

BUSINESS

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Tk 1 lakh for each project

64 development projects get such a 'token allocation'; analysts term it eyewash, waste of public money

JAGARAN CHAKMA

Some 64 projects, many of which are important infrastructure ones, got just Tk 1 lakh each this fiscal year in a bizarre move by the government that has presented its most expansive development budget yet of Tk 1.80 lakh crore.

People do not benefit from these token allocations as it will further delay the implementation of the projects, said Ahsan H Mansur, executive director of the Policy Research Institute.

"This is misallocation of resources as well as waste of public money," he added.

Of the 64 projects, 57 are five to eight years old and they were scheduled for completion this June, four are ongoing and the remaining three did not even start work, according to data from the planning ministry.

But the government has indiscriminately allocated Tk 1 lakh to each of these projects without considering their deadline or their importance.

Take the case of the Tk 2,008 crore Shikalbaha 225 megawatt (MW) dual fuel combined cycle power plant, which as of February this year has spent Tk 1,282 crore or 64 percent of its allocation.

But the government has given just Tk 1 lakh to it this fiscal year.

Similarly, the construction of the Bangladesh Railway's new line for Ishwardi-Pabna-Dhalar Char has got a mere Tk 1 lakh despite the completion of

91 percent of the work as of February.

Another striking case was the construction of the Muradpur-2 Gate and GEC Junction Flyover in Chittagong, a Tk 970 crore project.

As of February, the project is 63 percent through and yet the government gave it only Tk 1 lakh this year.

There are at least six projects on the list with over 90 percent of the works done, with one even 99 percent through.

ADP FOR FY2018-19

Total allocation: Tk **180,870cr**

Total projects: **1,346**
(except those for autonomous bodies)

New projects: **326**

Ongoing projects: **1,020**

Another nine projects have finished at least 80 percent of their works.

"This token allocation will keep the projects alive and we will revise those in future," MA Mannan, state minister for finance and planning, told The Daily Star yesterday.

He, however, acknowledged that in some cases the cost of the projects increased due to delays in implementation.

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Regulator okays Kattali Textile IPO despite DSE's objection

AHSAN HABIB

The capital market regulator has given a go-ahead to the initial public offering of Kattali Textile disregarding tough observations from the Dhaka Stock Exchange.

On June 26, the Bangladesh Securities and Exchange Commission (BSEC) approved the IPO proposal of the garment exporter, which plans to raise Tk 34 crore from the market.

The DSE recommended the IPO of Kattali Textile should not be approved as it failed to submit some documents what the premier bourse wanted to verify the authenticity of the data presented in the draft prospectus of the company.

"Why should we review the draft prospectus of a company as the BSEC doesn't care about our recommendations?" said a board member of the DSE, requesting anonymity.

He said many IPO approvals have been given in recent times despite not being recommended by the DSE.

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Jute goods garner attention at a Purbashil Mela (environment fair) in the capital's Sher-e-Bangla Nagar yesterday. The Department of Environment organised the weeklong fair that began on July 18.

Apparel to gain from Sino-US trade row

Bangladesh will be a China-alternative for US brands: survey

STAR BUSINESS REPORT

The ongoing trade war between the US and China will be beneficial for Bangladesh's garment sector as the American brands will place more work orders here to branch out their sourcing, according to a new survey.

Respondents in the '2018 Fashion Industry Benchmark Study' expressed more interest in expanding sourcing from Bangladesh in the next two years as they actively seek China alternatives.

Some 75 percent of the respondents

said they will source from Bangladesh. It was 61 percent in 2017.

Nearly half of respondents expect to somewhat increase sourcing from Bangladesh through 2020, up from 32 percent in 2017. Another 7 percent expect to strongly increase sourcing there, a record high since 2015.

"The 'Made in Bangladesh' label enjoys a prominent price advantage over many other Asian suppliers," said the study conducted by Sheng Lu, associate professor of the department of fashion and apparel studies of the

University of Delaware, in collaboration with the United States Fashion Industries Association (USFIA).

Like last year, respondents said Bangladesh offers the most competitive price, followed by Vietnam. Bangladesh was the fifth most preferred sourcing destination among American retailers due to price advantage, up from its previous position of seventh.

However, respondents still regard "risk of compliance" as a notable weakness.

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ADB doubles commitment for next three years

REJAUL KARIM BYRON

The Asian Development Bank is ready to lend \$8.01 billion to Bangladesh over the next three years, almost the double the amount it had committed in the previous three years.

Between 2015 and 2017, the Manila-based multilateral lender committed \$4.08 billion.

The ADB has already sent an indicative plan to the government about its intent to bankroll various mega projects with the view to reducing high transport and logistics costs and improving access to domestic, regional and international markets.

It will focus on the development of

transport corridors integrating roads, railways and ports in order to ease congestion, improve climate resilience, continue institutional reforms and facilitate trade.

The ADB will continue to support the development of the Dhaka-Chittagong-Cox's Bazar Railway corridor, add the Dhaka-Southwest road corridor to the pipeline and support investments in the Chittagong Port.

The lender will also support the improvement of public transport in the capital through the Dhaka Metro Rail project and work towards developing high-speed rail corridors, logistics and inland waterways.

In April, an ADB mission visited Bangladesh and held talks with concerned officials, said an official of the Economic Relations Division.

Of the \$8.01 billion, \$4.33 billion is available for commitment right away. Of the sum, \$1.45 billion will be given in 2019, \$1.42 billion in 2020 and \$1.47 billion in 2021.

Some 31 projects are ready for implementation under this, according to the ERD official.

The remaining \$3.68 billion are on standby: \$1.18 billion can be used in 2019, \$1.23 billion in 2020 and \$1.27 billion in 2021.

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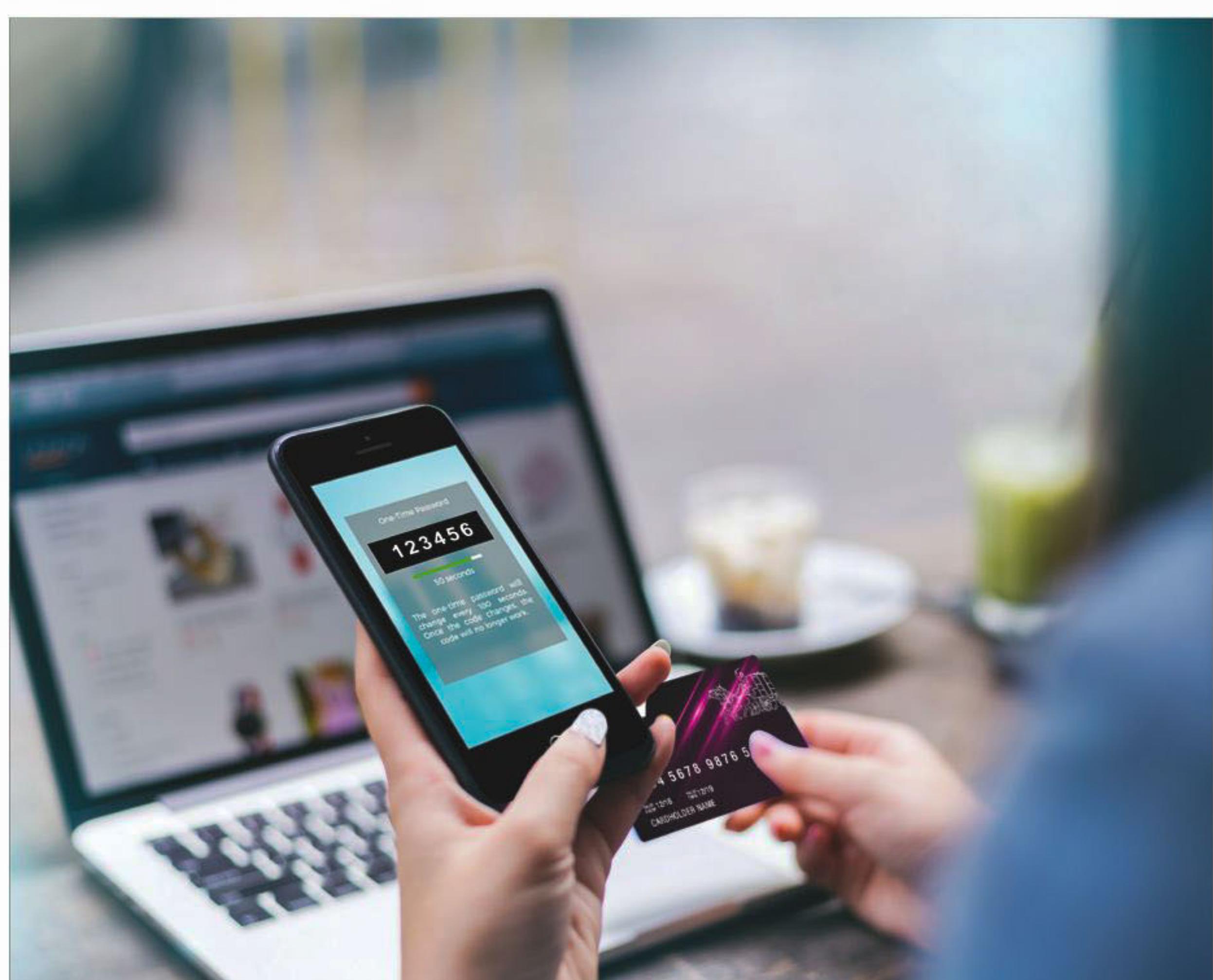
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