

Star BUSINESS

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Critical day for Grameenphone

Regulator takes preparation to appoint administrator, GP yesterday offered Tk 100Cr, BTRC refused

MUHAMMAD ZAHIDUL ISLAM
The long drawn-out legal battle between Grameenphone and the telecom regulator over unpaid dues amounting to Tk 12,580 crore has reach a critical junction.

The mobile network operator's review petition, in which it sought permission to pay Tk 575 crore in instalments against dues, is scheduled to be held today. The appeal is number 182 on the Supreme Court's cause list, said officials related to the process.

"There is hardly any chance to present the issue before the Supreme Court as it is far behind on the cause list," said a legal counsellor of Grameenphone requesting anonymity. After exhausting all other options, the country's leading mobile operator, yesterday offered Tk 100 crore to the Bangladesh Telecommunication Regulatory Commission (BTRC) to continue negotiations on the contested audit claim. But the regulator declined the amount.

At the same time, the BTRC is also making preparations to appoint a panel of administrators who will run Grameenphone's operations should the network provider fail to pay Tk 2,000 crore in accordance to an order from the Appellate Division that came in November 24 last year. The deadline for the payment is February 24.

If Grameenphone fails to pay within the stipulated date, BTRC will move to appoint administrators, said officials of the telecom watchdog requesting anonymity.

"It is tough to predict what could happen if the court does not hear the matter," said the legal counsellor of Grameenphone.

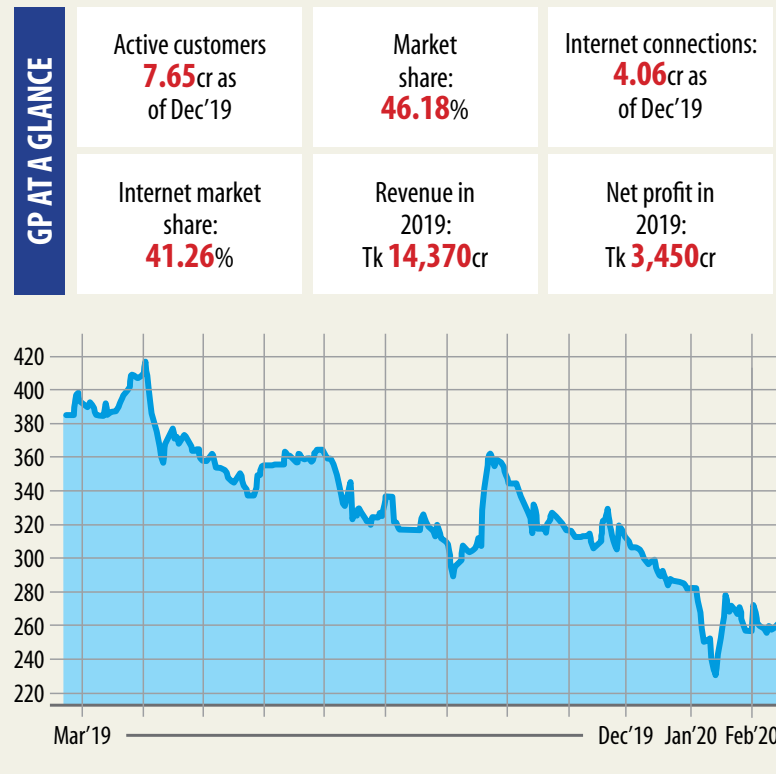
To expedite the process of appointing an administrator, BTRC Chairman Md Jahurul Haque has met with Prime Minister Sheikh Hasina at her office on Monday and discussed a few potential candidates. Haque acknowledged the episode to The Daily Star yesterday.



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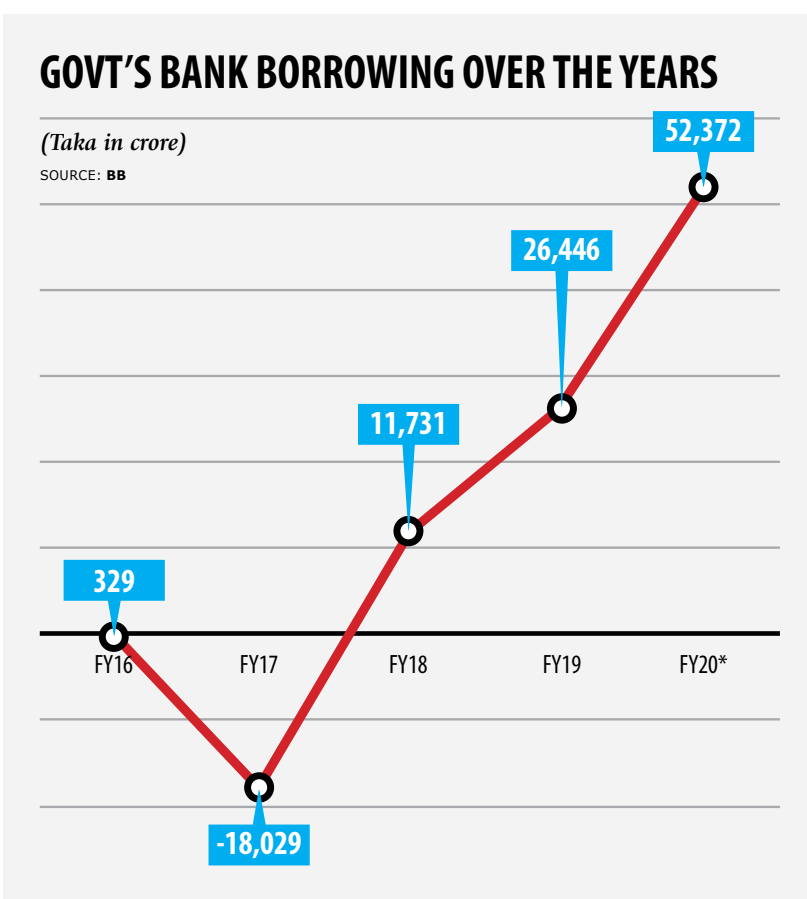
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Timeline of BTRC's tussle with GP	
➤ 2015	BTRC starts the process of auditing GP's accounts
➤ 2019	➤ Mar: First audit claims Tk 11,539.15cr
	➤ Apr 2: BTRC seeks Tk 12,579.95cr
	➤ Jul 4: BTRC slashes 30% bandwidth
	➤ Jul 17: Bandwidth restriction withdrawn
	➤ 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 move
	➤ Nov 24: SC asks GP to pay Tk 2,000cr to BTRC within three months
	➤ Jan 26: GP files review petition to pay Tk 575cr in 12 instalments

Govt's insatiable appetite for bank funds

Can crowd out private sector if not curbed: experts



AKM ZAMIR UDDIN
Poor revenue collection has forced the government to exceed its annual borrowing limit from banking sources seven and half a months into the fiscal year, creating a probable credit crunch for the private sector.

The government has set a borrowing limit of Tk 47,364 crore for fiscal 2019-20, but as of February 16 it has taken Tk 52,372 crore, which is a fresh record for a single year.

Last fiscal year, the government borrowed Tk 26,446 crore from the banking sector.

The government would not have needed to borrow so much from banks had it used the foreign loans efficiently for implementation of the annual development projects, said Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue.

"Capital market could have been another source for the government from the perspective of its fund management, but the market has been going through a haphazard situation for months."

But the government has mainly been forced to borrow the large amount from banks because of its revenue shortfall, he said.

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INTEREST CUTS FOR POSTAL SAVINGS

Govt may revisit decision: Kamal

DEPOSIT RATE IN POSTAL SAVINGS BANK					
TYPE	Year of introduction	Previous interest rate (%)	New interest rate (%)	Highest deposit ceiling	Eligibility
Ordinary Account	1872	7.5	5	Tk 30 lakh individually; Tk 60 lakh jointly	Bangladeshi nationals
Fixed Deposit Account (Three-year)	1872	11.28	6	Tk 30 lakh individually; Tk 60 lakh jointly	Bangladeshi nationals

STAR BUSINESS REPORT

The government will revisit the decision of bringing down interest rates on postal savings, considering its impact on small and marginal savers, Finance Minister AHM Mustafa Kamal said yesterday.

"We will give it a second thought. But we need time for that, and if we cannot do it now, we will do it in the next budget," he said replying to questions from journalists after a meeting at the secretariat.

The disclosure came amid outcry from various quarters as the government slashed interest rates on ordinary and fixed deposit accounts of about 50 lakh savers mostly from the low-income bracket.

The finance ministry on February 13 reduced interest rate on postal fixed deposits of three-year tenure by almost half -- from 11.28 per cent to 6 per cent -- to conform to a government move of bringing down bank interest

for lending and deposit.

Most banks lowered interest rates on fixed deposit schemes from the beginning of this month in line with the government decision aimed at spurring private investment.

However, interest rates on savings certificates issued by the Department of National Savings have been kept unchanged at more than 11 percent.

Kamal said the interest rates on deposit schemes in post offices were slashed for the sake of 'uniformity'. "We have to make a trade-off. Our main goal is to lower all interest rates to single digits, and in so doing, we have to look at every related component," he said.

The government had introduced savings instruments to support the marginalised people and pensioners, he said. "But we found that the scope was grossly misused."

Once savings instruments were shown as security deposits for taking part in tenders and people even had

bought savings tools of Tk 20 crore for the purpose, he said.

"Who will pay the interest of these savings certificates?" the minister said, adding that there was no control in the sector in the past.

The government has brought the matter of investment in savings instruments under some rules to ensure transparency, he said.

"We needed to know who were buying these and how much they were buying."

Once the rules were tightened, deposits in post offices began to rise sharply, the minister said, adding that the government initially did not want to bring down interest rates on these deposits.

"But later we found that all the savers were switching to post offices," he said.

"Who will deposit in banks for 6 percent interest if they get interest of 11-12 percent in other areas?"

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TCB to procure 55,000 tonnes of sugar, soybean oil for Ramadan

Purchase to be made from the local market

STAR BUSINESS REPORT

The government will purchase 25,000 tonnes of sugar and 30,000 tonnes of soybean oil from the local market to meet the growing demand of the commodities during Ramadan.

The state-owned Trading Corporation of Bangladesh will procure sugar from City Sugar Industries at Tk 61.25 a kg and soybean oil from Super Oil Refinery Ltd and Bashundhara Fortified Soybean Oil.

Oil will be supplied in 2-litre and 5-litre bottles. The price of each litre of oil will be Tk 91.95 for 2-litre bottles, which will come down to Tk 90.95 for 5-litre ones.

Sugar and oil will be purchased to keep their prices stable during the month of fasting, Finance Minister AHM Mustafa Kamal said yesterday.

The minister told journalists after a meeting of the



cabinet committee on purchase at the secretariat, where a proposal of the Trading Corporation of Bangladesh to go for the purchase was given go-ahead.

Usually, vested quarters of business community try to increase the prices of gram, sugar, onion, oil etc during Ramadan. For this reason, TCB intervenes in the market to keep the prices stable.

Another proposal for procurement of various machineries, including three mobile harbour cranes and two tyre mounted multipurpose cranes, at Tk 194.51 crore for Mongla port was also approved at the meeting.

Dhaka-based Maxon Power Ltd will supply the equipment.

The committee also approved a proposal for civil works for Sheola land port in Sylhet.

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