Workers are carrying out last-stage tasks of the long-awaited Joydevpur-Elenga Highway project as the initiative is set to complete by December this year. Finally, the project cost might stand at Tk 6,168 crore.

PHOTO: MIRZA SHAKIL

JOYDEVPUR-ELENGA HIGHWAY

Long-awaited project to complete finally

REJAUL KARIM BYRON, MD ASADUZ ZAMAN *and* MIRZA SHAKIL

After repeated revision of deadlines and costs, the long-awaited Joydevpur-Elenga Highway project is finally nearing completion and even at a slightly lower expenditure.

In order to complete some last stage tasks, the project, however, will be placed today at the meeting of the Executive Committee of the National Economic Council (Ecnec).

According to the planning ministry's revised project proposal, the project cost will be Tk 6,168 crore, a decrease of Tk 46 crore from the previous estimate.

The Roads and Highways Department (RHD), the implementation agency, will, however, seek an extension of the deadline for the fifth time, to December 2022 from June this year.

Talking to The Daily Star, Md Mamun-Al-Rashid, a member of the planning commission, said, "The project work is almost complete. The deadline has been extended to carry out some last-stage tasks."

He said that despite the delay, the construction has been fine.

The project was undertaken in 2013 to enable smooth communication between Dhaka and the northern part of Bangladesh via the Bangabandhu Bridge. But the delay in completing the project on time has caused immense suffering to the people who use the road.

However, the project is a typical example of how poor planning can drive up costs and cause implementation delays.

The upgradation of the 70-kilometre road to a four-lane highway was scheduled to be completed by March 2018 at a cost of Tk 2,788 crore. The fourth revision saw the expenditure go up to Tk 6,214 crore and the tenure extend to June 2022.

A government report cites a lack of advanced planning in the development project proposal (DPP) for the project. Had it been better planned, the cost of land acquisition, in particular, and other expenses would have been much lower.

It was specifically a failure not to carry out the feasibility study properly as well as prepare the DPP without following the study and identifying the elements of the project initially, said an assessment report of the Implementation Monitoring and Evaluation Division in 2018.

The report mentioned the delay in land acquisition and relocating existing utility lines, non-implementation of environmental impact assessment, lack of planning in procuring goods, slow pace of construction work, and absence of measures to control overweight as other weaknesses of the project.

In the proposed revision, the expenditure has been cut by Tk 46 crore.

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"Some components have seen an increase in expenditure and others have seen a decrease. The shelving of foreign trips due to the coronavirus pandemic has seen the cost drop by Tk 4.5 crore," said Rashid.

Khan Ahmed Shuvo, president of the Tangail Chamber of Commerce & Industry, and a lawmaker, said thanks to the full operation of the important highway, the road communication system in this part of the country would be greatly improved and trade and commerce would be expanded.

"It will also be easier to transport goods from different districts to the capital."

The cost of the project titled "Acquiring land and relocating utility service lines for widening the Dhaka-Sylhet-Tamabil highway" has doubled. The project will be placed at the Ecnec meeting as well.

The Tk 3,885-crore project was taken up in 2018. And in October 2018, the Ecnec approved the project to acquire 986.47 acres of land and relocate utility service lines. However, the authorities need another 396 acres of land, according to the revised proposal.

So, the implementing agency will seek a revision of the cost to Tk 7,975 crore and an extension of the deadline by two years to December 2023.

The aim of the project is to complete the legwork in advance as these issues often cause delays so that the expansion work can start as soon as separate projects are approved.

Two separate projects have already been taken up by the RHD to turn the Dhaka-Sylhet and the Sylhet-Tamabil highways into dual carriageways with separate lanes for slow-moving vehicles involving Tk 20,500 crore, funded by the Asian Development Bank and the Asian Infrastructure Investment Bank.

The projects are likely to face delays as the revised project for clearing the land will end in June 2023 and cost 105 per cent more money.

"The project cost has gone up as more land has to be acquired to fix the alignment of the highways," Rashid said.

Bangladesh, Australia discuss potential for more cooperation

DIPLOMATIC CORRESPONDENT

Bangladesh recently discussed the possibility of cooperating with Australia to explore offshore gas and renewable energy sources as a part of the country's effort to ensure energy security and address the challenges of climate change.

The two countries also exchanged views on the Indo-Pacific considering the growing interest in the region while reaffirming the importance of freedom of navigation for the shared prosperity and security of all within the area.

Bangladesh Foreign Minister AK Abdul Momen and his Australian counterpart Marise Payne shared this conviction at a bilateral meeting held on the sidelines of the Munich Security Conference-2022 in Munich, Germany on Sunday, the foreign ministry said in a statement.

They said both countries have the scope to further enhance and diversify their trade and economic cooperation, especially with the signing of the Trade and Investment Framework Arrangement last year.

In 2019-20, Bangladesh and Australia's bilateral trade volume was worth more than $2.6 billion, which is set to grow in the coming days.

During the meeting, Momen urged Payne to jointly explore ways to increase the volume and content of bilateral trade.

The two ministers discussed the possibility of organising a visit by a business delegation, focusing on pharmaceutical exports from Bangladesh.

The Australian foreign minister expressed interest in exporting wool for Bangladesh's apparel industry, the second-largest in the world.

Momen requested Australia to provide skills training to increase job creation in Bangladesh's renewable energy sector.

He then reiterated his suggestion to introduce direct flights between the two countries, particularly for the convenience of Bangladesh expatriates living in Australia.

Momen urged Australia to continue working on finding durable solutions to the Rohingya humanitarian crisis.

Payne assured Momen of her country's abiding commitment to this end.

Nickel prices soar on Russia tension

AFP, *London*

Nickel surged Monday to the highest price in more than 10 years, driven by simmering Ukraine-Russia tensions and tight supplies.

The industrial metal forged $24,610 per tonne -- the highest level since 2011 -- in late morning deals on the London Metal Exchange.

Marex broker Al Munro said nickel was "benefitting from the threat to Russian production" in an already tight market with demand up as economies reopen from pandemic lockdowns.

The price of the industrial metal, a key raw material in the manufacturing of stainless steel, has soared by nearly 20 per cent since the start of the year.

"The Ukraine crisis continues to hang over metals prices," said Commerzbank analyst Daniel Briesemann.

However, he cautioned that aluminium and palladium prices had not risen to the same extent as nickel.

Russia is one of the world's largest producers of nickel, and of both aluminium and palladium.

"The nickel market still appears to be very tight" with stockpiles falling, Briesemann said.

Luxury sector undaunted by Covid, soaring inflation

AFP, *Paris*

The pandemic and soaring inflation have done nothing to take the shine off luxury brands, from Louis Vuitton to Gucci and Cartier, as the sector hiked prices to notch up stellar profits.

The world economy began to recover from the pandemic last year but the rebound has been accompanied by rising inflation, with prices for raw materials and energy soaring.

But luxury good makers can respond by hiking their prices and actually look more desirable to their customers.

"Our advantage over many other companies and groups is a certain price flexibility, i.e. we have the means to react to inflation," LVMH chief executive Bernard Arnault told reporters.

UBS analysts estimate that top brands such as Louis Vuitton, which is owned by industry leader LVMH, have raised their prices two-and-a-half times higher than the inflation rate over the past 20 years.

Indeed, "pricing power remains one of the key characteristics of the luxury goods industry," UBS analysts wrote in a research note.

LVMH bagged a record 64 billion euros ($72 billion) in sales and 12 billion euros in net profit last year, both exceeding pre-pandemic levels.

The French company also owns a broad range of spirits, perfume, jewellery and cosmetics products.

Kering -- which owns Gucci and Yves Saint Laurent -- also beat its pre-Covid levels to book a net profit of 3.2 billion euros on sales of 17.6 billion euros, the group reported on Thursday.

Shoppers wearing facemasks fill Cologne's main shopping street, Hohe Strasse (High Street), in Cologne, Germany.

PHOTO: REUTERS

Euro zone recovery regains pace

REUTERS, *London*

The euro zone economic recovery regained momentum this month as an easing of coronavirus restrictions gave a boost to the bloc's dominant service industry, a survey showed, but consumers faced prices rising at a record rate.

As the Omicron coronavirus variant swept across Europe some governments reimposed measures to contain its spread, but with large swathes of the population now vaccinated many of those measures have been eased. IHS Markit's Flash Composite Purchasing Managers' Index, seen as guide to overall economic health, jumped to a five-month high of 55.8 in February from 52.3 in January.

"The surge in the euro zone flash Composite PMI for February suggests activity is recovering well from the pandemic-related weakness over the winter," said Andrew Kenningham at Capital Economics.