

# Star BUSINESS



## AT A GLANCE

**WORK STARTED** November 2014  
**WORK FINISHED** June 2022  
**COST** Tk 30,193cr  
**MAIN BRIDGE LENGTH** 6.15km

## MATERIALS USED

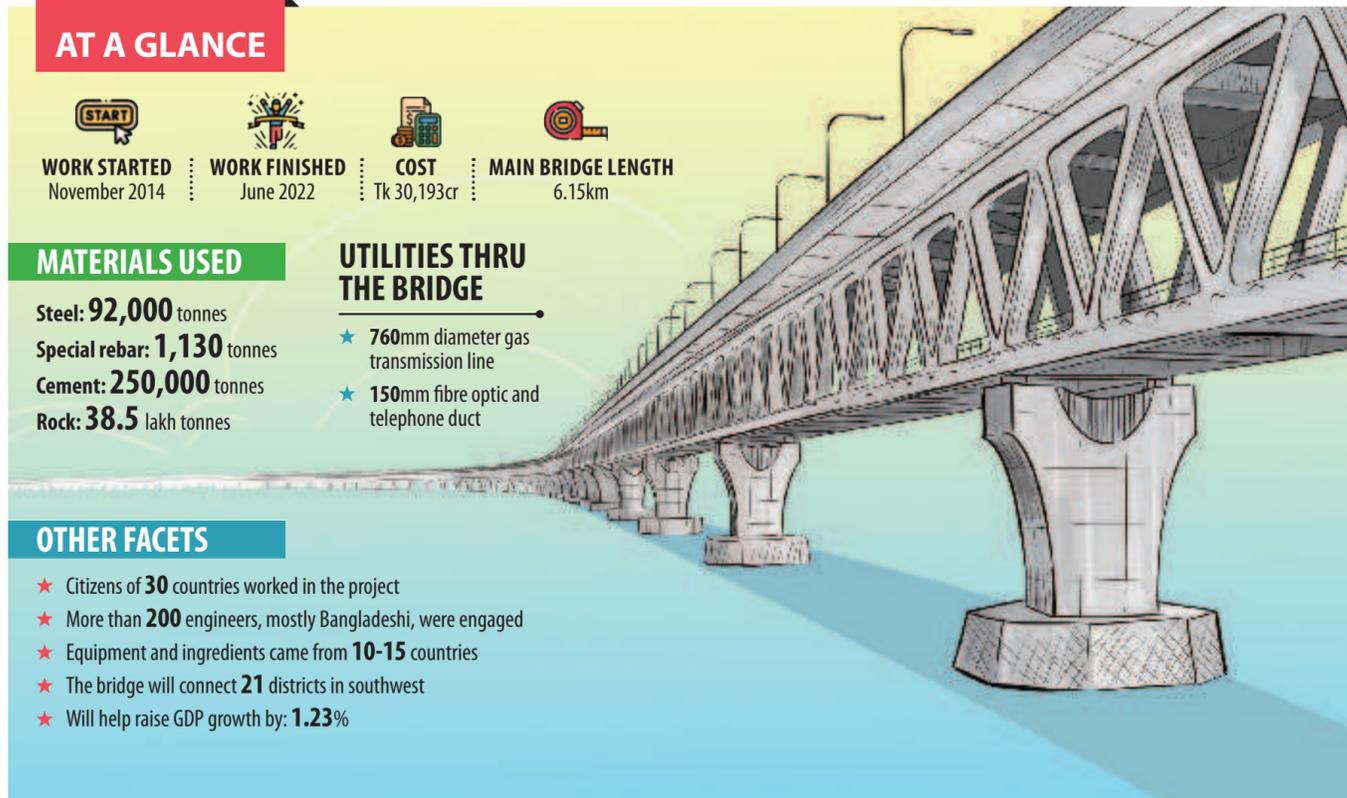
**Steel:** 92,000 tonnes  
**Special rebar:** 1,130 tonnes  
**Cement:** 250,000 tonnes  
**Rock:** 38.5 lakh tonnes

## UTILITIES THRU THE BRIDGE

★ 760mm diameter gas transmission line  
 ★ 150mm fibre optic and telephone duct

## OTHER FACETS

- ★ Citizens of 30 countries worked in the project
- ★ More than 200 engineers, mostly Bangladeshi, were engaged
- ★ Equipment and ingredients came from 10-15 countries
- ★ The bridge will connect 21 districts in southwest
- ★ Will help raise GDP growth by: 1.23%



## Time for Padma Bridge Plus

Selim Raihan, a professor of economics at the University of Dhaka, co-authored a study on the economic impact of the Padma Bridge in 2010 when the government had been at the final stage of beginning its construction works.

As the nation is set to celebrate the opening of the long-cherished bridge, Raihan, also executive director of research organisation Sanem, shares his views with The Daily Star's Sohel Parvez.



TDS: It is a great moment for the nation that Bangladesh is going to open the long-cherished Padma Bridge.

As an economist, what is your reaction?

**Raihan:** The Padma Bridge connects southern districts to the economic lifeline of Bangladesh, the Dhaka-Chattoogram economic corridor. For a long time, these southern districts had been cut off from this economic corridor. Until today, communication and transportation over the river



# Padma Bridge: A display of local industries' prowess

Bangladeshi companies supplied major raw materials

MAHMUDUL HASAN

While the construction of the Padma Bridge with the country's own fund has buoyed the nation's confidence, the longest bridge in Bangladesh has also given an opportunity to local industries to demonstrate their prowess to both local and global audiences that they can make quality materials.

A number of key ingredients used in building the bridge are made in Bangladesh and local industries supplied the construction materials.

For example, about 92,000 tonnes of steel were used in the construction of the main structure of the project. Local millers supplied most of the steel, with BSRM alone accounting for 88,000 tonnes or 96 per cent of the total.

Dewan Abdul Quader, executive engineer of the bridge project, says the local companies have contributed a lot to the bridge's construction and they have also received a major boost.

"Around 30 per cent of the contribution to this project came from local sources."

The contribution of the local companies was more in supplying rods, cement, sands and stones in the river training, building approach roads on both sides of the bridge, and other infrastructures related to the mega project.

Beginning construction in November 2014, the 6.15-kilometre bridge will connect 21 districts in the southwestern region to the rest of Bangladesh after its inauguration tomorrow. Built at the cost of nearly Tk 30,200 crore, the bridge is expected to spur Bangladesh's economic growth through increased connectivity and economic activities.

Tapan Sengupta, deputy managing director at BSRM Group of Companies, said more than 95 per cent of the rod was supplied by BSRM from the beginning to the end.

He credited the quality of products of international standards produced by the

biggest steel manufacturer in Bangladesh for it being selected to meet the demand for the key construction material.

"We were chosen because of our ability in ensuring the quality of products and services

in order to guarantee an uninterrupted supply for the mega project.

About 2.5 lakh tonnes of cement were used in the main structure of Padma Bridge and all of them came from domestic



and the capability of delivering products," he said.

"Padma Bridge is the pride of the country and we are proud to have supplied locally manufactured rods for such a prestigious project."

According to Sengupta, there was no complaint about BSRM products from the construction firm.

What is more, it kept its factory open during lockdowns

sources.

Of the volume, Scan Cement provided around 2.25 lakh tonnes alone.

Bashundhara Cement, Crown Cement, Abul Khair Group's Shah Cement and Seven Circle Group's Seven Rings Cement have also supplied the item to complete the construction of various components of the bridge.

"Our materials,

manufactured in Bangladesh, were used in the columns of the main structure," said Sayef Nasir, director for sales at HeidelbergCement Bangladesh, which markets Scan Cement.

"Our quality was the key parameter for being selected as a supplier of cement."

Premier Cement Mills Ltd supplied cement to the bridge project along with the undergoing Padma Rail Link Project.

"Padma Bridge is a milestone project. We are proud to be part of it," said Mohammed Amirul Haque, managing director of the manufacturer.

Not only steel and cement, locally made cables were also used in the bridge for its lighting, various establishments on both sides of the Padma Bridge and sub-stations.

BRB Cable Industries Ltd, the country's largest cable manufacturer, supplied various types of cables used in the project.

"We have been supplying cables for the last three

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Padma had been solely reliant on ferries. This mode of transportation is not only inconvenient but is also filled with uncertainty, and it is far from seamless.

The Padma Bridge will open up opportunities for plenty of benefits to the southern region. The economic activities, that were previously impossible to carry out in the southern districts due to poor connectivity, will now be possible. The southern districts in Bangladesh have not experienced any industrialisation. As a result, the lack of overall economic development and poverty are major issues in that region.

Climate change is also having a significant  
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STOCKS	
DSEX ▲	CASPI ▲
0.15%	0.08%
6,327.65	18,618.84

COMMODITIES	
Gold ▲	Oil ▲
\$1,840.91	\$105.43
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.86%	▲ 0.08%	▼ 0.02%	▲ 1.62%
52,265.72	26,171.25	3,092.80	3,320.15



SM Shamsul Arefin

## Uttara Finance MD removed

AKM ZAMIR UDDIN

The Bangladesh Bank yesterday removed SM Shamsul Arefin from the post of managing director of Uttara Finance and Investments Ltd (UFIL) for his alleged involvement in financial irregularities.

The central bank sent a letter to the board of the non-bank financial institution to this effect, saying Arefin was involved in financial anomalies, adversely impacting the interest of depositors.

Rahman Rahman Huq, a chartered accountant firm, recently carried out a special audit into the irregularities committed

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## Talks ongoing to buy wheat from Russia

STAR BUSINESS REPORT

Bangladesh yesterday edged closer to finalising a deal over buying 200,000 tonnes of wheat from Russia under a government-to-government contract in order to build up public food stocks to carry out various social safety net programmes.

"Russia already has offered to export two lakh tonnes of wheat to Bangladesh.

Besides, a letter has been sent to the Bangladesh High Commission in Delhi to import wheat from India at government and private levels," Food Minister Sadhan Chandra Majumder told parliament yesterday.

In reply to a lawmakers' query, he said the foreign ministry has approached different wheat exporting countries as the prices of wheat and flour has gone up along with various food grains due to the war between Russia and Ukraine.

The move comes as public food distribution has been increasing amidst soaring prices of essential commodities, including the staple rice and the ongoing flood in the

northeast division of Sylhet and a number of northern districts.

Bangladesh's public and private sectors have been importing wheat from India. But the supplies came to halt after India banned shipments to contain domestic prices.

Wheat flour hit Tk 40.89 per kilogramme in May, the highest since March 2008 when the price was Tk 42.25 each kilogramme.

"We want to buy and they also want to supply wheat to us. We have discussed a number of issues and we will sit again on July 4," said a senior official of the food ministry after a virtual meeting with his counterpart.

The meeting is expected to finalise prices and shipment of the grain, said officials.

Russia, the world's biggest wheat exporter, has been supplying the grain to Bangladesh under state arrangements since fiscal year 2013-14.

In the current fiscal year, the government bought 300,000 tonnes of wheat from Russia, three times that in the previous year.

The food ministry official said  
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## Abdullah Al Maher

Joins as Group CEO & Head of Business Asrotex Group

Asrotex Group / Fariha Knit Tex Ltd. Appoints GROUP CEO & HEAD OF BUSINESS.

Having been at the helm of Fortune 500 companies and leading them to growth, it is without a doubt that Mr. Abdullah Al Maher is a veteran CEO in the field of Ready-Made Garments industry and proudly representing the "Made In Bangladesh" brand globally.

He started his career at Comtextile Hong Kong Ltd. in 1994 and quickly excelled to becoming Team lead at Alister Int'l (Miles Germany). Mr. Maher was Country Manager for Sears Roebuck & Co. in 2002 and by 2007 he was General Manager for TMS International, who had invited brand ESPRIT fully into Bangladesh. He was then hired as Capacity Assurance Manager at H&M in 2006 and his talent was recognized by the RMG industry whereby he was offered to work as Director for Youngone Corporation Thailand in 2017. Mr. Maher has worked in global positions and locations during 27 years of his career which includes his posting in Germany as Import Manager for Coastline Mode GmbH in 2001. Additionally, he has worked towards Market development in New York USA with TMS Group. Led Fakir Fashion Ltd for last four years as Chief Executive Officer.

He is a recognized personality within the corridors of policy makers and has engaged himself in various social initiatives promoting Environmental Sustainability and Circular Fashion agendas. He aims to contribute towards YOUTH Development of Bangladesh. He is keen on impacting positively on the lives of those he works with. Mr. Maher has an MBA in International Marketing from a top tier university of the nation. He has completed his master's & Bachelor's degree in English Literature from the nation's leading public university namely University of Chittagong. Additionally, from among his numerous professional exposures and trainings from foreign institutions, he has a Diploma in Man-Made Fiber & Textile from South Korea. On weekends when he is not promoting Sustainable, Mr. Maher takes the time to play golf.

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## City Bank, Evercare Hospital sign deal

STAR BUSINESS DESK

City Bank recently signed an agreement with Evercare Hospital Dhaka and Evercare Hospital Chittagong enabling Citygem priority banking customers to avail complimentary health screening along with a companion once a year.

Sheikh Mohammad Maroof, acting managing director of City Bank, and Vinay Kaul, chief marketing officer of Evercare Hospitals Bangladesh, inked the deal at the bank's head office in Dhaka, said a press release.

Nurullah Chaudhury, deputy managing director of the bank, Arup Haider, head of retail banking, Fahria Huque, head of Citygem priority banking, and Mustafa Alim Aolad, chief financial officer of Evercare Hospital Dhaka, were present.



Snake gourds packed into baskets for transportation to a weekly market in Birshena village of Jhalakathi district. This farmer sowed seeds worth Tk 3,000 in the March-April period and hopes to attain harvests worth Tk 70,000 till July. Currently, the vegetable is selling for Tk 700-1,200 per maund (around 37 kilogrammes). Some 46,057 tonnes were produced on around 19,424 acres of land in the country in fiscal year 2020-21, according to the Bangladesh Bureau of Statistics. The photo was taken recently.

PHOTO: TITU DAS

## Norway raises rate to combat inflation

AFP, Oslo

Norway's central bank announced Thursday a sharper than expected interest rate hike and warned of more to come, as policymakers tighten monetary policies worldwide to fight surging inflation.

Central bank banks across the world have launched a series of rate increases in efforts to tame soaring consumer prices, but the curbing of easy money policies has raised fears that the policies could spark recessions.

Norway's central bank raised its main rate by half a percentage point to 1.25 per cent, its fourth hike since September, when it stood at zero.

The previous increases had been of 0.25 percentage points each and few analysts had predicted Thursday's sharper hike.

# US Fed chair admits recession a 'possibility' after rate hikes

AFP, Washington

The US economy remains strong but a series of aggressive rate hikes meant to cool soaring inflation could eventually trigger a recession, Federal Reserve Chair Jerome Powell cautioned Wednesday.

Powell, whose testimony before senators was closely watched by investors and analysts, also said the world's largest economy faces an "uncertain" global environment and could see further inflation "surprises."

The Fed chair again stressed that policymakers understand the hardships brought by rising prices and are committed to bringing down inflation, which has reached a 40-year high.

Last week, the US central bank announced the sharpest interest rate increase in nearly 30 years and promised additional similar moves to combat the price surge, with gas and food costs skyrocketing and millions of Americans struggling to get by.

But when peppered with questions about the prospect of a recession, Powell acknowledged the risk.

"It's not our intended outcome at all, but it's certainly a possibility," he told the Senate Banking Committee.

"And frankly, the events of the last few months around the world have made it more difficult for us to achieve what we want, which is two percent inflation and still a strong labor market."

In his opening remarks, Powell insisted the US economy "is very strong and well positioned to handle tighter monetary policy." "Inflation has obviously surprised to the upside over the past year, and further surprises could be in store," the Fed chief said in his semi-annual appearance before Congress.

Policymakers "will need to be nimble" given that the economy "often evolves in unexpected ways," he said.

The Fed is facing intense criticism that it was too slow to react to the changing economy, which benefited from a flood of federal government stimulus.

Last week's super-sized 0.75 percentage point increase in the benchmark lending rate was the third since March, taking the policy rate up a total of 1.5 points. Powell at the time said a

similar increase was likely in July.

The ideal scenario would be for those moves to cool the economy enough to douse inflation pressures, without choking off growth -- the hoped-for "soft landing."

"I think it's going to be very challenging," Powell said, insisting there are "pathways" to avoid recession, and that he does not view the risk of a downturn as "particularly elevated." Financial markets seemed cheered by his relatively upbeat comments, which echo those of other Fed officials in recent days who have pushed back against rising pessimism.

But Wall Street stocks lost steam late in the trading session, and the Dow finished the day down 0.2 per cent.

In addition to easing the financial strain on less-wealthy American families, the Fed chief said tamping down inflation was "essential" to maintain a healthy labor market.

The US economy recovered quickly from the Covid-19 pandemic, helped by robust consumer spending, and has continued to create jobs at a strong pace, pushing unemployment down to near a 50-year low.

## Recession fear stalks oil, copper and stocks

REUTERS, London

Prospects for a firm start on Wall Street helped European shares claw back from a new low for the year on Thursday as investors weighed the risk of hefty interest rate rises tipping economies into recession.

Tech-laden Nasdaq futures were up 1 per cent, while S&P500 futures gained 0.7 per cent. Stronger US futures helped shares in Europe, reverse an earlier fall to a 2022 low on the back of dismal economic data in Germany and France.

Crude oil also recouped earlier losses but copper remained at 16-month lows as fears of a slowdown cast a pall over the red metal.

US Treasury yields remained lower on Thursday after Federal Reserve Chair Jerome Powell, in testimony to the US Senate Banking Committee on Wednesday, underlined the central bank's commitment to cutting inflation at all costs and acknowledged a recession was "certainly a possibility".

"Powell said (money markets) are appropriately priced, which means we are going to double the Fed funds rate this year," said Jeremy Schwartz, global chief investment officer at Wisdom Tree Investments.

"Coming into this year, we thought you might be able to avoid (recession) this year, but certainly the data has started to come in much more negative," Schwartz said. In a further sign of market caution, JPMorgan analysts said more investors were turning to cash, surpassing its previous peak in March 2020, when markets went into a tailspin due to Covid-19 lockdowns.

## Canada inflation hits 39-year high

AFP, Ottawa

Canadian inflation jumped to 7.7 per cent in May, marking the largest annual increase in prices for goods and services in almost four decades, the government statistical agency said Wednesday.

The figure topped even the most bullish forecasts, following a 6.8 per cent rise in prices the previous month.

The price increases, Statistics Canada said in a statement, were "broad-based, pinching the pocketbooks of Canadians and in some cases affecting their ability to meet day-to-day expenses."

Desjardins analyst Royce Mendes reacted by saying the agency "really should add a warning label to these scorching hot inflation prints."

"We had expected stronger price increases than the consensus, but this is very surprising," he said in a research note, warning that a "jumbo-sized" interest rate hike by the Bank of Canada is now likely coming.

According to Statistics Canada, gasoline led the rise in prices, up 48 per cent in the 12 months to May 31. Groceries also cost more (up 9.7 per cent) due to supply chain disruptions as well as higher transportation and input costs.

Cooking oil notably recorded its largest price increase ever. Costs of fresh vegetables such as onions, peppers and carrots, as well as fish also rose.

## Experts fear

FROM PAGE B4

The floods have not spared banana plantations in Lalmonirhat either.

Nur Mohammad spent Tk 1.5 lakh to plant around 800 banana trees on four bighas of land in the Dharla River basin of Char Falimari in Mogholhat union of Lalmonirhat sadar upazila. He had hoped to sell the bananas for Tk 5-6 lakh but his dreams were broken when his orchard became submerged.

Mohammad told the Daily Star that floods usually occur in July but as they arrived earlier this year, farmers like him in char areas are suffering heavy losses.

Kabul Mia, a banana grower in the same char, said his banana trees are now rotting in the damp conditions. Last year, he earned Tk 4 lakh by cultivating bananas but this year, he will not be able to even raise the capital

invested.

Rafiqul Islam, a banana farmer in Char Gorokamandal area of the Dharla River basin, said the malbhog variety of banana is mainly produced in char areas of the Mogholhat, Kulaghat and Barbari unions in Lalmonirhat sadar upazila, Naodanga and Shimulbari unions of Phulbari upazila, and Holokhan union of Kurigram sadar upazila.

There are about 100 banana orchards in the region that range from two to eight acres in size.

It costs Tk 150-200 to plant each banana tree, which sell for between Tk 500 and Tk 800. Up to 650 banana trees can be planted on each acre of land, which will produce the fruit within a year.

"Banana growers have been affected by early floods this year as trees are rotting before the fruit can mature," Islam said.

## Time for Padma Bridge Plus

FROM PAGE B1

impact on this region. Increasing water salinity is causing agricultural production to suffer, and this region is particularly prone to flooding.

As a result of the Padma Bridge connecting the southern region and making communication easier, many investors who were apprehensive before will now be prepared to invest there. This will lead to economic growth, the creation of jobs, and the development of the entire economy, not just the southern region.

TDS: We know that you have found in your 2010 study that the Padma Bridge project would be economically viable. What were the major findings that led to this conclusion?

Raihan: Yes, I, together with my co-author Dr Bazul H Khondker, did the first background work in 2010 on "Estimating the economic impacts of the Padma Bridge in Bangladesh" for the Bangladesh Bridge Authority. In the 2010 study, we showed that this bridge would generate economic activities, contribute to the GDP, and create employment opportunities in the southern part of Bangladesh. It will also contribute to the reduction in poverty. Many of the critical findings of this paper have been cited and mentioned in important policy documents.

TDS: Twelve years have passed since the study, which concluded that, under certain conditions, Bangladesh's GDP would grow by 0.33 per cent to

1.26 per cent annually and southwest region's GDP by 1.66 per cent to 2.3 per cent. Do you see any change in the ground reality that is likely to affect projections of benefits/impact of the bridge after 12 years?

Raihan: In the 2010 study, we highlighted that high transaction costs, high transportation costs, delays and associated uncertainties are all challenges created by the lack of a bridge over the river Padma. There had been little investment in agriculture, industry and services sectors in the southern districts. Foreign investors were also unenthusiastic about investing in that region. As a result, the contribution of the southern region to the overall economy has remained modest. The country's most prominent industry, readymade garments, as well as other major industries, have remained absent from investing in the southern districts. They face numerous challenges in terms of connectivity, availability of land, investment facilities, funding, and availability of skilled labour. We argued in our 2010 study that the Padma Bridge will help ease many of these constraints and will lead to significant economic and social gains.

I would argue that the expected gains from Padma Bridge should be higher than what we initially envisaged in 2010. The economy has progressed since 2010. There have been improvements in the structural change in the economy, export growth, development of

physical infrastructure, significant improvement of electricity generation, some special economic zones in the pipeline, and development of seaports. If these favourable factors are effectively utilised, we can expect much larger gains from the Padma Bridge.

TDS: When can we expect to recover the full investment made so far in Padma Bridge?

Raihan: Padma Bridge alone will not be enough to transform the current status of the southern districts. I would argue for Padma-plus. What exactly is Padma-plus? In the future, the Padma Bridge will serve as a stimulant for the growth of the southern districts, as well as of the overall economy and connectivity, which would not be able to take place on their own. We need other supporting policies and programmes, which I'm calling Padma-plus.

What are these enabling policies and programmes likely to be? These southern districts are particularly vulnerable to flooding, and the road infrastructure is regularly damaged. As a result, flood-resistant infrastructure must be built in this area. The southern districts will be better connected to one another as a result of this.

Access to capital is a problem for investors who want to invest there. As a result, banks must step up and provide funding to investors in those sectors. Investing in businesses ranging from garment manufacturing to agro-processing can be done in a variety of

ways. When it comes to agriculture, whether it is crop diversification or agriculturally diverse products, banks are required to fund these endeavours.

We also recognise that land availability is a significant problem when it comes to investment. Another issue we face is that industrialisation reduces cropland. We must identify economic zones in the southern districts in order to encourage and promote investment within them. As a result, agricultural land will not be wasted unnecessarily. If we can designate industrial plots, investors will be able to invest in a planned manner. If there is no oversight, numerous types of resorts and restaurants will spring up on the spur of the moment, wasting valuable agricultural land. Along highways, residential and industrial plots are growing up, and this needs to be monitored and checked.

A key concern is the availability of skilled labour. We have some significant goals ahead of us if we look into the future. We hope to achieve the 2030 Sustainable Development Goals and to be promoted to upper-middle-income country status by 2031. In 2026, we will no longer be classified as a least developed country (LDC). To achieve these ambitious objectives, we will need strong economic growth and more productive investments. To do so, we will need a skilled workforce. The new investments in these southern districts will necessitate a large number

of skilled workers. We need to prioritise this issue.

It will be necessary to ensure that electricity, gas, and water facilities are available. The utilisation of these resources must be done in a way that is sustainable. When it comes to electricity, using renewable energy is a good example. Establishing effluent treatment plants near the factories to ensure that they do not pollute the surrounding water. There is potential for planned industrialisation in the south because it is still a virgin land when it comes to industrialisation. We must also ensure that these districts have good connectivity to our ports, such as Mongla, Payra or any that might be developed in the future. Padma-plus is required to fully use the region's connectivity with India, Nepal, and Bhutan.

TDS: We have seen recently the case of Sri Lanka and the Hambantota port. You mentioned earlier that our case cannot be compared to Sri Lanka. But the question is whether we have been able to prepare ourselves to reap maximum benefit from this mega investment.

Raihan: Although I do not think Bangladesh's foreign debt is a major concern at this time, policymakers should proceed with caution. We need to reevaluate how much of the foreign debt is invested in productive sectors and how much of it is yet to produce results. In Bangladesh, there is little link between the megaproject's feasibility study and the reality

on the ground during implementation. Failure to meet deadlines has resulted in an increase in costs, which has been a major source of concern. We need to assess the current state of foreign debt-financed megaprojects. It's time to analyse the projects' current status and reassess the implementation strategy.

Infrastructure development is undoubtedly vital, but it must be linked to the overall development of the economy, that is, by lowering the cost of doing business, enhancing competitiveness, industrialisation, and increasing exports.

TDS: Finally, what would be your suggestions to realise benefits the most from the Padma Bridge. What would be your suggestions for other mega projects in this regard?

Raihan: The government can't be complacent while dealing with foreign debts for financing mega projects. There has been some complacency through cost and time overruns.

How to address the challenges related to cost and time overruns? Ensuring transparency and accountability from the very beginning is important. There are complaints of improper or inadequate feasibility studies for many projects. A stock-taking of the mega projects, rechecking their feasibility studies, overhauling the implementation plans, and ensuring monitoring and evaluation of the implementation will help reduce the problems of cost and time overruns.



Quick customs clearance both in the air and sea ports is very important to expedite export and import of goods. In Bangladesh, exporters and importers have long been complaining about delays in releasing goods at the ports because of lengthy customs clearance which increases the cost of business. PHOTO: STAR/FILE

# Govt, EU agree to ease customs clearance at ports

## STAR BUSINESS REPORT

Bangladesh and the European Union yesterday agreed to form a joint committee to find out the challenges standing in the way of smooth customs clearances and the opportunities a simplified procedure can offer for both express and non-express air cargoes.

Quick customs clearance at both airports and seaports is important to expedite exports and imports of Bangladesh.

Exporters and importers have long been complaining about the delay in the release of goods at ports caused by the usual-than-excess time taken for customs clearance since it increases the cost of business.

Under the circumstances, Bangladesh and the EU decided to establish the joint committee on customs clearance at the 7th EU-Bangladesh Business Climate Dialogue (BCD) at the Intercontinental Hotel in Dhaka.

In the shipping and logistics, they agreed to accelerate the removal of idle containers from the Chittagong Port premises in order to ramp up cargo-

handling capacities and improve the health and safety situations at the port, the largest gateway for Bangladesh's trade with the EU.

In a joint statement, the two sides said approval would be issued for the interchange of empty containers between Dhaka rail and river terminals.

Bangladesh has agreed, as suggested by the EU, to launch a survey to assess the costs and benefits of up to 100 per cent foreign direct investment in the logistics sector in the country.

Green business practice is a new topic in the BCD. And the EU side told Bangladesh about the upcoming supply chain due diligence requirements in Europe and encouraged adaptive actions with a view to ensuring smooth trade with the bloc as the largest destination for the country's exports.

The EU side informed the meeting about two upcoming initiatives.

One of them is a new initiative named EU-Bangladesh Meaning Business, which is conceived to mark the 50th anniversary of the EU's diplomatic ties with Bangladesh.

## Bangladesh and the EU agreed to accelerate the removal of idle containers from the Chittagong Port premises in order to ramp up cargo-handling capacity and improve the health and safety situations at the port

It aims to showcase commercial sectors that are under-explored and where closer collaboration between Bangladesh and Europe could be mutually beneficial.

The second is the establishment of the European Union Chamber of Commerce (Eurocham) in the country.

It aims to build bridges between the private sectors of both sides and serve as a centre of excellence, connecting Bangladesh's public and private sectors with investors from Europe, to

the benefit of smooth and sustained business relations.

It would also help navigate Bangladesh's transition to the post-EBA (Everything but Arms) trade regime in the EU.

Tapán Kanti Ghosh, senior secretary of the commerce ministry, and Charles Whiteley, EU ambassador to Bangladesh, jointly chaired the event, which was attended by the heads of the diplomatic missions of Denmark, France, Germany, Italy, the Netherlands, Spain, and Sweden in Dhaka.

The heads of the missions expressed their willingness to continue working constructively with Bangladesh in improving trade and investment relations.

The BCD aims to facilitate trade and investment from the EU, Bangladesh's top trading partner and the second-largest source of FDI.

The country's exports to the bloc amounted to around 16 billion euros in 2021 and imported products worth 3 billion euros in the year.

The next plenary is scheduled for the first half of 2023.

## Damaged vessel repaired, sets sail

STAFF CORRESPONDENT, City

A Vietnamese flagged container vessel damaged in a collision with a Bangladeshi oil tanker in the Bay of Bengal near the Kutubdia coast on April 14 has finally sailed for Singapore on Tuesday noon following repairs.

The vessel, carrying 1,103 TEUs (twenty-foot equivalent units) of containers including 718 TEUs of export-laden containers, left Karnafuly Dry Dock around 12:30pm, said sources.

While leaving for Singapore on the morning of April 14, the vessel was hit by an inbound oil tanker around 14 nautical miles off Patenga naval base, that caused an empty container to fall into the sea.

The oil tanker managed to arrive at Chattogram the same afternoon but Haian City had to anchor at sea as two of its cargo holds were flooded for a puncture inflicted on its hull underwater, causing the ship to partly list to one side.

Following the accident, Chittagong Port Authority (CPA) and Mercantile Marine Department (MMD) announced that they would not allow the container vessel to leave until a survey report was available certifying that the vessel was fit for sea voyage.

## SHV Energy to enter local LPG market

STAR BUSINESS REPORT

Global off-grid energy distributor SHV Energy is set to enter Bangladesh's growing market for liquefied petroleum gas (LPG) by acquiring local bottler and marketer, Petromax LPG.

To this end, SHV Energy has already signed a purchase agreement and the process is expected to close within the next few months, the company said in a press release. In the meantime, Petromax will continue to operate out of Dhaka with its current team, it added.

With this move, SHV Energy, a family-owned multinational Dutch company, will join the ranks of a number of foreign firms, such as Total Gas, Omera, Ayyaz LPG and LAUGFS Gas, which have investments in the local LPG market.

Bangladesh has over 25 LPG operators and the country's annual consumption is nearly 14 lakh tonnes.

## Gree ACs used in Padma Bridge project

STAR BUSINESS DESK

Gree air conditioners have been an integral part of Padma Bridge ever since construction began on the high-anticipated mega project.

Electro Mart is the sole local distributor of Gree air conditioners, which are being used in all facets of the project, including bridge service points, multipurpose halls, resorts, motel matches, supervision offices and dormitories, according to a press release.

As such, Gree Multi VRF, Split Wall Mounted, Ceiling Type, Floor Standing and Cassette Type air conditioners have been fitted in all these points, it said.

## Oil extends fall as investors assess recession risks

REUTERS, London

A retreat in oil prices continued on Thursday as investors reassessed the risks of recession and how fuel demand will be affected by rising interest rates.

Brent crude futures fell by \$1.47, or 1.3 per cent, to \$110.27 by 0949 GMT, having dropped as low as \$108.04 earlier in the session.

US West Texas Intermediate (WTI) crude futures were down \$1.48, or 1.4 per cent, at \$104.71 after touching a session low of \$102.32. Both benchmarks plunged 3 per cent on Wednesday and are at their lowest since mid-May.

Investors are continuing to assess how worried they need to be about central banks potentially pushing the world economy into recession as they attempt to curb inflation with increases to interest rates, read more

"Recession fears have their grip on markets, but the mood swing is rather one of ebbing optimism than swelling

pessimism," said Julius Baer analyst Norbert Rucker. US Federal Reserve chief Jerome Powell on Wednesday said that the central bank was not trying to engineer a recession to stop inflation but was fully committed to bringing prices under control even if doing so risked an economic downturn. Meanwhile, Russia continues to find alternative customers for its oil.

President Vladimir Putin on Wednesday said that Russia was rerouting its trade and oil exports towards countries from the BRICS group of emerging economies in the wake of Western sanctions over the conflict in Ukraine.

China's crude oil imports from Russia in May were up 55 per cent from a year earlier and at record highs.

Reuters also reported that India is providing safety certification for dozens of ships managed by a subsidiary of Russian shipping group Sovcomflot, enabling oil exports to India and elsewhere after Western certifiers withdrew their services.

## Use of foreign aid

FROM PAGE B4

Over 12 crore people have been administered the first dose, as of the latest data of the Directorate General of Health Services.

Besides, the government has disbursed budgetary support for this fiscal year from the allocation, said finance ministry officials.

Japan has become the second biggest financial support provider with \$1.7 billion.

The ERD officials say several mega projects funded by Japan, including that of the Dhaka metro rail, Matarbari port and coal-fired power project, are being implemented in full swing.

Though Japan cancelled the funding for the

Matarbari coal-fired power plant's second phase on Wednesday, it is providing funding for the ongoing one. The Tk 51,851 crore project has witnessed 46 per cent of the money being spent till last May.

Some 83 per cent of the money allotted for the Japan-funded Dhaka Mass Rapid Transit Development Project Line-6 or metro rail project has been spent during the period, according to the ERD data.

The third highest lender is the World Bank, which disbursed \$1.53 billion.

A good amount of funds has been disbursed by the World Bank to support efforts aimed at tackling the pandemic along with regular loans.

## Uttara Finance MD

FROM PAGE B1

by Arefin and the allegations were found to be proved.

The central bank also ordered the NBF to take legal actions against Arefin for the irregularities unearthed by the audit firm.

Contacted, Arefin said he knew nothing about his removal from the post of the managing director.

Both the audit firm and the central bank conducted investigations in recent times and Uttara Finance complied with all instructions given by the BB, he said.

The central bank carried out a special inspection on the NBF during the period of October-November in 2020.

Irregularities in the

disbursement of loans and collection of deposits involving Tk 5,100 crore were committed by the board and management of UFIL, the probe found.

Arefin was found to be involved in siphoning off funds and eroding the interest of depositors and other stakeholders of the financial institution, the BB probe report said.

He took Tk 24.22 crore from UFIL without approval from the board. The amount was not even stated in the NBF's financial statement and he does not have any loan account with the lender.

At that time, Arefin had told the BB inspection team that he had taken the funds for his son's treatment and returned a good amount from time to time.

## Talks ongoing

FROM PAGE B1

Russia is expected to supply 100,000 tonnes in 60 days once the agreement was finalised.

From July 1, 2021 to June 22, 2022, Bangladesh imported 38.7 lakh tonnes of wheat, down 28 per cent year-on-year from 53.4

lakh tonnes the previous year.

Public sector imports, however, grew 12 per cent year-on-year to 5.3 lakh tonnes, according to food ministry data.

Between July 1, 2021 and June 16, 2022, public food distribution

amounted to 29.69 lakh tonnes, up 34 per cent year-on-year.

With domestic production being low, Bangladesh meets around 85 per cent of its annual requirement of 80 lakh tonnes of wheat through imports.

## Padma Bridge: A display

FROM PAGE B1

that we could participate in the making of such a big project. We really feel good when we see lights illuminating the bridge using our cables," Rony said.

The supplies can be valued at around Tk 30 crore.

"We are really proud

in addition, locally made pipes were used in the bridge. RFL Group supplied high-density polyethylene and PVC cable ducting pipe and zinc-coated w-beam guardrail, said RN Paul, its managing director.

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Monzurur Rahman, chairman of the board of directors of Pubali Bank, cuts a cake at the bank's head office in Dhaka recently to celebrate a partnership with cloud platform Oracle over core banking infrastructure. Saiful Alam Khan Chowdhury, managing director of the bank, Annie Teo, regional senior sales director of Oracle, and Rubaba Dowla, managing director of Oracle Bangladesh, were present. PHOTO: PUBALI BANK



M Khorshed Anwar, deputy managing director of Eastern Bank, and Mahadi Hasan Sagor, managing director of SMEVai Technologies Ltd, exchange signed documents of an agreement on one-stop business solutions in Dhaka recently. PHOTO: EASTERN BANK



Amdadul Hoque Sarker, deputy managing director of Walton Hi-Tech Industries PLC, and film actor Amin Khan, senior executive director, handed over a cheque worth Tk 20 lakh to Sabuj Miah, a tea seller of Feni sadar upazila, who won the sum on purchasing a Walton refrigerator under an ongoing Digital Campaign Season-15 at Grand Sultan Convention Centre in Feni recently. PHOTO: WALTON



Farmers in northern districts such as Rangpur are putting nets around their ponds in order to prevent their fishes from washing away amid the early floods caused by torrential rain this year. The photo was taken from Rangpur's Gangachara upazila yesterday.

PHOTO: KONGKON KARMAKER

FLOODS REACH RANGPUR

# Experts fear heavy losses in fish, cattle and agriculture

KONGKON KARMAKER and S DILIP ROY

The recent floods in northern Bangladesh are now affecting farmers in five districts of the greater Rangpur region as significant amounts of land in the economically disadvantaged area have gone underwater.

Local fish and cattle farmers are the worst affected but growers of agricultural products are suffering all the same.

Losses in the agricultural sector are lesser though as there are no major crops in the field at this time, according to officials of the Department of Agricultural Extension (DAE) in Rangpur.

Rising water levels in all rivers, including Brahmaputra, Teesta, Dharla, Dudkumar and Ghagat, in Rangpur, Lalmonirhat, Kurigram, Nilphamari and Gaibandha have resulted in the inundation of vast swathes of land, they said.

The flooding is a major concern for people in these districts as the agricultural, fish and cattle farming sectors play significant roles in the local economy as these districts lack heavy industries.

The situation is particularly bleak in Kurigram, Gaibandha, Lalmonirhat and Rangpur.

Fish farmers got the worst of it with the sector registering losses of Tk 4.65 crore so far. However, the situation could be manageable if there is no more rainfall ahead, according to officials of the fisheries department.

Officials of the fisheries department



say that there are around 1.30 lakh commercial fish farmers in the five affected districts.

A couple of days ago, the number of affected ponds stood at 1,050 while the number of affected farmers was around 900, they said, adding that up to Tk 2 crore worth of fish had been lost by that time.

However, these figures have since doubled and the losses will continue to rise as long as the flooding persists.

As per data available from the fisheries department, fishes in 1,920 commercial ponds in the affected districts have been washed away by the recent floods as of Wednesday.

This includes around 320 tonnes of different fish and roughly 55 lakh fish fry, ramping up losses of Tk 4.65 crore as of Wednesday.

Monzurul Islam, assistant director of the Department of Fisheries in Rangpur, said all-out steps have been taken to prevent further losses.

"Erecting enclosures with fishing nets is the best way to protect fishponds and so, we are advising farmers accordingly," he added.

Kurigram is the worst affected as fish of more than 1,000 ponds have been washed away.

Islam went on to say that the fisheries department is preparing a database on affected fish farmers in the five districts.

Hasan Ali of Begamganj union in Kurigram's Ulipur upazila said all the fish in his one-acre pond have been claimed by the flood, leading to losses of about Tk 2 lakh.

"I don't know how I can recover from such losses," he added.

The local livestock industry is likely to suffer similar losses as the pre-existing cattle feed crisis in the affected districts has deepened due to the current situation, according to officials of the District Livestock Office (DLO) in Rangpur.

Cattle feed, such as grass and paddy residue, worth Tk 24 lakh has been damaged by the floods in the affected districts. Besides, around 51,000 cows, 871 buffaloes, 27,000 goats and 5,500 sheep have been directly affected by the flood as their farms have gone underwater.

In addition, around 1.5 lakh hens and ducks have also been displaced by flooding. Dr Md Abu Sayeed, deputy director of the divisional DLO in Rangpur, said around 98 unions across the region have been affected.

"We formed a medical team to provide treatment for cattle," he added.

Along with fish and cattle farms, vast amounts of arable land in the five districts have become inundated by floodwater.

Mahbubur Rahman, deputy director of the divisional DAE in Rangpur, said his office is still ascertaining the total losses caused by flooding this year.

However, he claimed the industry's losses would be less compared to other sectors as there are no major crops in the fields.

Still, around 20,000 hectares of land remain underwater at present, he said, adding that the upcoming Aman paddy sowing season may be delayed if the flood situation prolongs.

READ MORE ON B2

## Use of foreign aid rises, but may miss target

REJAUL KARIM BYRON and ASIFUR RAHMAN

Although foreign assistance disbursement is increasing continuously, the country is still behind its target for this fiscal year.

Bangladesh earlier set an ambitious target to receive \$12.98 billion in foreign assistance from development partners in the current fiscal year. Later the target was revised to \$11 billion.

Development partners disbursed \$8.4 billion in the 11 months of the current fiscal year, a 47 per cent increase year-on-year, according to data from the Economic Relations Division (ERD).

According to the ERD officials, the government used these loans for vaccination, as one-time budgetary support and implementation of mega projects during the period.

Of the \$8.4 billion, development partners disbursed \$188 million as grant and the rest as loan. During the period, \$1.89 billion has been repaid with interest.

Despite the SWIFT ban on Russian banks and having no prior commitment, Russia is providing the fourth largest loan amounting to \$1.15 billion.

The majority is for the Rooppur nuclear power plant which is estimated to cost Tk 113,092 crore.

Around Tk 52,575 crore (46 per cent) has been spent till May this fiscal year, according to finance ministry data. The power plant is expected to start operations in December 2025.

The project became mired in uncertainty following Russia's invasion of Ukraine and the resulting Western sanctions against Russia.

Asian Development Bank topped the fund disbursement list with \$2.07 billion.

With the funding, the government is conducting the Covid-19 vaccination.

The country has already provided the second dose of the vaccination to 69 per cent of the population.

READ MORE ON B3

## Malek Spinning to issue bonds of Tk 290cr

STAR BUSINESS REPORT

Malek Spinning Mills, one of the largest listed companies of its kind in Bangladesh, has decided to issue a zero-coupon bond worth Tk 290 crore to finance its expansion, particularly for buying land.

A zero-coupon bond is a debt instrument that does not pay interest but instead trades at a deep discount, rendering profit at maturity, when the bond is redeemed for its full face value.

Malek Spinning also decided to settle an insurance claim of Salek Textile, a subsidiary of the company, by paying Tk 21.12 crore as the final settlement against a claim of Tk 30.47 crore for losses caused by fire at the fabric making facility.

The amount will be utilised against repayments of a term loan of the company, said Malek Spinning in a disclosure on the Dhaka Stock Exchange (DSE) website.

In a different disclosure, Malek Spinning said it decided to purchase 55 bighas, or 1,815 decimals, of land at a cost of approximately Tk 55 crore for a new plant in Bhaluka, Mymensingh.

However, the bond is subject to approval of the Bangladesh Securities and Exchange Commission.

It also approved the proposal of JM Fabrics Ltd, another subsidiary, to buy land in Gazipur measuring an area of 954.94 decimals for Tk 47.70 crore.

Malek Spinning is one of the largest spinning mills in Bangladesh with nearly 64,000 spindles.

READ MORE ON B2

## US recession fears darken outlook for global growth

REUTERS, London/Tokyo

Manufacturing growth is slowing from Asia to Europe as China's Covid-19 curbs and Russia's invasion of Ukraine disrupt supply chains, while the growing risk of a recession in the United States poses a new threat to the global economy.

High prices in the euro zone meant demand for manufactured goods fell in June at the fastest rate since May 2020 when the coronavirus pandemic was taking hold, with S&P Global's headline factory Purchasing Managers' Index (PMI) falling to a near two-year low of 52.0 from 54.6.

A Reuters poll had predicted a more modest drop to 53.9 and the index nudged closer to the 50 mark separating growth from contraction.

"June's euro zone PMI surveys showed a further slowdown in the services sector, while output in the manufacturing sector now seems to be falling outright," said Jack Allen Reynolds at Capital Economics.

"With the price indices remaining extremely strong, the euro zone appears to have entered a period of stagflation."

There is a roughly one in three chance of a recession in the bloc within 12 months, economists in a Reuters poll published earlier on Thursday predicted. They also said inflation - which hit a record high of 8.1 per cent last month - was yet to peak.

Jerome Powell, chair of the Federal Reserve, said on Wednesday the central bank was not trying to engineer a recession in the United States to stop inflation but was fully committed to bringing prices under control even if doing so risks an economic downturn.



A worker polishes a steel bicycle rim at a factory manufacturing sports equipment in Hangzhou, Zhejiang province, in China.

PHOTO: REUTERS/FILE

## US tariffs on China over 'leverage' in trade talks

Says official

AFP, Washington

US tariffs on Chinese goods offer a key element of leverage over Beijing which Washington should be reluctant to relinquish, the top American trade official said Wednesday.

Progress with China's unfair trade practices has been "elusive," which makes the tariffs an important tool, US Trade Representative Katherine Tai told lawmakers.

"The China tariffs are, in my view, a significant piece of leverage and a trade negotiator never walks away from leverage," she said in testimony before the Senate Appropriations Committee.

"The United States has repeatedly sought and obtained commitments from China, only to find that lasting change remains elusive."