

15 lenders to take part in PPP project financing

PPP authority signs MoU with the banks, non-banks



Construction work of Dhaka Elevated Expressway goes on in Tejgaon area yesterday. Road Transport and Bridges Minister Obaidul Quader last month said the whole project would be completed by June 2023. Once completed fully, the 19.73-kilometre expressway stretching from Hazrat Shahjalal International Airport to Kutubkhali on the Dhaka-Chattoogram highway is expected to help people get across Dhaka without facing the huge traffic congestion within the city.

STAR BUSINESS REPORT

The Public Private Partnership Authority yesterday signed a memorandum of understanding (MoU) with 15 banks and non-banking financial institutions to facilitate financing of PPP projects.

The MoU will stay in effect for the next five years. A non-disclosure agreement has also been signed to complement the MoU.

The authority has been largely

unsuccessful in availing financing for PPP projects since 2016, when it signed an MoU with 14 banks and non-banking financial institutions.

Under that MoU, the authority organised various workshops over the past couple of years on PPP financing. The authority also shared documents on projects with PPP financing partners.

However, private financial institutions have not provided loans for the PPP model projects.

On the other hand, the state-owned Bangladesh Infrastructure Finance Fund Limited (BIFFL) has provided long term syndicated loans of Tk 1,075 crore with the China Development Bank and CITIC Limited for a Dhaka bypass project.

Presiding over yesterday's ceremony, Sultana Afroz, chief executive officer of the PPP Authority, acknowledged the importance of the timely availability of financing

for a project's successful implementation.

Challenges include mismatch between loan term of PPP projects and loan disbursement periods of financial institutions, inability to keep government land as collateral and limits on single borrowers, she said.

Various financial institutions lack the lending capacity while there are no alternative sources, such as the bond market, insurance and pension funds, she

said.

All relevant institutions including the Finance Division, Financial Institutions Division, Bangladesh Bank and Bangladesh Securities and Exchange Commission should come forward, she said.

They should adopt necessary changes in the conventional banking system to provide necessary financing to PPP project companies, she said.

Ahmad Kaikaus, principal secretary to the prime minister, said the MoU would play a pivotal role in providing lenders quick and easy access to project information and to facilitate financial closure for select PPP projects.

"As domestic financial institutions need to be made more aware in PPP projects, the signing of this MoU will be a milestone," he said.

Sheikh Mohammad Salim Ullah, secretary to the Financial Institutions Division, was present as special guest.

The participating lenders are Eastern Bank Limited, Prime Bank Ltd, HSBC, City Bank Ltd, Standard Chartered Bank, Mutual Trust Bank Ltd, Southeast Bank Ltd, Midland Bank Ltd, Lankan Alliance Finance Ltd, Prime Bank Investment Limited, NDB Capital Ltd, Industrial and Infrastructure Development Finance Company Ltd, Brac EPL Investments Ltd, Riverstone Capital Ltd and UCB Investment Ltd.

The first, successfully implemented PPP project in the health sector was inaugurated at the National Institute for Kidney Diseases and Urology in 2016.

One of the eight ongoing projects under the PPP model is over a 46.73-km Dhaka elevated expressway including connecting roads. The project will cost around \$1.4 billion.

PHOTO: PALASH KHAN

Moulvibazar gets tourist bus service

MINTU DESHWARA

The Moulvibazar district administration yesterday launched a bus service to facilitate travel for both domestic and foreign tourists so as to encourage more people to visit the region.

The service will feature two packages, with one 40-seater bus allocated for each.

Under the first package, a tourist bus will start its journey from Sreemangal to Barlekha every day at 9:00am. The second bus will travel from Barlekha to Sreemangal at the same time.

Barlekha, Kulaura, Kamalganj and Sreemangal upazilas are home to numerous tea gardens.

Besides, there are natural springs, the Madhabkunda waterfall, Lawachara national park, Gagantila hill, Khasi villages, Hakaluki haor, Madhabpur Lake, and Sitedh Babu's zoo among other places to visit.

Tourists from home and abroad flock to enjoy the scenery but due to a lack of ideal transportation, they are often deprived of enjoying the full beauty as they only get to see about half of the region.

They even sometimes get into trouble while trying to navigate the district on their own.



So, the administration decided to introduce the tourist bus service in Moulvibazar to help arrange quick and easy visits at comparatively cheaper costs to local tourist centres.

Saju Marchiang, a tour guide of the Lawachara forest, said the administration's initiative deserves praise.

"This will significantly increase the number of foreign tourists in the district," he added.

Arnab Malakar, assistant commissioner of the Moulvibazar district administration, told The Daily Star that the divisional commissioner officially inaugurated the tourist bus service.

"Customers will also be informed about the rent rates and what food will be provided. In case of any emergency, two mobile numbers for communication will also be provided," Malakar added.

Mir Nahid Ahsan, deputy commissioner of Moulvibazar, said this initiative was adding a new feature to Moulvibazar.

"It will help attract more local and foreign travellers to witness the beauty of Moulvibazar," he added.

GLOBAL BUSINESS

IMF, G20 fret over supply chain bottlenecks

AFP, Washington

Global finance officials gathered in Washington on Wednesday were focused on finding a way to alleviate supply chain bottlenecks that are driving prices higher and threatening to derail the economic recovery.

As demand has spiked, suppliers have not been able to keep up: Ships are lined up outside American ports waiting to offload goods, US consumer inflation remained elevated in September, global oil prices have jumped over \$80 a barrel, the highest in years, and British families may be forced to do without turkeys for Christmas dinner.

The global supply challenges are a key focus of meetings of the International Monetary Fund, the Group of 20 advanced economies and the smaller gathering of finance ministers from the Group of Seven.

Pandemic restrictions shuttered manufacturing and trade routes while suppliers, who are facing shortages of workers and truck drivers, have not been able to keep up with the sudden surge in demand for goods as economies began to reopen.

The disruptions, which some policymakers fear may be long lasting, have hobbled the recovery momentum, prompting the IMF to cut growth forecasts for major economies like the United States and Germany.

G7 officials agreed to work together to monitor the difficulties.

China's factory inflation hits 25-year high

AFP, Beijing

China's factory inflation hit its highest level in a quarter of a century on surging commodity costs last month, with Thursday's figures fanning concerns that higher prices could filter through supply chains and into the global economy.

The reopening from lockdowns around the world has ramped up demand for energy just as stockpiles are low, made worse by China's drive to meet environmental goals by slashing emissions targets.

The producer price index (PPI), which measures the cost of goods at the factory gate, hit 10.7 per cent, the National Bureau of Statistics said, marking the biggest jump in its data going back to October 1996.

The index had already hit a 13-year high in August, reflecting a surge in commodity prices -- and piling pressure on businesses.

Many factories have been forced to halt operations because of power outages caused by emissions reduction targets, the surging price of coal and supply shortages.

Chinese authorities have since ordered mines to expand production, with energy firms told to ensure there are adequate fuel supplies for winter.

Amazon copied products, rigged search results to promote own brands

Documents show; company denies accusations

REUTERS

Amazon.com Inc has been repeatedly accused of knocking off products it sells on its website and of exploiting its vast trove of internal data to promote its own merchandise at the expense of other sellers. The company has denied the accusations.

But thousands of pages of internal Amazon documents examined by Reuters -- including emails, strategy papers and business plans -- show the company ran a systematic campaign of creating knockoffs and manipulating search results to boost its own product lines in India, one of the company's largest growth markets.

The documents reveal how Amazon's private-brands team in India secretly exploited internal data from Amazon.in to copy products sold by other companies, and then offered them on its platform. The employees also stoked sales of Amazon private-brand products by rigging Amazon's search results so that the company's products would appear, as one 2016 strategy report for India put it, "in the first 2 or three ... search results" when customers were shopping on Amazon.in.

Among the victims of the strategy: a popular shirt brand in India, John Miller, which is owned by a company whose chief executive is Kishore Biyani, known as the country's "retail king." Amazon decided to "follow the measurements of" John Miller shirts down to the neck circumference and sleeve length, the document states.

The internal documents also show that Amazon employees studied proprietary data about other brands on Amazon.in, including detailed information about customer returns. The aim: to identify and target goods -- described as "reference" or "benchmark" products -- and "replicate" them. As part of that effort, the 2016 internal report laid out Amazon's strategy for a brand the company originally created for the Indian market called "Solimo." The Solimo strategy, it said, was simple: "use information from Amazon.in to develop products and then leverage the Amazon.in platform to market these products to our customers."

The Solimo project in India has had international impact: Scores of Solimo-branded health and household products are now offered for sale on Amazon's US website, Amazon.com.

The 2016 document further shows that Amazon employees working on the company's own products, known as private brands or private labels, planned to partner with the manufacturers of the products targeted for copying. That's because they learned that these manufacturers employ "unique processes which impact the end quality of the product."

The document, entitled "India Private Brands Program," states: "It is difficult to

Congress in 2020, Amazon founder Jeff Bezos explained that the e-commerce giant prohibits its employees from using the data on individual sellers to help its private-label business. And, in 2019, another Amazon executive testified that the company does not use such data to create its own private-label products or alter its search results to favor them.

But the internal documents seen by Reuters show for the first time that, at least



Amazon founder Jeff Bezos speaks via a video conference during a hearing of a US Congressional sub-committee in July last year.

REUTERS

develop this expertise across products and hence, to ensure that we are able to fully match quality with our reference product, we decided to only partner with the manufacturers of our reference product." It termed such manufacturer expertise "Tribal Knowledge."

This is the second in a series of stories based on internal Amazon documents that provide a rare, unvarnished look, in the company's own words, into business practices that it has denied for years.

Amazon has been accused before by employees who worked on private-brand products of exploiting proprietary data from individual sellers to launch competing products and manipulating search results to increase sales of the company's own goods. In sworn testimony before the US

in India, manipulating search results to favor Amazon's own products, as well as copying other sellers' goods, were part of a formal, clandestine strategy at Amazon -- and that high-level executives were told about it.

The documents show that two executives reviewed the India strategy -- senior vice presidents Diego Piacentini, who has since left the company, and Russell Grandinetti, who currently runs Amazon's international consumer business.

In a written response to questions for this report, Amazon said: "As Reuters hasn't shared the documents or their provenance with us, we are unable to confirm the veracity or otherwise of the information and claims as stated. We believe these claims are factually incorrect and unsubstantiated."

Documents reveal how Amazon's private-brands team in India secretly exploited internal data from Amazon.in to copy products sold by other companies, and then offered them on its platform

The company did not elaborate. The statement also did not address questions from Reuters about the evidence in the documents that Amazon employees copied other companies' products for its own brands.

The company said the way it displays search results doesn't favor private-brand products. "We display search results based on relevance to the customer's search query, irrespective of whether such products have private brands offered by sellers or not," Amazon said.

Amazon also said that it "strictly prohibits the use or sharing of non-public, seller-specific data for the benefit of any seller, including sellers of private brands," and that it investigates reports of its employees violating that policy.

Piacentini and Grandinetti didn't respond to requests for comment.

The unfiltered insight the documents offer into Amazon's aggressive use of its market power could intensify the legal and regulatory pressure the company is facing in many countries.

Amazon is under investigation in the United States, Europe and India for alleged anti-competitive practices that hurt other businesses. In India, the allegations include unfairly favoring its own branded merchandise. Amazon declined to comment on the investigations.