

Continue reforms to maintain growth trajectory

WB official says

STAR BUSINESS REPORT

Bangladesh needs to continue to execute its reform priorities under its national plans to maintain its growth trajectory and enhance macroeconomic stability amid uncertainties and rising inflation, said World Bank (WB) Vice President for South Asia Martin Raiser yesterday.

He made the comment on concluding his maiden three-day visit to Dhaka when he met with Finance Minister AHM Mustafa Kamal, Salman F Rahman, the prime minister's private industry and investment adviser, and Bangladesh Bank Governor Abdur Rouf Talukder.

In his meetings, Raiser discussed how the World Bank's support can be best aligned to help Bangladesh realise its vision of being an upper-middle-income country by 2031

Raiser also talked to senior government officials and representatives from the private sector, civil society and development partners, said the international financial institution in a press release.

A German national, Raiser assumed his current role on July 1, 2022. He earlier served as country director for China, Mongolia, Brazil and Turkey and director of Korea.

Yesterday he said the WB was committed to helping Bangladesh remain on a sustainable and inclusive growth path.

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Raiser said Bangladesh was a development success story in South Asia, and the World Bank was proud of being a partner in the country's development journey for the past 50 years.

"We remain committed to helping Bangladesh achieve its growth aspirations. This will require timely policy actions to build strong

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ENERGY CRISIS

Europe burns cash to help businesses

REUTERS, Berlin/London

Germany nationalised gas importer Uniper on Wednesday and Britain capped the wholesale cost of electricity and gas for businesses, in Europe's latest moves to keep the lights on and heaters running this winter as the war in Ukraine escalates.

Russian President Vladimir Putin added to the price pain in global energy markets, sending oil and gas prices higher by announcing a partial Russian military mobilisation, threatening to tighten global fuel supplies even further.

European gas and power prices have rocketed as Russia has cut fuel exports to retaliate for Western sanctions over its invasion of Ukraine, leaving consumers struggling with sky high bills and utilities grappling with a liquidity crunch.

"We have stepped in to stop businesses collapsing, protect jobs, and limit inflation," Britain's finance minister Kwasi Kwarteng said.

While many businesses are grappling with higher bills, more than 20 British power providers have collapsed, many crumbling because a government price cap prevented them passing on the full impact of surging fuel costs to households.

European gas prices rose on Wednesday, after Putin's announcement, hitting 212 euros per megawatt hour (MWh), still below this year's peak of around 343 euros but more than 200 per cent higher than a year ago. Oil prices rose 2 per cent.

The European Union, which once relied on Russia for about 40 per cent of its gas needs, has been racing to find other supplies.



Workers are seen on site of the Bay Terminal project around six kilometres west of Chattogram port. The Chattogram Port Authority hopes to save big on land acquisition for this project as it has already applied to the government for 803 acres in the area for free or a nominal price. PHOTO: STAR/FILE

BAY TERMINAL PROJECT

CPA may save Tk 3,600cr on land acquisition

DWAIPAYAN BARUA, *Chattogram*

The Chattogram Port Authority (CPA) may not have to spend Tk 3,600 crore to acquire 803 acres of khas land for the Bay Terminal project as the government is considering its application to be given the area for free or at a token price.

Once implemented, the terminal would enhance the port's container storage capacity three times to 1.5 lakh twenty-foot equivalent units while larger vessels with a draft of up to 12 metres and length of 280 metres would be able to berth.

The existing jetties can currently accommodate ships with as much as 9.5 metre draft and 190 metres length.

There was administrative approval for the acquisition of a total of 870 acres of land for the project. Of which, around 67 acres of land was privately owned.

In September 2018, the CPA handed over Tk 352.62 crore as compensation to the district administration for those privately-owned lands while a decision over the remaining 803 acres remained pending.

The Chattogram district administration had earlier demanded Tk 3,600 crore from the CPA for acquiring the 803 acres of khas land, which is government owned.

However, the CPA lacks such funds as it already deposited its surplus fund worth around Tk 3,500 crore to the national

venture between Kunhwa Engineering and Consulting Co Ltd and Daeyoung Engineering Co Ltd at Tk 126.50 crore as an international consultant for the Bay Terminal's construction. The firm recently submitted its draft masterplan.

The terminal would be constructed on around 2,500 acres of land on the coast of the Bay of Bengal in the North Halishahar area, which is around six kilometres west of Chattogram port.

The project includes three terminals having a total length of 3.5 kilometres.

Of the three, a 1.5-kilometre long multi-purpose terminal will be constructed and operated at the port's own expense.

The remaining two terminals, which will have a length of one kilometre each, will be constructed and operated with the

funding of skilled and experienced international terminal operators under a public-private partnership arrangement.

Currently, UAE based DP World and PSA Singapore are negotiating with the government for getting the job of developing the two terminals.

While discussing the draft masterplan, the CPA chairman said a 4.5-kilometre long terminal access road having two to eight lanes would be built to enable smooth vehicle entry without conflicting with Chattogram city's Outer Ring Road.

Representatives of the Chattogram City Corporation, Chattogram Development Authority, Chattogram Wasa, Water Development Board, Roads and Highways Department, CMP Traffic and leaders of different business associations gave their opinions at the meeting.

Shahjahan said all logical proposals would be incorporated to finalise the masterplan.

Park Jong Jin, team leader of the consultant firm, told The Daily Star they would finalise the masterplan within a month and prepare a detailed drawing on the design.

The CPA chairman hoped that after completing the detailed design and preparing a development project proposal, they would start work on appointing an EPC (engineering, procurement and construction) contractor for constructing the multi-purpose terminal by February next year.



exchequer, according to a senior official preferring anonymity.

The CPA recently applied for the settlement of the khas land at a token price or free of cost and the district administration sent a proposal in this regard to the land ministry last week.

Rear Admiral Mohammad Shahjahan, chairman of the CPA, yesterday said the Prime Minister is considering their proposal in a positive light.

He hopes the decision will be finalised soon after the prime minister and land minister return from abroad, and they get the land at a nominal price if not for free.

Shahjahan was addressing a view exchange with various stakeholders and port users regarding the draft masterplan of the Bay Terminal project submitted by a Korean consultancy.

In April, the port authority had appointed a Korean joint

Six local firms, Beza team up for \$457m investment

STAR BUSINESS REPORT

Six Bangladeshi companies yesterday signed a land lease agreement with the Bangladesh Economic Zone Authority (Beza) to invest \$457 million at Bangabandhu Sheikh Mujib Shilpa Nagar in Chattogram and Sabrang Tourism Park in Cox's Bazar.

Of them, one company will invest in the pharmaceuticals sector and the rest five in the hospitality sector.

The agreement signing ceremony took place at the Beza office in Dhaka at noon.

The economic zones' authority agreed to give 17 acres land to the entrepreneurs, which are: Healthcare Pharmaceuticals Ltd (HPL), Ifad Motors Ltd, DIRD Composite Textiles Ltd, DPTA Garments Ltd, DIRD Garments Ltd, and East West Travels & Tours (Pvt) Ltd.

Beza Executive Member for Administration and Finance Abdul Azim Chowdhury, HPL's Director Md Halimuzzaman, Ifad Autos Managing Director Taskeen Ahmed, DIRD group Director Shejuti Daulah and East-West Travels Managing Director Mahamudul Hossain signed the agreement on behalf of their respective organisations.

The new investments are expected to generate over 8,000 direct jobs, Beza Executive Chairman Shaikh Yusuf Harun said at the signing ceremony.

Beza has 33,500 acres of land at Bangabandhu Sheikh Mujib Shilpa Nagar, he said.

Prime Minister Sheikh Hasina is scheduled to inaugurate the local and foreign companies inside the special zone, some of which have already started their production, he said.

Many entities took lands on lease inside special zone for Bangladesh Small and Cottage Industries Corporation, but kept them unutilised for years with hopes of making extra profits by handing over to others later, he said.

The Beza has already started its work to take action against the companies, which had breached contracts by keeping leased lands unutilised inside economic zones for years.

At the event, Md Halimuzzaman, deputy managing director and chief executive officer of HPL, said they are running its operation on a 30-acre land inside Bangabandhu Shilpa Nagar.

Now, they have got an additional 10 acres from the Beza.

Healthcare Pharmaceuticals will invest \$400 million to establish three factories to produce active pharmaceutical ingredients and formulated pharmaceutical products.

The company targets to generate 7,000 jobs by 2031, Halimuzzaman said.

HPL currently exports 10 per cent of its produce and now it aims at shipping 60 per cent of its products to foreign lands by 2031, he added.

ADB cuts Asia growth forecast

AFP, *Philippines*

The Asian Development Bank on Wednesday cut its 2022 growth forecast for developing Asia, with crippling Covid-19 lockdowns in China, conflict in Ukraine and efforts to combat inflation dragging on the region.

While easing pandemic restrictions had spurred consumer spending and investment in the region, the Philippines-based bank warned of "global headwinds" to the recovery as food and fuel prices soared and central banks hiked interest rates.

As a result, the bank slashed its 2022 growth forecast for developing Asia -- which refers to the 46 members of the ADB, stretching from the Cook Islands in the Pacific to Kazakhstan in Central Asia -- to 4.3 per cent.

Rupee at record low vs dollar

REUTERS, *Mumbai*

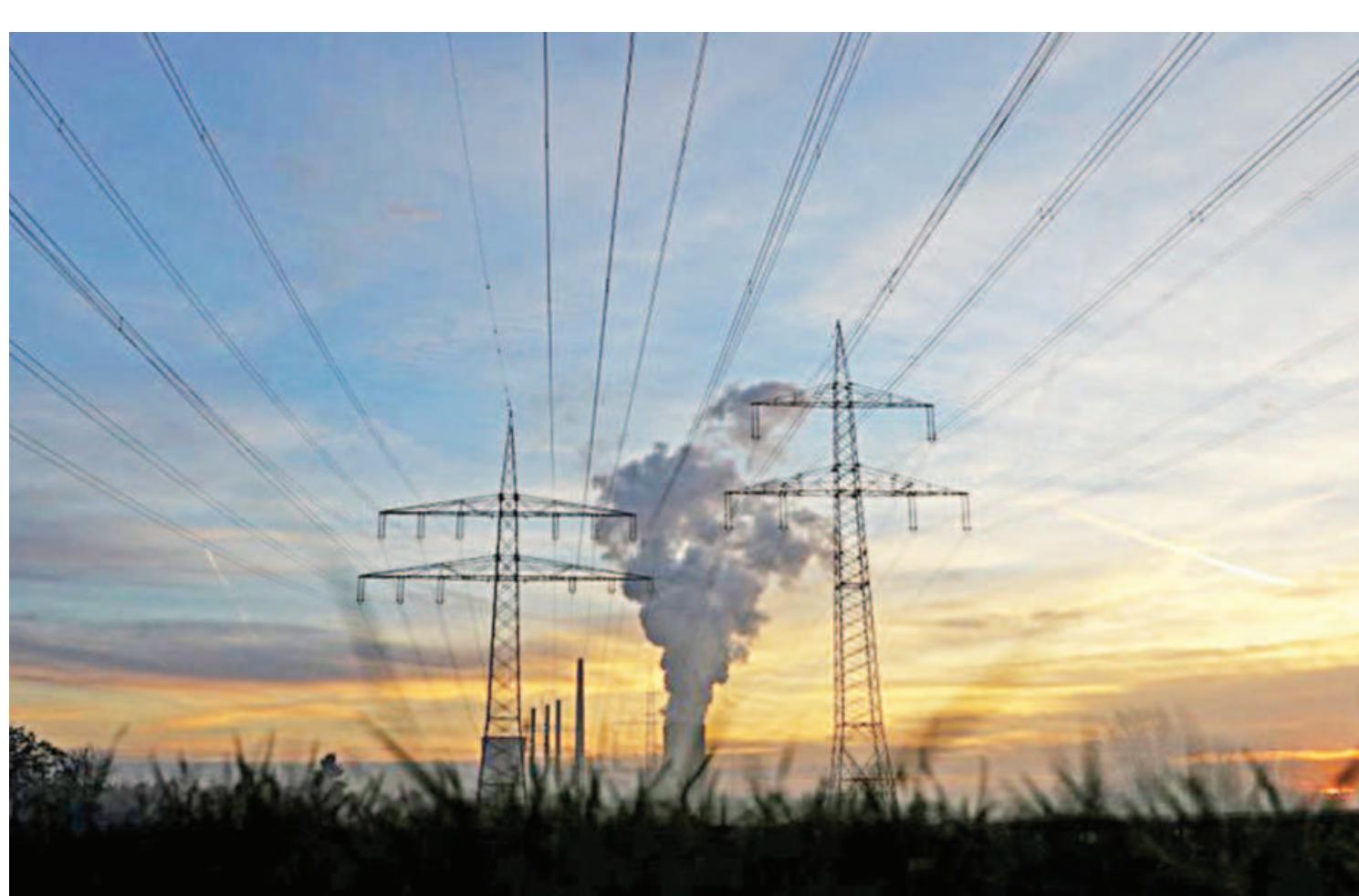
The Indian rupee closed at its lowest level ever against the US currency on Wednesday, tracking the dollar index's strength as the US Federal Reserve gears up for a hefty rate hike to tame inflation pressures.

The rupee closed at 79.9750 per US dollar, down from 79.75 in the previous session. The rupee opened a tad lower at 79.79 and continued to fall lower through the session.

The mobilisation of troops by Russian President Vladimir Putin piled on more pressure on the rupee, already weighed by the surging dollar index.

The dollar index climbed to a two-decade high of 110.87. Weak risk appetite and the Fed's interest rate outlook boosted demand for the greenback.

The Fed later is expected to raise rates by 75 basis points in the day, the third straight hike of this size.



General view of electricity pylons and power lines leading from the Uniper coal power plant in Hanau, Germany. European gas and power prices have rocketed as Russia has cut fuel exports in retaliation of Western sanctions over its invasion of Ukraine.

PHOTO: REUTERS/FILE