

FTA with Nepal in the final stage

Says Commerce Minister Tipu Munshi

STAR BUSINESS REPORT

Bangladesh is close to signing a free trade agreement (FTA) with Nepal, said Commerce Minister Tipu Munshi yesterday.

"We have reached a consensus with Nepal," the minister said in a meeting with visiting Nepalese Foreign Minister Pradeep Kumar Gyawali at the secretariat in Dhaka.



Tipu Munshi

of the FTA, Munshi said, adding that a secretary level meeting will be held on the signing of the FTA in Dhaka on March 3-4.

Some 26,255 Bangladeshis visited Nepal in 2018.

Bangladesh has given transit facilities to Nepal. Both the countries now use Banglabandha land port and Nepal also has the scope to use sea port of Bangladesh, the commerce minister said.

Work is now going on to increase communication through road, river and air with Nepal, Munshi added. At the meeting, Gyawali expressed interest to use Syedpur airport and, in response, the Bangladeshi minister said they will consider the landlocked country's call.



Nihad Kabir, president of the Metropolitan Chamber of Commerce and Industry, Dhaka, speaks during a networking lunch in honour of the diplomats and representatives of various development partners at its Gulshan office in Dhaka yesterday.

MCCI

BTRC cans 32 ISPs' licence

STAR BUSINESS REPORT

The telecom watchdog yesterday scrapped the licences of 32 internet service providers (ISP) for failing to pay their licence renewal fees on time.

All 32 of the cancelled licences were category-C ones, as per the public notice from the Bangladesh Telecommunication Regulatory Commission (BTRC).

According to regulations, category-C licence holders are allowed to provide internet services at the district and upazilla levels. The licence tenure of the ISPs had expired between 2014 and 2019 but some

are still providing services to customers. In the BTRC notice, the telecom regulator requested companies and individuals not to take any further service from the ISPs.

Certain ISPs in other categories are also going to lose their licences over unpaid dues and condition violations.

At the same time, a huge number of licences are being awarded in an effort to bring broadband internet services across the country, said BTRC officials.

Currently, there are 595 category-C ISPs operating in Bangladesh.

The total number of ISPs licences stands at 1,985 across five different categories.

Singapore lowers growth forecast

AFP, Singapore

Singapore cut its economic growth forecast for this year on Monday as the coronavirus batters tourist arrivals and trade.

The city-state is one of the worst affected places outside China, with 75 cases of the virus so far. China has more than 70,000 infections.

Singapore downgraded its 2020 growth estimate to a range of -0.5 percent to 1.5 percent.

That compares with its previous forecast in November of 0.5 percent to 2.5 percent.

"The outbreak of the coronavirus... has affected China, Singapore and many countries around the world," the trade ministry said in a statement.

"In Asia, the outbreak is likely to dampen the growth prospects of China and other affected countries this year."

Tourism arrivals have already started to decline, exports are expected to take a hit, and domestic consumption is likely to fall as people cut back on shopping and dining out, it added.

Bangladesh most expensive in S Asia

New York-based magazine finds

STAR BUSINESS REPORT

New York-based CEOWORLD magazine has billed Bangladesh as the most expensive country to live in South Asia and Pakistan the most affordable one in the world.

In South Asia Bangladesh ranked 110th, followed by Sri Lanka at 112.

The magazine identified the world's most and least expensive countries to live in by collecting and reviewing data from dozens of studies, consumer price index, Numbeo Cost of Living Index, numerous national and international media reports.

The rankings are based on five major metrics: cost of living, rent, groceries, eating out and purchasing power.

These data are then compiled into an index, using the notoriously expensive city of New York City (NYC) as a benchmark. New York was given an index score of 100. So a country with a score higher than

100 is more expensive than New York, while below signals that it is cheaper.

Nepal held the third spot and, surprisingly, India, the biggest economy in South Asia, turned up as the third most affordable country to live in with its rank of 130. Afghanistan came 131th and Pakistan 132th. However, Bhutan and the Maldives were not included in the list.

The CEOWORLD magazine is a leading business publication for CEOs, CFOs, high-level executive professionals, business leaders, and high net worth individuals.

Switzerland has topped the list as the most expensive nation on earth to live in.

Of the top 20 nations, nine were in Europe, five in Asia, one in North America, one in Africa, two in the Caribbean and two in Oceania. Norway ranked second in the list, followed by Iceland, Japan, Denmark, Bahamas, Luxembourg, Israel, Singapore and South Korea.



MARICO BANGLADESH

Sudipto Mukerjee, resident representative of UNDP Bangladesh, and Ashish Goupal, managing director of Marico Bangladesh, exchange documents after signing a deal at the former's office in Dhaka to extend the partnership for Strengthening Women's Ability for Productive New Opportunities (SWAPNO) programme till 2021. SWAPNO is a joint initiative of the government of Bangladesh, UNDP and Marico for giving sustainable livelihood to ultra-poor women.



DHAKA BANK

Md Shafquat Hossain, head of retail business division at Dhaka Bank, and Shoeb Ahmed, divisional director at Rangos Limited, a company of Rancon, exchange the signed documents of a deal at the bank's corporate head office in Dhaka. Customers of Rancon Autos and Rancon Car Hub will get 50 per cent discount on loan processing fees at the bank. Emranul Huq, the bank's managing director (current charge), was present.

Vodafone Idea to pay 35b rupees in telecom dues this week, shares rise

REUTERS, New Delhi

Beleaguered Indian wireless carrier Vodafone Idea will pay 35 billion rupees (\$490 million) in telecoms dues to the government by Feb. 21, a lawyer for the company said on Monday.

Hopes that Vodafone Idea could outlive the financial squeeze due to the outstanding dues payments helped its shares gain as much as 23.5 per cent on Monday, their best intraday gain since Jan 21, after dropping more than 24 per cent percent on Friday.

"While there is a concern that Vodafone is against the wall, there is a slim hope that they will get through," said Siddhartha Khemka, head of research at Motilal Oswal Financial Services in Mumbai.

The company lawyer declined to be named as the matter is still in court.

The government last week ordered mobile carriers to immediately pay billions of dollars in dues after the Supreme Court threatened the companies and officials with contempt proceedings for failing to implement an earlier ruling.

Vodafone Idea, a venture between the Indian unit of Britain's Vodafone Group Plc and billionaire Kumar Mangalam Birla's Idea Cellular, will pay 25 billion rupees to the government on Monday and another 10 billion by Friday, TV news station ET Now reported earlier.

Vodafone owes roughly \$3.9 billion to New Delhi in dues, interest and penalties.

The company declined to comment, and India's telecoms ministry did not respond to an email seeking comment.

Local rival Bharti Airtel Ltd said on

Monday it had made a payment of 100 billion rupees towards the dues.

Analysts covering India's telecoms sector say Vodafone Idea is the most fragile of India's three major wireless carriers and if it shuts shop, the market would shape up as a duopoly of rivals Airtel and Reliance Industries' Jio.

Vodafone Idea has previously said its ability to continue as a business was contingent on the Supreme Court allowing it to modify issues such as payment timelines with the government.

"Given the government's keenness on maintaining three private telcos, we believe the Department of Telecommunications or the government will request the Supreme Court to negotiate AGR payments with telcos," said analyst Vivekanand Subbaraman of research firm Ambit Capital.

Low-income group punctured by postal deposit rate cuts

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"The banking sector is in a crisis and giving low interest rates. The capital market is bearish. So where will the fixed income group keep their money?"

The measure will shrink the disposable income of people and have a negative impact on living standards, she said, adding that the inflation-adjusted returns from the savings will, in fact, be negative or negligible.

The blow came at a time when deposits in post offices were increasing as people found keeping money there safer and more rewarding than in banks. Fixed deposits in post offices stood at Tk 15,500 crore in fiscal 2018-19.

Deposits jumped 66 per cent year-on-year to nearly Tk 11,700 crore in the first half of the fiscal year, according to Bangladesh Post Office data.

Fixed deposits rose after the government tightened rules for investment in savings certificates to ensure transparency in the sector, said a senior official at the Bangladesh Post Office.

However, the official said the number of rich people keeping money in post office accounts would be about 30 per cent of the total account holders.

About 70 per cent of the account holders here are middle-class and low-income people living mainly in the rural and suburban areas, he said, adding that they are farmers and women who prefer not to go to banks.

Officials also said high interest rates, availability of branches in rural areas, ease in opening accounts and flexibility in withdrawing deposits drew a large number of people towards the post offices. Anyone can open an ordinary account at post offices by paying as low as Tk 10 and a fixed deposit account by Tk 100.

The finance ministry could have brought down the deposit ceiling to shut out affluent people from depositing here, the official added.

"I have no son to look after me after the marriage of my three daughters. I am now living in my village home with my husband. Savings in the post office are my main income source," said Suchata Saha, a retired primary school teacher in Rangunia upazila of Chattogram.

The interest rate cut will only fuel withdrawal and divert fund from formal channels, encourage illegal multi-level marketing (MLM) companies and spur investment in the unproductive sectors, analysts said.

"Savers will move to alternative forms of savings," said Mustafa K Mujeri, executive director of the Institute for Inclusive Finance and Development (InM), adding that a section may also buy land or gold.

Many pensioners and distressed women have accounts in post offices.

"And in many cases, they depend on income from savings. The interest rate cut means their income has been reduced. This has a welfare implication and effect on income distribution," said Mujeri, also a former chief economist of the Bangladesh Bank.

The interest rate on lending does not depend only on the rate at which banks can get deposits; the other costs of banks are factored in while calculating the rate at which loans would be given out.

"We are not addressing the main reasons -- the high cost of fund and default loans. There would have been long term benefits were the main reasons addressed," he added.

Investment does not depend only on the interest rate, said KAS Murshid, director general of the Bangladesh Institute of Development Studies.

"A lot of other factors such as the business climate influence investment decisions," he added.

China's envoy now apprehends delays in mega projects

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The ambassador said the epidemic did not come without its disturbing ramifications on the normal bilateral exchanges and economic ties.

According to him, Bangladesh suspended on-arrival visas for Chinese travellers in early February and evacuated 312 Bangladeshis citizens living in the city of Wuhan, the epicentre of the virus.

As per new regulations of the Bangladeshi authorities, some Chinese airlines have reduced the frequency of flights between the two countries.

"Although the WHO has suggested strongly not to impose international travel restrictions in the wake of the epidemic, we fully understand the legitimate concerns of the Bangladeshi

side to protect its own people. And our embassy will take all possible actions to stop the virus from spreading to Bangladesh."

There are 171 Bangladeshi students still in Wuhan, according to Li.

For their own safety and health, local authorities and school managers have advised them not to leave their dorms.

Daily supplies including drinking water, rice, oil, vegetables and other cooking materials are being delivered to them by logistics personnel on a frequent and regular basis, Li added.

Muhammad Zamir, former chief information commissioner, urged the Chinese embassy to regularly post updates on the situation on its website.

There is no scope of having a

political viewpoint on the situation as this is a global crisis and not China's alone, said Salim Mahmud, information and research secretary of the Bangladesh Awami League.

Jadab Debnath, president of the BCBA, expressed hope of return to normalcy in 15 days.

"We at the BCBA firmly believe that China will be able to deal with this terrible situation with great sincerity and maximum efficiency and may control the spread."

Despite having concerns, the business community has confidence in China's ability to control the deadly outbreak, he said.

Shyamal Datta, editor of the Bangla daily Bhorer Kagoj, urged the media to refrain from publishing rumours and creating panic.



PARTEX STAR GROUP

Aziz Al Kaiser, vice chairman of Partex Star Group, opens an outlet of Ashley, an American furniture store chain, at DH Tower in the capital's Panthapath. Partex Homestore, a concern of Partex Star Group, is the licensee of the brand in Bangladesh.