

# Slow projects dwarf power sector gains

SHARIF KHAN

The government has missed its target to finish several large power projects on time, while demand for power keeps spiralling.

It believes the country's power coverage would be hundred percent by 2021, as it has already provided power to 80 percent of people. However, load shedding has been hovering around 1,000 megawatts this May, which is in striking contrast to last year when load shedding was almost zero.

The country's power demand has reached a new benchmark of 10,000MW, while power generation had been highest 9,300 MW. In 2009, the country's demand was around 5,000MW and supply was less than 4,000MW.

The government succeeded by implementing fast track rental power and some other large power projects. Besides, the government is importing 500MW of power from India.

But that was in the past. At present, the implementation of several large power projects has not been satisfactory.

In his budget speech yesterday, the finance minister said 33 power plants having a capacity of more than 11,000MW are under construction. The government plans to install capacity of another 11,000MW in the coming years.

Among the large plants that are being implemented are the Rampal, Matabari and Payra coal power projects — each having a 1,200 plus megawatt capacity.

SEE PAGE 8 COL 4



# Big boost for road, railway

HASAN JAHID TUSHER

Allocation for communications infrastructure saw a big boost in the proposed budget, though quality compliance will remain a concern for the sector, the development of which is a pre-requisite to escalating the country's economic growth.

The allocation for communication infrastructure development saw a jump of 42.55 percent this year from the revised budget of the outgoing fiscal year.

The government has earmarked over Tk 47,500 crore this year, which was over Tk 33,300 last year.

In addition, the road transport and highways division, railways ministry and bridges division saw a hike of around 63 percent, 34 percent and 29 percent in allocation compared to the current fiscal year.

Allocation in the road transport and highways division was Tk 12,077 crore last year, which has been proposed at Tk 19,700 crore this year — a hike of over Tk 7,600 crore.

An allocation of Tk 16,000 crore has been proposed for railways, which was about Tk 12,000 crore last year.

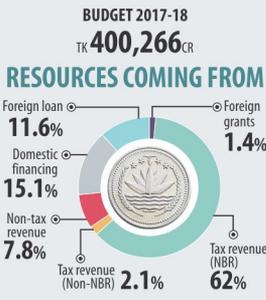
In the bridges division, an additional Tk 1,900 crore has been proposed in the budget. Last year, the allocation for bridge development was about Tk 6,500 crore, which is over Tk 8,400 crore this year.

The road transport and railways ministries have been implementing different mega and fast track projects. Some of these include the Padma Bridge, Metro Rail, Dhaka Elevated Expressway, Bus Rapid Transit, expansion of two-lane highways into four lanes, Padma Rail Link, Dhobazari (Chittagong)-Gundum (Cox's Bazar) rail track, involving several billion dollars.

Experts said the higher allocations were expected as projects taken in the past years are gaining momentum now.

They, however, expressed concern over the quality of implementation of the communication infrastructure projects.

SEE PAGE 8 COL 6



# Investment to be raised to 31.9pc of GDP

REFAAT ULLAH MIRDHA

The government wants to increase the investment ratio by 1.6 percentage points to take the total investment at 31.9 percent of the GDP in the next fiscal year, which the private sector considers possible if they are given necessary support.

Of the total investment, the finance minister proposes to increase the private sector investment to 23.3 percent from projected 20.1 percent and public investment to 8.6 percent of the GDP.

Private investment remains almost stagnant

and has been hovering around 23 percent over the years due to bottlenecks in infrastructures and perennial energy crisis in industrial units.

If the government wants to achieve more than 8 percent economic growth per annum and be a middle-income country by 2021, it will need to create a business-friendly environment and different facilities for the businesses, said Abul Kasem Khan, president of Dhaka Chamber of Commerce and Industry.

The government must ensure supply of gas to the industrial units on a priority basis to attract

more investment — both domestic and foreign, Khan added.

The government should also establish special economic zones as soon as possible as the price of land is very high and there is a scarcity of industrial land, he observed.

Projects like construction of LNG terminals, power plants, Padma bridge and development of port and other big ones should be implemented as soon as possible to attract more investment, he said.

SEE PAGE 8 COL 1

# Govt to shore up remittance

STAFF CORRESPONDENT

The government is set to put in place a dedicated portal for migrant workers as part of the efforts to boost the remittance inflow, which has been on the wane for the past two fiscal years.

Remittance, which is the largest source of foreign exchange for Bangladesh after export receipts, declined 16.8 percent year-on-year to \$10.28 billion in the first 10 months of fiscal 2016-17.

From the portal, migrant workers will have easy access to work permit-related information of their host countries, while prospective ones can get visa-related particulars as well.

The government will also encourage the private sector to explore new labour markets and send workers abroad at low cost under state initiative.

The other measures include developing training infrastructure and imparting training to migrant workers to better meet the job requirements of their host countries.

Finance Minister AMA Muhiuh yesterday said remittance inflow may rise in the incoming fiscal year thanks to the various government initiatives and continued recovery of the global economy.

As of now, the government has brought down the cost of remittance transfer and improved the efficiency of overseas banking units and exchange houses to bump up the inflows to Bangladesh.

Step was also taken to strengthen drawing arrangement between Bangladeshi banks and the local banks of the countries where expatriates are



A dedicated portal for migrant workers on cards

The portal will provide migrant workers with easy access to work permit-related info

It will also help in exploring new labour markets

Remittance fell **16.08pc**

year-on-year to **\$10.28b**

in the first 10 months of 2016-17

working and motivating the workers to remit through Probashi Kalyan Bank (Expatriates Welfare Bank).

"I firmly believe that all these initiatives together with the increasing trend of global growth will have a positive impact on our remittance inflows," Muhiuh said.

The decline in remittance flow from the six Gulf Cooperation countries, the largest labour market for Bangladesh, mainly accounts for the slump. Remittance inflow from Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates declined 17 percent to \$5.26 billion in

the July-March period of the fiscal year.

This stands in stark contrast to the huge number of Bangladeshis nationals taking up jobs in the six GCC countries in recent years.

For instance, in 2016 manpower export to the countries soared 52 percent year-on-year to 572,028 workers, according to the Bureau of Manpower Employment and Training.

Money sent by Bangladeshi workers, which accounted for about 6 percent of the gross domestic product in fiscal 2015-16, supports growth through their impact on household income and consumption.

# Subsidy expense to go up 17.3pc

REJAUJ KARIM BYRON

The government is set to increase its subsidy expenditure by 17.30 percent from the current year to Tk 27,954 crore in fiscal 2017-18 mainly to supply rice at low price to the poor.

Some Tk 4,546 crore has been earmarked for food subsidy next fiscal year, up 22.17 percent year-on-year.

In the original budget for the current fiscal year, the allocation for food subsidy was Tk 2,821 crore which was revised upwards to Tk 3,721 crore to accommodate a programme introduced last year to distribute rice at Tk 10 a kilogram to the poor.

In the past few years, fuel and power dominated the government's agenda when it came to subsidies.

But this year and the next, no subsidy has been extended for fuel seeing that the Bangladesh Petroleum Corporation has been making hefty profit on the back of the lower prices in the international market. BPC had received more than Tk 42,000 crore from the government as subsidy in about eight years.

In fiscal 2017-18, the power sector will get a subsidy of Tk 5,500 crore, which is the same as this year.

The government is also cutting back on its subsidy expenditure on energy and agriculture.

The agriculture subsidy was revised downwards this fiscal year as the fertiliser prices in the international market are low. Some Tk 9,000 crore was originally allocated for agriculture subsidy, but it was lowered to Tk 8,000 crore in the revised budget.

SEE PAGE 8 COL 4

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