

Minister suggests tougher steps against telecom bill defaulters

STAR BUSINESS REPORT

Telecom Minister Rashed Khan Menon yesterday asked the telecom regulator to collect outstanding bills from telecom companies, especially international gateway (IGW) operators.

The regulator must be tough to collect thousands of crore taka in outstanding bills, Menon said.

The minister spoke at a meeting with the officials of Bangladesh Telecommunication Regulatory Commission during his first visit to the BTRC office in the capital yesterday after getting charge of the telecom ministry last month.

The minister also asked the

regulator to take legal actions against some of the IGW operators that have outstanding bills. "I will give you all the support you need."

IGW operators transport international incoming calls at \$0.03 a minute and share 51.75 percent of the revenue with the regulator, according to the guideline.

The regulator would go tough in collecting revenues from IGWs and taking legal actions against the defaulters, BTRC Chairman Sunil Kanti Bose said.

Telecom operators have more than Tk 2,611 crore in outstanding bills for spectrum charges, revenue sharing and annual licence fees as of June, according to the BTRC.

Managing India's budget deficit

DH PAI PANANDIKER for Reuters

The budget deficit has been a concern for India, but Indian Finance Minister P Chidambaram has assured that the government will not deviate from the target of 3 percent deficit in 2017. In the very first year, however, it has become almost obvious that the target will be missed.

Budget deficit is not the privilege of government alone as even corporates and households borrow like the government to fund deficits. However, they ensure that the money is used in a manner that it is repaid in time. With the government it is different — it can borrow more in order to repay old loans and it can do so with impunity because banks are a captive market for the government securities. That results in mounting public debt which stood at 56.5 trillion rupees at the end of March 2013. Of this, 40 percent is held by banks.

When companies borrow they invest the money in assets which

are productive and yield a return. Companies' deficits generate growth and productive employment. Budget deficit of the government to the extent it funds productive expenditure is no different, but there are no assets against 60 percent of public debt. The money is spent on current uses and the government borrows without any consideration for repayment.

That creates two major problems. First, the huge borrowing by the government results in overcrowding of the market and consequently in increasing interest rates. The available finances get distributed in favour of the government to finance less productive expenditures and against private sector which could have invested in more productive assets. The budget deficit consequently suppresses growth.

Second, since the bulk of government expenditure from borrowing is on non-productive uses budget deficit adds to demand without adding to supply. The result is inflation. That is what

worries the Reserve Bank which persistently reminds the government to restrain budget deficits.

What should be the maximum budget deficit that is not harmful to the economy? That question was posed by European Union in its formative years and there is now a consensus that the deficit should not exceed 3 percent of the GDP. Over the years, some EU governments indulged in higher deficits and found themselves on the verge of sovereign default.

Budget deficit is keenly watched because it lowers growth and heightens inflation. The deficit can be on the revenue account and on the capital account, but it is the former which really creates all the problems. To ensure that the budget deficit is productive and non-inflationary, it is the revenue deficit that should be the primary target.

The author undertakes research on current macroeconomic issues of interest, mainly to industry, as president of RPG

Sabur Khan to head DCCI's entrepreneurship project

STAR BUSINESS DESK

Md Sabur Khan, the immediate-past president of Dhaka Chamber of Commerce and Industry, has been elected chairman of Entrepreneurship and Innovation Expo project, DCCI said in a statement yesterday.

Khan will perform duties of the chairman for the project until its successful completion. DCCI is implementing the project in cooperation with Bangladesh Bank.

DCCI is working to create 2,000 new entrepreneurs, by creating a platform and a strong network capable of settling setbacks related to trade and commerce.

As part of the initiative, DCCI published a book, Handbook of Entrepreneurship Development, to mark the Entrepreneurship and Innovation Expo held in November.

To make the project a success, DCCI has already entered agreements with BASIS, Rotary International, Junior Chamber International, BCIC, BCSIR, CTO Forum, Daffodil International University, BD Venture and IDEB.

New entrepreneurs are requested to submit their business profiles online (www.business.org.bd) by December 31.



AKM Farooq, adviser to Serve the People, speaks at the 23rd annual general meeting of the development agency at its office in Dhaka on Friday. Shahzadi Begum, chairperson, was also present.



Md Akter Hossain Sannamat, chief executive of Union Capital Ltd, receives the second prize of ICAB National Award for the best-published annual report 2012 under the financial services sector, from AMA Muhith, finance minister, at the award ceremony in Dhaka on Saturday.

AIBL gets new deputy managing director

STAR BUSINESS DESK

Mohammad Abdul Jalil has recently joined Al-Arafah Islami Bank as deputy managing director, the bank said in a statement yesterday.

Prior to joining AIBL, Jalil was the executive vice president of Islami Bank Bangladesh, according to the statement.

He is a Diplomated Associate of the Institute of Bankers' Bangladesh. He started his banking career with Uttara Bank in 1983 and later worked with Bangladesh Krishi Bank and Bangladesh Bank.

Jalil is an MSS in economics from Dhaka University.



Muhith vows to protect economy against political violence

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Muhith said he told the Canadian envoy that the country is getting by due to it being a "less sophisticated economy".

"Such blockades would have created a national anarchy in a more sophisticated economy," the finance minister said, while citing the case in London in the 1970s when a full-blown strike almost ground the city to a halt.

He reassured Cruden that definite steps would be taken following the parliamentary election scheduled for January 5 to curb the political activism.

"Violence is not tolerable at all, and I have already broadcasted my suggestion on how

Cross-border seed trade hits limelight

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At present, the demand and supply gap of rice seeds in Bangladesh is being partly filled by import of hybrid seeds from China.

Bangladesh has around 65 varieties of HYV rice; many of these such as BR-11, BRR1 Dhan-28 and BRR1 Dhan-29 are found to be popular in Indian states.

Indian varieties Miniket, Swarna, Sampa and Parija are found popular in border and other regions of Bangladesh.

Although India is a net seed exporting country, Bihar, Odisha, Jharkhand and West Bengal are seed deficit and are characterised by

lower level of seed replacement rate compared to that of Bangladesh.

Anecdotal evidences suggest that there is informal rice seeds trade occurring at the border points between India and Bangladesh.

The generalised trade barriers and trade facilitation recommendations for Bangladesh and India are applicable for rice seed trade also, the study said.

Trading barriers have been reported to be more rigid and greater in number from Indian side.

Bangladesh imports a wide array of products from India through formal and informal processes.

From Bangladesh side, there are

minimal trade barriers. But in case of India, due to their federal government system, facilitating trade requires much longer time and many forms of documents and authorisation and certification from a number of bodies, according to the study.

The issue of harmonisation of seed standards and certification is critical for both Bangladesh and India, especially for addressing the issue of food security and climate change, it said.

"The potential of seed trading between Bangladesh and India is immense," said Swapan Kumar Datta, deputy director general (crop sciences) of India Council of

Agricultural Research.

Informal bilateral trade in rice seeds is on the rise as there might have been some technical barriers to seed trading between the two countries, he said.

Mahabub Hossain, executive director of BRAC, said although high yield varieties can increase production by 10-15 percent, their product quality is not good. As a result, farmers often get low prices for their produce.

Syed AKM Asadul Amin, general secretary of Bangladesh Seed Association, said the quality of seeds relies primarily on adaptability and productivity and secondly on cost.

Currently, China meets more than 90 percent of Bangladesh's import demand for rice seeds.

India's exports to Bangladesh remain negligible, accounting for less than 3 percent of its total exports.

In Bangladesh, more than 100 private companies are involved in seed production and around 5,000 dealers are operational across the country. Also there are thousands of contract farmers engaged in seed production. Bangladeshi's seed market is worth around \$261 million.

Khondkar Ibrahim Khalid, a former chairman of Bangladesh Krishi Bank, and Mustafizur Rahman, executive director of Centre for Policy

Mobile banking in steady growth

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Cash-in transactions were worth the most for the month, standing at Tk 2333.63 crore, up 7.81 percent from the previous month.

Utility bills payment and person-to-person transactions increased 52.38 percent and 21.04 percent last month, BB data shows.

The total number of agents providing such services across

Bangladesh stood at 1.72 lakh until November 30.

There were 99.8 lakh mobile banking subscribers in October, rising from 89.3 lakh in September, according to data.

As part of the government's financial inclusion programme, the central bank allowed 27 banks to provide mobile-banking; to date, 19 have launched the service.

There is a lot of enthusiasm with

mobile banking as BB is promoting commercial banks to develop the financial service, the central bank said in a statement.

Launched in 2011 by two private banks in the country, mobile banking services have now become popular, it said.

Using a mobile phone and without having to make a visit to a bank branch, a customer can transfer money, receive salaries or

pay bills from their accounts through mobile banking.

The central bank has allowed mobile banking systems to provide almost all services from disbursement of inward remittances to cash in and out, person to person payments, business to person payments, government to person payments and person to person payments.



Mir Sadik Faisal, senior manager for business development at Airtel, and Md Mesbahul Alam, FAVP of Dutch-Bangla Bank, attend the launch of Airtel's service allowing customers to pay for fuel through their mobile phones, at Royal Filling Station in Mohakhali, Dhaka recently.



Kutubuddin Ahmed, chairman of Envoy Textiles Ltd, presides over the 18th annual general meeting of the company at Samarai Convention Centre in Dhaka on Friday. The company announced 17 percent cash and 3 percent stock dividends for the year ended on September 30, 2013. Abdus Salam Murshey, managing director, was also present.

Edotco to buy Robi towers for \$145m

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As a result, operators are setting up multiple towers at the same sites.

The electricity supply is challenging but manageable in the country, Rolt said.

"Our business focuses on being environmentally aware. Shared sites reduce the need for imported equipment and overall power consumption."

In this regard, e.co is investing \$6 million to improve the quality of its battery backup, said the MD.

In terms of backhaul support, both fibre and microwave links are being used for connectivity between towers, he said.

"But we will also look for an FITN (fibre to the network) licence so that we can build our network as well. We are exploring options for backhaul," Rolt said.

Exports surge 25pc in Nov

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Between July and November, the sector fetched \$31.04 million, up 34.02 percent year-on-year.

Shahidullah Azim, vice-president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said the export earnings would have been much higher had there been no tragic collapse of the Rana Plaza building in April, which has badly dented the image of the country's \$22-billion garment industry.

He said the political shutdowns have definitely affected exports, but the full impact of the current spell of blockades will be felt in February or March's figures.

The government has set an export target of \$30.5 billion for fiscal 2013-14, and in the first five months \$11.96 billion has been attained, up 18.02 percent year-on-year.

Government of the People's Republic of Bangladesh

Access to Information Programme-II

Prime Minister's Office

Old Sangsad Bhaban, Tejgaon, Dhaka-1215

Re-Tender for IT Helpdesk

Request for Expressions of Interest (EOI)

1. Ministry/Division	PMO.
2. Agency	Access to Information-II (A21-II).
3. Procuring entity name	Access to Information-II (A21-II).
4. Procuring entity code	5-03-01-5012/82240.
5. Procuring entity district	Dhaka.
6. Expressions of interest for selection of	IT Help Desk Services for the National E-Initiatives under A21-II.
7. EOI Ref. No.	03.801.005.00.005.2013/1479 dated 22 December 2013.
8. Procurement sub-method	QCBS.
9. Budget and funding	GOB (Revenue)/UNDP/USAID.
10. Development partner	UNDP, USAID.
11. EOI closing date and time	6 January 2014 at 12:00 noon.
12. Brief description of the programme:	The a2i programme under the Prime Minister's Office with technical support from UNDP and USAID aims to increase transparency, improve governance, and reduces the time, difficulty and costs of obtaining government services for under-served communities of Bangladesh. The IT Help Desk and initiative of a2i is the single point for rendering IT Help service related to the e-initiatives develop or organised by A21-II for the national interest.
13. Services required:	To provide with required guideline and support services to the ultimate users of all e-services, for consistently and smoothly provide with information services to the citizen by using all the e-initiatives for reduce the time, difficulty and costs of obtaining government services for under-served communities in Bangladesh. The proposed IT Help Desk will mainly provide with services and then maintained & supported as fully managed service for a period of 12 months.
14. Experience, resources and delivery capacity required:	The firm needs to submit document supporting the following:
1.	Registered in Bangladesh as a company having valid trade licence/TIN/VAT certificate and Article of Association.
2.	Have proven experience of providing service for Open Source Multi-user based Web Systems and Hosting Technologies. Must be familiar with cloud computing technologies and infrastructure to perform the activities mentioned above.
3.	Interested bidders have to own well-equipped office space and expert team in Dhaka, Bangladesh.
4.	IT Service System Design, Development and Implementation.
5.	Provider with more than 5 (five) years of working experience in information technology business.
6.	Should have experience with at least 1 successful, running IT system and helpdesk service.
7.	Should have working experience with ITR, SMS, CRM, Call Center and bidders will have to have necessary arrangements for infrastructure needed to ensure the above services at their own cost.
8.	Bidder needs to have their own/proprietary/licensed Online Case Management Software.
9.	Bidder needs to have IT Audit Certification from any Certified IT Auditor assessing its IS Control and Security.
10.	Previous working experience with A21-II or GoB in relevant project will be an added advantage.
11.	Trained human resources on support for application software, network engineer and