STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES (STANDARD CHARTERED BANK)				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI		USD	EUR	GBP	CNY
▲ 0.25%	▲ 0.17%	▲ $1,728.37	▼ $68.33	▼ 0.78%	▲ 0.17%	▲ 0.35%	▼ 0.96%	BUY TK	83.95	99.29	116.04	12.67
5,532.97	9,684.94	(per ounce)	(per barrel)	50,395.08	29,766.97	3,106.00	3,419.95	SELL TK	84.95	103.09	119.84	13.32

Star BUSINESS

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Agrani Bank sole supplier of forex for Padma bridge

State lender providing $2.4b out of the total project cost of $3.56b

Rejaul Karim Byron *and* Wasim Bin Habib

State lenders in Bangladesh are sometimes in the news for all the wrong reasons. But they also carry the weight of the fast-expanding economy.

Agrani Bank Ltd is one such example.

The bank is the sole supplier of foreign currencies to the Padma bridge project and made payments of $1.2 billion to international contractors and consultancy firms as of December last year.

It came up with the greenbacks from its own earnings over the last seven years. It did not have to buy any foreign currency from the reserve of the Bangladesh Bank to finance one of the largest infrastructure projects in the country, said Agrani Bank officials.

The bank will pay a further $700 million in foreign currency by this June. The rest of the payments will gradually be made until June 2022. The government pays back Agrani in local currency for the dollars.

After several deadline extensions and cost escalations, the government now looks to complete the Padma bridge project by June 2022.

After several deadline extensions and cost escalations, the Padma bridge project, which the government looks to complete by June 2022, requires $2.4 billion in foreign currency.

The total cost for the 6.15km bridge is Tk 30,193 crore, or $3.56 billion.

Of this, $2.4 billion needs to be paid in foreign currency and the rest in the local currency, according to the Bridges Division, the implementing authority of the project.

The Padma bridge project is being implemented with the country's own funds after the World Bank and other international lenders cancelled financing in 2011 over allegations of corruption, which the government denied.

Allegations against government and project officials were later dismissed by the Anti-Corruption Commission of Bangladesh and a Dhaka court. A Canadian court also found no proof of graft conspiracy involving the project.

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Now jail term for trade-based money launderers

AKM Zamir Uddin

Businesspeople will be sentenced to seven years in prison if they make the wrong declaration on exports, imports and investment abroad as the government has moved to rein in trade-based money-laundering, which costs Bangladesh billions of dollars every year.

The finance ministry issued an order on March 10 to this effect based on the Foreign Exchange Regulation Act -1947.

The central bank yesterday asked banks to follow the instruction to tackle trade-based money laundering.

The government amended the Act in 2015, keeping a provision to punish money launderers.

According to the Act, the government would have to issue a notification to implement the measure. As part of the move, the ministry has now issued the circular.

The provision against the money launderers will be in place until December 2026.

The government is now drawing up a new law titled "Foreign Exchange Management Act." The latest provision will be included in the new act.

"We have been requested the government for long to implement the provision of the law to refrain borrowers from trade-based money-laundering," said Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue.

Although the government has spent six years in issuing the notification after enacting the law, the initiative is time-befitting, he said.

According to the latest Global Financial

Integrity (GFI) report, 80 per cent of the total money laundered from Bangladesh was done through over- and under-invoicing.

Bangladesh lost a staggering $7.53 billion on average between 2008 and 2017 to trade mis-invoicing, said the GFI report.

In the case of over-invoicing, importers show an inflated price concealing the genuine value of the imported goods and services in the commercial invoice of the letters of credit (LCs). They do not bring back the money to the country and invest abroad in most cases.

Exporters state a lower price than the actual one at the commercial invoice of LCs during under-invoicing. They commit misdeeds to launder the money to foreign countries as well.

Money-laundering is facilitated by collusion between importers and exporters, and bank officials are sometimes forced to get involved in illegal transactions, according to a survey carried out by the Bangladesh Institute of Bank Management in 2018.

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First river-borne food shipment goes to India today

Jagaran Chakma

Bangladesh will send food items to India for the first time through waterways today with the maiden shipment of 25,000 cartons of litchi drinks of local conglomerate Pran.

After being loaded at Shitalakshya in Narsingdi, the ship will start to sail via Narayanganj-Sheikbaria of Khulna, said Kamruzzaman Kamal, director for marketing of Pran-RFL Group.

The ship will travel around 710 kilometres to reach Kolkata on March 24, he told The Daily Star.

The ship will start its journey under the protocol on inland water transit and trade between Bangladesh and India and Khalid Mahmud Chowdhury, state minister for shipping, will attend the flag-off ceremony.

However, it is not the first time for a Bangladeshi company to use waterways for export of goods to India.

Premier Cement, a leading local cement manufacturer, opened the door for Bangladesh on September 3 last year with the shipment of 50 tonnes of cement to India's north-eastern state of Tripura.

Now the cement maker sends five to six consignments a day.

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Charuta accused of not paying Tk 30cr VAT

Star Business Report

The VAT Intelligence yesterday field a case against Charuta Private, a construction and interior decoration firm, on allegation of evading paying Tk 30 crore in VAT, said the National Board of Revenue's (NBR) field office yesterday.

The VAT Audit, Intelligence and Investigation Directorate (VAIID) filed the case under the VAT law following an inquiry. It found a discrepancy between the company's income and expenditure, said Moinul Khan, director general of the VAIID.

"We have sent the case to the Dhaka North VAT Commissionerate for further action to realise the revenue for the state," he said.

The VAT Intelligence carried out an inquiry into financial transactions of Charuta from fiscal 2012-2013 to 2016-2017. It also summoned the company management for hearing and documents, said a statement of the VAIID.

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Khatunganj lost over Tk 514cr to waterlogging in 2020: study

Dwaipayan Barua, *Ctg*

Traders in Chattogram's Khatunganj incurred direct financial losses of around Tk 514.38 crore last year solely for waterlogging, estimated a study made public yesterday.

The damage occurred not only to stocks of the country's once top commodity trading centre and commercial hub but also through reduction in sales.

There was also damages to infrastructure and properties, loss of capital assets, cost of repairment and renovation and relocation of business cost.

Some of the non-financial impacts include mental trauma, anxiety or psychological pressure, demotivation of doing business and reputational damage, the study found.

It feared that with changes in climatic conditions, such estimated economic impact would be even higher with time if no effective solution is undertaken.

The study suggested for regular dredging facilities for the Karnaphuli river and Chaktai canal and ensuring responsible waste management practices by the traders to get rid of the problem.

The report was the culmination of a yearlong research titled "Study on economic Impact of Waterlogging on Local Trade: The Case of Khatunganj, Chattogram".

The study was conducted by Associate Prof AKM Nazrul Islam, coordinator of Environmental Economics Programme of the Dhaka School of Economics; urban meteorologist Senior Assistant Prof Abu Taib Mohammad Shahjahan of American International University Bangladesh and Prof Md Reaz Akter Mullick of the Department of Civil Engineering of the Chittagong University of Engineering and Technology.

The three acted as consultants of a project of National Resilience Programme (NRP), which was run by Programming Division of the Planning Commission, funded by United Nations Development Programme and initiated and supervised by the CCCI.

The study was presented at a seminar organised by the Chittagong Chamber of Commerce and Industry (CCCI) at Bangabandhu Hall of World Trade Centre in the port city.

Chairing the event, CCCI President Mahbubul Alam said the age-old commodity trading hub on the banks of Chaktai canal has been facing frequent waterlogging for the last 15 years.

Chattogram City Corporation (CCC) Mayor Rezaul Karim Chowdhury as chief guest urged for a platform to work in a coordinated manner to solve the problem not only for Khatungnaj but the city as well.

The platform could be formed under the CCC comprising all the relevant organisations like Chittagong Development Authority, Chattogram Port Authority (CPA), Wasa and Water Development Board, he said.

Addressing as special guest, Planning Commission Programming Division Chief Khandker Ahsan Hossain said the government was giving priority to such studies so that the risk management factors could be learnt which would help make private sector investments more sustainable.

The study found that low rainfall of around 75 mm per day leads to a water level of 2.5 metres at the Chaktai canal.

Meanwhile average rainfall generates a water level of 3 to 3.5 metre resulting in inundation at Khatunganj. Compared to it, the area's main road is about 2.9 to 3.1 metre.

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KHATUNGANJ TRADE HUB

(Khatunganj, Asadganj, Chaktai and Qurbaniganj)

KEY FEATURES

- Over 5,000 businesses
- Main items: Edible oil, rice, lentil, sugar, onion, garlic, ginger, spices along with cement, tin and rod
- Handles 30% commodities imported through Ctg port
- Annual transaction over Tk 100,000cr

LOST GLORY

- Lost the 'Top Commodity Hub' title to Dhaka's Moulvibazar
- 15 years ago, half of the country's commodity trade was done through the hub.

DIRECT ECONOMIC LOSSES FROM WATERLOGGING

(In crore taka)

SOURCE: STUDY

2017	402.29
2018	228.75
2019	237.28
2020	514.38

STUDY FINDINGS

(Conducted by National Resilience Programme, jointly run by Planning Commission and UNDP)

- Frequent waterlogging has been hurting the hub for the last 15yrs
- Waterlogging causing annual loss to hit a record of Tk 514.38cr in 2020
- Tk 920.5cr was spent to solve waterlogging in past 16yrs, but to no avail
- 102 encroachers in Chaktai canal had been identified in 2015, but none evicted yet

BB to let banks, NBFIs pay higher dividends

Star Business Report

Bangladesh Bank is going to allow banks and non-bank financial institutions (NBFIs) to provide higher dividends to shareholders than what their respective ceilings were set at.

Coming at a meeting with the Bangladesh Securities and Exchange Commission (BSEC) at the securities commission building chaired by BSEC Chairman Prof Shibli Rubayat Ul Islam, the decision would be made public through a circular soon.

The BSEC informed of it through a press release yesterday.

The central bank recently issued two separate circulars saying that the banks were allowed to provide 30 per cent dividend while the NBFIs 15 per cent.

The banking watchdog said to have taken the decision in context to the Covid-19 pandemic.

Now the central bank will allow banks to provide up to 35 per cent while the listed NBFIs over 15 per cent if they have the ability, according to the latest decision.

Both regulators will take necessary steps to encourage banks to form a special fund of Tk 200 crore in order to invest in the stock market.

On February 10, the banking regulator rolled out the package that allows banks to set up a Tk 200 crore fund by taking it from Bangladesh Bank through a repurchase agreement against treasury bills and bonds they own.

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