

Hasina inaugurates Bibiyana expansion project in Habiganj

STAR BUSINESS REPORT

Prime Minister Sheikh Hasina yesterday formally inaugurated the Bibiyana Expansion Project in Habiganj, the completion of which will add 300 million cubic feet of gas to the national grid by next year.

Hasina also inaugurated the 137-kilometre Bibiyana-Dhanua Gas Transmission Pipeline, which will carry the additional gas output.

"It is my firm belief that these projects would lessen the gap between the national demand and supply of gas," Hasina said at the inaugural, according to news agency BSS.

Four years ago, the government asked US energy giant Chevron to increase its production by 500mmcf to bridge the gap between demand and supply.

Back then, Chevron's total daily production of natural gas from its three fields

was about 900 million cubic feet per day. The first 200mmcf increase was achieved in 2012, said Geoff Strong, president of Chevron Bangladesh.

The Bibiyana expansion project cost about \$500 million, making it the largest foreign investment project ever in the history of Bangladesh, said the company in a statement.

Melody Meyer, president of Chevron Asia-Pacific, said when fully ramped up next year, the project will add 300mmcf from the Bibiyana Gas field to the national grid and produce 4,000 barrels of condensate.

Chevron announced the beginning of production from the Bibiyana expansion project late last month.

Bibiyana is the largest producing gas field of the country, with current output equal to around 40 percent of Bangladesh's total domestic natural gas supply.

Remarkable progress in garment sector: US diplomat

DIPLOMATIC CORRESPONDENT

Remarkable progress has been made in revamping the RMG sector in Bangladesh since the Rana Plaza building collapse, US Assistant Secretary of State for South and Central Asian Affairs Nisha Desai Biswal said yesterday.

"The Rana Plaza tragedy has resulted in a real effort for transformation and if Bangladesh can overcome the challenges this will be a remarkable story of transformation," she said to the press before leaving Dhaka for Uzbekistan.

Expressing the US commitment to partnering with Bangladesh in the process, Biswal acknowledged the progress the apparel sector had made in the wake of the worst-ever building collapse last year.

"We can say the loss of life was not in vain as it galvanised action in a way never before seen and that is the story we want to see unfold in Bangladesh," the US diplomat said.

"The horror and tragedy has resulted in a real effort that has brought together government, industry labour and civil society, and international community in a sustained effort to transform the sector," she said.

Biswal said that over 200 unions have been registered, over 2,000 factories have been inspected, and 30 factories have been shut, and that sent the message across the industry.

She also mentioned that over 200 new inspectors have been hired in the process. "These are very important milestones, but clearly the road ahead is much harder and work still needs to be done".

"The regulatory agencies need to be set up and empowered to be able to sustain the work of inspections. Legislations that have been passed need to be implemented and more need to be processed."

"EPZs must also come under this legislation so that they meet the same standards of worker safety and worker rights," she said.

Asked whether Bangladesh would get back the GSP benefits which the US suspended after the Rana Plaza building collapse that killed 1,133 workers, she said: "I don't have any further information of that process since the process was undertaken by the US Trade Representative."

The US will hold the next GSP review for Bangladesh in December.



Kutubuddin Ahmed, chairman of Sheltech Brokerage, opens a branch of the company in Sylhet on Friday. Toufiq M Seraj, managing director, was also present.

Brazil exits recession

AFP, Brasilia

Brazil's economy exited recession with growth of 0.1 percent in the third quarter, the government said Friday, a tepid result that is nevertheless welcome news for struggling President Dilma Rousseff.

The data came a day after Rousseff, who has battled to reignite growth in the world's seventh-largest economy, named a new economic team featuring market-friendly bank executive Joaquim Levy as finance minister.

Borrowers more regular for foreign loans

FROM PAGE B1

Given the concerns voiced out by various quarters about foreign borrowing by private sector, BB has strictly been monitoring the foreign loan portfolio.

BB analysis showed that in the last nine months, banks gave an average of \$487 million of buyer's credit every month. On the other hand, borrowers repaid on average \$514 million every month and the average overdue amount during the period was \$4.77 million.

The central bank also investigated whether the loans were being misused or not, and found that some borrowers were using the loans for purposes different than the one stated in their applications.

The probe found that items like lentils, toothpaste and henna were imported on buyer's credit, although they said the foreign currency loan was for working capital

purposes. The amount of loans being misused was very insignificant though, a high official of the central bank said, adding that the banks were warned about this.

BB also carried out another study on the loans distributed through the BoI and found that the full amounts of the loans approved are almost always not disbursed.

Between 2009 and 2013, the scrutiny committee of the BoI approved foreign loans worth \$4.79 billion. After the period, the total outstanding loans stood at only \$1.74 billion.

The central bank report found that most of the loans were not disbursed eventually. In 2012, only 35 percent and in 2013 only 25 percent of the approved loans for the respective years were disbursed.

In the two years, debt service payment was \$395 million, the study found.



Md Sabur Khan, chairman of Daffodil International University, and Supun Weerasinghe, managing director of Robi Axiata, attend a press meet in Dhaka yesterday to announce Robi as a sponsor of the 17th International Conference on Computer and Information Technology to be hosted by the university in December.

ADB plans big to fix infrastructure gap

FROM PAGE B1

Infrastructure deficit is the major constraint for wooing in both foreign and domestic investment, he said.

"You don't provide a very good investment environment, particularly from the infrastructure point of view. You don't have good roads, connectivity, railways, port, airport and inland waterways, which make it difficult for investors to reach their national and international markets."

Of ADB's total assistance of \$2.9 billion to Bangladesh between 2011 and 2013, about 65 percent was allocated to energy, transport and urban infrastructure.

Zhang, who was on his maiden visit to Bangladesh, was caught up in the traffic jam, common place in the capital, on the day he gave interview to The Daily Star, as he moved around the city to meet various government officials.

"We should do something to ease the traffic jam in the city."

For improving transport infrastructure and to support regional cooperation, ADB has included in its 2016 pipeline a \$1 billion SASEC Railway Connectivity Investment Programme.

The lender has been supporting the development of Bangladesh Railway through the ongoing Railway Sector Investment Programme involving \$430 million. "The railway is the life-line of Bangladesh transport system," said the Chinese national.

Zhang is also in favour of the Saarc Regional Railways Agreement to improve connectivity in South Asia. It will contribute to expanding market access for countries of the region and enable them to reap economies of scale, he said.

ADB is also expanding its support to the country's energy sector, where it is the lead development partner.

As of 2013, ADB had provided around \$3.85 billion through 42 loans to support the energy sector in Bangladesh, contributing to increased power generation capacity and expanding transmission and distribution.

ADB has been implementing the Power System Expansion and Efficiency Improvement Investment Programme involving \$700 million, the third tranche of which is included in the 2016 programme.

The lender will support the Bangladesh-India Electric Grid Interconnection Project to connect the two neighbouring countries in the coming years. It has already been included in the 2015 pipeline.

"We hope this will promote power transaction between Bangladesh and other neighbouring countries such as Bhutan and Nepal in future as those two countries can export power to Bangladesh," Zhang said.

In the education sector, the ADB vice-president said the focus will mainly be on secondary education and skills development. It will provide \$850 million for the sector and for skill development.

He said Bangladesh has a younger population, but if they don't have the skills to the companies and the market need then the investors, who think long-term, will not have confidence in the country.

"Still there is a gap between the supply and demand sides. So, you need to develop the skills of the workers."

In addition, ADB has also included in the 2015 pipeline an additional financing of \$120 million for the Third Primary Education Development Programme.

Zhang said Bangladesh needs to achieve higher economic growth in the coming years from the average 6 percent seen in the last one decade, to lift people out of poverty and become a middle-income nation.

He pointed to a stubbornly low investment-GDP ratio, saying the country needs to raise its investment level from the present 28.7 percent of GDP to the 35 to 36 percent range, to shift the economy to a 7 to 8 percent growth trajectory.

Both public and private investment will need to rise, together with raising

the economy's productivity.

"I believe Bangladesh has the potential to achieve more than 6 percent annual growth in GDP," he said, while calling for an improvement in the policy and regulatory environment.

"You need to simplify the procedures for doing business and help investors set up factories easily."

He said more domestic resources need to be mobilised to support the higher public spending in infrastructure and social sectors.

The country needs to raise the tax-GDP ratio from the current 11 percent to a higher level to support the stronger growth in the coming years.

Zhang also welcomed the Asian Infrastructure Development Bank, a regional initiative led by China and is being seen by many as a challenger to other development partners such as the World Bank.

"We have always said that the need for financial resources is huge. The region faces a lot of challenges in trying to improve the infrastructure."

Zhang said in his first visit to Bangladesh has been an eye-opener: he learnt a lot about the country and its current and future development strategy.

"I got the real sense. I see the challenges the country faces and also the opportunities and potential."

The country is geographically located in a very good position, and could serve as a gateway, connecting South Asia with East Asia and Southeast Asia and even with Europe and Africa, he said.

He said if the country can continue to enjoy very stable political and social environment and put in place right macroeconomic policies it can move to high level of development stage and enjoy better living standards.

"The country has a bright future. My visit really gave me further confidence about the country. So, we should do something for the country," he added.

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Sahara to raise \$650m loan to fund bail

REUTERS, Mumbai

India's Sahara conglomerate said on Friday it aimed to raise \$650 million in loans to secure the release of its chief, in jail for nearly nine months over the group's failure to refund billions of dollars to investors in outlawed bonds.

Sahara, which owns the Grosvenor House in London and the Plaza Hotel in New York, has also sought the Indian Supreme Court's permission to take over an existing loan on its three overseas hotels from Bank of China.

The group will go for refinancing after that, Sahara said in a statement, without naming the refinancing bank. Sahara did not say how much was the outstanding loan from Bank of China, but court documents previously showed an amount of more than \$900 million. The Supreme Court will hear Sahara's plea on Tuesday, the company statement said. The Supreme Court has asked Sahara to pay 100 billion rupees (\$1.6 billion) initially to secure bail for its chief Subrata Roy, one of India's best-known business tycoons. Roy has been held in Delhi since March 4 in a long-running dispute with the country's markets regulator over the refunds.

Invest in women to drive economic growth

FROM PAGE B1

The AIUB VC said when governments, businesses and communities invest in women, and when they work to eliminate inequalities, developing countries are less likely to be plagued by poverty.

"As a result, entire nations can also better their chance of becoming stronger players in the global marketplace."

Where women's participation in the labour force grew fast, the economy experienced the largest reduction in poverty rates, she said citing a study by Washington-based International Research Centre for Women.

Rokia Afzal Rahman, a leading woman entrepreneur in Bangladesh, lauded non-governmental organisations and garment entrepreneurs for giving a vast number of women a means to improve life.

She also thanked the government for making education for girls free up to the degree level and providing free books -- as it will support women's empowerment in the country.

Dr Iftekharuzzaman, executive director of Transparency International Bangladesh, said one of the major obstacles women face today is corruption.

He said although Bangladesh is the only country in the world where the prime minister, the speaker, the opposition leader and the leader of a major political party are all women, the real picture is not that rosy.

"That's the forest which looks good from distance. But if we look at the trees then we will find that the situation is terrible."

"We have to create genuine political,

economic and governance space to ensure true women empowerment," he said, adding that women empowerment is needed for the future of the country.

A system has to be created in the country where women will move up the ladder based on pure potential, rather than someone's personal choice or favouritism, Iftekharuzzaman said.

He said a lot has been achieved in Bangladesh in areas such as girls' education, their school enrolment, women's participation in the labour force and maternal health, but it remains to be seen if it is sustainable.

Women's capacity has to be developed through training and education so they can grow as well as help the country grow, said Selima Ahmad, president of Bangladesh Women Chamber of Commerce and Industry.

The noted entrepreneur also said the country would have to eliminate early marriage of girls, end violence against women and ensure a gender-friendly environment for women no matter where they go.

Ahmad said Bangladesh has good laws on domestic violence. Still, 87 percent women face violence domestically. "Mothers still struggle to marry off their daughters without dowry."

Stacey Smith, deputy head of secondary school of ISD, said girls have to be nurtured so they believe in themselves.

Shania Mahia Abedin, a 10th grade student of ISD, organised the seminar in association with her school.

Don't sell counterfeit medicines

FROM PAGE B1

The retailers also demanded 25 percent commission, up from 12.33 percent now, from manufacturers.

Md Sadekur Rahman, president of the trade body, said they will start a movement against the sale of unregistered medicines and food supplements.

"We will not sell counterfeit medicines and unregistered supplements; we declare a war against those."

Rahman was speaking at a conference of the association at Bashundhara Convention Centre in the city.

Major General Md Jahangir Hossain Mollik, director general of the Directorate General of

Drug Administration (DGDA), asked the retailers not to purchase medicines from unauthorised sources.

"I have written to Bangladesh Medical Association, requesting doctors not to prescribe any illegal food supplement."

The retailers are the ones who can rein in sales of such supplements, he said. "Why will you (the retailers) sell substandard or counterfeit medicines when Bangladeshi drug makers export their products to 91 countries?"

He requested the retailers to collect the list of companies that produce substandard medicines from the website of the drug administrator and stop selling their medicines.

The retailers should purchase drugs through

receipts, and inform the association or the administrator if they find any unscrupulous medicine maker or seller, the Samity quoted its chief as saying in a statement.

The DGDA has a list of 62 illegal manufacturers whose production was once suspended, but still they are operating, said Rahman.

The Samity has 50,000 members, while there are 1.1 lakh licensed and more than 3 lakh unlicensed drug retailers in the country, said Abdul Hai, vice president of the platform.

Md Naser Shahriar Zahedi, president of Bangladesh Pharmaceuticals Society, suggested the retailers should write their registration numbers on the signboards of their shops.