

DHAKA FRIDAY JULY 3, 2015

GRADUATION TO HIGHER INCOME STATUS

It's an honour, not worry

Bangladesh now 35th largest economy in WB's ranking

REJAUL KARIM BYRON and
Md FAZLUR RAHMAN

Bangladesh will not lose the trade benefits it enjoys as a low-income nation due to its graduation to the lower middle-income bracket but gain a lot of admiration, ministers and economists said yesterday.

Revolving in the achievement, Finance Minister AMA Muhiith said: "We had been a low-income country for more than 40 years. We had set a target to achieve it by 2021. Now, we have got it."

The country's per capita income reached \$1,080 in 2014, which is higher than the World Bank's criteria to move up to the lower middle-income bracket.

To be in the lower middle-income category, a country's gross national income has to be \$1,046 at least.

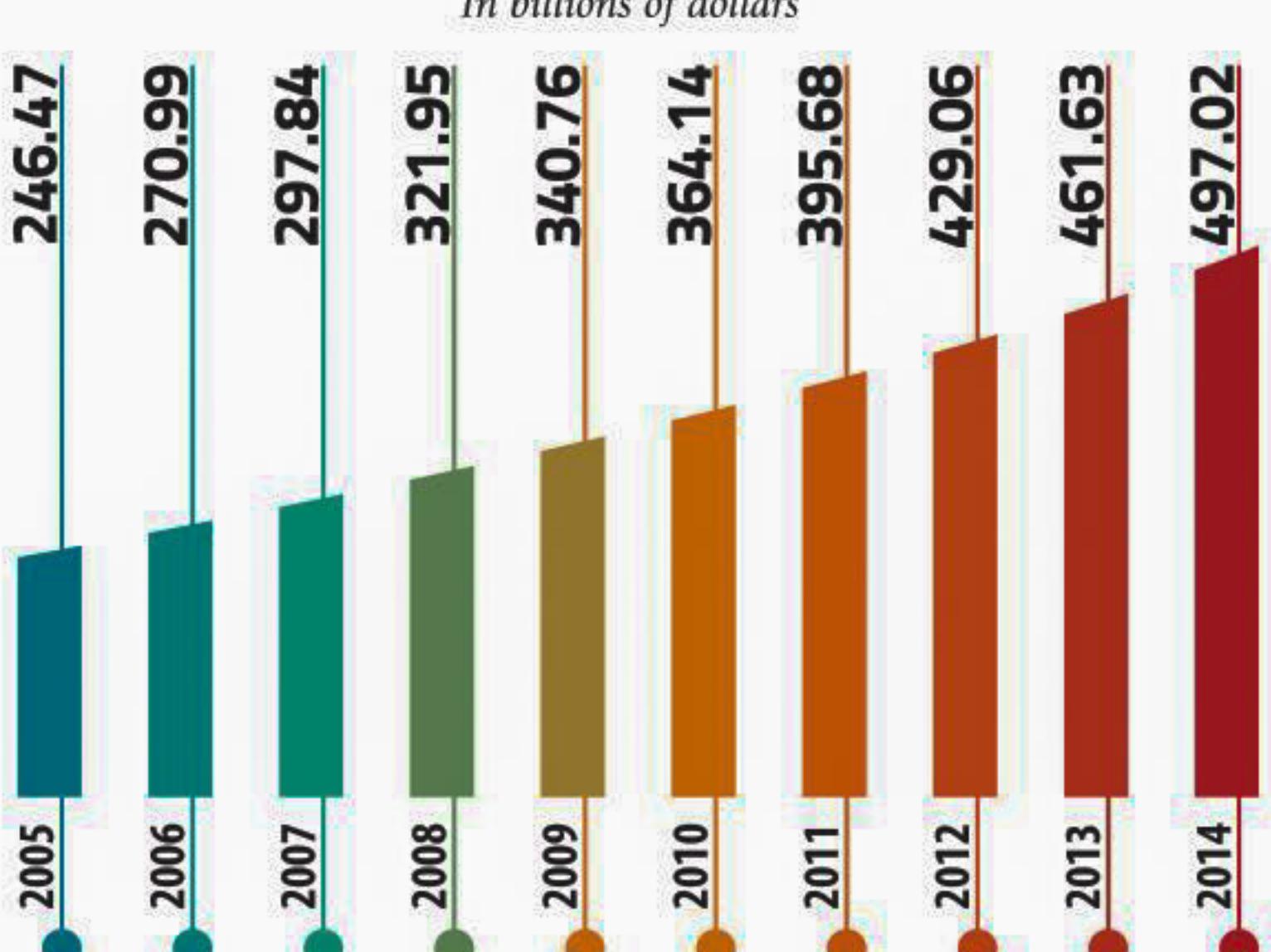
Muhiith said the achievement manifests the country's ability to "stand on its own feet".

"We have already started to prove it. We are doing many things on our own. We are not taking huge amounts of foreign aid."

Foreign aid now constitutes 1.8

BANGLADESH'S GROSS DOMESTIC PRODUCT IN PPP TERMS

In billions of dollars



percent of the country's gross domestic product, according to Muhiith. It was over 8 percent three decades ago.

Despite the elevation in the World Bank's rankings, Bangladesh

will continue to receive the trade benefits it is entitled to as a least developed country at least until 2021, as graduation from the LDC and the income classification of the

WB are separate things.

The inclusion in the LDC group gives member countries preferential trade benefits. On the other hand, the WB's income classification determines lending eligibility.

For example, Bangladesh now gets concessional loans from the WB and is not entitled to its market-based commercial loans as the latter depends on the country's repayment capacity.

But as the country gets richer it will help the public and private sectors to borrow commercially at lower interest rates, an economist said.

Each year on July 1, the WB revises the income classification of the world's economies based on estimates of gross national income per capita for the previous year.

Ahsan H Mansur, executive director of Policy Research Institute, said the recognition would bring positive benefits for the country.

He said the Organisation for Economic Cooperation and Development (OECD) has already cut the costs for opening letters of credit for Bangladeshi businessmen.

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15 firms seek large loan rescheduling facility

REJAUL KARIM BYRON

Fifteen conglomerates, including Beximco, have appealed to Bangladesh Bank for long-term loan rescheduling under the central bank's large-loan restructuring policy.

Nine indebted conglomerates have sought to reschedule Tk 13,785 crore loans. The figures for six other borrowers are not yet available.

The central bank, in a major move on January 27, allowed defaulters of large loans -- Tk 500 crore and above -- to reschedule their debts on the ground that they were affected by 'various external and domestic factors beyond their control.'

The BB deadline for receiving rescheduling applications expired on Tuesday.

The loan rescheduling proposals of the nine borrowers were forwarded by several state and private banks to the central bank's scrutiny committee.

The committee will examine if the proposals comply with set guidelines and put forward recommendations to higher officials, said SK Sur Chowdhury, deputy governor of the central bank.

For almost all the rescheduling proposals, terms and conditions, including interest rates, differ in applications sent by different banks, even when the same business group is concerned.

For Beximco Group's loan rescheduling, banks have proposed to charge interest rates between 10 percent and 12.5 percent.

But Chowdhury said the terms and conditions set by different banks, including the rate of interest, should be the same for the same group.

The central bank would seek explanation from the banks if different banks are found to be charging different rates from the same group, the deputy governor said.

However, he said the banks will set the terms and conditions and the central bank

NINE GROUPS' LOAN RESCHEDULING PROPOSALS

Beximco	Tk 5,555cr with 8 banks
Jamuna	Tk 1,685cr with 10 banks
Thermex	Tk 667cr with 1 bank
Sikder	Tk 1,838cr with 3 banks
Abdul Monem	Tk 577cr with 4 banks
Keya	Tk 879cr with 5 banks
SA Group	Tk 918cr with 5 banks
BR Spinning	Tk 572cr with 4 banks
AnonTex	Tk 1,094cr with 1 bank

would not impose anything.

So far eight banks have sought to reschedule loans worth Tk 5,555 crore of Beximco Group: Janata Bank Tk 1,849 crore, Sonali Tk 1,075 crore, Agrani Tk 801 crore, Rupali Tk 644 crore, National Tk 478 crore, AB Tk 484 crore, Bank Asia Tk 30 crore and Exim Tk 233 crore.

Ten banks have sent proposals to reschedule Jamuna Group's Tk 1,685 crore loans. Of the banks, Janata proposed to reschedule Tk 598 crore, while Islami Bank Tk 188 crore, and Dutch-Bangla Bank Tk 175 crore.

AB, First Security and IFIC sent rescheduling proposals for Sikder Group's Tk 1,838 crore loans.

The central bank's move to give large loan defaulters a chance to reschedule their loans came after Beximco Group had applied to the BB to rescue it from a cash crunch.

To take the restructuring facility, a borrower must pay minimum 1 percent of the loan as down payment if the loan figure exceeds Tk 1,000 crore.

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Teletalk comes under fire

Three operators allege it tampers with international calls

MUHAMMAD ZAHIDUL ISLAM

Top three private mobile operators have jointly filed a complaint with the telecom regulator, alleging that state-run Teletalk tampered with international calls, an illegal activity that caused them revenue losses.

When an international call is received, the local operator gets Tk 0.27 for each minute from the caller's end. For a local call, it gets Tk 0.18 per minute.

Grameenphone, Robi and Banglalink allege that Teletalk has been hijacking the international calls meant for them from the gateway and placing them to the receiver's end as a local call.

In so doing, they are receiving Tk 0.18 per minute for the calls instead of Tk 0.27, and Teletalk is pocketing the difference in part or in entirety.

From June 1, the three operators saw a spike in calls received from Teletalk numbers, which they say supports their grievance against the state-owned operator.

"Suddenly we found Teletalk's call time has increased from the first of June," said Mahmud Hossain, chief corporate affairs officer of Grameenphone.

"We have all the reasons to believe that the increased numbers of calls are international calls, but Teletalk manages to pass them off as local calls made from their end," he added.

Since June 1, Teletalk's call minutes to Grameenphone increased 45.77 percent, to Banglalink 40 percent and Robi 39.6 percent, the operators said in the letter sent to Bangladesh Telecommunication Regulatory Commission. A copy of the letter was also forwarded to Teletalk.

Furthermore, the calls from Teletalk were of abnormal duration, which supports the three operators' complaint, according to the letter.

In case of local calls, the duration is not more than two minutes on average, but all three operators found that calls from Teletalk lasted at least three minutes.

The average duration of calls from

Teletalk to Banglalink was 3.33 minutes, to Grameenphone 3.92 minutes and Robi 4.09 minutes.

"When people call from abroad, it is mainly to their relatives; so the calls are mostly of high duration. But when people make local calls, sometimes it is only for a few seconds," said a senior executive of Banglalink.

Grameenphone said it is an alarming situation and called for a remedy.

But Teletalk says it has not done anything illegal. "All the time they are trying to prove that Teletalk is a thief. But we have seen that the foreign carriers are behaving like robbers in the telecom market," said Gias Uddin Ahmed, managing director of Teletalk.

The three operators have paid many penalties before but Teletalk never faced any such situation, he said.

The Teletalk chief called for a technical audit into their network as well as the other three operators'.

Teletalk had received a similar notice from other operators earlier in 2014.

United resumes Doha, Muscat flights

STAR BUSINESS REPORT

United Airways is set to resume flights on the previously-suspended Dhaka-Doha-Muscat route on Monday.

The flight will take off from Hazrat Shahjalal International Airport at 12:50pm. The airline will also operate another flight on the route every Wednesday, it said in a statement.

On the occasion of the flight resumption, United Airways is offering special fares on the routes.

The fare for a one-way Dhaka-

Doha journey is Tk 20,925 and a return ticket is Tk 45,795. The one-way Dhaka-Muscat fare is Tk 19,983 and two-way Tk 37,000.

It will also resume flights on the Dhaka-Dubai route soon. The carrier also plans to restart flights on Dhaka-Bangkok-Singapore routes by the end of this month.

United now operates daily flights on the Dhaka-Kolkata and Chittagong-Kolkata routes and four weekly flights between Dhaka and Kuala Lumpur.

On the domestic front, it flies to

Chittagong, Sylhet, Cox's Bazar, Jhossa and Saidpur.

Set up in 2007, the airline has 11 aircraft, including two Airbus-310s and five MD-83s, three ATR-72s and one dash-8-100.

Listed in 2010, United remains the lone airline in the stockmarket, with its market capitalisation coming to Tk 643.55 crore.

Its shares traded between Tk 11.30 and Tk 10.50 yesterday on the Dhaka Stock Exchange before closing at Tk 11.10.

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Focus on regional welfare: Bhutanese minister

STAR BUSINESS REPORT

South Asian countries should think about their own as well as regional benefit while making decisions, Bhutan's Finance Minister Lyonpo Namgay Dorji said yesterday. Dorji said all countries in South Asia are enjoying political stability in terms of governments.

"It's important for political leaders to take decisions that will not only benefit their respective countries but also other countries," Dorji said.

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