

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 1.96%	▲ 1.87%	\$1,569.80	\$54.34	▲ 0.58%	Closed	▲ 0.39%	▲ 0.39%	BUY TK 83.95	91.76	107.75	11.89
4,471.51	8,226.76	(per ounce)	(per barrel)	41,216.14		3,175.57	2,901.67	SELL TK 84.95	94.56	111.55	12.59

Star

BUSINESS

DHAKA WEDNESDAY FEBRUARY 12, 2020, MAGH 29, 1426 BS • starbusiness@thedailystar.net

Quicker Easier & Safer

Fund transfer, Utility bill payment, Top up mobile balance, Credit card bill payment & many more

SIBL Social Islami Bank Limited

Ecneec pours cold water on Teletalk's plans

Sends back Tk 3,279.05cr project proposal for going against rules

MUHAMMAD ZAHIDUL ISLAM and REJAUL KARIM BYRON

Teletalk, it often seems, is overindulged. But what transpired at the Executive Committee of the National Economic Council (Ecneec) yesterday suggests a break from custom: the state-run carrier's proposal for building towers and network at a cost of Tk 3,279.05 crore was scrapped. The reason being, the move went against telecom rules.

According to telecom guidelines, no mobile operator is allowed to set up towers as four companies were awarded exclusive rights in 2018 to do so. And the Bangladesh Telecommunication Regulatory Commission stuck to that diktat.

In spite of that, Teletalk proposed to install 3,000 new towers to expand its network in villages and get its network ready for 5G roll-out.

Senior ministers at the Ecneec meeting were critical of the matter: tower licences were issued to bring down the mobile operators' capital expenditure, so why is Teletalk planning to spend huge amounts

NETWORK EXPANSION IN RURAL AREAS & 5G READINESS PROJECT

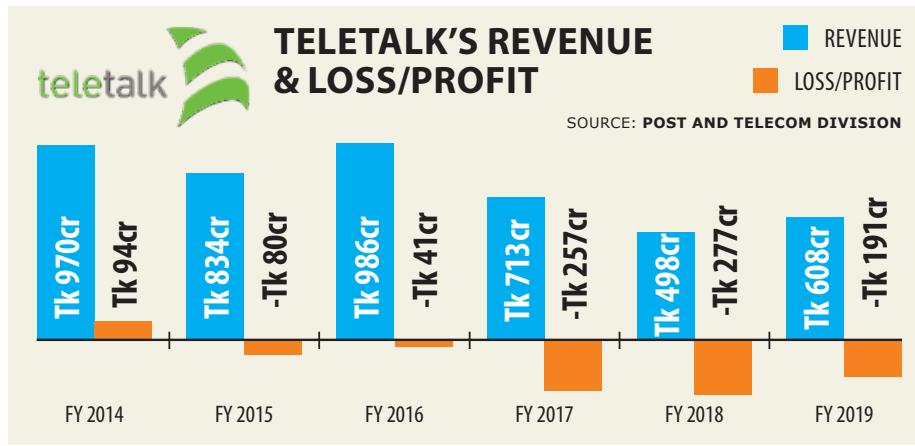
- Proposed project costs: Tk 3,279.05cr
- Govt to provide: Tk 3,155.50cr
- Operator's own fund: Tk 123.52cr
- Project tenure: Jan'20 to Jun'22
- Plans to establish 3,000 new towers
- Teletalk currently has 4,864 towers
- Requires 18,160 towers to cover Bangladesh
- Transmission capacity will increase 10 times to 100 Gbps
- 50,000 govt offices will get inbuilt coverage

of public money on this?

They expressed doubts about the feasibility study carried out by Teletalk on the project and called upon the telecom minister to run a fresh study by a reputed third party.

Telecom Minister Mustafa Jabbar acknowledged the discussions that took place at the Ecneec meeting. "Some of my colleagues think we need to go for a third-party feasibility study," Jabbar told The Daily Star.

A fresh feasibility study



15 YEARS OF TELETALK

- Received licence Sep 1, 2004
- Service launched Mar 31, 2005
- Rolled out 3G in 2012, a year earlier than others
- Launched 4G in Dec 2018
- 48.68 lakh active users as of Aug 2019, with 2.94% market share
- Set up 4,864 towers, which is one-fourth of GP
- Network expansion project worth few thousand crore taka ongoing
- Courting investment from 5 Arabia and other countries
- Enjoys exclusivity on different govt services, esp. exam fee payments

will be carried out as soon as possible and a revised proposal will be sent to the Ecneec, he said, adding that the project can be implemented in several phases.

"It is true that the project is very vast and time-consuming. But this project is a lifeline for Teletalk."

The ministers acknowledged that technology changes every two to three years, so fresh investment would be needed

as per technological innovation.

Though the ministers had varying opinions, they were all on the same page that the state-run operator needed more investment to make it competitive, Jabbar added.

Currently Teletalk has 4,864 towers, which is only 26.78 per cent of their total demand and account for only 3 per cent of the total towers in Bangladesh.

READ MORE ON B3

BB braced for tighter grip on private banks

To appoint their top personnel in revised Banking Companies Act

REJAUL KARIM BYRON and AKM ZAMIR UDDIN

The rot starts at the top, it is often said. And it is this pandemic that the central bank is looking to tackle in the new Banking Companies Act.

For instance, it has proposed interviewing both directors and managing directors of private banks before they are appointed, as per the draft of the amendment to the BCA that has been uploaded on the finance ministry's website on Monday for the opinion of the general public.

Proposed amendment to BCA

- Directors and top officials of private banks to face BB's interview for appointment
- 1/5th of board members will be independent directors
- Directors will not be allowed to take stay order to show default loans as unclassified
- Habitual defaulters and their photos to be published in newspapers

All stakeholders has been requested to give their opinion within 21 working days.

The Bangladesh Bank's intervention into the appointment of key personnel in private banks does not just end there: the interview board will also nominate additional and deputy managing directors, all top executive posts of the lenders.

All very well, but had the draft proposed state banks, where irregularities are dime a dozen, go through the same rigour in appointing top executives, it would seem the amendments has its heart in the right place.

The draft also bars any individual involved in any fraudulent activities or financial crimes or with negative observations of financial regulators from holding top posts in banks.

Directors who show default loans as unclassified by taking stay-orders from the High Court will also lose their position on their respective bank boards.

READ MORE ON B3

Revenue shortfall can't stop stretching

SOHEL PARVEZ

Revenue shortfall against the target, which is a common occurrence nowadays, is getting wider as the fiscal year nears its end, much to the concern for the government that has already ramped up its borrowing from the banking sector.

Provisional data showed the National Board of Revenue (NBR)

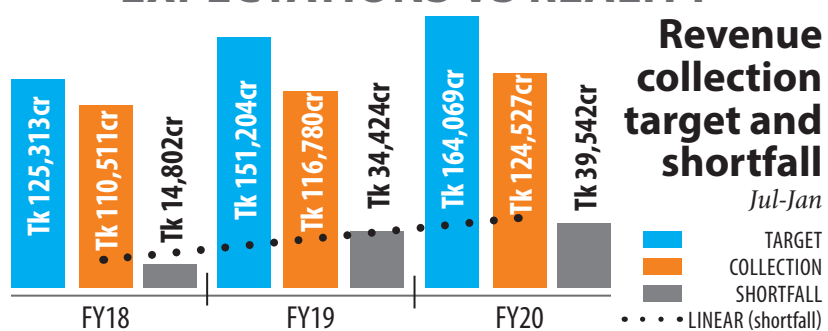
The amount of shortfall remained low in past years, but the gap from target increased to more than Tk 50,000 crore last fiscal year.

"The current pace of revenue generation is hurting budget implementation this fiscal year," said Towfiqul Islam Khan, senior research fellow of Centre for Policy Dialogue (CPD). Bangladesh's fiscal discipline is now at risk.

"Awarding tax exemption on an ad hoc basis in the name of growth stimulation is now hurting. At the same time, we need to take a closer look at the performance of the overall economy," he added.

Other than VAT, the collection of income tax, the second biggest revenue source, increased 15 per cent year-on-year to Tk 38,960 crore in the seven months to January.

EXPECTATIONS VS REALITY



could log in Tk 124,500 crore in the first seven months of the fiscal year, missing the target by Tk 39,500 crore for the period.

This suggests the government will have to either increase its borrowing from the banking sector or cut back on its expenditure plans for the fiscal year.

In the first half of fiscal 2019-20, the government borrowed Tk 49,000 crore, which is 63 per cent of the year's target. Of the sum, Tk 43,600 crore from banks, which is eight times more than a year earlier.

The NBR, the main collector, fell short of Tk 31,500 crore from its revenue goal in the first half of fiscal 2019-20.

And the target is likely to be missed by more than Tk 80,000 crore, according to Ahsan H Mansur, executive director of Policy Research Institute (PRI) of Bangladesh.

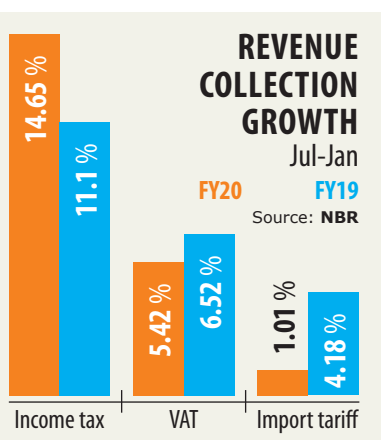
"There is a need to make an honest assessment regarding the reasons behind this small growth. Surely, there is a scope for improving administrative capacity," Khan added.

During the July-January period of the fiscal year, the NBR recorded 7 per cent year-on-year growth, according to its provisional data.

The indirect tax, value-added tax (VAT) paid by consumers, is the biggest source of revenue and the NBR collected 5 per cent higher VAT during the period than a year earlier: Tk 48,400 crore.

"Receipts from VAT might increase in the final count," said a senior official of the NBR asking not to be named as he is not authorised to speak with the media.

Implementation of the new VAT and SD Act definitely did not translate into higher revenue mobilisation, Khan said.



Customs officials could post only 1 per cent higher collection of Tk 37,000 crore thanks to declining machinery, petroleum and motorcycle imports.

"There is definitely more challenging times ahead in terms of revenue mobilisation," Khan said.

Uncertainty in the global economy in view of coronavirus does not indicate any quick recovery.

"The government will need to be proactive. There is a need for early revision of the national budget," Khan added.

Revenue collection growth will continue to remain sluggish if the NBR goes business-as-usual, said Mansur, also a former economist at the International Monetary Fund.

READ MORE ON B3

Coronavirus puts int'l expos on hold

Could cause missed revenue to the tune of Tk 250cr

JAGARAN CHAKMA

About seven large-scale international expositions and corporate conferences to be held in Bangladesh have been postponed following the coronavirus outbreak in China, denying organisers and other vested parties from about Tk 250 crore in revenue from the events.

Chinese companies are major participants at the exhibitions in Bangladesh.

And given the coronavirus pandemic in their home country they have withdrawn their participation, said Meherun (Kanka) N. Islam, president and group managing director at CEMS-Global, a professional multinational exhibition organiser.

More than 34,800 people have been infected with the new coronavirus worldwide, the vast majority in China.

And the number of coronavirus deaths has overtaken that of the Sars epidemic in 2003. In 2003, 774 people were killed by Sars (severe acute respiratory syndrome) in more than two dozen countries.

CEMS was compelled to postpone three of their international exhibitions to be held between February and April due to the novel virus.

"I will not get even \$ 3 million in revenue from these exhibitions. The exhibition is directly related to hotel and tourism businesses. So, the



REUTERS/FILE

People walk in an empty shopping mall in Beijing yesterday.

industry will feel an impact," Islam said.

By impact, she is referring to a fall in revenue.

One such event that has been postponed is the Bangladesh Plastic, Packaging and Printing Industrial Fair 2020, which was scheduled to take place between February 12 and 15 at the International Convention City Bashundhara (ICCB).

Its organiser, the Bangladesh Plastic Goods Manufacturers and Exporters Association (BPGMEA), previously announced that the event would be

postponed citing the World Health Organisation's declaration of the coronavirus epidemic as a global emergency.

The BPGMEA also said that many international and local exhibitors wanted to the fair to be postponed as public gatherings could spread the virus.

This was one of the five international expositions that the ICCB, a popular venue for trade fairs for its 7 lakh square feet space, was scheduled to host during the February-April period.

READ MORE ON B3

Mobil Bangladesh Limited

Not all lubricants are Mobil™

If you want Mobil™

Buy | Mobil™

Now buy Mobil online

Mobil Bangladesh App

For more information: +88 01713 363 484

BIMSTEC Traditional Healthcare Expo 2020

12th - 14th February, 2020

International Convention City Bashundhara (ICCB), Dhaka

Technical Session Entry Fee 2000/-

Follow us at www.bimstecayush.com

For more information: +88 01713 363 484

AYUSH

AYURVEDIC & UNANI PRODUCTS

ESSENTIAL OIL & SPA

RAW MATERIALS & INGREDIENTS

NATURAL MEDICINAL PRODUCTS

NATURAL PRODUCTS

PROCESSING EQUIPMENT / PACKAGING

FOOD & BEVERAGES

OPENING HOURS: 11AM to 7 PM (Wednesday - Friday)

FREE ENTRY