

| STOCKS | | COMMODITIES | | ASIAN MARKETS | | | | CURRENCIES | | | |
|----------|----------|---------------------------|-------------------------|---------------|-----------|-----------|----------|---------------|-------|--------|------|
| DSEX | CSCX | Gold | Oil | MUMBAI | TOKYO | SINGAPORE | SHANGHAI | USD | EUR | GBP | JPY |
| ▲ 0.23% | ▲ 0.23% | \$1,138.50 (per ounce) | \$48.04 (per barrel) | ▲ 0.98% | ▼ 1.96% | ▼ 0.56% | ▲ 0.42% | BUY TK 77.20 | 85.70 | 118.54 | 0.63 |
| 4,830.68 | 9,007.48 | | | 26,218.91 | 18,070.21 | 2,879.59 | 3,099.12 | SELL TK 78.20 | 89.70 | 122.54 | 0.66 |

স্বপ্নময় জীবনের চাবি আপনার হাতে

এসআইবিএল ইসলামিক হোম ফাইন্যান্স

গ্যাপাটমেন্ট / ফ্ল্যাট ক্রয়, গৃহ নির্মাণ, গৃহ বণ্টনকরণ অথবা গৃহ সংস্কারের জন্য সর্বনিম্ন ৫,০০,০০০ টাকা থেকে সর্বোচ্চ ৯,২০,০০,০০০ টাকা পর্যন্ত বিনিয়োগ সুবিধা।

* ফ্রি অনলাইন সেবা
যে কোন প্রয়োজনে ০৯৬২০০৯২২

SIBL ইসলামিক বেনিফিকার

Star BUSINESS

DHAKA MONDAY SEPTEMBER 21, 2015

WB, govt not on same page about reforms

REJAUL KARIM BYRON

The different government agencies disagree with the World Bank's reform proposal, which has now created a new hurdle to getting the \$500 million budget support from the multilateral lender.

Budget support is a form of aid that is channelled directly into a country's budget on the condition that its government implements a number of reforms.

It was mainly the agencies in the power and energy sectors that differed with the WB, said a finance ministry official. Besides, the authorities have difference of opinion about some macroeconomic issues and guidelines about economic zones.

The differences were raised in a meeting yesterday between Finance Minister AMA Muhith and the visiting World Bank Vice-President for the South Asia Region Annette Dixon.

The government plans to go ahead with the proposed reforms but would do that differently from the WB's suggestions,

Muhith told reporters after the meeting. "Some compromise has to be made here - it will be made somewhere."

The finance minister said detailed discussions on the matter will be held at the annual meeting of the WB and International Monetary Fund, due to be held next month at Peru.

"We have agreed to continue the discussions in Lima. We very much look forward to reaching an agreement with the Washington-based multilateral lender wants a pricing formula in place that would link both the petroleum and electricity prices with the production costs.

It wants the fuel price to be lowered now such that it becomes easier for the government later on to introduce the automatic pricing formula.

Muhith said the government has no plans to lower the price in the near future.

READ MORE ON B3

Mobile number portability gets PM's nod

MUHAMMAD ZAHIDUL ISLAM

Mobile phone users will soon be able to keep their current number even after they switch from one operator to another as Prime Minister Sheikh Hasina yesterday approved a guideline for it.

Called the Mobile Number Portability or MNP, the service will bring competition to the market and push it to maturity, according to telecom experts.

The service will empower the country's mobile users, said Tarana Halim, state minister for telecom, adding discussions will be started soon with the operators.

The service will most definitely be introduced in the next 3-4 months, she said.

Mobile operators had a mixed reaction to the news.

MNP is a much-awaited issue in Bangladesh, with its discussions dating as far back as 2008. The parliamentary standing committee on the telecom ministry too recommended the roll-out of the service several times.

As per an earlier draft of Bangladesh Telecommunication Regulatory Commission, an auction will be held to give out the MNP licence.

None of the current mobile operators will be allowed to participate in the auction. Fully owned foreign companies too are barred from participation.

READ MORE ON B3

Hide prices to be lower than last year

Tanners to announce prices Wednesday

STAR BUSINESS REPORT

Tanners plan to offer lower rates than last year to buy raw hides of sacrificial animals, due to a drop in demand for leather and leather goods in the international markets.

Globally, leather prices declined 30-35 percent year-on-year in 2015 as non-leather footwear items gained popularity.

Moreover, 40 percent of the raw hides that were bought during last Eid-ul-Azha have remained unsold at the tanners' warehouses due to low demand from buyers, according to Shaheen Ahmed, chairman of Bangladesh Tanners Association.

"The prices of raw hide will be lower than last year," Ahmed said after a meeting yesterday with Hedayetullah Al Mamoon, senior secretary of the commerce ministry.

The purchasing price for per square feet of raw hide at the field level will be announced on Wednesday.

The tanners will fix the prices as it is their business, said Manoj Kumar Roy, additional secretary to the commerce ministry, who was present in the meeting. The ministry will have no part in it.

The prices will be fixed in line with global standards so that the raw hides are not sneaked out of Bangladesh, Ahmed said, while urging the government to take measures to check smuggling during the upcoming Eid-ul-Azha.

Every year, some seasonal traders create a country-wide artificial crisis to purchase the skins of sacrificial



animals at low rates for smuggling to neighbouring countries. This happens mostly in rural areas.

Last year, the rate for per square feet of cowhide was fixed between Tk 65 and Tk 70 in Dhaka and Tk 60 and Tk 65 outside the capital.

It was initially feared that there will be a shortage of 10-12 lakh pieces of hides after India, the major cattle supplying country, had imposed a ban on exports of cattle to Bangladesh ahead of Eid-ul-Azha.

But cows are now arriving from India, so a crisis is very unlikely, according to the BTA chairman. The Eid-ul-Azha, when Muslims slaughter 60-65 lakh cattle, meets half of the demand for raw hides of tanners.

In fiscal 2014-15, exports of leather and leather goods crossed the \$1 billion-mark for the second year, according to data from the Export Promotion Bureau.

Bangladesh shipped leather and leather goods worth \$1.13 billion last fiscal year, making it the second highest contributor to national exports after garment.

Italy, the UK, Belgium, Spain, France, Germany, Poland, the US and Canada are the big markets for the sector. In recent years, exporters have done well in Japan, India, Nepal and Australia as well.

The country aims to export \$1.21 billion of leather and leather goods this fiscal year.

Bangladesh now caters to only 0.5 percent of the global leather and leather goods market worth \$215 billion, according to industry insiders.

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Yunus opens Jobra Museum

STAR BUSINESS REPORT

Nobel Laureate Prof Muhammad Yunus has set up a museum and archive in Jobra, a village which gave birth to a powerful lending system forty years ago that lifted millions of people out of poverty globally.

The Jobra Museum and Archive was opened on Saturday by the founder of Grameen Bank, which began its journey in 1976 as an experiment in the village located near the Chittagong University.

During his visits to the poorest households in Jobra in 1976, Yunus discovered that very small loans can make a disproportionate difference to a poor person.

Village women who made bamboo furniture had to take usurious loans to buy bamboo, and repay their profits to the lenders as traditional banks did not want to make tiny loans at reasonable interest rates to the poor due to high risk of default.

But Yunus believed that, given the chance, the poor can repay the money. He lent \$27 of his money to 42 women in the village from where he made a profit of Tk 0.50 on each loan.

Since then his revolutionary microcredit system has been copied around the world. It earned him and Grameen Bank Nobel Peace Prize in 2006.

Interesting feature of the event was the gathering of most of the former staff of the first branch of Grameen Bank as well as Prof HI Latifee who coordinated all the activities of Prof Yunus during early years, Yunus Centre said in a statement yesterday.

Prof Yunus narrated the story how it all began in Jobra with collaboration between the people of the village and an academic from the university.

He recalled the role played by the village youth and the elders in his initiative of creating Nabajug Tebhaga Khamar (New Three Share Farm) in 1974 for producing an irrigated crop in the village, to add a third crop in their crop cycle.

Prof Sekander Khan, former chairman of economics at Chittagong University, and ASM Mohiuddin, acting managing director of Grameen Bank, were also present.



Nobel laureate Muhammad Yunus opens a museum and archive in Jobra, a village in Chittagong, where he launched the microcredit system 40 years ago.

Govt plans to sign bandwidth deal with Italian firm at low price

Telecom Italia Sparkels offers to pay Tk 9.77cr

MUHAMMAD ZAHIDUL ISLAM

The government has approved a deal to sell a chunk of unused bandwidth to an Italian company at a price 65.6 times lower than the market rate. It was done without proper bidding or offering local players an option to buy it.

Bangladesh Submarine Cable Company Ltd or BSCCL received a go-ahead to sell its 57 gigabits per second bandwidth to Telecom Italia Sparkels for Tk 9.77 crore, the total amount for 15 years, which is the life of the submarine cable.

It means a megabyte per second (Mbps) of bandwidth will cost a mere Tk 9.52 a month, compared to the lowest local price of Tk 625. If it were to sell the 57 gigabits per second bandwidth in the local market instead of Italia Sparkels, the price would amount to Tk 641.25 crore.

Experts and local players who deal with internet bandwidth said it is an outrageously low price, and it is not acceptable that BSCCL is charging much less for exporting bandwidth.

BSCCL will receive an additional 3 percent of the sale price a year for 15 years as maintenance charge, according to the approved document. This will total Tk 4.4 crore but for that, BSCCL will lose control over the cable.

"It may look like a loss, but huge capacity is still unused. Whatever we can earn through the deal will benefit us," said Monowar Hossain, managing director of BSCCL, a state-owned company.

The approved price also meets international standards, according to Hossain.

Sumon Ahmed Sabir, chief strategy officer of Fiber@home Ltd, said: "This is an unbelievable price and we are ready to pay this price anytime. No need to sell it outside in the name of exports."

If they are given the chance, they would offer high speed internet at cheaper rates to their local users, he added.

Experts said BSCCL has set a double standard for exporting bandwidth: it has signed a deal to export 10 Gbps bandwidth to seven states of India at a price of Tk 9.36 crore a year, but they are going to ink a deal to export 57 Gbps for 15 years at a price of Tk 9.77 crore.

However, Hossain said the two issues are not comparable as they are only selling connectivity in the deal with Italy, but they have to add more components like international backhaul and transmission charges to export to India.

Mustafa Jabbar, former president of Bangladesh Computer Samity, said: "In the name of exporting bandwidth, we can't give it free. We should rather consider making it free for our students, which will directly benefit our country and the economy."

Currently, only 33 Gbps bandwidth is being locally used from BSCCL's capacity of 200 Gbps. But the country's demand for an additional 136 Gbps is being imported from six different Indian companies as local prices are higher.

Md Hasibur Rashid, chief marketing officer of NovoCom Ltd, suggests an open tender to sell the unused bandwidth.

Asked to comment on the matter, Tarana Halim, state minister for telecom, said she has no idea about it.

The BSCCL proposal was approved on August 23, but the deal has not been signed yet.

Earlier in February, Italia Sparkels proposed to buy around 90 Gbps at only Tk 16 crore, but the government had rejected it.

In June, Italia Sparkels revised its proposal and sought 10 Gbps for a year at a rate of \$14,000 a month.

The government approved the deal, but Italia Sparkels later backed out, said a senior official of the telecom division.

Bangladesh was connected to its first submarine cable or SEA-ME-WE-4 in 2006 at a cost of \$63 million; BSCCL earned the amount back in three years and whatever they are earning now is their profit, officials said.

Within two years, BSCCL will link up with its second cable or SEA-ME-WE-5 and obtain an additional 1,300 Gbps of bandwidth, said Hossain of BSCCL.

"We will have no shortage of bandwidth then."

Hossain said they are planning to sell out 20 Gbps of bandwidth each to Japanese company Nippon Telegraph and Indian company Bharti Airtel.

BSCCL also plans to export bandwidth to land locked countries such as Nepal and Bhutan.

Investors go slow ahead of Eid

STAR BUSINESS REPORT

Stocks opened the week slightly higher, as investors pursued a go-slow policy ahead of the five-day Eid holidays that will begin on Wednesday.

DSEX, the benchmark index of Dhaka Stock Exchange, rose 11.23 points or 0.23 percent, before closing the first day of the week at 4,830.68 points.

The market started with predictable moves just a few days ahead of Eid-ul-Azha, IDLC Investments said in its regular analysis.

"The market predictably swindled within a band with modest activities, focusing largely on scrips from the engineering sector," the merchant bank said.

Recent economic stagnation was further evidenced by low private credit growth of a mere 12.96 percent in July, which supported investors' reluctance to take a significant position in the market, it added.

Turnover, another important indicator of the market, fell 18.7 percent to Tk 418.02 crore on the transactions of 10.08 crore shares and mutual fund units. Of traded issues, 133 advanced and 145 declined, with 38 securities closing unchanged on the premier bourse.

Ifad Autos dominated the turnover chart with 16.56 lakh shares worth Tk 18.35 crore changing hands, followed by Islami Bank, BSRM Steel, Beximco Pharma and United Power Generation and Distribution Company.

Among the major sectors, engineering gained 0.83 percent in market capitalisation, followed by banks that increased 0.55 percent and fuel and power 0.51 percent.

Conversely, the telecom and cement sectors lost 0.85 percent and 0.6 percent respectively.

Powergrid was the day's best performer, gaining 6.52 percent, while Saiham Cotton was the worst loser with a 9.59 percent fall.

Chittagong stocks also rose marginally with the bourse's benchmark index, CSCX, increasing 21 points or 0.23 percent to finish the day at 9,007.48.

Gainers beat losers as 111 advanced and 105 declined, while 27 finished unchanged on the Chittagong Stock Exchange.