Star BUSINESS

DHAKA THURSDAY JANUARY 9, 2020, *POUSH 25, 1426 BS* starbusiness@thedailystar.net

Grameenphone's new run-in with BTRC

Operator releases network kits from customs without approval

MUHAMMAD ZAHIDUL ISLAM

Grameenphone has taken delivery of huge volumes of network equipment without obtaining the approval of the telecom regulator -- a move that has run into a grey area on the legal front.

Subsequently, the telecom watchdog slapped the operator with a show cause notice last week.

"We will take action after going through the response of the operator," Md Jahurul Haque, chairman of the Bangladesh Telecommunication Regulatory Commission (BTRC), told The Daily Star on Tuesday.

The BTRC gave Grameenphone seven days to reply to the show cause notice. Today is the last day for replying.

Grameenphone has used a trick of the legal situation and released the equipment from the customs department, Haque said, adding that the country's leading mobile carrier did apply before the commission for the no-objection certificate (NoC), which the BTRC never gave.

The tussle began on July 22 last year, when the telecom regulator decided not to give any kind of approval to Grameenphone and Robi related to roll out of new package or service or import of network equipment as it looked to pile on pressure on the operators to clear their dues.

The telecom watchdog maintains it is owed Tk 12,579.95 crore by Grameenphone and Tk 867.24 crore by Robi.

READ MORE ON B3

TIMELINE OF BTRC'S TUSSLE WITH GP

2015

- BTRC starts the process of auditing GP's accounts

2019

- **Mar**: First audit claims Tk 11,539.15cr
- **April 2**: BTRC seeks Tk 12,579.95cr
- **Jul 4**: BTRC slashes 30 percent bandwidth
- **Jul 17**: Bandwidth restriction withdrawn
- **Jul 22**: BTRC stops approval for new package and equipment import
- **Aug 26**: GP seeks injunction against BTRC's claim of Tk 12,579.95cr
- **Sep 5**: BTRC issues show-cause notice over revoking licence
- **Sept 5**: GP goes to HC against the move
- **Oct 16**: Govt decides to appoint administrator in GP
- **Oct 17**: HC issues two-month injunction on the BTRC's move
- **Oct 23**: Proposal made to form neutral committee to revise audit
- **Nov 24**: SC asks GP to pay Tk 2,000cr to BTRC within three months

Farm mechanisation gets a shot in the arm

Cabinet approves National Farm Mechanisation Policy

REJAUL KARIM BYRON

Farmers may get 50 to 70 percent incentive while buying agricultural machinery and also avail low-cost loans, as the government looks to pivot to farm mechanisation amid rising costs and growing labour shortage.

The cabinet yesterday approved the draft National Farm Mechanisation Policy 2019 to this effect at a meeting held at the Prime Minister's Office, which was presided over by the premier.

"Under the policy, farmers would be able to buy farm machinery at lower prices and will get low cost or interest-free loans in easy conditions," Cabinet Secretary Khandker Anwarul Islam told reporters during a briefing at the secretariat.

Initially, the incentive would be given for a fixed period at the farmers' level in order to get them accustomed to farm machinery. The support would be applied to quality equipment that are essential but used for a limited period, according to the draft policy.

Farmers in haor and coastal regions may get 70 percent subsidy to buy agriculture machinery, while those in other parts of the country would be entitled to 50 percent, said an official of the agriculture ministry.

As per the policy, importers would have to bring in machinery that suits the country's environment and soil.

The prime minister also told the meeting to incorporate a provision that allows farmers to form a cooperative for buying expensive tools since the equipment are used a few times round the year, the cabinet secretary said.

The policy is expected to accelerate farm mechanisation in the country.

The use of farm machinery would cut the necessity of labourers needed to plant and harvest crops, allowing farmers to: deal with the unavailability of manpower, boost agriculture development and prevent wastes, according to a media brief of the cabinet division.

This will also drive the commercialisation of the farming system, it said, adding that the agriculture ministry would soon publish a notice.

READ MORE ON B3

BANGLAR CHOKH/FILE

Paddy being harvested by a machine in a farmland of Dinajpur Sadar upazila.

Edible oil prices hauled up by VAT

Bangladesh Tariff Commission suggests waiver

SOHEL PARVEZ

The imposition of value-added tax (VAT) and advance tax (AT) in the value chain of edible oil are contributing to the spike in prices of the essential cooking ingredient, said a Bangladesh Tariff Commission report.

And the burden of the indirect tax will further increase the burden on the wallets of consumers from all walks of life amid soaring global prices of soybean and palm oil, which the nation has to depend largely to meet its consumption requirement.

Bangladesh annually requires 20 lakh tonnes of edible oil and it meets almost 90 percent of its demand through import.

The commission's observation comes at a time when processors have hiked the prices of edible oil to transfer the burden of higher international prices and increased VAT onto the shoulders of consumers.

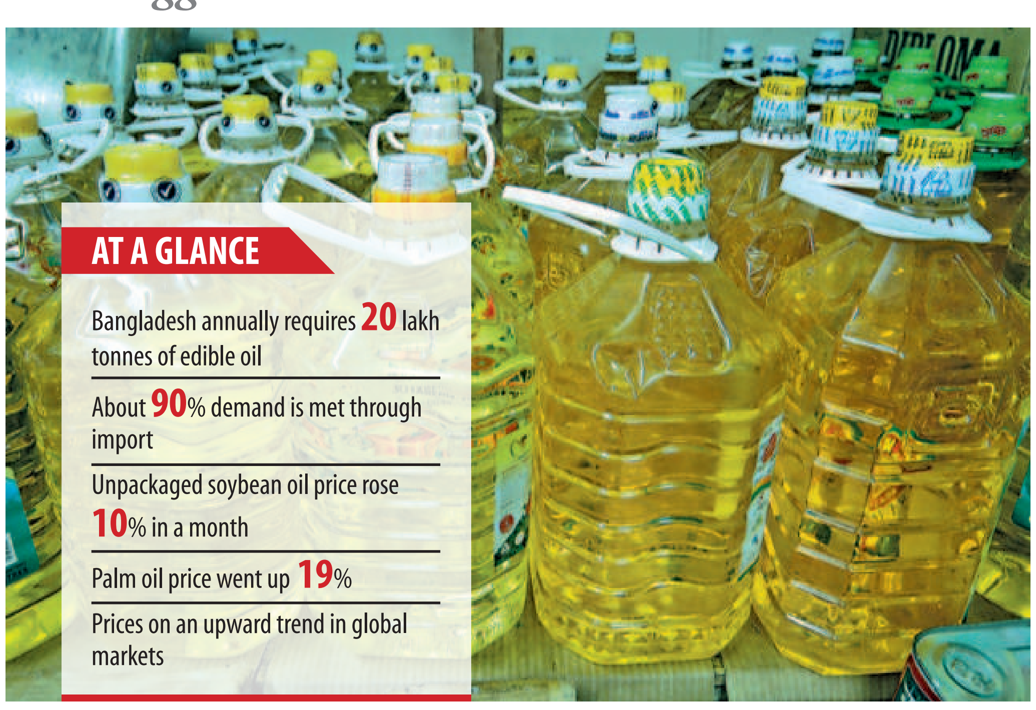
Yesterday, a litre of loose soybean oil traded at 10 percent higher at Tk 91-93 from a month earlier in Dhaka. Retailers sold palm oil in unpackaged form at 19 percent higher prices at Tk 80-82 per litre, according to market data compiled by the Trading Corporation of Bangladesh.

And prices of each five-litre container of soybean rose 5 percent to Tk 470-Tk 515 from December 8 last year.

The BTC document, which was submitted to the commerce ministry recently, said the tax authority levied 15 percent VAT on import, production and distribution of soybean and palm oil from this fiscal year, ending the previous rule of collecting the indirect tax at the import stage.

Also, the National Board of Revenue (NBR) levied a 5 percent AT on imports under the VAT and Supplementary Duty Act 2012, which came into effect from fiscal year that began on July 1, 2019.

READ MORE ON B3



AT A GLANCE

- Bangladesh annually requires 20 lakh tonnes of edible oil
- About 90% demand is met through import
- Unpackaged soybean oil price rose 10% in a month
- Palm oil price went up 19%
- Prices on an upward trend in global markets

Account opening in 5 minutes soon

eKYC guideline rolled out

STAR BUSINESS REPORT

Customers can now open bank accounts in just five minutes, a procedure that previously took two to four days, after Bangladesh Financial Intelligence Unit (BFIU) yesterday rolled out the electronic Know Your Customer (e-KYC).

The new system will cut the existing KYC-related cost by as much as 80 percent. All banks and financial institutions will have to implement the new system by this year.

The e-KYC comes as part of the government drive towards digitalisation.

Prospective clients of banks, non-bank financial institutions, investors of capital market and policyholders of insurance companies can open accounts by using the new digital account opening procedure and without filling in any paper form, as per the guideline that was approved yesterday.

The e-KYC will also help ensure governance in financial institutions, will give momentum to the country's financial inclusion drive and prevent money-laundering and terrorist financing, said the BFIU in a press release.

The agency has introduced two types of e-KYC: simplified and regular.

Clients will open simplified e-KYC by submitting national identification cards. This will allow them to settle a limited transaction.

For instance, a customer of a bank can deposit or withdraw a maximum of Tk 1 lakh per month under the simplified e-KYC.

But there will be no such threshold for clients who will open their accounts under the regular e-KYC. In this case, customers will have to submit documents on their source of income as well as the NID during account opening.

READ MORE ON B3

TURMOIL RAGES ON

DSEX, the benchmark index of the premier bourse, shed more than 50 points in each of the past four trading sessions, dragging Dhaka stocks down to its lowest level since May 2, 2016. The slide, which was brought on by mass sell-offs by foreign investors, prompted a group of aggrieved retail investors to stage demonstration at Motijheel.

DSEX 4,228.36 points (fell 53.06 points, or 1.23%)

Turnover Tk 279.96 crore (dropped Tk 47.5 crore or 14.50%)

TOP FIVE GAINERS

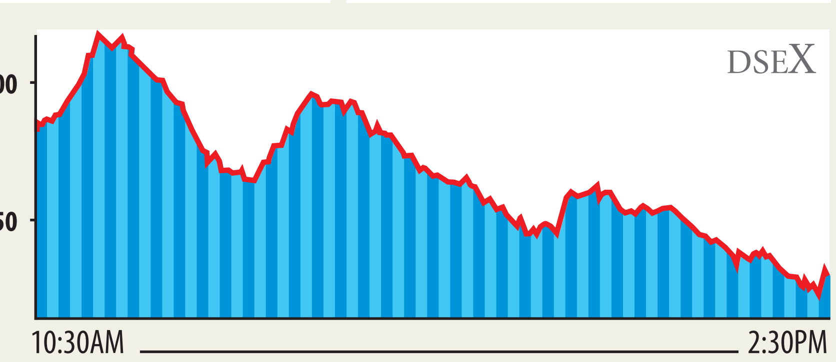
Company	Gain *(in %)*
ADN Telecom	9.70
Savar Refractories	8.14
Standard Insurance	7.65
Dulamia Cotton	6.63
Emerald Oil	5.23

TOP FIVE LOSERS

Company	Loss *(in %)*
Meghna Pet	9.17
Anlima Yarn	9.47
Beach Hatchery	8.38
Northern Jute	7.49
Prime Textile	6.78

TOP TURNOVER

Company	Turnover *(in crore Tk)*
LafargeHolcim	13.99
ADN Telecom	13.33
Standard Ceramic	12.37
Brac Bank	12.23
Khulna Power	10.60



Purbachal's water supply to be under private sector

JAGARAN CHAKMA

Water supply in the Purbachal New Town in the outskirts of Dhaka would be provided by a private sector player, in a development that can be viewed as the government opening up the country's utility services.

In Bangladesh, public entities run structured water supply management under city corporations.

Neighbouring India uses public-private partnerships for water supply management in urban areas under a National Water Policy 2002.

Rajdhani Unnayan Kartripakkha (Rajuk) is implementing the 6,227-acre project, which sits between Kaliganj and Rupganj with the Shitalakkhya river to the east and the Balu to the west. It is scheduled to have 25,016 residential plots, 1,033 commercial plots and 3,565 other plots, all at a cost of Tk 7,782 crore.

Under the new arrangement, a private consortium comprising United Water (Suqian) Company of China and Delcot Water of Bangladesh will lay out a distribution network of about 320 kilometres along the roads reaching every plot.

They will also install 15 deep tube wells to extract groundwater, all within four years in four phases.

The facilities are expected to be ready by the end of 2023, with Rajuk bearing Tk 299.80 crore of the Tk 592.39 crore cost. The consortium will foot the remaining Tk 292.39 crore.

The billing rate will be decided in consultation with Rajuk. The consortium will run the supply for 11 years to recover their investment and make a profit before handing over the responsibilities.

Meanwhile, Rajuk will provide Tk 56 crore in maintenance cost every year.

Rajuk will issue a notice on February 11 for the consortium to start work, Saber Ahmed, director of the water supply project, told The Daily Star. He expects the Purbachal project to be complete by early 2024.

Traditionally, water and sewerage projects have been implemented on the basis of public procurement, said Muhammad Alkama Siddiqui, chief executive officer of Public Private Partnership Authority.

This Purbachal water management project is an attempt by the government to access private sector expertise for efficiency alongside private financing, he said.

He hopes affluent people would come to reside in the Purbachal township and they would demand uninterrupted water supply through private management.

"Commercial operation under private management is always up to date and of low cost," said Siddiqui, adding that the government has also kept options for providing subsidies if the billing cost exceeds those in other cities.

BY THE NUMBERS

- Implementation starts in February 2020
- Expected supply of water from 2024
- Total cost of project Tk 592.39cr
- Consortium to give Tk 292.39cr
- Rajuk to provide Tk 299.80cr
- Construction period 4 years
- Operation period 11 years
- Rajuk to provide Tk 56cr for maintenance every year
- Total pipeline 320km
- Deep tube wells 15