

BTRC scraps two more IGW licences for non-payment

STAR BUSINESS REPORT

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

Bangladesh Telecommunication Regulatory Commission took the decision on Tuesday after a go-ahead from the post and telecom division, said Sunil Kanti Bose, chairman of BTRC.

Vision Tel Ltd and Telex Ltd owe the government Tk 72.73 crore and Tk 138.76 crore in revenue-sharing. The two operators had not paid their licence fees for a year.

IGW operators handle international incoming and outgoing calls.

BTRC scrapped the licences of two others -- Ratul Telecom and Key Telecommunication -- on the same grounds last month, as they owe the government Tk 89.29 crore and Tk 78.27 crore in revenue-sharing respectively.

Two more operators -- SM Communication and Bestec Telecom -- also blocked for the same reason for more than a year now, owe the government Tk 29.18 crore and Tk 115.39 crore.

BTRC has written to the government to cancel these two licences as well.

The telecom regulator has also filed two separate cases against all six operators -- one to recover the revenues and the other for violating licensing guidelines -- but to no avail.

Bose said the regulator will be strict in collecting the money and will try to convince the government and the courts to give the culprits exemplary punishment.

Grameenphone also sued eight IGWs, including these six, as the gateways failed to pay their outstanding amounts to the mobile operators. Other mobile operators and Interconnection Exchange operators also get some hundred crore taka from these IGWs.

There are 23 IGWs currently in business apart from the six penalised companies.

Ctg port handles largest transshipment cargo

STAR BUSINESS REPORT

The Chittagong port is hosting its largest transshipment service as it stores 92 TEUs of containers unloaded from a vessel en route to India.

The move will help Chittagong port's prospects of becoming a transshipment hub in the region.

The vessel Irrawaddy Star, which has a capacity of 1,400 twenty-foot equivalent units (TEUs), was headed to Kolkata but decided to reduce its load to allow it to navigate into the shallower Indian port, Khairul Islam, general manager of Min Sheng Lines Bangladesh, said.

The containers stored at Chittagong are destined for Chennai, Mumbai and Cochin -- the three deeper ports on the west coast of India.

The Chittagong port has been used for container transshipment earlier as well, but that was on small scale, said Enamul Karim, terminal manager of Chittagong port Authority.

The port currently allows 28 days of free storage for transshipment containers, while the limit is just four days for other containers and goods, he said.

Budget to get bigger by 21pc

FROM PAGE B1

The budget deficit has been kept within five percent of the gross domestic product, which is in keeping with international practices.

A big portion of the deficit will be met through high-cost internal borrowing, which is around Tk 55,880 crore. Of the amount, Tk 38,380 crore will be borrowed from the banking system and the remaining from savings instruments.

The reason for financing a bigger chunk of the deficit by bank borrowings is that the cost of funds is much lower than savings instrument at present, said the official.

Furthermore, the banks are flush with liquidity due to the sluggish investment situation.

Remittance rises 8pc y/y in May

FROM PAGE B1

Average remittance to receiving households is twice per capita income and equivalent to almost 80 percent of the receiving household's income, providing evidence of the importance of the money sent by the migrant workers.

It is estimated that remittance has helped reduce the poverty level in Bangladesh by 1.5 percent. Remittance also accounts for about 66 percent of the country's foreign currency reserves, providing Bangladesh with a strong and stable external position.

Last fiscal year, the country received nearly \$14.23 billion in remittance. The central bank expects to receive about \$15 billion in remittance in the current fiscal year.



STANDARD CHARTERED

Ahmed Jafir Shamsuddin, executive director of transaction banking at Standard Chartered Bank, and Mohiuddin Ahmed, general manager for accounts and finance at Padma Oil Company, sign an agreement that will allow Padma Oil to use the bank's fast cheque disbursement services.



NCC BANK

Golam Hafiz Ahmed, managing director of NCC Bank, poses with participants at the closing ceremony of a month-long foundation training programme organised by the bank recently. Akhtar Hamid Khan, deputy managing director, was also present.



UCB

Atiur Rahman, governor of Bangladesh Bank, poses as MA Hashem, chairman of United Commercial Bank, presents a cheque of Tk 1 crore for the Nepal earthquake victims to Hari Kumar Shrestha, ambassador of Nepal, at a programme recently.



MERCANTILE BANK

Tofail Ahmed, commerce minister, attends the 16th anniversary celebrations of Mercantile Bank at the capital's Sonargaon Hotel on Monday. Morshed Alam, chairman of Mercantile Bank, and Akram Hussain (Humayun), the bank's next chairman, were also present.

Muhith's challenges

FROM PAGE B1

The investment to GDP ratio stands at 28.99 percent, of which the government's share is 6.6 percent and the private sector's 22.39 percent, according to the latest data from the planning ministry. This indicates how important the private sector is for the country's development. But, the private sector credit growth has been declining for the past two years.

Bangladesh Bank data shows private sector credit growth nosedived to 10.85 percent in fiscal 2012-13 from 19.72 percent in fiscal 2011-12.

In fiscal 2013-14, it stood at 12.29 percent, without picking up much in the current fiscal year.

The country needs to create lots of jobs -- at least 20 lakh a year -- if it is to employ its booming population and avert incidents like human trafficking.

Analysts say this is not an easy task as the country has so far been able to generate employment for only 44 lakh people in the garment industry that accounts for 80 percent of the total exports.

The other manufacturing industries such as pharmaceuticals, ceramics, jute, leather and shipbuilding are not growing enough to absorb the 20 lakh young people entering the job market every year.

So, the business community, the corporate world and the youths are eagerly waiting to see if steps are being taken to boost private investment and create jobs in the economy.

"Infrastructure weakness is the biggest barrier in attracting investment and GDP growth," said Khandaker Golam Moazzem, additional research director of CPD.

Moazzem said he would be curious

to see how the budget addresses issues like improving gas supply and setting up industrial zones to meet the demand of the investors, both from home and abroad. He has suggested the government enhance allocations to these priority projects.

The government should pay attention to other issues as well.

The collections of both tax and non-tax revenue have continued to fall below expectations throughout the fiscal year.

During the first eight months of the outgoing fiscal year, tax revenue collection by the NBR registered year-on-year growth of 12.4 percent, according to the National Board of Revenue. This growth rate is far below the target of 34.4 percent.

DEVELOPMENT SPENDING
For the first 10 months of the fiscal year, the actual spending under the ADP was 51.8 percent of the originally planned allocation of Tk 80,315 crore.

Besides traditional impediments, it has been claimed that the recent political turmoil affected implementation. Later, the planned allocation for ADP was revised downward by 6 percent to Tk 75,500 crore.

LAND AND GAS

The China factor is more or less known to the people of Bangladesh. It means the rise in production cost in China has forced many of its garment makers to shift their factories to cost-effective countries, and Bangladesh is the top choice.

Japan is also very serious about relocating industrial units to Bangladesh. But the scarcity of land and gas is a major barrier to cashing in on the chance. A World Bank estimate shows if Bangladesh can provide

40,000 acres of land to Chinese investors, around 15 lakh new employments will be created.

FAST-TRACK PROJECTS

Bangladesh's trade economy (export-import) now stands at around \$70 billion. Of the amount, at least \$60 billion worth of goods are carried through the Dhaka-Chittagong highway. The road is very narrow compared to the needs. Often, a truck loaded with export or import goods takes 12-15 hours to reach the Chittagong port from Dhaka or vice versa, pushing business costs up.

The Dhaka-Chittagong four-lane highway project was approved in 2006 with an estimated cost of Tk 2,382 crore (revised at around Tk 3,400 crore).

The implementation of the project started in 2010 and was supposed to be completed by 2012. The deadline for the project's completion has already been extended four times, raising questions about the government's seriousness.

Analysts said the construction of the road should be given the highest priority as the country's resource mobilisation depends largely on trade through the road.

REFORMS

Regrettably, the necessary reforms which could help the government boost domestic and foreign investment and governance as well were not implemented satisfactorily.

For example, the public-private partnership law is yet to be finalised although 42 projects have been listed in the ADP for fiscal 2015-16.

The Privatisation Commission has been inactive for long, and there has been no significant headway in finalisation of the Financial

Oil market 'comfortable' with violence risk: Saudi

AFP, Vienna

Recent unrest in the Middle East and North Africa has little impact on oil prices because the market has become "comfortable" with risk, Saudi Arabia's Oil Minister said Wednesday.

Questioned about ongoing violence in Iraq, Libya, Yemen and also Saudi Arabia, Ali al-Naimi replied that there was "very, very small" risk premium in the current oil price.

"This premium is there but fortunately the world is getting very comfortable with the risk," said Naimi, addressing an OPEC seminar before the cartel's output meeting on Friday.

"That is why you see that portion is really very small no matter what is happening... in the most productive part of the Middle East.

"They don't seem to be affecting production, shipping, demand, supply... The risk premium is there, but it is very very small because of the variability of supplies."

Summit powers up project with foreign funds

FROM PAGE B1

With a tenure of 14 years, the direct loan is the largest given to a Bangladeshi private sector project by any of the three development agencies. China Northeast Electric Power Engineering and Service Company will carry out operations and maintenance of the plant, while Brac Bank will act as the account and security bank for the international financing transaction.

"Apart from meeting the power demands of the country, the project is providing reliable employment opportunity during the construction and operational phases," said Tariqur Rashid, deputy managing director of Summit Turbine Division.

Don Purka, a director of the ADB, said the project would help Bangladesh alleviate its power shortages.

Hyun-Chan Cho, IFC's regional industry head for infrastructure and natural resources, said the World Bank's private sector financing arm is proud to be part of the project because the investment will send

a positive signal to other private sector players in Bangladesh who are planning to develop efficient power projects.

Walid Abdelwahab, director for infrastructure at Jeddah-based IDB, said: "For IDB, this is part of its commitment to infrastructure development in its member countries."

Ayesha Aziz Khan, finance director of Summit Group, said Bibiyana II is producing the lowest cost electricity by using the most efficient technology.

The simple cycle part of the Bibiyana II project is producing 210MW on a test run basis now and it will start to supply electricity on a commercial basis this month. The combined cycle will go into operation in the next four to five months. Summit raised more than \$500 million from foreign lenders over the last four years.

Tawfiq-e-Elahi Chowdhury, energy adviser to the prime minister, Atiur Rahman, Bangladesh Bank governor, and Muhammed Aziz Khan, chairman of Summit Group, were also present.

Govt may support India's move to launch Saarc satellite

FROM PAGE B1

"We need to take time and should know its technical and business aspects from India," said Sunil Kanti Bose, BTRC chairman. "Overlapping of frequencies may be an important issue. No decision should be taken before any technical discussion."

The two slots are far from one another, but there could be a conflict on the issues of landing rights and frequency coordination,

ministry officials said.

Bangabandhu-1 will have a capacity of 40 transponders -- one transponder is equivalent to 36 MHz. It has the ability to cover from Indonesia and the Philippines to Turkmenistan, Kyrgyzstan and Tajikistan.

The Saarc satellite will have a capacity of 12 transponders, with the ability to cover the Saarc region only, according to the concept paper.



SIBL

Md Rezaul Haque, chairman of Social Islami Bank, inaugurates the bank's 101st branch at Rajmoni Isha Kha Shopping Complex in Kakrail, Dhaka recently. Md Shafiqur Rahman, managing director, was also present.



STANDARD BANK

Mamun-Ur-Rashid, deputy managing director of Standard Bank, and ASM Chenghize, acting board secretary of Dhaka Electric Supply Company, recently sign an agreement for online collection of electricity bills.



SHWAPNO

Sabbir Hasan Nasir, executive director of ACI Logistics, opens Shwapno's renovated outlet on Green Road in Dhaka on Sunday.