tk 4,000 crore has been sitting idle, leaving a harsh impact on the businesses in the city.

For the sake of the national economy and industrial production, the chamber leader urged the adviser to take initiatives to approve gas connections to the industries of Chittagong that have already applied and paid the fees.



Mohammed Abdul Maleque, vice chairman of First Security Islami Bank, attends the 14th annual general meeting of the bank at Hotel Agrabad in Chittagong yesterday. The company announced 10 percent stock dividends for 2012. AAM Zakaria, managing director, was also present.

# BASIS honours top performers in ICT industry

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Meanwhile, Russel T Ahmed, secretary general of BASIS, tipped IT and ITES exports to hit the \$1 billion-mark before 2021, which stands at \$100 million at present.

A total of 100 awards were handed out in four categories. In order to encourage more people from different social and economic background to get engaged in outsourcing, district-wise outsourcing award (one award for each of the 64 districts) was been introduced this year.

Also, to encourage female professionals and entrepreneurs in the outsourcing field, a special category for female freelancer has been introduced.

M Sabur Khan, president of the Dhaka Chamber of Commerce and Industry, suggested the individual award winners to team up and form companies among themselves

# Don't let election influence budget

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Continued political conflicts caused decline in domestic demand, lower investment, decelerated trade activities and escalating social cost, the CPD said.

Having recognised a number of adjustment measures already deployed by both government and non-government agents, it is felt that the effectiveness of macroeconomic policy instruments towards protecting the economy will be weak.

The target for GDP (gross domestic product) growth was set at 7.2 percent for the current fiscal year, but according to the projections available so far, the growth will be within 6 percent, CPD Distinguished Fellow Debapriya Bhattacharya said.

He said setting the growth target should be based on reality rather than political factors.

Remittance inflow, implementation of the annual development programme, and foreign exchange reserve showed good signs in the current fiscal year, and inflation is also low, Bhattacharya said.

He, however, said revenue collection and investment in the private sector have marked a fall.

There has been not much qualitative improvement in the private sector investment in the last three to four years, he added.

In the next fiscal year's budget, the

expenditures on Padma Bridge project, subsidy and interest payment will increase substantially, which will push the economic management into complexity, Debapriya said.

"The government should show more restraint in spending."

Fahmida said the target of revenue mobilisation should not be overambitious.

During the time of political transition, the economy faces significant illicit financial outflow in the form of transfer mispricing, trade mispricing and money laundering, which has a significant revenue implication, she said.

Fahmida said the recently established Transfer Pricing Cell under the tax administrator needs to be fully functional at the earliest.

The CPD said the upcoming budget will be particularly constrained by the implementation challenges.

Some of these challenges are structural in nature and may aggravate further over time.

The fiscal challenges include risks related to both revenue and expenditure sides.

If a gap emerges between the projected revenue envelope and the actual expenditure, it may constitute a resource risk for the country, the CPD said.

Such a risk would become real if revenue intake decelerates and

foreign aid disbursement slows.

Revenue collection has already been below the target this year, while foreign inflow improved reasonably.

However, the resource risk will not be significant if the budgetary targets are not overambitious, the CPD said.

On the expenditure side, there may be risks if the revenue and ADP expenditures are too much frontloaded.

This may happen if the outgoing government resorts to profligacy during the early part of the next fiscal year in the wake of national elections.

Such a trend will also entail deterioration of expenditure effectiveness, the think tank said.

A significant part of Bangladesh economy is integrated with the global economy.

So the implementation success of the national budget also depends on the conduct of the external factors such as foreign aid, foreign direct investment, exports, commodity prices and remittances.

The CPD also said export remains conditional to global recovery, particularly that of the eurozone.

The recent slowdown in imports has resulted in low intake of import duties, the research organisation said.