

## Tazreen chairperson sent to jail

**COURT CORRESPONDENT**

A Dhaka court again sent Mahmuda Akter, chairperson of Tazreen Fashions Ltd, to jail yesterday rejecting her bail petition in a homicide case.

Senior Judicial Magistrate Kazi Shahidul Islam passed the order after Mahmuda turned herself in, seeking bail from the court through her lawyer.

Earlier, Mahmuda received bail on February 10 in a case filed over a deadly fire at the Tazreen Fashions factory on November 24, 2012, that killed at least 112 workers in Ashulia.

On March 20, the District and Sessions Judge's Court cancelled Mahmuda's bail and asked her to surrender in 15 days before the Chief Judicial Magistrate's Court in Dhaka that granted her bail.

Mahmuda's husband Delwar Hossain, who is the managing director of Tazreen Fashions Ltd, is behind bars.

Mahmuda and Delwar have been facing charges for their negligence to ensure adequate safety measures in the factory.

## ADP gets an abrupt boost

*Govt's bank borrowing to go up as Tk 5,000cr was added to revised outlay*

**REJAUL KARIM BYRON**

In an extraordinary move, the government yesterday abruptly added Tk 5,000 crore to the revised ADP, a decision which is set to increase the government's bank borrowing.

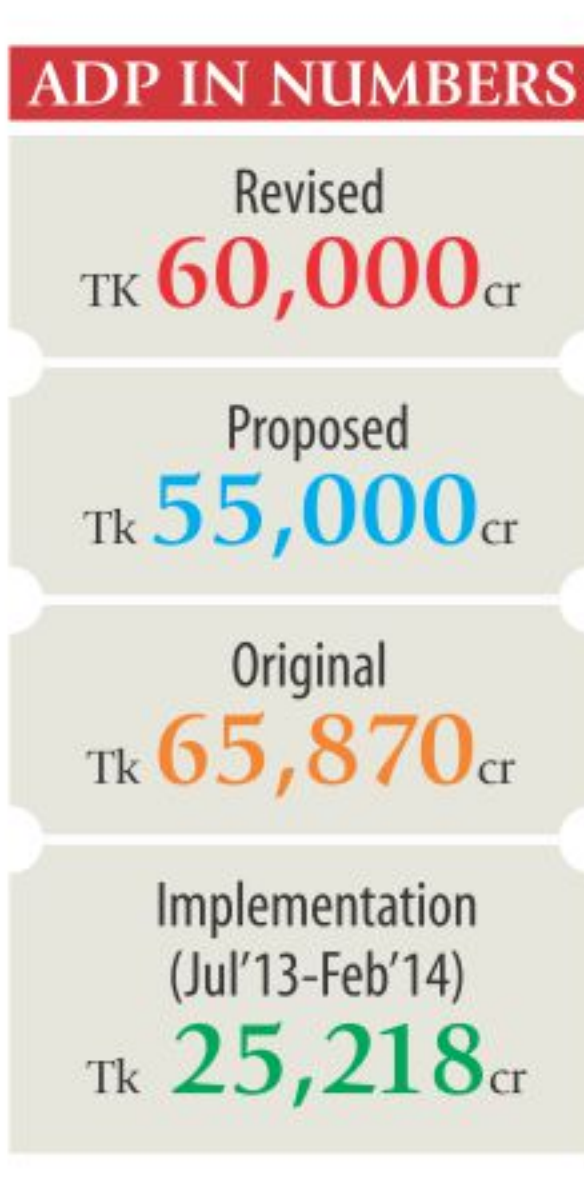
If the government's ability to spend is taken into consideration, the number seems "unrealistic", World Bank's lead economist at its Dhaka office Zahid Hussain told The Daily Star.

"And there remains a possibility of wasteful expenditure."

The National Economic Council (NEC) at a meeting chaired by Prime Minister Sheikh Hasina approved the revised ADP, increasing the outlay to Tk 60,000 crore from the planning ministry's proposal for Tk 55,000 crore.

The planning ministry made the proposal in line with the allocation made by the Finance Division considering revenue shortfall and low implementation of ADP projects.

The additional allocation was made under pressure from various ministries despite reservation from the finance minister, which is unprecedented.



Though there are past instances of increasing the allocation at the NEC meeting considering the demands from ministries, the amount never went past Tk 500 crore, a planning ministry official said.

Finance Minister AMA Muhith told the meeting that revenue collection would see a deficit of Tk 11,000 crore this year and that ADP implementation was also slow, said officials present at the meeting.

Muhith also criticised the ministries that demanded additional fund without considering the reality. The ministries are less interested in spending foreign funds and want to spend more from the government funds, he said.

The revised ADP should be Tk 55,000 crore and if more allocation is made, the extra amount will have to be borrowed from the banking system, Muhith said.

In the first eight months of the current fiscal year only 38 percent of the ADP (annual development programme) or Tk 25,218 crore was spent as against 44 percent in the same period last year, according to planning ministry statistics.

## BTCL cuts bandwidth prices

**STAR BUSINESS REPORT**

State-owned telecom operator Bangladesh Telecommunications Company Ltd (BTCL) has slashed the price for 1 megabit per second (Mbps) dedicated internet bandwidth by 42 percent to Tk 2,800.

The previous monthly price for 1Mbps bandwidth was Tk 4,800.

The new price will be applicable to all BTCL internet subscribers, the wholesale purchasers and home users, said Mir Mohammad Morshed, director of BTCL public relations.

The company has around 60,000 home subscribers and a number of bulk purchasers across the country, he said.

BTCL has also slashed prices of all other retail internet bandwidth significantly and included 15 percent value-added tax, effective from April 1, BTCL said in a statement.

The unlimited internet users will have packages at lower prices while different volume-based data users will enjoy double data usage, according to the statement.

## Bank assets go up on steady economic growth

*Analysts say asset quality of state banks undermines industry*

**SAJJADUR RAHMAN**

A steady rate of economic growth -- on average 6.24 percent a year for the past one decade -- has helped Bangladesh raise its banking sector's assets faster than any other South Asian nations, bankers and analysts said.

The total banking sector assets as a share of the country's gross domestic product (GDP) have also seen a dramatic rise -- from 50 percent in 2001 to 80 percent now.

"Much of the credit for this goes to our entrepreneurs who have invested wisely in new mills, factories and also in the services sector," Anis A Khan, managing director of Mutual Trust Bank, said.

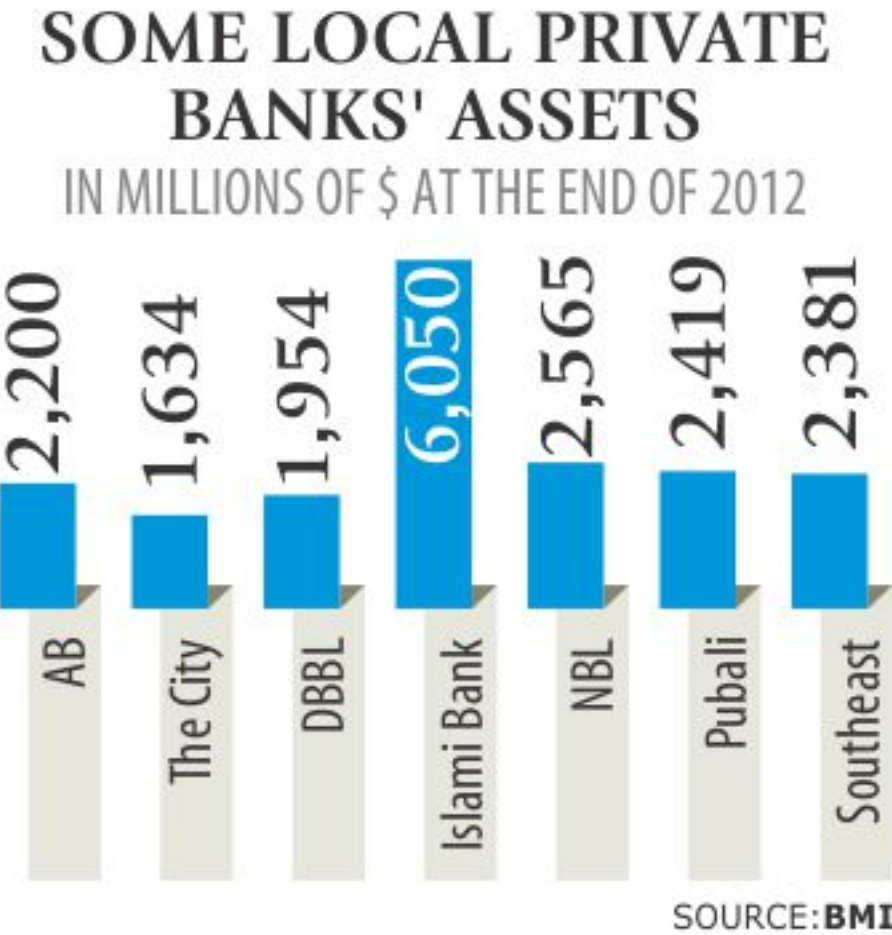
Khan said banks and financial institutions have also expanded in terms of numbers, network, products and services, reaching huge swathes of the population.

London-based research firm Business Monitor International (BMI) found that total banking assets in Bangladesh witnessed a 19.1 percent compound average growth in the past five years followed by 18 percent in Sri Lanka, 17.2 percent in Pakistan and 16.7 percent in India.

At the end of 2013, assets of banks in Bangladesh stood at \$107.1 billion compared to \$88.8 billion in the previous year.

Bank assets are everything an individual bank owns -- loans and investments in stocks, bonds and treasury bills from which future paybacks are expected to occur. Loan quality and asset quality are the two terms with the same meaning.

Only the Indian banking assets as a share



of its GDP are more (85 percent) than those in Bangladesh in the region, according to a recent report of the BMI.

For Pakistan and Sri Lanka, there was no change in their total banking assets relative to GDP, with both countries sitting at roughly 50 percent.

India is the leader in South Asian banking sector in terms of assets with more than \$1,500 billion at the end of 2013, while Pakistan holds the second spot with \$107.4 billion, up by only \$300 million than that of Bangladesh. Banks in no other South Asian countries have even \$40 billion worth of assets.

The BMI report forecast the total assets of Bangladeshi banks will surpass Pakistan by \$3.5 billion to stand at more than \$125 billion at the end of this year.

Bankers and analysts attributed the asset growth to the steady economic growth of the country, expansion of financial institutions and entrepreneurs who have driven

## Argon Denims' profits fail to bring market cheer

**SARWAR A CHOWDHURY**

Argon Denims' net profits last year rose 66.88 percent year-on-year to Tk 22.68 crore on the back of the company's expansion of production capacity, which yielded sales growth.

Subsequently, the listed firm announced higher dividends than last year: 6 percent cash dividends and 15 percent stock dividends against 20 percent stock dividends in 2012.

Higher profit and dividends though fell short of investors' expectations: the share price of the company fell 0.51 percent yesterday.

Based in Sreepur, Gazipur, Argon Denims mainly produces medium and premium range denim fabrics, according to the company's website.



A visitor takes a look at the latest mobile devices at the Robi Smartphone and Tab Expo 2014 at the Bangabandhu International Conference Centre in the city that began yesterday. The three-day fair has stalls of popular brands such as Samsung, LG, Asus, Acer and Lenovo.

## Smartphone exhibition kicks off

**STAR BUSINESS REPORT**

A three-day fair on smartphones and tablets kicked off yesterday in Dhaka to bring the latest communication gadgets to the masses.

The exhibition, organised by Expo Maker, an event management company, are being held Bangabandhu International Conference Centre.

"Smartphone has become an essential part of daily life as it makes life easy," said Zunaid Ahmed Palak, state minister for telecoms and information technology.

The use of mobile devices has changed over the years with the adoption of new technology, he said at the launch of the show.

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## Leather goods exporters call for greater policy support

**STAR BUSINESS REPORT**

Leather goods and footwear exporters yesterday urged the government to allow their trade body to issue utilisation declaration certificates in the next fiscal year to help them cut extra costs and avoid harassment.

"We want the same UID facility that garment trade bodies are enjoying to boost leather goods exports," said M Abu Taher, chairman of Bangladesh Finished Leather, Leather Goods and Footwear Exporters' Association.

Such exporters are now importing raw materials—chemicals and shoe accessories—through supervised bond by paying a high charge, he said. The National Board of Revenue has recently increased the service fee of the supervised bond to Tk 6.04 lakh from Tk 1.88 lakh, according to the association.

His appeal came at a budget discussion with NBR Chairman Ghulam Hussain at the revenue authority's head office in Dhaka.

A member of the association alleged that they have to pay Tk 3,000 to the offices of the Bond Commissionerate for every utilisation permission certificate, although there is no government processing fee for using the service.

"As a result, many companies are not being able to expand their business," said Taher.

The leather sector has "immense potential" to increase its export earnings, he said, adding that the country can earn around \$10 billion within the next five years from the sector if necessary policy support is provided.

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## Mobility plan for landline firms irks mobile operators

**ABDULLAH MAMUN**

Mobile operators have raised concern over the government's plan to provide limited mobility to fixed phone operators by amending their licence conditions.

Such a move will create huge anomalies in the telecom sector, chief executives of six mobile operators said in a letter to the telecom secretary.

The mobile operators also want the government to initiate discussions with stakeholders before finalising the matter.

The concern arose following newspaper reports that the fixed phone operators will be able to provide mobility to subscribers in certain areas within a city and offer internet protocol (IP) telephony and IP television services.

The letter was sent to the telecom secretary on March 30 and a copy was also forwarded to the chairman of Bangladesh Telecommunication Regulatory Commission.

*The concern arose following newspaper reports that the fixed phone operators will be able to provide mobility to subscribers in certain areas within a city and offer internet protocol (IP) telephony and IP television services.*

compared to those of the mobile operators.

The CEOs said, if mobility is allowed to the land phone operators, also known as PSTN (public switched telephone network) operators, this will create imbalances in the telecom market.

The move will also seriously harm the mobile operators through the introduction of new competitors having undue privilege which would be against the protection of their investment and would create a ripple effect for new investors, the CEOs said.

"We are very much concerned about the news and believe that mobility is a special feature that MNOs (mobile network operators) have purchased licences for. PSTN operators cannot be entitled to mobility; otherwise the difference between fixed and mobile operators will not exist," the letter read.

Grameenphone CEO Vivek Sood, Banglalink CEO Ziad Shatara, Robi CEO Supun Weerasinghe, Airtel CEO Chris Tobit, Citycell CEO Mehboob

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