

EYE ON BUDGET

Padma bridge to get highest allocation

REJAUL KARIM BYRON

The Padma bridge project is set to get Tk 5,291 crore, the highest allocation in a single project, in the next fiscal year's budget although uncertainty remains over the utilisation of the fund.

The total outlay for the transport sector will go up by 81 percent in the next budget, compared to the current one, due to the higher allocation for the bridge.

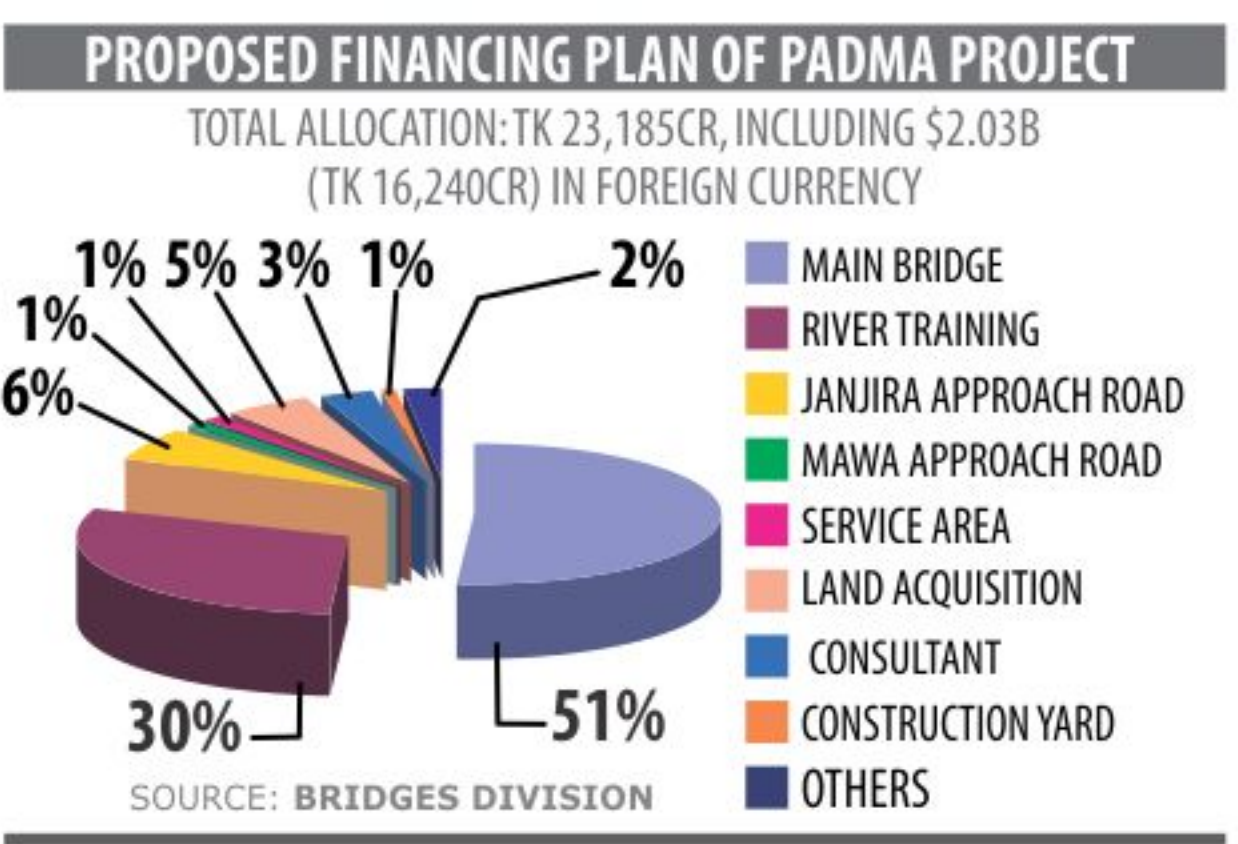
The draft annual development programme for the next fiscal year has already included the project and the allocation.

Allocation for the health sector may increase by 1.4 percent, power by 13 percent, rural development and institution by 4 percent, and education by 15 percent.

Finance Minister AMA Muhih on several occasions said, as the Padma bridge will be constructed with own funds, the allocation for other sectors will not increase much.

The Bridges Division has also sent the detailed plan for the Padma bridge financing to the Finance Division and sought consent to spending foreign currency.

Although the Bridges Division initially



sought Tk 6,852 crore for the project, the allocation has been slashed, but it may be hiked later, a planning ministry official said.

The government has decided to implement the project with own financing after the World Bank withdrew its funding proposal on graft allegations.

The total cost for seven components of the bridge will be Tk 23,185 crore, of which foreign currency worth \$2.03 billion, which is equivalent to Tk 16,240 crore, will be required for various purchases from abroad.

The Bridges Division hopes the construction, including river training, may begin by the yearend.

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Mahasen washes away Tk 275cr of crops

Farmers in southern Bangladesh hit hardest by the cyclone

SOHEL PARVEZ

Cyclone Mahasen has damaged crops worth Tk 275 crore, hurting hundreds of farmers in the southern districts.

Aus seedlings, sesame (til) seeds, green chilli, mung beans, peanuts, vegetables, sunflower and various other crops were damaged as fields were submerged by heavy rains and water logging, farmers and officials of Department of Agricultural Extension said.

The cyclone destroyed crops on 32,633 hectares of land out of 153,444 hectares of the affected areas, Md Nazmul Karim, deputy director of DAE Barisal, told The Daily Star, citing estimates on 11 districts.

"Farmers who grew sesame seeds, mung beans and peanuts are the worst losers. They cannot cultivate these crops again now as the season is set to end," Karim said.

Farmers and the DAE officials said sesame seeds, mung beans, peanuts, sunflower and various vegetables were on the mature stages, almost ready for harvest.

The cyclone ravaged the Southern coastal belt on May 16 morning, killing 17 people and damaging crops, fish farms, houses and educational institutions.

The Patuakhali, Barguna and Bhola districts were the worst hit, with farmers bearing the brunt, Karim added.

A trail of devastation was seen during a post-cyclone visit to some remote areas of Patuakhali and Barguna; croplands resembled lakes. Heavy rainfall and damage to the flood control embankments inundated these summer crops.

Mohammad Abbas, a resident of Mistripara of



BANGLAR CHOKH

A farmer in Patuakhali shows peanut shoots ruined by Cyclone Mahasen.

Kalapara in Patuakhali, said his green chilli and pumpkin fields were damaged by inundation.

"All my investments were washed away. Nothing can be recovered," said Abbas who grows crops by leasing other people's lands. The cyclone destroyed his home as well.

Farmers said rob crops such as mung beans, chilli and vegetables cannot sustain submerged conditions.

Seedlings of aus rice can be recovered if the water recedes, said Abul Hossain, a farmer at Gulishakhali of Amtali in Barguna. He grew

mung beans, chilli, sunflower and pumpkin for summeryield.

"All his crops are under water and nothing except aus can be recovered," he said, adding that the water is receding but the fields are still inundated amid continuous rainfall.

"Water is filling up faster than it is receding via the sluice gates," Hossain said.

"Mung still remains in the field. So investment in the crop is a total loss," he added. Hossain had cultivated crops on 1.5 acres of land at an investment of Tk 35,000.



FOCUS BANGLA

Law enforcers stay on alert against any untoward incident as many garment factories in the industrial belt of Ashulia remained closed over the last three days.

Garment makers face huge losses as labour unrest continues

Around 100 factories remain shut in Ashulia

REFAYET ULLAH MIRDHA

Ashulia-based garment makers fear a massive loss due to the continuous production halt following the latest spell of labour unrest.

Production at minimum 100 garment factories remained suspended yesterday as the workers continued their demonstrations and refused to join work over the demand for a wage hike.

Some of the factory owners had to keep their units shut on Tuesday and Wednesday also following fresh unrest.

"If production comes to a halt at all my factories, I will face a loss of Tk 40 lakh per day, and will also have to send the goods through expensive air shipments," said Ismail Hossain, managing director of Sharmin Group.

He said four of his five factories were active yesterday but one could not operate due to the unrest.

Nazma Akter, president of Sammilito Garment Sramik Federation, a platform of garment workers, said the government should investigate the matter and find why the incidents of unrest take place only in Ashulia.

"Garment factories are running well in other parts of the country," she said.

The government should look into why unrest occurs even after plans for a new wage board have been announced, she added.

"I think there is a serious problem which

needs an immediate solution as the sector is losing production everyday."

The workers have been demonstrating for several weeks demanding a hike in their salaries. All the garment factories in Ashulia opened around 8am yesterday following assurances of security from the government.

But workers of at least 100 garment factories refused to join work and left the workplaces around 8:30am, said Reaz-Bin-Mahmood, vice-president of Bangladesh Garment Manufacturers and Exporters Association.

"The Ashulia-based garment makers have not been able to run the factories for shut-downs and unrest all through May. Now they will have to send the goods through expensive air shipments for delayed production," Mahmood said.

"So the losses will be huge," he added.

Locals said the workers took to the streets and blocked Abdullahpur-Baipail road in the morning. However, police brought the situation under control within half an hour.

Mustafizur Rahman, director (Dhaka range) of industrial police in Ashulia, said the workers tried to barricade the road but left the scene in the face of police actions.

On May 13, garment makers decided to close around 200 factories in Ashulia for an indefinite period due to continued labour unrest over the demand for wage hike and other benefits.

After three days, the factories were reopened following the government's assurances of providing security to the factories.

EU trade official warns retailers on supply chain

STAR BUSINESS REPORT

European companies must take responsibility for their supply chains, EU Trade Commissioner Karel De Gucht said yesterday.

He was speaking in the European parliament in Strasbourg, France, five days ahead of his meeting with Foreign Minister Dipu Moni scheduled for May 28 in Brussels, reports Bloomberg.

The meeting will discuss the safety accord signed by European retailers for the garment industry in Bangladesh in the wake of the Rana Plaza collapse that killed at least 1,127 people, mostly garment workers.

The accord calls for independent, rigorous factory safety inspection with the reports made public and mandatory repairs and renovations underwritten by Western retailers.

It also calls for retailers to stop doing business with any factory that refuses to make necessary safety improvements, and workers and their unions to have a substantial voice in factory safety.

During his yesterday's speech, Gucht said, "We have given a clear signal that the problem is serious and that it should be addressed urgently."

According to him, sustained and progressive improvement of working conditions should be ensured.

"We must not underestimate the scale of the problem and the fact that it is not restricted to Bangladesh or to the textile sector," said Gucht, adding that the goal should be that the working conditions got better in Bangladesh.

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Imports look upward with Ramadan in sight

SAJJADUR RAHMAN

Imports seem to be on the rebound after a slump for months now, as Ramadan is approaching, bankers said.

New letters of credit for imports surged to \$3.49 billion in March, which is 21.60 percent higher than a month ago and nearly 16 percent more than that in the same month a year ago, according to Bangladesh Bank.

In April, LCs worth \$3.32 billion were opened, up by nearly 20 percent from the same month a year ago.

However, the value of the LCs opened in the first 10 months (July-April) of the current fiscal year stood at \$29.96 billion, slightly lower than \$30 billion for the same period last year.

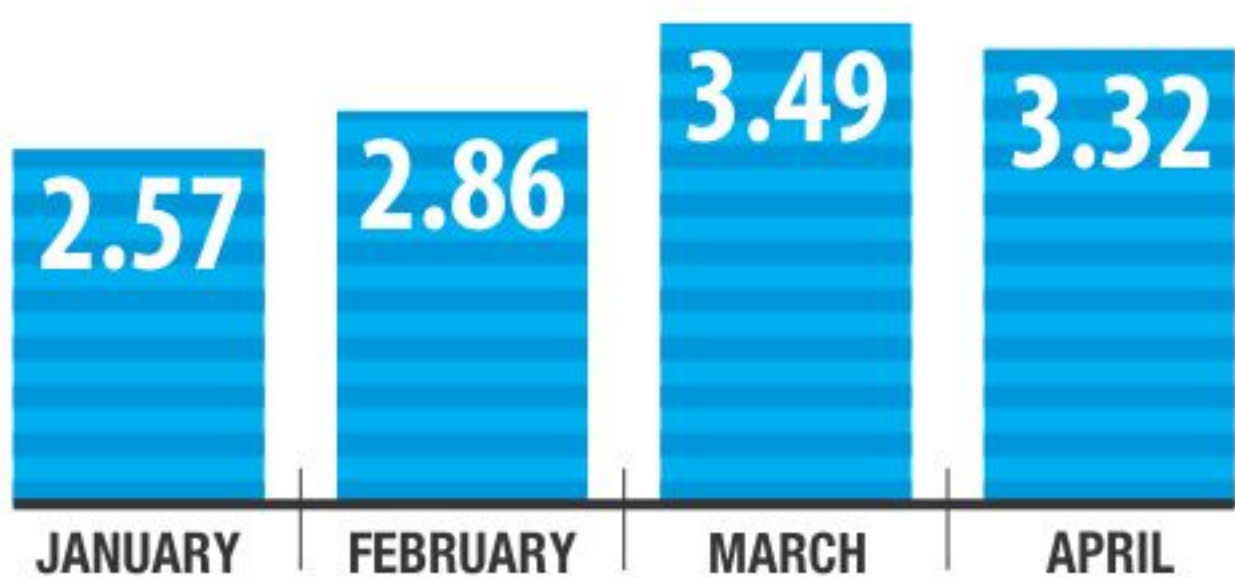
"Imports are showing an upward trend recently. Imports through our bank have been witnessing more than 20 percent growth for the last couple of months," said Abdus Sobhan, a treasury official at Jamuna Bank.

The official said edible oil and wheat are being imported as the month of Ramadan will begin in July. Steel sheets and raw materials are also on the import list, he added.

The recent political instability has created an anti-business environment, forcing entrepreneurs to shelve expansion plans, let

OPENING OF LCS FOR IMPORTS

IN BILLIONS OF DOLLARS



alone undertaking new projects.

This resulted in a negative import growth of capital machinery and raw materials. Import of food grains (rice and wheat) also decreased in the period due to a rise in domestic production.

Motiur Rahman, head of treasury at Prime Bank, said import of raw materials and capital machinery also rose in recent months, rebounding from a slowdown in the last one year.

Data from JP Morgan's local office also shows that imports are on the rise.

"Imports have gone up targeting Ramadan," said Sazzad Anam, country head of JP Morgan, which provides services to Bangladeshi clients in cash management and trade and liquidity products, with a focus on cross-border payment and trade finance.

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Malaysia: a destination for medical tourism

Three-day Showcase Malaysia starts in Dhaka

GAZI TOWHID AHMED

Bangladeshis are increasingly travelling to Malaysia in search of better medical treatment at affordable costs thanks to cheaper hospitals than in Singapore and Thailand.

Some 11,569 Bangladeshis went to Malaysia for medical tourism in 2012, which is more than double from the previous year, according to the Ministry of Tourism and Culture of Malaysia.

"The number of medical tourists to Malaysia is gradually rising as the country offers medical services with qualified doctors and nurses," said Vincent Tey, assistant marketing manager of Pantai.

Pantai is one of Malaysia's lead-

ing healthcare companies with a network of 11 multi-disciplinary hospitals throughout Malaysia under two brands -- Pantai Hospitals and Gleneagles Hospitals.

Tey, while on a visit to Dhaka to attend a fair on Malaysia presented by Robi, said the cost of medical treatment in Malaysia is significantly lower than in Singapore and Thailand.

For instance, it takes around \$18,500 for a heart bypass operation in Singapore, whereas it costs \$12,000 in Malaysia, Tey said.

Another advantage of receiving medical treatment in Malaysia, according to Tey, is that Malaysian hospitals do not

charge so-called admin fees like Thai hospitals.

"We plan to open a branch in Bangladesh to ensure better health check-up for patients," he said, adding that Pantai has a representative or sales agent in Dhaka.

Pantai Hospital provides Bangla translators for the patients from Bangladesh, he added.

Malaysia wants to promote its health sector internationally, which prompted Pantai Hospital to participate in the Showcase Malaysia fair in Dhaka.

The three-day showcase took off yesterday with a call for strengthening partnership for mutual benefits in trade and investment relations between the two countries.

Bangladesh-Malaysia Chamber of Commerce and Industry in collaboration with the High Commission of Malaysia in Bangladesh, Malaysia External Trade Development Corporation, Bangladesh High Commission in Malaysia, and Malaysia South-South Association organised the business exposition sponsored by Robi-Axiata.

Industries Minister Dilip Barua who inaugurated the fair at Pan Pacific Sonargaon Hotel called upon the Malaysian businesspeople to invest in the country's pharmaceutical, shipbuilding, agro-based industries, jute and light-engineering sectors.

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