STOCKS		COMMODITIES		ASIAN MARKETS			
DGEN	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.64%	▼ 0.72%	▲ $1,669.25 (per ounce)	▼ $76.18 (per barrel)	▼ 1.77%	▼ 1.05%	▼ 3.45%	Closed
5,726.82	10,385.49			15,864.86	8,456.12	2,531.02	

CURRENCIES — STANDARD CHARTERED BANK

	USD	EUR	GBP	JPY
BUY TK	75.30	98.13	114.40	0.98
SELL TK	76.30	102.19	118.68	1.07

City

Star BUSINESS

DHAKA WEDNESDAY OCTOBER 5, 2011, e-mail:business@thedailystar.net

GP disagrees with regulator's claim for revenue, tax

ABDULLAH MAMUN

Grameenphone yesterday refuted the regulator's claim that the mobile operator will have to pay Tk 3,034 crore in unpaid revenue and tax.

Kazi Monirul Kabir, chief communications officer of GP, said the company "strongly disagrees" with the numbers the regulator has claimed in a letter sent to GP on Monday.

In the letter, Bangladesh Telecommunication Regulatory Commission (BTRC) said the mobile operator will have to pay Tk 2,146 crore in unpaid revenue and accumulated interest payment to the regulator as of March 31.

The remaining amount -- SIM tax and VAT -- will go to the National Board of Revenue, according to the letter.

If the audit, which found the amount to be paid by the operator, had been done in line with general rules, the finding would have been different, GP officials said.

GP sent a reply to the telecom watchdog and held a press conference yesterday at Sonargaon Hotel to clear its stand against the BTRC claim.

"The letter [from BTRC] was a surprise and disappointing," Kabir said.

Some of the points were not even discussed with the operator while the audit was conducted, he said.

"The audit having been not yet finished with the sufficient cross party procedure, it is not understood how the final notice has been issued to instruct GP to pay a huge amount of receivables on different accounts," according to the letter to Zia Ahmed, chairman of BTRC.

"We are shocked to see that such a sensitive and confidential letter has been shared with the media by the BTRC without giving proper understanding and interpretation of the technicalities covered in the letter," Tore Johnsen, chief executive officer of GP, said in the letter.

"Through this, the general public have had a wrong interpretation of the facts; which has significantly harmed our corporate reputation and goodwill."

BTRC claimed more than Tk 216 crore to GP in outstanding revenue sharing. But the GP letter said the revenue sharing, according to the licence, is at 5.5 percent of collected call charge and rent but not gross revenue (which includes any revenue).

We are shocked to see that such a sensitive and confidential letter has been shared with the media by BTRC: Tore Johnsen, chief executive officer of GP

BTRC had a clarification on July 29, 2010.

The operator said BTRC cannot claim the money and the auditor did not seek any clarification from GP on the matter either.

The regulator claimed outstanding Tk 46.52 crore related to revenue on international outgoing calls. But the operator said, according to a letter of BTRC on July 27, 2010, an operator needs to pay 30 percent of settled invoices. In this case, the auditor considered both settled and unsettled invoices, GP said. The auditor did not seek any clarification from GP on the matter.

The company strongly opposed the BTRC claim for outstanding Tk 53.37 crore related to voice, SMS and internet data.

GP said the auditor considered the call detailed record machine-based analysis from inception which is strange as it is not possible as no such data can be collected from GP.

"It seems that the auditor has extrapolated the data from data for two months that was provided to them for 14 years which is wrong," the company said. GP said it clarified it to the audit firm but it was not considered.

The watchdog claimed outstanding Tk 1.20 crore in microwave spectrum charges. GP said it cleared all payments related to the spectrum charges. The matter was never discussed during the audit.

BTRC asked for Tk 599.34 crore related to royalty and licence fee on mobile handsets and base transceivers (BTS). The operator said the issue was resolved by means of amendment of the original licence as this modality was considered to be 'unworkable' by the BTRC and the industry.

The operator also said it paid all relevant royalty payments on BTS as per relevant directives from the BTRC.

On the outstanding Tk 887 crore to be paid to the NBR, the operator said it gave proper clarification on the matter through letters and during the meeting with the auditor.

The remaining Tk 1,229.51 crore was interest on all these outstanding amounts.

However, the company requested the regulator to review the notice by Saturday so that the company can continue to resolve all outstanding audit issues in line with the international best practices and audit norms.

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Food Minister Muhammad Abdur Razzaque, *second from right*, and State Minister for Women and Children Affairs Shirin Sharmin Chaudhury, *third from right*, attend a two-day workshop on "Enhancing food security in Bangladesh: evidence for action" at Ruposhi Bangla Hotel in Dhaka yesterday. International Food Policy Research Institute with support from the US Agency for International Development organised the programme. Related story on page 1

Welfare project shows bright signs of progress

IFPRI study finds low level of corruption in the job programme

STAR BUSINESS REPORT

The government's employment generation programme for the poorest (EGPP) has showed clear signs of progress in implementation with a low level of corruption, according to an international study released yesterday.

The survey by the International Food Policy Research Institute (IFPRI) took into account perceptions of selected beneficiaries and non-beneficiary poor in implementation areas. The report found only 2.8 percent fund leakage out of EGPP, the government's largest welfare plan.

The report finds that beneficiary selection under the project went well with 86 percent of them receiving wages through banks.

But it says the rate of participation of women workers is lower than the planned 30 percent of the total participants in the project.

Only 3.4 percent of the beneficiaries had to pay to get selected for the project and 6 percent of them enjoy benefits from other safety net schemes run by the government, according to the report.

The results of the study come in contradiction with allegations that the Tk 1,100 crore EGPP like other welfare plans, suffered leakage due to wrong targeting of beneficiaries.

"Contrary to general perception, the programme operates at a low level of leakage," said Akhter Ahmed, senior research fellow and chief of party of IFPRI's programme in Bangladesh, sharing the results of the study at a session of a two-day workshop on food security that started yesterday.

IFPRI with support from the US Agency for International Development (USAID) organised the programme at Ruposhi Bangla Hotel where nearly 250 top policymakers, researchers and representatives of development organisations attended.

M Aslam Alam, secretary in charge of Disaster Management and Relief Division of the food and disaster management ministry, chaired the session.

Ahmed, co-author of the survey, said the study was conducted in August in 48 upazilas of six divisions.

Five surveys were conducted taking project participants, administrators, implementing officials, bank managers and community to evaluate the project implemented in the last fiscal year.

The community members have no serious concerns about the functioning of the programme, he said.

Sharing views on the study findings, Nusha Choudhury, head of Vulnerability Analysis and Mapping Unit of World Food Programme (WFP), said there has been improvement in terms of targeting since the employment generation scheme for the poorest began in 2007-08.

Allegations of leakage and wrong selection surfaced after the launch of the safety net programme -- 100-day employment generation scheme for the poorest -- in 2007-08.

Choudhury cited a study conducted in 2009 and said that the survey found 38 percent participants as extreme poor out of the beneficiaries listed in the first scheme.

She suggested quantifying the percentage of the extreme poor getting benefits under the current programme.

M Aslam Alam, secretary in charge of Disaster Management and Relief Division and the head of EGPP, said the employment generation scheme launched in 2007-08 suffered from various shortcomings like launching in short time leading to misappropriation of a portion of money.

To properly target beneficiries, he said the poorest upzilas get 60 percent of the total allocation under the current EGPP. Some 30 percent goes to the moderate poor regions and the rest goes to the areas with low incidence of poverty.

He said 85 percent of the participants get payment through banks while the rest by using mobile banking facility.

The EGPP is implemented in two phases during lean seasons of a year, March-May and October-December and participants get Tk 150 in daily wage.

FOOD DISTRIBUTION POLICY

Chaired by former finance minister M Syeduzzaman, discussants at the session stressed the need for keeping a minimum stock at the government level to address the emergencies or intervene in the market to stabilise the prices.

They also suggested fixing procurement prices and price support to the farmers.

They also suggested increasing productivity of rice to boost domestic production for increasing food availability so that country can address an unwarranted ban by grain exporting countries as happened during the 2007-08 food crisis.

NOTICE

We bring out today four pages instead of our

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Winners of the "11th ICAB National Awards for Best Published Accounts and Reports 2010" pose for a group photo with Commerce Minister Muhammad Faruk Khan, Securities and Exchange Commission Chairman Prof M Khairul Hossain and ICAB President Parveen Mahmud at Sonargaon Hotel in the city yesterday. Story on B3

Bangladesh to oppose Pakistan's GSP plea to the EU

STAR BUSINESS REPORT

Commerce Minister Faruk Khan yesterday said Bangladesh will oppose Pakistan's plea regarding generalised system of preferences (GSP) to the EU at the next World Trade Organisation meeting to keep the export growth of Bangladesh to Eurozone unhurt.

Khan said Bangladesh has been vehemently opposing Pakistan's plea for attaining the GSP over the last few years because Pakistan does not deserve such kind of duty preferences from the EU. The export of Bangladesh to the EU has been maintaining high for preferential duty treatment.

Different media reports said that India will also support Pakistan for attaining the GSP facility for the latter's 75 products to the EU, although previously India opposed the Pakistan's move.

"The position of Bangladesh is very clear. We opposed Pakistan earlier in this issue and we will continue our stand this year also," Khan said in a news briefing at his office yesterday, after his visit to Germany.

BB to help waive interest on loans to troubled stock investors

STAR BUSINESS REPORT

Bangladesh Bank will take steps to waive the interest rate of margin loans of the affected stockmarket investors, said AK Azad, president of the Federation of Bangladesh Chamber of Commerce and Industry (FBCCI).

The assurance came at a meeting between the FBCCI president, Salman F Rahman, president of Bangladesh Association of Publicly Listed Companies, Sheikh Kabir Hossain, president of Bangladesh Insurance Association, and Atiur Rahman, the BB governor, at the central bank office in Dhaka yesterday.

After the meeting, Azad told journalists that the governor assured them of amending the rules of margin loan to help the affected stock investors take the opportunity of the interest waiver.

He said the BB will take the measures for the next two years.

The FBCCI chief also said the initiators of the "market stabilisation fund" will seek licence from the Securities and Exchange Commission within two or three days to appoint the asset management company for managing the fund of Tk 500 crore.

The private sector earlier stepped in to rescue the ailing stockmarket with the market stabilisation fund that also aims to give a new lease of life to the retail investors who incurred losses.

The purpose of the fund is to offset the financial losses of retail investors, especially those who trade on credit, Azad, one of the key initiators of the fund, said earlier.

Initially, Tk 500 crore will be given to the fund by all private banks, insurance companies, non-bank financial institutions, merchant banks, stockbrokers, listed companies and interested non-resident Bangladeshis.

Portfolios against the margin loans will be transferred to the fund on a voluntary basis by either the investors or the lender, or both.