



BUSINESS

DHAKA WEDNESDAY NOVEMBER 18, 2015

Minister asks BTRC to take steps to lower internet prices

STAR BUSINESS REPORT

State Minister for Telecom Tarana Halim yesterday asked the telecom regulator to take steps to reduce internet prices, but increase speed and service quality.

During her first visit to Bangladesh Telecommunication Regulatory Commission (BTRC), Tarana urged officials to discipline the sector and attach importance to subscriber complaints.

"I want BTRC to do its job as a true regulator to create a real competitive market by ensuring a level-playing field for all operators."

Tarana held a meeting with the BTRC officials, where she inquired about its initiatives to ensure quality of telecom services and crack down on counterfeit handsets and illegal use of voice over internet protocol.

BTRC officials complained that the ministry officials show negligence in many of their recommendations.

The ministry would provide cooperation to empower the regulator, she added.

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More waiting time for GSP

Bangladesh will have to pass a series of reviews: US

REFAYET ULLAH MIRDHA

Bangladesh will have to pass a series of reviews to win back its trade privileges to the American market, said a senior official of the US Embassy in Dhaka yesterday.

The disclosure puts a damper on the hopes of the country, which has been expecting restoration of the generalised system of preferences (GSP) right after the second meeting of the Tifa, due to be held in the US capital on November 23.

"We have fulfilled all of the conditions given by the US. I am hopeful that we will get back the trade benefits soon after the meeting in Washington," Commerce Minister Tofail Ahmed had told a media briefing last week.

Restoring the GSP is a process and the process has only started with the visit of a team from the United States Trade Representative, the Obama administration's foreign trade negotiator, in September, said David Meale, deputy chief of mission of the US Embassy in Dhaka.

"We need to complete this process as we work together to restore the GSP."

The USTR team's visit was a step towards the review of the Sustainability Compact, which is slated for early next year, he said.

The Sustainability Compact is an agreement signed between the European Union and the Bangladesh government in July 2013 with the support of the International Labour Organisation to promote continuous

improvements in labour rights and factory safety in the country's garment and knitwear industries.

Later, the US joined the compact.

"The US is also a part of the compact and we will participate in monitoring the progress of compact implementation during the upcoming meeting," Meale said.

Although Bangladesh has progressed a lot with regards to factory inspections by the two foreign agencies -- Accord and Alliance -- few things are yet to be completed, he said.

The issues are: all the factories have not been inspected yet; remediation works have just started; lack of transparency in factory inspection reports; incomplete database of inspection; and the challenges faced by the Accord and Alliance.

Asked about Ahmed's comment that the signing of the Tifa is meaningless if the GSP is not restored, he said: "GSP is not everything, as Tifa has created a good platform for more bilateral trade and investment opportunities between the two countries."

The Trade and Investment Cooperation Forum Agreement that the two countries signed in November 2013 provides a platform for both the governments to discuss trade and investment issues, areas of cooperation and settle bilateral trade disputes through holding regular discussions.

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Regulator scraps licence of Standard Insurance

SAJJADUR RAHMAN

In a rare move in Bangladesh, the insurance regulator has revoked the licence of Standard Insurance on charges of violating the rules of mandatory reinsurance amounting to about Tk 46.5 crore.

The Insurance Development and Regulatory Authority (IDRA) took the decision on Wednesday; the cancellation of the licence came into effect on Sunday.

"Standard Insurance has been violating the law constantly. The insurer was given five months to correct itself, but it did not do anything visible," the IDRA said in a notice.

One of the allegations that prompted IDRA to revoke the licence is the insurer's failure to reinsure its three big policies.

Reinsurance, which is legally mandatory, refers to the act of an insurer buying insurance cover for its policies from one or more companies to share the risks.

After detecting the breach of rules, the regulator in June suspended its operating licence for three months, which was later extended by another two months. The regulator had also asked the company to explain within 30 days why its licence should not be revoked, but the company failed to satisfy IDRA with a response.

During this period of suspension, IDRA instructed the private insurer not to issue cover notes or insurance certificates. The company was also banned from new business activity.

"However, the insurer did business during the period of suspension, violating the regulatory authority's order," IDRA said.

Contacted, Amar Krishna Saha, chief executive of Standard Insurance, said he was disappointed with IDRA's decision.

"We're thinking about appealing against the decision," Saha told The

MAJOR CHARGES

It failed to reinsure policies worth over Tk 46.33 cr

The firm did business on credit and violating rules

It failed to take corrective measures during a period of suspension

IMPACTS

Around 300 employees will lose jobs

Policyholders will be affected

Stocks of the company to suffer

Daily Star yesterday.

The insurer can appeal to the government (ministry of finance) within 90 days of licence cancellation, according to the Insurance Act 2010. The insurer can also apply to IDRA for a review of the decision in 45 days.

Standard Insurance was incorporated as a general insurance company in November 1999 under the Companies Act 1994, and obtained registration from the Controller of Insurance in December 1999 under the Insurance Act 1938.

The insurer has 25 branches across the country and employs 300 people, excluding marketing executives who get benefits based on the business they can make for the company. These 300 employees will lose their jobs with the licence cancellation.

"If the company doesn't exist, how will we employ people and pay their salaries," said Saha, in response to a query made by The Daily Star.

According to IDRA, Kazipur Fashions, a garment company, bought fire insurance worth Tk 49 crore from Standard Insurance in August 2013.

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Stocks gain strength

STAR BUSINESS REPORT

Stocks continued to gain for the second consecutive session yesterday on the back of a gradual improvement in investor confidence.

DSEX, the benchmark index of the Dhaka Stock Exchange, rose 20.54 points or 0.45 percent, finishing the day at 4,496.35 points.

Although morning trade was a bit shaky, stocks bounced back from the early slide and showed moderate gains at the end, said LankaBangla Securities.

"All the major sectors rose with flat change in market participation as investors were gaining buying appetite with cautious optimism in the market," the stockbroker added.

Investors are remodeling their investment portfolios with new optimism, IDLC Investments said in its regular market analysis.

Turnover, another important indicator of the market, however, fell 3.23 percent to Tk 402.19 crore, with 10.32 crore shares and mutual fund units changing hands on the DSE.

Of the traded issues, 161 advanced and 107 declined with 38 securities closing unchanged on the premier bourse.

Saif Powertec dominated the turnover chart with 45 lakh shares worth Tk 31.83 crore changing hands, followed by Ifad Autos, Beximco Pharma, Olympic Industries and CVO Petrochemical Refinery.

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Dutch Queen Maxima visits a garment factory of Viyellatex Group in Gazipur yesterday. Brac Chairperson Sir Fazle Hasan Abed; Bangladesh Ambassador to the Netherlands Sheikh Mohammad Belal; Dutch Ambassador in Dhaka Leoni Margaretha Cuelenaere; Viyellatex Chairman KM Rezaul Hasanat; and Vice Chairman Ahsan Kabir Khan, are also seen.

IMF: spend more on cost-effective projects

STAR BUSINESS REPORT

The International Monetary Fund yesterday urged Bangladesh to increase public spending on cost-effective projects in power, transport and climate change adaptation as well as targeted social spending to maintain higher and inclusive economic growth.

The lender also called for steps to

strengthen the business climate such as streamlined tax, customs procedures and foreign exchange regulations, and continued progress in financial inclusion.

To create the fiscal space for increased public spending in critical areas, it is necessary to improve the tax revenues significantly, said Rodrigo Cubero, the mission chief of the IMF,

in a statement yesterday.

The statement came following a press briefing of the IMF at the finance ministry.

With the statement, an IMF staff team, led by Cubero, wrapped up its two-week visit to Dhaka, during which it held discussions on the 2015 Article IV Consultation with Bangladesh.

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GRAMEENPHONE PRESENTS DIGITAL MARKETING SUMMIT 2015

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