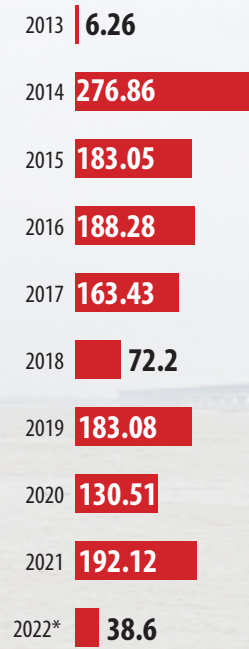


Star BUSINESS



EXTERNAL PAYMENT FOR PADMA BRIDGE

In million \$; *Till April



SOURCE: AGRANI BANK



Going on a visit on an invitation of the Prime Minister's Office, journalists soak up the view at one end of the Padma Bridge a couple of days ago. PHOTO: ANISUR RAHMAN

PADMA BRIDGE OPENS

Now time to invest in logistics

REFAYET ULLAH MIRDHA

Yesterday's opening of the Padma Bridge gave connectivity a shot in the arm since it is going to cut the time needed to move goods between the southwestern region of Bangladesh and the capital city by two to four hours, thus cutting the cost of doing business.

And businesses say the longest bridge over the mighty river will emerge as an economic game-changer if \$7 billion is invested in the logistics sector in the southwestern districts.

The greater connectivity will improve the activities of three ports, namely Benapole, Payra and Mongla. As a result, the pressure on Chattogram port, which handles more than 90 per cent of Bangladesh's seaborne trade, and the Dhaka-Chattogram economic corridor will reduce nearly by 15 per cent, they said.

As per an estimate, an investment of \$20 billion is needed in Bangladesh to elevate the country's poor logistics services to the global standard

It is estimated that an investment amounting to \$20 billion is needed in Bangladesh to elevate the country's poor logistics services to the global standard.

At least a third, or nearly \$7 billion, should be invested in the southwestern part to improve the logistics sector so that the region's economic lifeline gets a fillip, according to M Masrur Reaz, chairman of the Policy Exchange, Bangladesh, a private think-tank.

"Following the opening of the Padma Bridge, a great stride has already been made towards improving the connectivity."

The region, which consists of 21 districts, is a producer of agricultural products such as vegetables and agro-processed foods.

So, the construction of inland container depots, storage facilities, cold-chains, goods transportation facilities and better terminals are important, according to Reaz.

The region is set to go through a major

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Forex reserves took no hit from Padma Bridge

Agrani Bank meets forex requirement of \$1.48b so far, did not borrow from BB

REJAUL KARIM BYRON and MD ASADUZZAMAN

In 2012, when the government decided to construct the Padma Bridge using its own resources, many economists feared that Bangladesh's foreign currency reserves would take a big hit.

A decade later, things are completely different.

Prime Minister Sheikh Hasina yesterday inaugurated the much-talked bridge and the country's foreign exchange reserves have grown by four times to \$41 billion from a decade before.

Since 2013, a state lender has been meeting the project's foreign currency requirements from its own earnings. It did not have to buy any single foreign currency from the reserves of the Bangladesh Bank to finance one of the largest infrastructure projects in the country's history.

The state lender, Agrani Bank Ltd, is the sole supplier of foreign currencies for the project and made payments of \$1.48 billion to international contractors and consultancy firms as of May this year.

"We have been able to make

the foreign currency payment from our own earnings, without purchasing any penny from the Bangladesh Bank's reserves," said Zaid Bakht, chairman of Agrani Bank.

"We have even sold the greenback three cents below the market rates. This has reduced Agrani Bank's profit but we could contribute to the construction of the bridge by sacrificing the profit," he told The Daily Star.

Bakht, a former research director of the Bangladesh Institute of Development Studies, has been working as the chairman of the bank since November 2014. The construction of the Padma Bridge also began in the same month.

The cost of the 6.15km bridge is Tk 30,193 crore, or \$3.56 billion. The government has spent Tk 27,592 crore so far from the coffers, which accounted for 91 per cent of the cost.

As per the deal, Agrani Bank has to make payments of \$2.4 billion in foreign currencies, according to the Bangladesh Bridges Division, the implementing agency of the

project.

This means the bank has to clear payments worth \$920 million in the coming days, and Bakht is confident that the state-owned lender would be able to make the payments from its own pocket on time.

Commission of Bangladesh and a Dhaka court. A Canadian court also found no proof of graft conspiracy involving the project.

But buoyed by rising foreign exchange reserves and export earnings, the government

lender on August 27 of the same year.

A meeting chaired by the Bangladesh Bank governor was held on February 3, 2014, to decide how Agrani Bank will supply the foreign currency.

It was agreed in the meeting that if there was still any shortfall, the BB would sell foreign currencies to Agrani Bank.

In order to assure foreign contractors and consultancy firms, Agrani Bank issued a comfort letter three days later.

The bank emphasised exports and remittances, the two top sources of foreign currencies for Bangladesh, to meet the need for foreign currencies.

"As a result, we did not face any hurdle in supplying the foreign currencies," said Bakht.

He says the bridge will work as a game-changer for the southwestern region in particular and Bangladesh in general.

"The bridge will not be used to cross the river alone. There will be economic benefits as well."

The government has already

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"The payments are made in phases," said the economist.

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

Allegations against government and project officials were later dismissed by the Anti-Corruption

decided to go ahead with the project on its own resources. This was the time when the question of making payments to international contractors and consultancy firms in foreign currencies came to the fore.

In 2012, the bank informed the government about its ability to supply foreign currencies. The Bridges Division opened an account in the Gulshan branch of the

Padma Bridge to reduce industry, tech gaps in south

Entrepreneurs say

MAHMUDUL HASAN and SUKANTA HALDER

Padma Bridge will not only increase connectivity in Bangladesh, but also revolutionise the industrial landscape in southern parts of the country by creating new business avenue of opportunities, according to various entrepreneurs.

The 6.15-kilometre steel truss bridge officially opened for public use yesterday and at present, an average of about 24,000 vehicles will use it daily but the number is projected to hit 67,000 by 2050.

"Padma Bridge delivers a huge boost to connectivity by enabling our products to reach southern parts of Bangladesh at a much faster pace," said M Anis Ud Dowla, chairman of ACI Group.

His comments came after Prime Minister Sheikh Hasina inaugurated the country's longest multipurpose bridge yesterday.

"It will cut down travel time, which is a boon for the entire country, and it is really a matter of pride that we were able to build it with our own resources," he added.

Dowla went on to say that many agro-processing companies will now expand their businesses into southern districts while a number of new ventures of the sort are sure to pop up as well thanks to the region's increased connectivity with the rest of Bangladesh.

"It is better to build agro-processing businesses in agricultural zones but despite having the right conditions, such units have not been developed much due to the previous lack of connectivity," he said.

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A bus carrying diplomats crosses a toll booth on the Padma Bridge as a part of the delegation taken along by Prime Minister Sheikh Hasina for the bridge's inauguration yesterday.

PHOTO: SK ENAMUL HUQ

Appetite for forming One Person Co still low

SOHEL PARVEZ

The appetite among entrepreneurs to form One Person Companies (OPCs) remains low even though 10 months have passed since the government started registering single owner-based enterprises.

Until now, 120 OPCs have been registered with the Registrar of Joint Stock Companies and Firms (RJSC), RJSC officials said last week.

The RJSC has been registering OPCs since August 2021, after the government brought changes to the Companies Act 1994 that enabled personally-owned businesses to form companies.

However, the interest to form OPCs is yet grow for a lack of awareness about the opportunity while high registration fees could be another reason for low enthusiasm among

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