

সমৃদ্ধির খোঁসান বিশ্বণ উপায়
 সর্বাধুনিক প্রযুক্তি ও সমৃদ্ধ ব্যাংকিং সেবায়
 আমানত বিশ্বণ করুন স্বল্পসময়ে

ইসলামী শরী'আহ মূদারাবা নীতির ভিত্তিতে পরিচালিত
 যে কোন প্রয়োজনে ০৯৬১২০০১১২২

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 ইসলামী ব্যাংকিং

BB warns non-banks against wrongdoings

Chief executives seek protection against wilful sacking

STAR BUSINESS REPORT

The central bank yesterday warned the chief executives of non-bank financial institutions not to act irresponsibly and indulge in irregularities.

"We have observed that some NBFIs still indulge in irregularities despite our caution. We are investigating those allegations and if any NBFIs are found guilty of wrongdoing, we will take tough action against it and its CEO," Bangladesh Bank Governor Atiur Rahman said at a quarterly meeting with the CEOs at the central bank headquarters.

Rahman reminded the CEOs that the central bank has already removed a chairman, some directors and a chief executive of an NBFIs for their wrongdoings. Another CEO has also been fined for giving wrong information to the central bank, he added.

The central bank found that the non-banks are lending to directors, violating rules and regulations; paying attendance honorarium to their directors even if they were absent in meetings, and organising executive committee meetings without any important agenda.

SK Sur Chowdhury, deputy governor of BB, said the CEOs have promised the central bank that there will be no irregularities in the future.

On the other hand, the chief executives sought the central bank's protection so that their board of directors cannot remove or suspend them without prior approval from BB. They said the central bank has protected the CEOs of banks through a notice issued in December last year.

"The nature of work of a bank CEO and an NBFIs CEO is almost the same; the regulator is also the same. If a bank CEO is protected by Bangladesh Bank, why not us?" Asad Khan, president of Bangladesh Leasing and Finance Companies Association, told reporters after the meeting.

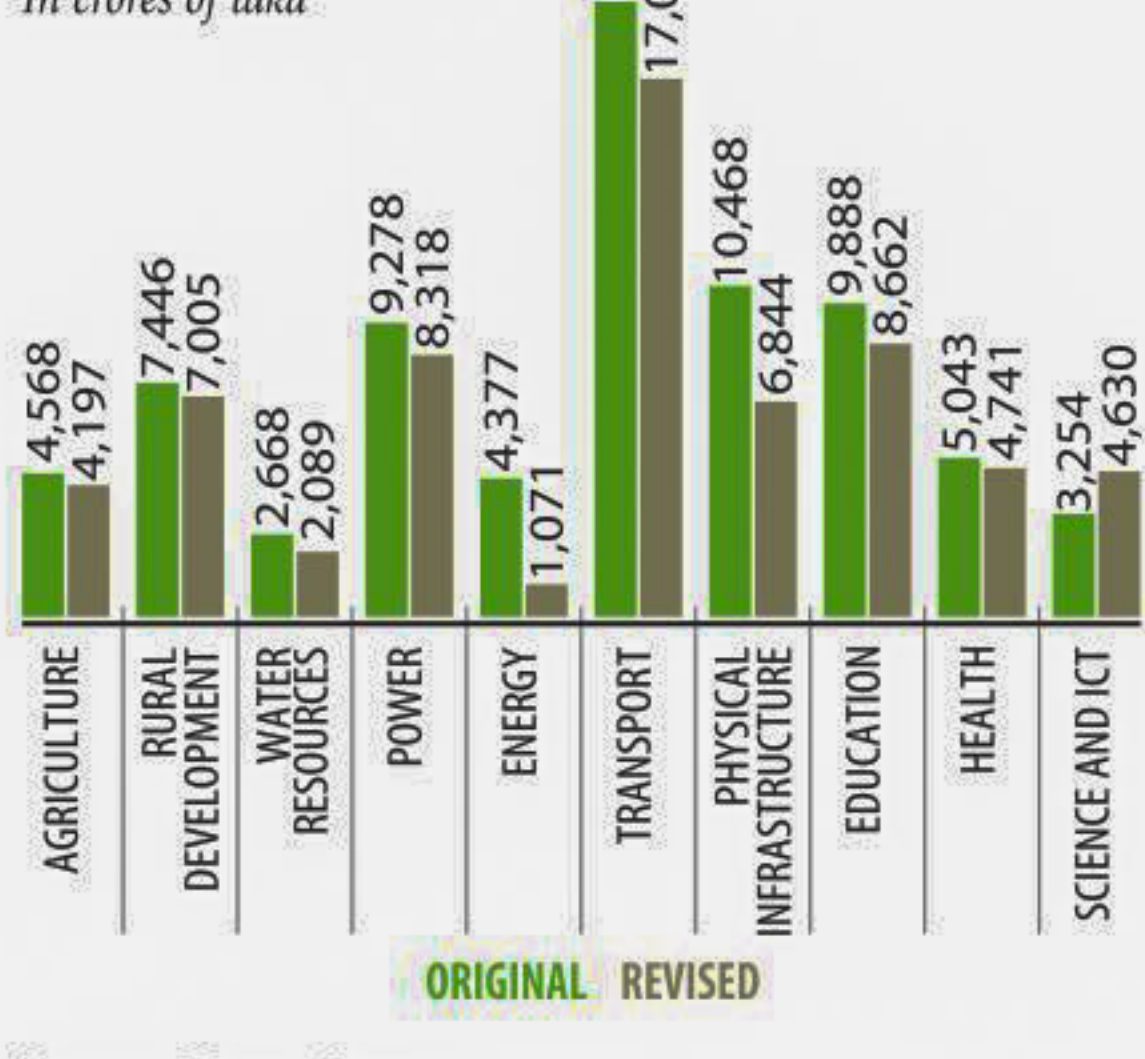
"Otherwise, the CEOs of NBFIs won't be able to stand against the unlawful demands of directors," said Khan, also the chief executive of Prime Finance.

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ADP outlay may be cut by 10pc

ADP STATUS

In crores of taka



REJAUL KARIM BYRON

The government may slash the allocation for its annual development programme by 10.35 percent to Tk 72,000 crore in the current fiscal year due to slow implementation of projects.

Planning Minister AHM Mustafa Kamal will place the proposal of brining down the outlay at a meeting of the National Economic Council on March 10.

The government's contribution to the ADP might be squeezed by 10.48 percent to Tk 47,100 crore, while foreign assistance would be cut by 10.10 percent to Tk 24,900 crore.

Of the revised allocation, the transport sector will get the highest -- 23.66 percent. The government also plans to include a raft of road and transport projects in the revised ADP to be implemented under public private partnership.

The projects include construction of the Dhaka-Chittagong expressway, the Dhaka western bypass and the elevated expressway from Oxygen Mor to Hathazari in Chittagong.

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Frozen food exporters in a tight corner

Political unrest, fall in the euro and ruble cut into earnings

STAR BUSINESS REPORT

A sharp fall in the value of the euro and the Russian ruble against the dollar, coupled with the ongoing political unrest at home, has hit the frozen food industry hard.

Exporters said prices of black tiger shrimp, the major frozen food item that goes to the European markets, have now slumped 42 percent to \$5.25 a pound (16-20 pieces) from August last year.

"We are forced to sell at lower prices to retain our international buyers. Exports to Russia have dipped to almost zero, while the demand for shrimp also fell in Europe because of an economic slowdown there," said SM Amzad Hossain, president of Bangladesh Frozen Foods Exporters Association.

Hossain made the comment at a press conference at the office of the association in Dhaka yesterday.

Since shrimp is a perishable item, exporters often have to clear stock at a loss, he said.

Bangladesh earned \$638 million by exporting 55,074 tonnes of frozen food, including shrimp, in fiscal 2013-14. Around 70 percent of the exports went to European Union and Russia.

Overall, shipment fell 5 percent year-on-year to 32,800 tonnes in July-January of this fiscal year, according to the association.

Earnings dropped 5 percent to \$397.6 million during the period from the same period a year ago, according to Export Promotion Bureau.

"New orders are not coming, while many buyers have cancelled orders. As a result, we are being forced to sell shrimps at low prices," Hossain said.

He said shrimp exporters had to face a liquidity crisis as they cleared their stock at 40 percent lower than the procurement prices. "This will affect our purchase in the next harvesting season."

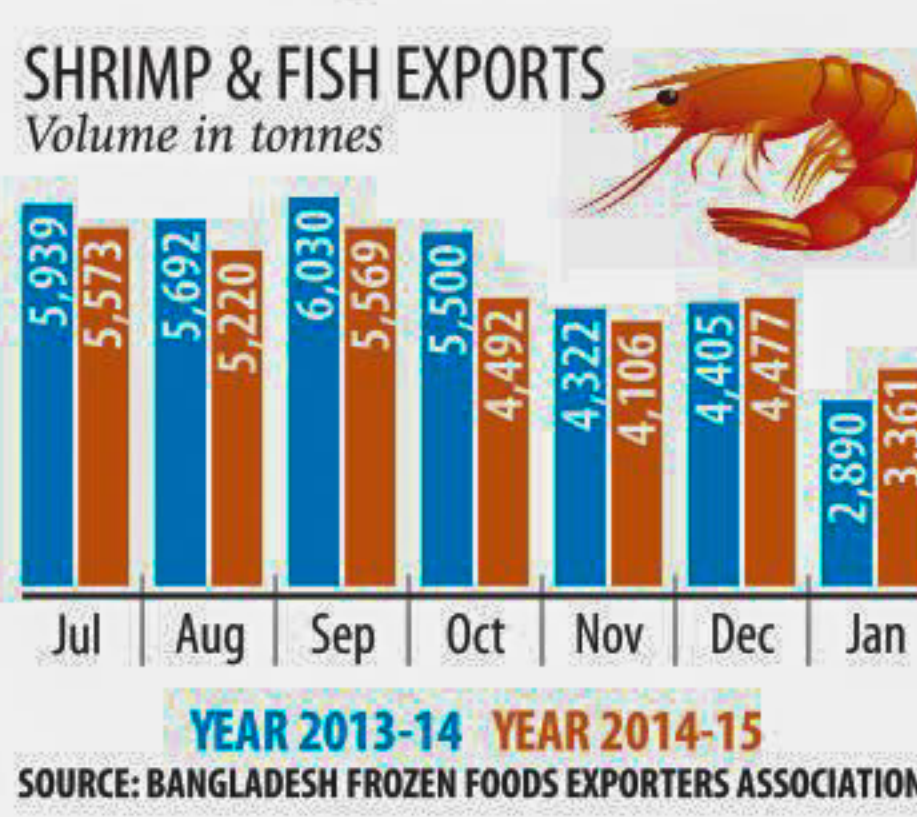
The ongoing political turmoil has dealt another blow to the frozen food processors by affecting transportation of raw and processed shrimp and fish. As a result, production in factories has also dropped.

"Due to the unrest, buyers are not placing new orders. The most alarming thing is that our inventories are falling," said Md Golam Mostafa, vice president of the association.

He said processors would incur losses of around Tk 600 crore for selling shrimp at reduced prices and for the problems in transportation of raw and processed products.

This will also affect the 8.33 lakh shrimp farmers in the country, he added.

To ride out the problem, the association demanded the government increase cash subsidy for frozen food export to 25 percent from 10 percent now.



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Telenor to launch cheap data roaming packages

SARWAR A CHOWDHURY, from Barcelona

Telenor, the majority shareholder of the country's leading mobile operator Grameenphone, yesterday announced its plan to introduce roaming services at an affordable rate, in a bid to eliminate high and unpredictable costs using mobile services while abroad.

"It's about time we really do an effort on making roaming attractive for our customers. Roaming is the essence of what mobile communication is all about, being mobile," Jon Fredrik Baksaas, chief executive officer of Telenor, said.

"We want to encourage our customers to use data services wherever they are when on international travel. There shouldn't be any reason for Telenor subscribers not to use mobile data services when they are abroad."

The objective of introducing the retail roaming services is to increase data roaming usage to 80 percent over the next two years, he said at a briefing on the sidelines of Mobile World Congress, the biggest annual gathering of the mobile industry, in Barcelona.

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Zuckerberg offers olive branch to telcos

SARWAR A CHOWDHURY, from Barcelona

Facebook Chief Executive Mark Zuckerberg has offered an olive branch to the telecom industry, often his company's biggest critics, crediting them for taking internet services to far corners of the world.

He went on to call the telecom operators "the folks who are here leading the charge to bring the internet to the world" in his keynote speech on Monday at a session of the Mobile World Congress, the biggest annual gathering of the mobile industry, in Barcelona.

"It's really important not to lose sight of the fact that the real companies that are driving this are the operators and all the investments they are putting together."

Telecom operators, who invest a fortune to build networks, often complain that internet giants like Facebook and Google profit handsomely at their expense.

The two companies offer apps that let user circumvent network operators to make phone calls and text messages for free, which are still considered the major income-generating services for operators.

"We can help, because Facebook is one of the primary apps people want to use."

Defending the free communication service, Zuckerberg said the free apps ultimately drive users to buy data plans, which is also a source of revenue for mobile operators.

"These apps drive data usage -- instead of voice calls and text messages, the data usage will drive the telecom businesses. People want to use these different services and they are going to pay."

Zuckerberg went on to advise the telecom operators to think out a "business model" that can be a "win-win" situation for both parties.

"This is a point of tension between operators and Facebook in particular," said Jon Fredrik Baksaas, chief executive officer of Norway's Telenor, the majority shareholder of Bangladesh's largest mobile operator Grameenphone.

"It's a consideration for any company to be careful to deliver the key to the competitor. You really want to watch that key, and you want to control how that key develops. That's where the disruption comes," said Baksaas, also chairman of the GSMA, which is organising the four-day event in Spain.

He said any initial encouraging statistics would need to be sustainable. "Only then, would there be a business proposition."

Referring to Zuckerberg's pet project Internet.org that aims to make internet accessible to the world's underprivileged population by providing a set of free basic services, Baksaas said from Telenor Group they set a goal of internet for all.

He said there is a perception of the internet being free, but it does not happen for free.

"The connectivity part is expensive. There is a lot of hardware and software, taxes, and spectrum fees that in total establish a cost structure. So those investments would not happen, unless the longer term business proposition holds."

Around 2,000 exhibitors across the world are also showcasing cutting-edge products and technologies at the event. Around 90,000 people are expecting to participate at the event.



Mark Zuckerberg AFP

NBR to encourage taxpayers to settle disputes out of court

STAR BUSINESS REPORT

The National Board of Revenue plans to run campaigns to motivate taxpayers to settle tax disputes out of court.

The settlement of about 23,000 tax cases through the Alternative Dispute Resolution (ADR) system can unlock Tk 28,000 crore in revenue receipts for the NBR.

The NBR will organise seminars and workshops on the importance of ADR. The NBR has asked its officials to organise meetings with the taxpayers related to the ADR, according to a statement.

The tax administration will also hold a meeting with the representatives of business chambers and associations by March.

"The NBR thinks the settlement of cases through ADR will be instrumental for the taxpayers and the revenue administrator."

The initiative came as tax receipts fell short of targets because of the declining economic activities amid political unrest.

The tax authority logged Tk 69,465 crore in the first seven months of this fiscal year, falling 3.28 percent short of the target for the period. The revenue target for July-January was Tk 71,825 crore, while it is Tk 149,720 crore for the full year.

Govt to buy rice for Tk 32 a kg

STAR BUSINESS REPORT

The government is set to buy rice at Tk 32 a kg from the domestic market during the boro season, which is Tk 1 more than the rate offered last season.

The price has been fixed before the boro harvest, so that farmers can get fair prices, Food Minister Md Qamrul Islam told reporters yesterday after a meeting of the food planning and monitoring committee, where the decision was taken.

The government will buy 10 lakh tonnes of rice under the four-month scheme starting May 1.

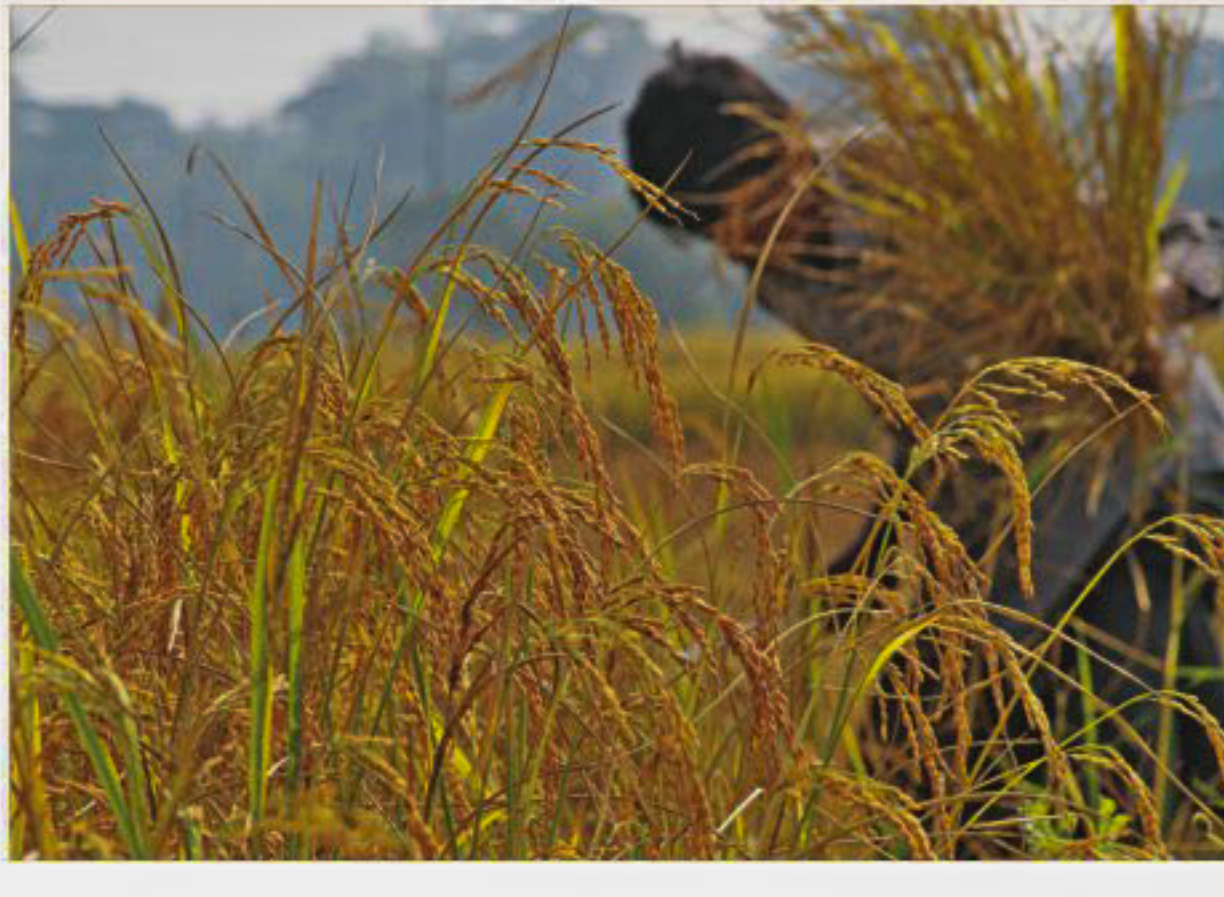
Moreover, one lakh tonnes of paddy will be bought at Tk 22 a kg, which was Tk 20 last year.

This year, rice and paddy production costs stood at Tk 27.5 and Tk 20 a kg, said the minister.

The government will also buy 1.5 lakh tonnes of wheat this year. The purchase will run from April 1 to June 30 and each kg of the cereal will be bought at Tk 28, compared to Tk 26 last year.

Each year, the government purchases rice, paddy and wheat to stabilise the market prices and prevent farmers from being forced to sell their produces at low prices.

The government is looking to produce 1.9 crore tonnes of rice and 14 lakh tonnes of wheat this year.



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