

14 mega projects to get Tk 45,140cr in new dev budget

REJAUL KARIM BYRON and REFAJET ULLAH MIRDHA

The government has allocated almost one-fourth of the development budget for fiscal 2019-20 to 14 mega projects with a view to accelerating their construction as it looks to make good on its last electoral promise.

The size of the annual development programme for fiscal 2019-20 has been fixed at Tk 202,721 crore, the highest yet from the government.

When the current Awami League-led government first took power in 2009, the ADP allocation was Tk 30,500 crore, said Planning Minister MA Mannan while briefing journalists after the meeting of National Economic Council (NEC) chaired by Prime Minister Sheikh Hasina yesterday.

The proposed ADP is 21.39 percent higher than the current year's as the government looks to mobilise a higher amount of foreign aid piled up in the pipeline.

"This time, the government will give three times the emphasis on fully implementing the ADP," the minister also said.

ALLOCATION TO SOME MEGA PROJECTS IN 2019-20	
In crore taka	
Roopur Nuclear Power Plant	Tk 14,980cr
Metro Rail	Tk 7,212cr
Padma Bridge	Tk 5,370cr
Padma Rail Link	Tk 3,995cr
Chittagong-Cox's Bazar Rail Line	Tk 1,105cr
Matarbari Coal Power Plant	Tk 3,056cr
Powergrid Network	Tk 1,407cr
Expansion and Strengthening the power system network	Tk 2,108cr

SOURCE: PLANNING MINISTRY

NATURAL WOODEN TEXTURES

30X60 CM SERIES

01713 656565

dbi CERAMICS

MEGA PROJECTS

Of the total 1,475 projects, the government allocated Tk 45,140 crore to 14 mega projects for quick completion.

The estimated cost of the 14 projects is Tk 334,011 crore, of which Tk 67,111 crore has already been used.

READ MORE ON B3

Dash-8 crash adds to woes of Biman

JEBUN NESA ALO

Just two months ago, Biman Bangladesh Airlines shelled out \$559,000 (Tk 4.7 crore) for thorough upkeep of a Bombardier Dash-8 Q400 aircraft in the hope that it would fly without any trouble for the next two years.

But fate had other plans: on May 8 the 74-seater aircraft skidded off the runway of Yangon International Airport, getting completely wrecked in the process.

The \$559,000 has completely gone to waste now, but the repercussion to Biman is more than that.

Other than reputational loss, the national flag carrier had to halve its daily flight frequency on domestic routes -- inflicting a minimum loss Tk 18 lakh per day, according to Biman.

Before the crash, Biman used to operate two daily flights to Jashore, Rajshahi and Saidpur from Dhaka with its three Dash-8 aircraft. Now, only a single flight is servicing each route.

The Dash-8s were used on the Kolkata and Myanmar routes. While the flight frequency on the Dhaka-Kolkata route has remained unchanged, the Dhaka-Yangon route was affected: the national flag carrier now runs one flight a week to the former capital of Myanmar instead of two previously.

Though a 172-seater Boeing 737-800 flight was added to the fleet recently, it will not be used on the domestic routes on grounds of economic feasibility, said a senior Biman official.

The reduction in Biman's flight frequency has pushed up the price of tickets on the domestic routes and that too during the busy season of Eid, according to industry



COLLECTED

The Biman aircraft that skidded off the runway of Yangon International Airport in Myanmar on May 8.

insiders.

For instance, the minimum ticket price has doubled to Tk 6,000 to Tk 8,000 on the Rajshahi and Saidpur routes following the crash.

The crashed Dash-8 had flown for four years out of its five-year leasing tenure. The monthly lease cost was \$168,000 (around Tk 1.41 crore).

The aircraft has an insurance with Sadharan Bima Corporation, said Syed Shahriyar Ahsan, managing director of the state-run insurer.

Of the sum, Sadharan Bima's contribution is less than 3 percent and the rest have been re-insured with foreign re-insurance companies, he said.

A foreign surveyor company was sent to Yangon to assess the loss of the aircraft. The owner of the aircraft, which is the leasor, will get the insurance amount.

The insurance also covers injured passengers and cabin crew and the cost of their treatment is now coming from Sadharan Bima.

In a primary observation over the incident, Biman found that the pilot landed the aircraft in his second attempt after failing in the first one because of heavy wind.

The aircraft has broken up into several pieces and is not in a position to bring back home, said the Biman executive.

Adverse weather is primarily

blamed for the accident, said Civil Aviation Secretary Mohibul Haque, adding that there is no scope for it to face any technical glitch as no flight is allowed without check-ups.

"Weather was a factor but usually we land in such adversity," said Captain Mohammad Nazrul Islam Shamim, the pilot of the flight. Shamim was badly injured in the incident and is now receiving treatment.

"However, we took immediate action to get the passengers out safely," he added.

The Yangon Civil Aviation Authority is carrying out a probe to find out the exact cause of the crash.

Finance ministry strong-arms banks

Instructs govt agencies to pull out deposits from banks that do not lend at 9pc

STAR BUSINESS REPORT

The finance ministry has instructed government agencies not to keep any deposit with banks at 6 percent that fails to lend at 9 percent, creating further chaos in to the banking system that is already reeling from a liquidity crisis.

Deposits from the government and autonomous institutions account for 15-20 percent of the deposits in the banking system, according to the Association of Bankers, Bangladesh, a platform of private banks' chief executives.

At present, none of the banks are able to offer the interest rates stipulated by the finance ministry, so its missive on Monday has been viewed by analysts and bankers as the ministry trying to strong-arm banks.

"The finance ministry cannot impose any ceiling of interest rate bypassing the central bank," said Ahsan H Mansur, executive director of the Policy Research Institute.

The move not only ignored the central bank's regulatory power but also contradicts the open market system that determines the interest rate on deposits and lending.

READ MORE ON B3



AMRAN HOSSAIN

Traders offer crisp notes in the capital's Gulistan for a small charge. Such change is gifted to children during Eid-ul-Fitr. The photo was taken recently.

JAPANESE ECONOMIC ZONE Deal to be signed on May 26

JAGARAN CHAKMA

Japanese trading giant Sumitomo Corporation and Bangladesh Economic Zones Authority (Beza) are going to enter into a joint venture agreement on May 26 on developing a special economic zone for 200 investors from Japan, says a top Beza official.

Beza has acquired 500 acres of land for the zone and another 500 acres is in the process of being acquired to set up the economic zone at Araihaaz upazila in Narayanganj.

"Establishment of an economic zone for Japan in Bangladesh is a great move which will create a brand image for the country," Paban Chowdhury, executive chairman of Beza, told The Daily Star.

He said it would be a milestone in terms of quality investment in Bangladesh as global investors would soon follow suit as had happened when Sumitomo entered Vietnam.

READ MORE ON B3

BSEC to be tough about minimum shareholding

STAR BUSINESS REPORT

Directors of a listed company will not be allowed to sell their shares if sponsors and directors fail to hold a combined minimum stake of 30 percent in the firm.

The Bangladesh Securities and Exchange Commission (BSEC) took the decision at a meeting at its office in Dhaka yesterday, according to a press release.

The regulator also made it mandatory for companies to explain the reasons for issuing stock dividends instead of cash. It suspended a stock broker's certificate for alleged misuse of investors' money. The BSEC is set to be tough on the minimum shareholding issue as many firms are not paying heed to its previous directive.

In 2011, the regulator issued a circular, ordering sponsors and directors to hold a minimum 2 percent of shares of a company individually and 30 percent jointly.

READ MORE ON B3

Two operators fail to deliver promised 4G speed

STAR BUSINESS REPORT

Banglalink and state-run Teletalk's 4G service fell short of meeting the internet speed in the capital, according to a survey of the regulator.

Bangladesh Telecommunication Regulatory Commission (BTRC) ran the drive tests in areas such as Motijheel, Kamalapur, Khilgaon, Mohammadpur, Adabor and Uttara from March 27 to 29 and found out that the performance of Grameenphone and Robi was quite satisfactory.

The required speed for 4G download is at least 7 megabytes per second but for Banglalink and Teletalk, it is 6.49 Mbps and 4.85 Mbps respectively. For Grameenphone and Robi, it is 10.07 Mbps and 10.32 Mbps respectively.

Banglalink and Teletalk, however, fared well in the uploading category, showed the quality measuring survey report of the commission.

READ MORE ON B3

BB offers Tk 761cr to revamp stocks

STAR BUSINESS REPORT

State-run Investment Corporation of Bangladesh (ICB) is set to get Tk 760.97 crore in funds from Bangladesh Bank today.

The central bank on May 3 decided to allocate a revolving fund of Tk 856 crore in a bid to revamp the ailing stock market.

Yesterday, the fund's surveillance committee recommended that Bangladesh Bank provide it to the ICB.

Saifur Rahman, a committee member and an executive director of the Bangladesh Securities and Exchange Commission, said the ICB would utilise Tk 760.97 crore for the secondary market.

Around 95 crore of the remaining fund will be provided on a first-come-first-serve basis to other intermediaries to invest in the market, he added.

90pc youth employed in informal sector: study

STAR BUSINESS REPORT

Nearly 90 percent of the youth population in Bangladesh are employed in the informal sector, depicting the daunting task the country faces in creating formal jobs for the people aged 15 to 29, according to a study.

Reducing the youth's dependence on informal jobs is a very challenging task, so adequate budget is essential to overcome the problem, it said.

The study - Investing on Young People: What does the Budget reflect? - was carried out by ActionAid Bangladesh in 2019 and its findings were shared at a discussion in Economic Reporters' Forum (ERF) of Dhaka yesterday.

When the economy is set to grow at more than 8 percent, more jobs should be generated in the formal sector, the report said. The informal sector accounts for 85.10 percent of the employment.

Currently, 22 ministries are involved in youth-related issues. But the budgetary allocation for the 22 ministries fell by 21.16 percent to Tk 137,000 crore in the current fiscal year from Tk 166,000 crore a year ago.

There are more than 2 crore employed young people in Bangladesh, representing 33.5 percent of the workforce. Overall, 79.6 percent of the unemployed are youths.

The report said education has a direct relationship with the development of young people. Though the budgetary allocation for education has increased nearly five times since 2009-10, the amount in percentage of the total budget shows little change: the education budget was 12.6 percent of the total budget in 2009-10 and it rose to 14.6 percent in the current fiscal year.

The stagnant budgetary allocation for education has become a matter of concern for youth development, said the research.

A small-scale survey conducted jointly by ActionAid Bangladesh and the ERF in 2019 found that the youth know little about budget and are even less interested about the national budget and have little expectation from it.

Twenty-six percent of the respondents do not know when the country's national budget is announced, while 33 percent did not listen to the finance minister's budget speech in television in the last three years.

Speaking at the event, Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association, emphasised investing on the mental health of the youth.

"A large portion of the younger population seems to have low confidence, so the government should invest to motivate them."

She said the youth has creativity but it is not being used.

Mustafa K Mujeri, executive director of the Institute for Inclusive Finance and Development, said the government would have to invest in an integrated manner for youth development.

Farah Kabir, country director of ActionAid Bangladesh, moderated the discussion.



STAR

Farah Kabir, country director of ActionAid Bangladesh, addresses a discussion at the conference room of the Economic Reporters' Forum in Dhaka yesterday.