

DHAKA THURSDAY DECEMBER 26, 2013, e-mail:business@thecitizenstar.net

BTRC notice on mobile banking raises confusion

ABDULLAH MAMUN

Going out of its way, Bangladesh Telecommunication Regulatory Commission posted a notice on mobile banking, fixing service charges on money transferred by mobile.

As mobile banking is bank-led, the central bank is the authority to regulate the sector.

The notice that was posted on the BTRC website on Tuesday confused service providers as it is ambiguous on who will follow it: the banks or the mobile operators.

But a BTRC official, asking not to be named, said the directive would be applicable to both the mobile operators and banks.

The BTRC issued the directive as it received a number of complaints from customers of being overcharged, the official said, adding the regulator would welcome any observation from the banks.

Kamal Quadir, chief executive of BKash, a mobile financial service provider, said: "The directive has confused us as it is not relevant to our business."

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## Garment sector: state banks' major defaulter

REJAUL KARIM BYRON

Around 30 percent of the state-owned commercial banks' default loans are tied to the garment sector, with the ratio expected to increase further due to the ongoing political unrest.

Of the four banks' total default loans of about Tk 25,000 crore on October 30, the garment sector alone accounts for Tk 7,345 crore. The sector's performance becomes all the more startling seeing that the banks' overall default ratio is 28 percent of total outstanding loans.

As of October 30, the four banks' outstanding loans to the country's main export-earning sector is Tk 24,793 crore, and their high officials expect another to become default loans by the year's end due to the political turmoil.

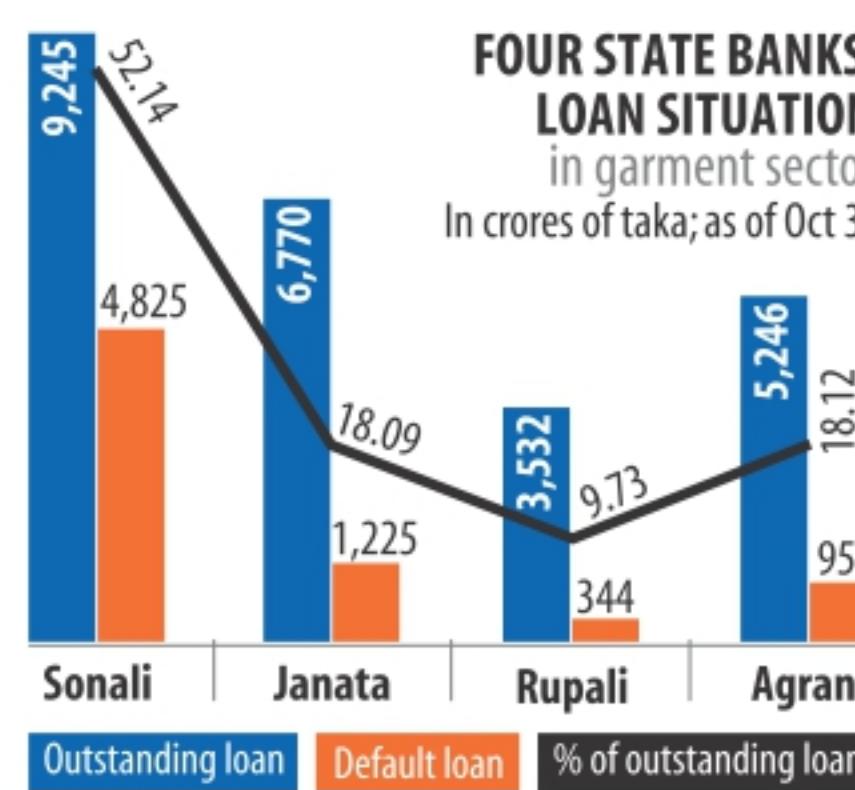
The banks have already informed the finance ministry and the central bank about the sector's solvency situation.

Officials of Janata Bank said the sector's default loan ratio is high due to several factors other than the political unrest.

"Some of the owners are wilful defaulters, whose intention is to take loans from the banks and not pay the amount," said an official preferring not to be named.

Pradip Kumar Dutta, managing director of Sonali Bank, also acknowledged the presence of many wilful defaulters.

Among the four banks, Sonali has had the worst luck with the garment sector: 52 percent of its total loans of Tk 9,245 crore have defaulted, with another Tk 1,965 crore on way.



However, the disgraced Hall-Mark Group accounts for Tk 2,500 crore of Sonali default loans, which look unlikely to be recovered anytime soon.

Next up is Janata, whose 18 percent of its loans worth Tk 6,770 crore to the sector have defaulted. A high official of the bank said payment on another Tk 1,500 crore is overdue and will most definitely turn default due to the prevailing anti-business climate.

Agrani Bank's default loan ratio from the sector also stands at 18 percent: the bank gave Tk 5,246 crore and Tk 951 crore has become default loans.

Of Rupali Bank's Tk 3,532 crore loans to the sector, Tk 344 crore, or 10 percent, has become default.

A high official of the bank said they have identified another Tk 1,191 crore that may become default by December, as the owners have already been saying that they have been badly hit by the shutdowns and blockades.

## Restaurants run empty as political unrest lingers

MD FAZLUR RAHMAN

Restaurants that cater for social and official events alongside individual customers have been hit hard by the political shutdowns and blockades as people are either putting their planned parties on hold or cancelling bookings.

Some restaurateurs say the reservations have dropped by at least 50 percent in the last two months, though the peak season for various family and corporate programmes has just begun.

In the worst case scenario, the restaurant owners have reported a business fall of as high as 80 percent as city residents have shunned unnecessary outings and eating out in group amid continuous street violence.

"The business has hit rock bottom," said Jahangir Alam Sohel, general manager of Heritage Fusion Cuisine, an upmarket restaurant in Gulshan-2 and a popular venue for pre-wedding functions, birthday parties, anniversary celebrations and official events.

He said restaurants in Gulshan and other diplomatic areas are frequented by foreign visitors.

"But the foreigners are not coming

out of their residences or hotels due to safety concerns," he told The Daily Star, adding that his business has plummeted 70 percent since October.

Mahfuzur Rahman, in-charge of Shampan, a popular restaurant in Dhanmondi, said there have no reservations for social, family and corporate events. "I have never seen such a drop in business in the last couple of years."

Anwar Hossain, manager of Star Hotel and Kebab in Dhanmondi, said the number of family events has started to go down with the onset of political turbulence.

"Many ordered reservations, but whenever there is any shutdown or transport blockade the booking is cancelled."

Hossain should feel luckier as his three-storey restaurant was still found half-full with customers on Sunday evening.

Eateries such as China Kitchen in Hatirpool and New Chingri Chinese Restaurant in New Elephant Road were not that fortunate, as they were found completely deserted during a visit on the same evening.

SM Asaduzzaman, owner of

Chingri, said the eatery had only two bookings this month in contrast to the 20 to 25 group events on average every month.

He said if the current situation lingers for another month many small and medium-sized restaurants-cum-party centres would go bust. "How long can we afford to incur losses?"

Some eateries say there are some walk-in diners, but their number is so low that they cannot make up for the shortfall in group reservations.

Restaurateurs say although their businesses are bad, they still keep their doors open for people to come. In the process, they have to bear huge operational expenses in terms of staff salaries, utility bills and rents, no matter whether there is any sales or not.

He said if party centres are closed many linked businesses would also be affected. "Besides, many people will go unemployed."

Asaduzzaman, who employs 30 full-time staff, said he has to spend Tk 3.5 lakh a month to keep the restaurant running "no matter whether there are any sales or not".

## Saudi recalls 400,000 Toyotas over acceleration concerns

AFP, Riyadh

Saudi Arabia on Wednesday announced the recall of more than 400,000 Toyota cars for alleged problems with unintended acceleration, a statement from the kingdom's ministry of commerce and industry said.

It said the vehicles will be equipped with a break override system to "reduce the risk of sudden unintended acceleration without the ability to stop or control it."

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## Bumper Christmas for luxury hotels

SUMAN SAHA

Luxury hotels in Dhaka yesterday registered higher year-on-year Christmas sales despite the ongoing political turbulence.

Syed Yameenul Haq, director of sales at The Westin, Dhaka, said the hotel got "good" response in all of the day's programmes, with revenues up 10 percent from the previous year.

"Most city dwellers were fed up with the blockade-enforced confinement and were just looking for an excuse to dress up and celebrate," he said, adding that the hotel raked in around Tk 6 lakh from ticket sales for its Christmas party.

Pan Pacific Sonargaon, another luxury hotel, also saw its revenues increase by half from previous year, said Salman Kabir, the hotel's public relations manager.

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