

ক্যাশ ওয়াকফ

ইহকালীন কল্যাণ ও পরকালীন মুক্তির হাতিয়ার

এসআইবিএল এর ক্যাশ ওয়াকফ ফিন
স্থান সম্পত্তির পরিবর্তে নগদ টাকায়
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Star BUSINESS

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Savers squeezed by low interest rates

SAJJADUR RAHMAN

Savers are now counting negative returns on their money once inflation and tax are taken into account.

Even the declining inflation rate could not protect the depositors from seeing their savings get squeezed or become negative in real terms.

Most of the banks now offer 5-5.75 percent interest against fixed deposits of one-year tenure.

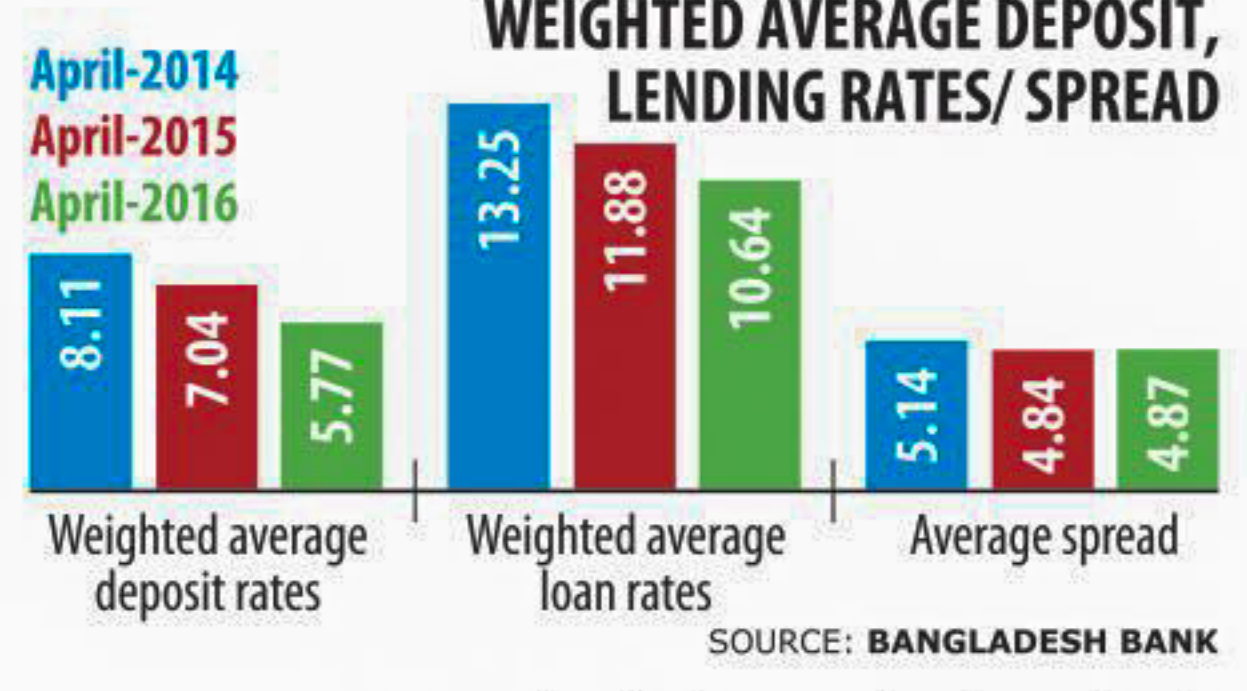
In other words, if a depositor keeps Tk 100,000 at a bank for one year, he will get a maximum of Tk 5,750 as interest earnings on the deposit.

And after deducting tax at 15 percent, the amount comes down to Tk 4,887.5, meaning the net interest income stands at only 4.88 percent.

If the depositor is a taxpayer with an electronic tax identification number, he will pay 10 percent tax and his net interest income will be Tk 5,175 or 5.17 percent a year.

The rule of thumb is that after tax, the rate of interest earned on savings must be greater than the rate of inflation in order for the money to actually be growing.

And in both the cases here, the depositors' returns are lower than the inflation



rate, meaning their money has lost value in real terms.

The latest government figure shows the monthly inflation rate went down to 5.45 percent in May. It means a product or service that cost Tk 100 in May last year now costs Tk 105.45.

Besides, the average inflation rate in the past one year -- from May 2015 to May 2016 -- was 5.97 percent.

The situation has hit the common people hard as on the one hand their cost of living is increasing and on the other hand their savings are worth less now.

Bankers blamed the squeezing return on deposits on the low demand for loans that has ultimately been fuelling the banks' excess liquidity.

They also said banks cannot raise rates to counter inflation-related loss to the customers.

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Petrobangla to pay \$90m a year to use LNG terminal

The terminal awaits nod from purchase committee

REJAUL KARIM BYRON

Petrobangla will pay about \$90 million a year to use the planned LNG terminal of US-based Excelerate Energy in Moheshkhali, as the government seeks to speed up the import of gas to meet growing demand.

The amount will be higher when taxes, value added taxes, insurance and other charges are included.

The power, energy and mineral resources ministry may place a proposal today on the use and implementation agreement of the liquefied natural gas terminal at the meeting of the cabinet committee on purchase.

In March this year, Petrobangla and Excelerate Energy signed an agreement to set up Bangladesh's first LNG terminal, known as a floating storage and re-gasification unit, on the Moheshkhali Island in the Bay of Bengal to handle imported LNG.

The unit will supply gas to Chittagong that has been facing an acute gas crisis for a long time now.

Bangladesh now produces 2,700 million cubic feet of gas a day against a demand of 3,300 MMCFD.

As per conditions, Excelerate Energy has set up a separate company -- Excelerate Energy Bangladesh Ltd -- that will supply 500 MMCFD of gas for 15 years.

Under the deal, state-run Petrobangla would be able to use the floating storage and re-gasification unit as an LNG terminal and it will have to be handed back after 15 years without any charge.

Petrobangla will have to spend \$1.56 billion a year to increase the supply of natural gas by 500 MMCFD.

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Teletalk gets Tk 676cr for network expansion

STAR BUSINESS REPORT

The government has taken a Tk 676-crore project to expand the 3G network of Teletalk to all upazilas, growth centres and educational institutions, and 2.5G network to all villages.

The project got the approval at yesterday's meeting of the Executive Committee of the National Economic Council.

To build the network, around 1,200 base stations will be set up and High Speed Packet Access will be installed to improve the existing 3G capacity.

Some 500 base transceiver stations (BTS) will be set up to improve the 2.5G network in rural areas.

To implement the project, assistance from the Chinese government was sought; but after the lack of a positive response, the government decided to run the project with its own resources, said a planning ministry official.

The project, once it is completed in 2017, is expected to bump up the state-run mobile operator's subscriber base by 17 lakh.

Teletalk will be able to compete with the market giants after the completion of the project, said Tarana Halim, state minister for telecom.

Teletalk received the 3G licence one year earlier than the other private operators, but the state-run operator could not play a big role in the market due to poor investment for network development, she

TELETALK NETWORK EXPANSION



- Around **1,200** base stations will be set up to improve 3G capacity
- Nearly **500** base transceiver stations will be set up to improve 2.5G network in rural areas
- The project will complete in 2017
- The operator expects to add **17 lakh** new subscribers after the completion of the project

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E-commerce site for NRBs goes live

STAR BUSINESS REPORT

An e-commerce site -- nrbbuysell.com -- set off its journey yesterday with the view to serving more than one crore non-resident Bangladeshis.

Finance Minister AMA Muhith inaugurated the "first global e-commerce site of Bangladesh" at a programme held at the capital's Bangabandhu International Conference Centre.

Muhith said the venture can help boost the country's exports.

"Without financial digitisation, corruption can't be reduced and I believe this new venture can play an important role here. That's why we want to boost this initiative."

The finance minister said he has a target to place a Tk 500,000 crore budget in the next two years, which cannot be fulfilled without financial digitisation.

The global e-commerce market is currently worth \$3 trillion. Bangladesh's e-commerce market, which is worth about Tk 1,000 crore at present, has a bright future, Muhith said.

At the programme, nrbbuysell.com served its first token order for Sajeed Wazed Joy, the prime minister's ICT affairs adviser, who lives in the US, along with six other NRBs.

Officials of nrbbuysell.com, where people can both buy and sell products, said they will be able to deliver Bangladeshi products to every city and town of the world.

Wholesalers will also be able to conduct their business on the site, they added.

The e-commerce site's main target would be NRBs mainly in the Middle East, said Dilara A Khan, chairman of the nrbbuysell.com.



AMA Muhith, finance minister, launches nrbbuysell.com, an e-commerce site, at Bangabandhu International Conference Centre in Dhaka yesterday. Zunaid Ahmed Palak, state minister for ICT, was also present.

Bangladesh has recently received name and fame globally for its ICT products, said Zunaid Ahmed Palak, state minister for ICT. "Now it's our turn to explore opportunities in e-commerce as well."

Termining the initiative an alternative to exports, Palak said: "We are focusing on our own products even in the services sector rather than acting as an importer or agent."

Globally, online purchases have

increased rapidly, said AK Abdul Momen, former permanent representative from Bangladesh to the United Nations. "So, there is no alternative to ensuring digitisation."

The NRB-focused e-commerce site has created more scope for the e-commerce industry, said Shameem Ahsan, president of Bangladesh Association of Software and Information Services.

But he demanded withdrawal of the proposed VAT on different segments of e-commerce services. "In the US, we can see that there is a tax holiday for the next ten years for e-commerce. Why are we not considering it?"

Jamaluddin Ahmed, a director of Bangladesh Bank, and Syed Mohammad Kamal, country manager of MasterCard, also spoke.

Tax collection target too high: analysts

STAR BUSINESS REPORT

The higher revenue collection target in the proposed budget for the next fiscal year will create a clash between the tax collectors and taxpayers, said a leading economist yesterday.

The government proposed collection of an additional Tk 45,000 crore as revenue in the budget, which will create burden on the businesses.

"This is why almost all the chamber and trade body leaders disagree with the proposed tax structure," said Akbar Ali Khan, an economist and former adviser to the caretaker government.

Following such clash, the expected investment from the private sector will be hampered.

As a result, the economy will suffer, Khan said in a discussion on the proposed budget at Brac University in Dhaka.

The clash between the tax collectors and taxpayers will also take place because of some ambiguities regarding the revenue collection in the budget proposal.

The collection of 15 percent value-added tax might create an inflationary pressure on the economy, he said, while calling for reduction of the VAT to 10-12 percent from 15 percent.

The former caretaker government adviser raised questions about the businessmen's motivations for lobbying against the proposed VAT law.

The VAT is paid by the consumers, he said. "Then why are the businessmen supporting a movement against the VAT law?"

Khan welcomed the government's intent to implement some mega projects with its own financing but questioned the quality of the work as corruption is rampant in the execution of such projects.

"Sometimes the standards of mega projects are so low that they become a burden for the economy."

He, however, questioned if some of the mega projects in the work are needed at all.

"Before taking the decision, the government should think whether there is any necessity for some of the mega projects. Implementing unnecessary mega projects is possible only in Bangladesh as the budget is not widely debated and discussed in parliament."

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GP moves to rein in cyberbullying

STAR BUSINESS REPORT

Grameenphone and its parent company Telenor have initiated a move to rein in cyberbullying by educating young internet users about the benefits of connectivity and how to deal with online threats.

Cyberbullying refers to electronic communication used for the purpose of bullying.

With 49 percent of school students in Bangladesh encountering or previously being involved with cyberbullying, education has become key to mitigating the growing online abuses rates, Grameenphone said in a statement yesterday.

Less than half of Bangladeshi school students choose to confide in parents and teachers when they face online bullying,

and the country sees a lower than average rate of consultation with adults compared to other markets in Asia, it said.

"Grameenphone and Telenor are dedicated to increasing internet safety for all, with an emphasis on youth," Nehal Ahmed, head of communications of the mobile operator, said in the statement.

"As an estimated 100 million young people will come online in Telenor's Asia markets by 2017, creating awareness around this topic is an important part of our efforts to actively reduce cyberbullying levels."

According to the statement, 134 million children in India will be online by 2017 and will enjoy access to a wide range of information and knowledge.

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