

# Star BUSINESS

এসআইবিএল ফ্যামিলি এমপাওয়ারমেন্ট ইসলামিক মাইক্রো ফাইন্যান্স

মুদ্রা বিনিয়োগ বহু সঞ্চয়না

যে কোন প্রয়োজনে ০৯৬৯২০০৯২২ সোস্যাল ইসলামী ব্যাংক লিমিটেড

SIBL

DHAKA WEDNESDAY MAY 13, 2015, e-mail: business@thedailystar.net

Telenor names Brekke new CEO as Baksas retires



Fredrik Baksas

**BLOOMBERG**  
Telenor ASA named Sigve Brekke as new chief executive officer to replace retiring Jon Fredrik Baksas as the carrier expands its business in fast-growing Asia.  
Brekke, who joined the company in 1999, is executive vice president and head of Telenor's Asia operations. He will take over as CEO by Aug 17, Telenor said in a statement. Baksas's contract was set to expire at the end of 2015.  
Brekke, 55, "has been instrumental in establishing Telenor Group as a leading international mobile operator," the company said.  
Telenor has added more than 100 million subscribers in Asia and the region now represents more than 40 percent of the total enterprise value of Telenor, it said.

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## Regulator scraps two IGW licences

MUHAMMAD ZAHIDUL ISLAM

The telecom regulator has cancelled the licences of two international gateways, which were blocked more than a year ago for their failure to share the stipulated revenue with the government and pay licence fees.

Bangladesh Telecommunication Regulatory Commission took the decision yesterday upon getting a go-ahead from the Post and Telecommunication Division, BTRC spokesman Md Sarwar Alam said.

Ratul Telecom and Kay Telecommunications -- mostly owned by two politically influential families -- owe the government Tk 89.29 crore and Tk 78.27 crore in revenue-sharing amounts.

Also, Ratul Telecom had not paid licence fees for two years and Kay for one year.

IGW operators handle international incoming and outgoing calls.

Syeda Amrin Rakhi, daughter of Awami League's Joint General Secretary Jahangir Kabir Nanak, owns a 50 percent stake in Ratul Telecom, and Nanak's wife Syeda Arzumand Banu 20 percent.

Ratul Telecom, which started operation in October 2012, had remained blocked since mid-2013.

Ruling party lawmaker Shamim Osman's wife Salma Osman and his son Intiman

### BLOCKED IGWs AND DUES

IGWs	AMOUNT In crores of taka
Ratul Telecom	89.29
Kay Telecommunications	78.27
Vision Tel	138.76
Bestec Telecom	115.39
Telex	72.73
SM Communication	29.18

SOURCE: BTRC Up to March 25, 2015

Osman owned a significant portion of shares in Kay.

However, after the activities of the operator were suspended last year, the entire share of the company was transferred to three people -- Md Shakawat Hossain, Debabrata Chowdhury and Md Rakibul Islam -- whom the regulator could not trace.

Before taking the decision to cancel their licences, the BTRC had filed two separate cases against them -- one to recover the revenue and the other for violating the licensing guideline -- but to no avail.

The Daily Star called Nanak and Shamim Osman on their mobile phones several times, but neither of them could be reached for comment.

There are four other IGW operators that have been blocked for the same reasons.

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## Farmers never get fair prices: Shykh Seraj



Shykh Seraj, a leading pro-farmer activist, presents a list of budget recommendations for agriculture to Finance Minister AMA Muhith in Dhaka yesterday.

STAR BUSINESS REPORT

Farmers have never got the prices they deserve because of a lack of market access, an agriculture activist said yesterday, urging the government to ensure fair prices for their produce.

"It is an unresolved discrimination against the farmers who never sell their rice or wheat at prices fixed by the government, although the food ministry has promised them fair prices," Shykh Seraj said.

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## Exports fall for first time in six months

STAR BUSINESS REPORT

Exports fell for the first time in six months, as political crisis cut orders, government data showed yesterday.

Overseas sales slipped 0.55 percent year-on-year to \$2.4 billion in April, according to the Export Promotion Bureau.

Shahidullah Azim, vice-president of Bangladesh Garment Manufacturers and Exporters Association, blamed the fall in exports on political unrest in the first three months of the year and a drop in work orders after the Rana Plaza collapse.

After the Rana Plaza incident, international retailers have been placing fewer work orders, as they were observing the progress in issues related to compliance and workplace safety when the factory building inspections were going on, he added.

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## Ecne approves second submarine cable project

STAR BUSINESS REPORT

The Executive Committee of National Economic Council yesterday approved 10 projects involving Tk 2,365 crore, including a project to install the country's second submarine cable connection.

Ecne in a meeting chaired by Prime Minister Sheikh Hasina allocated Tk 660.64 crore to the submarine cable project.

Once Bangladesh gets its second connection, it will obtain bandwidth of more than 1,300 gigabits per second or Gbps in addition to the existing 200 Gbps, Planning Minister AHM Mustafa Kamal told reporters after the meeting.

It will expand call-centre business, software exports and the data entry sector, he added.

In the first 10 months of the current fiscal year, the government implemented 56 percent or Tk 43,333 crore of the total allocation under the annual development programme. In the same period last fiscal year, it was Tk 34,557 crore or 54 percent, according to Kamal.

## Muhith defends bigger budget

STAR BUSINESS REPORT

Finance Minister AMA Muhith yesterday defended the size of the budget for the next fiscal year, saying the government cannot provide services if it does not have money.

The outlay will be about Tk 300,000 crore for fiscal 2015-16, up about 20 percent from the current year, he said.

"In the last three years, the ministries did not have to lobby for funds. All of them are more or less happy with the allocation," Muhith said at a meeting of the budget consultation committee at Sonargaon Hotel in Dhaka.

The meeting was co-organised by the National Board of Revenue and the Federation of Bangladesh Chambers of Commerce Industry.

Muhith, whose government raised the tax-GDP ratio to 11 percent in the last six years from 8 percent in 2008, said it is disgraceful that only 10 lakh people, out of about 20 lakh registered, pay taxes in a country of 16 crore people.

More people have to be brought under the tax net, he said. The government will raise the tax-GDP ratio by three to four percentage points to about 14 percent in the next four years, according to Muhith.

Changes are on the way in the tax structure as supplementary duties have to be cut to align them with international standards, the minister added.

The government will also start the process of implementing the new VAT law from this year and it will be put in place within a year, he said.

Dispelling the business community's fears stemming from the VAT law, Muhith said: "VAT is the best among all taxes. If firms maintain their accounts properly it will not be a burden. The new law will bring more people under the tax net, thus

increasing the revenue earnings of the government."

The customs duties have to be reduced, and the businesses have to put up with it, he added. Changes will also be seen in taxes levied on tobacco and tobacco products, the minister said.

The government's plan to make the surcharge-based wealth tax into full-fledged property tax may not happen anytime soon, after India scrapped similar taxes in recent times.

NBR will look into the issue, he said.

MA Mannan, state minister for finance and planning, said businesses would have to respect the current VAT rate of 15 percent, as money is needed to run the country.

"There are many wealthy people, even in the villages, who lead lavish lifestyles, but don't pay taxes."

Highlighting the demands of the business community, FBCCI President Kazi Akram Uddin Ahmed said the apex trade body hopes the finance minister would present a pro-industry and pro-investment budget, like the current budget.

Projects should be undertaken for sectors such as physical infrastructure, ICT and women entrepreneurs under the annual development programme, he said. "Besides, the quality of spending and work has to be improved for all projects, including the big ones."

He welcomed the government's plan to reduce the interest rate on savings instruments as it will contribute to lowering the banks' lending rates.

Bangladesh Telecommunication Regulatory Commission, Bangladesh Energy Regulatory Commission, Anti-Corruption Commission and Bangladesh Securities and Exchange Commission should be empowered and free from all influences, said Ahmed.

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-এনবিআর

### Pran Dairy farmers to get collateral-free loans

Karmasangsthan Bank to finance dairy sector

STAR BUSINESS REPORT

Pran Dairy's contract farmers will get collateral-free low interest loans from Karmasangsthan Bank, a move intended to help boost the dairy sector and milk production.

The farmers will be eligible for loans between Tk 1-5 lakh at an 11 percent interest rate.

Once the farmers start earning from milk sales, Pran Dairy will collect the loans' repayment instalments from the earnings and deposit those with Karmasangsthan Bank, a state-owned specialised bank.

For example, a farmer borrowing Tk 1 lakh for two years will have to pay Tk 4,836 in monthly instalments.

The leading dairy processor and the bank signed an agreement in Dhaka yesterday.

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