

Star BUSINESS



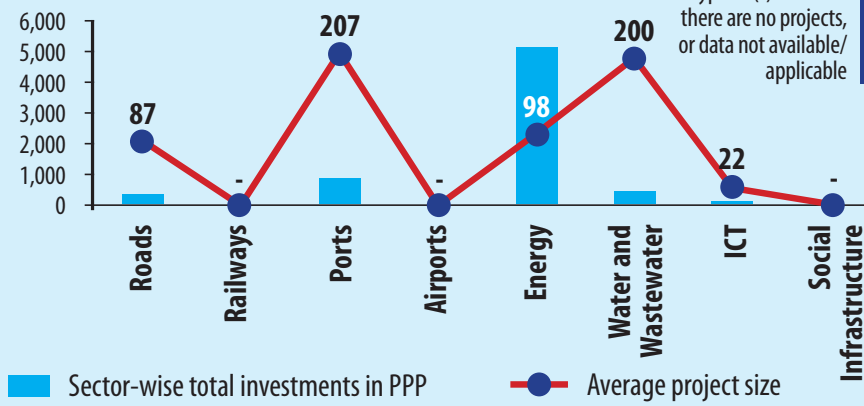
BY THE NUMBERS

Projects taken so far: 77
 \$384b needed for infrastructure under PPP during 2015 to 2030
 Average requirement per year: \$24b
 Per year allocation now: \$14b
 Gap in PPP allocation: \$10b
 Some \$928.48b additional fund is required to achieve SDGs between 2017 and 2030

SOURCE: PPPA

Investment in PPP projects by sector

1990-2019; In million \$



Top private sector investors in PPP

PRIVATE SPONSOR	COUNTRY OF ORIGIN	TOTAL INVESTMENT \$ MILLION	NUMBER OF PPP PROJECTS
Summit Corporation	Bangladesh	1,191	9
Orion Group	Bangladesh	705	3
General Electric	United States	459	3
Marubeni Corp	Japan	370	1
SembCorp Industries	Singapore	293	1
Long King	China	289	1
Al Jomaih Holding Co	Saudi Arabia	269	3
1Malaysia Development	Malaysia	266	2
SUEZ	France	164	1
Veolia Environnement	France	164	1

PPP investment far lower than required

Finds ADB as it launches PPP Monitor Bangladesh

REJAUUL KARIM BYRON and REFAJET ULLAH MIRDHA

Despite having a strong emerging regulatory framework and a relatively mature market, public-private partnership (PPP) projects in Bangladesh have attracted far lower investments than requirements owing to implementation challenges, lack of long-term financing, and dated laws.

So far, \$6.74 billion has been invested in PPP projects against the requirement of \$384 billion by 2030, according to a publication of the Asian Development Bank (ADB).

The figures were cited in the ADB's "Public-Private Partnership Monitor Bangladesh", which was unveiled at an event at the Hotel InterContinental in Dhaka yesterday. Government high-ups, senior officials of the Manila-based lender, economists, and business leaders were present at the launch.

The publication said though the PPP market in Bangladesh is relatively mature, there have been various challenges to PPP implementation.

"Bangladesh has a strong emerging regulatory framework. However, there are still many

other steps needed to make PPPs more acceptable."

The ADB said developing sector-level frameworks and model documents or standard bidding documents is crucial in bringing added transparency and clarity, with the hope that more in the private sector will bid for projects.

"A related goal in attracting more private sector interest is creating robust regulatory mechanisms through independent sector regulators and tariff policies for PPP projects."

It noted that the lack of long-term financing is a major impediment for PPPs.

"While a few specialised institutions have been developed, there is still a major gap in overall financing requirements of the country, which leads to heavy dependence on foreign or development funding routes," said the ADB.

It said the dated laws in many sectors and commonly applicable regulations related to the land acquisition will need amendments.

Another challenge of PPPs, according to the PPP Monitor, is the limited capacity of contracting authorities and

experience in handling PPP projects.

"While initiatives of the PPP Authority—including the issuance of guidelines and manuals and undertaking capacity development programmes—have led to improved understanding of PPPs, further steps are necessary."

experience in handling PPP projects.

ADB's maiden PPP Monitor in Bangladesh, Planning Minister MA Mannan said: "The government is looking forward to investments in the PPP as PPPs can be the alternative initiative for the development of the country."

Between 1990 and 2019, PPP projects attracted \$6.74 billion in investments, of which 76 per

cent was contributed by the energy sector, the ADB report said.

Of the sum, the top 10 private companies invested \$4.1 billion, or 62 per cent of the total, in 25 PPP projects. Some 12 per cent of the investments were made in the port sector, 6 per cent in the water and wastewater sector, 4 per cent in the roads sector, and 2 per cent in the ICT sector.



"Governments' resources are constrained and we need to be more creative in identifying partnership models between the public and private sector that bring the desired developmental outcomes," said Ashok Lavasa, vice-president for private sector operations and public-private partnerships at the ADB, at the launching of the publication.

While inaugurating the

Out of 69 PPP projects implemented in Bangladesh, 18 projects were procured through direct appointment, 29 through unsolicited bids, and 25 through a competitive bidding process, said the ADB document.

From 1990 to 2019, only energy sector projects were awarded based on the availability of payment mechanism, with 100 per cent of the projects given by the way of the power purchase agreement or guaranteed payments based on availability.

Thirty-two projects have attracted foreign sponsor-investors, of which 28 are currently active while the others are either cancelled or lapsed in various infrastructure sectors.

Some 58 projects were under various stages of preparation and procurement as of mid-June 2020, said the ADB.

The PPP Monitor provides investors with business intelligence on the enabling environment, policies, priority sectors and deals to facilitate informed investment decisions.

It also gives a diagnostic tool to government counterparts to identify gaps in its legal, regulatory, and institutional framework or issues in particular

IT firms grapple with unskilled labour force

MAHMUDUL HASAN

IT firms are struggling to find skilled tech talents and professionals despite higher demand for information technology services from local and global clients, a situation that threatens their expansion and could shatter Bangladesh's export ambition for the sector.

A mass exodus of talented workers and promising students, remote work opportunities and a mismatch between supply and demand have aggravated the situation recently.

The scarcity of skilled IT professionals has reached such an extent that Dream71 Bangladesh, one of the thriving software companies in Bangladesh, could not supply five computer programmers to a Polish firm.

The company in Poland had wanted five .NET software developers, people who specialise in building software for Microsoft's Windows platform using programming languages compatible with Microsoft's .NET framework.

"We had forwarded some CVs of local experienced developers. They refused to hire anyone after conducting highly technical interviews," said Rashad Kabir, CEO of Dream71 Bangladesh.

"The local developers couldn't meet the technical skills required by the company."

Dream71 Bangladesh develops software for local and foreign governments and companies. Now the



HR CRISIS IN IT

Shortage of programmers hurting software firms

Annual supply of computer science graduates is 20,000

Bangladesh needs 50,000 IT graduates each year

Most companies ask for experienced IT resources

Most newbies are inexperienced

Frequent job switch forces firms not to recruit freshers

company, which employs nearly 100 tech talents, is facing an uphill battle to hire IT engineers with proper skills.

"Getting skilled programmers and engineers is the biggest struggle for me. In the last two to three years, it has intensified," said Kabir.

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STOCKS	
DSEX ▼	CASPI ▼
0.09%	0.07%
6,227.82	18,338.60

COMMODITIES	
Gold ▼	Oil ▲
\$1,784.47	\$72.50
(per ounce)	(per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 0.26%	▼ 0.40%	▲ 0.33%	▼ 0.07%
62,570.68	27,574.43	3,236.08	3,197.35

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NBR to expedite transition to automated VAT

STAR BUSINESS REPORT

The revenue authority is going to take initiative to expedite the full transition to an automated VAT system, which is yet to be done even though one-and-a-half-years have passed since it finished the much talked about VAT Online Project.

Revenue officials said the project enabled businesses to register for VAT and file returns online but a number of modules such as litigation, refund, audit and arrears of VAT are not fully used by stakeholders.

"As a result, we are not getting complete benefit of the automation," said a top official of the VAT Commissionerate.

Under the circumstance, the National Board of Revenue (NBR) plans to sit with field officials of VAT administration.

Responding to a question at a press conference yesterday, NBR Chairman Abu Hena Md Rahmatul Munem said the revenue collector will sit in a meeting to know how many of the modules developed under the VAT online project are being used, and whether there was any problem regarding their usage.

The areas where the upgradation is still needed will also be identified, he said at the event organised to unveil plans to observe VAT Day on December 10 and VAT Week beginning tomorrow.

The NBR organises the week to raise awareness among taxpayers, motivate them to pay taxes and improve the quality of service of officials.

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Salespersons show Benarasi saris to customers at a shop in the Mirpur's Benarasi Palli, the largest market for the luxurious clothing item, which is made of finely woven silk and decorated with intricate designs, in the country. The hub employs about 12,000 people, including weavers and salespersons. The photo was taken yesterday.

PHOTO: PALASH KHAN

Poor mobile network in busy Ctg areas

BTRC hearing told STAFF CORRESPONDENT, Ctg

Customers of different mobile network operators at a public hearing yesterday reported that their daily communication was being hampered due to poor coverage in busy areas in the port city of Chattogram, including GEC and Foy's Lake.

The event was hosted by Bangladesh Telecommunication Regulatory Commission (BTRC) at Radisson Blu Chattogram Bay View, the first one to be held outside the capital to learn about user experience and service quality.

The matter was acknowledged by Brig Gen Md Ehsanul Kabir, director general (DG) of the BTRC's Engineering and Operations Division.

"Issues of poor network in different overcrowded

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