

# star BUSINESS

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আপনার সংসার গুছিয়ে দিচ্ছি আমরা

এসআইবিএল ইসলামিক কনজুমার ফাইন্যান্স

আপনার সংসার পোছানোর আসবাবপত্র, পিছা সামগ্রী, ইলেক্ট্রনিক ও অন্যান্য জোশপণ্য কেনার সুন্দর সমাধান দিচ্ছি আমরা।

• ফ্রি অনলাইন সেবা  
যে কোন প্রয়োজনে ০৯৬৯২০০৯২২



## Machinery imports more than double

SAJJADUR RAHMAN

Capital machinery imports more than doubled in the first quarter of fiscal 2016-17 from a year earlier on the back of the remediation works being carried out by garment factories.

Between July and September, letters of credit for import of capital machinery worth over \$1.8 billion, up for \$820 million a year earlier, according to data from the Bangladesh Bank.

The government infrastructure projects and expansion of steel mills and the food processing sectors also contributed to the spike in capital machinery imports.

"Garment factories, which are obligated to become compliant, are importing most of the capital machinery," said Syed Mahubur Rahman, managing director of Dhaka Bank.

More than 4,000 woven and knitwear garment factories are under pressure from their Western buyers to improve their workplace safety to international standards by June 2018. Otherwise, the buyers will cease to buy from the factories.

"Garment entrepreneurs are importing a lot of capital machinery either to upgrade or expand their existing factories," said Shafiqul Alam, managing director of Jamuna Bank.

Abdul Halim Chowdhury, managing director of Pubali Bank, echoed the same.

David Hasanat, managing director of Viyellatex Group, a major garment exporter from Bangladesh, bought safety machinery worth Tk 3.5 crore for a single

factory in Gazipur.

Each and every garment factory has to invest to improve factory safety conditions as per the suggestions of Accord and Alliance, the two Western inspection agencies, Hasanat added.

### IMPORT OF CAPITAL MACHINERY



Also, there is an allegation that businesses launder money in the name of importing capital machinery as there is duty benefit.

Businessmen have to pay only 1 percent duty for import of capital machinery, so a section of them show inflated prices, it has been alleged.

"If a businessman wants to import by overpricing capital machinery, we cannot stop it as there are many grades and qualities of products," said a managing director of a bank wishing not to be named.

He said import appears to be an easy route for money laundering; otherwise it is not possible for a Bangladeshi businessman to buy property worth \$150 million in Singapore.

As per law, capital cannot flow out of Bangladesh without prior approval from the central bank.

## Citycell pays Tk 100cr to BTRC for survival

STAR BUSINESS REPORT

Citycell yesterday paid Tk 100 crore to the telecom regulator -- a move which might help them avoid any further suspension of licence.

On November 3, the Supreme Court directed the operator to pay another Tk 100 crore to Bangladesh Telecommunication Regulatory Commission by November 19 or else its spectrum will be barred.

"We have complied with the court order and we are happy that we made the payment before the stipulated date," said Mehboob Chowdhury, chief executive officer of Citycell, the country's oldest mobile operator.

Citycell owes the BTRC Tk 477.69 crore, according to the telecom watchdog. But the operator disputes the figure.

It earlier paid Tk 130.19 crore to the BTRC along with Tk 14 crore as tax to the National Board of Revenue but it was not enough to save it from getting its spectrum suspended on November 6.

"We will now try to resolve the other issues and start planning a fresh start," the Citycell CEO said.

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## Grameenphone expands its market footprints

MUHAMMAD ZAHIDUL ISLAM

Grameenphone's share of active subscribers has expanded by 4 percentage points after biometric re-registration, cementing its position as the market leader.

Between January and August this year, the market saw active subscribers drop by 11.89 percent to 11.78 crore.

Out of the six operators, Grameenphone lost the lowest number of subscribers, according to data from Bangladesh Telecommunication Regulatory Commission.

It lost 21.72 lakh active connections, but its market share widened to 46.29 percent in August from 42.39 percent in January.

"Our customers put their confidence in the strength of our network and we are striving to remain relevant through affordable prices and easy to use services," said Yesir Azman, chief marketing officer at Grameenphone.

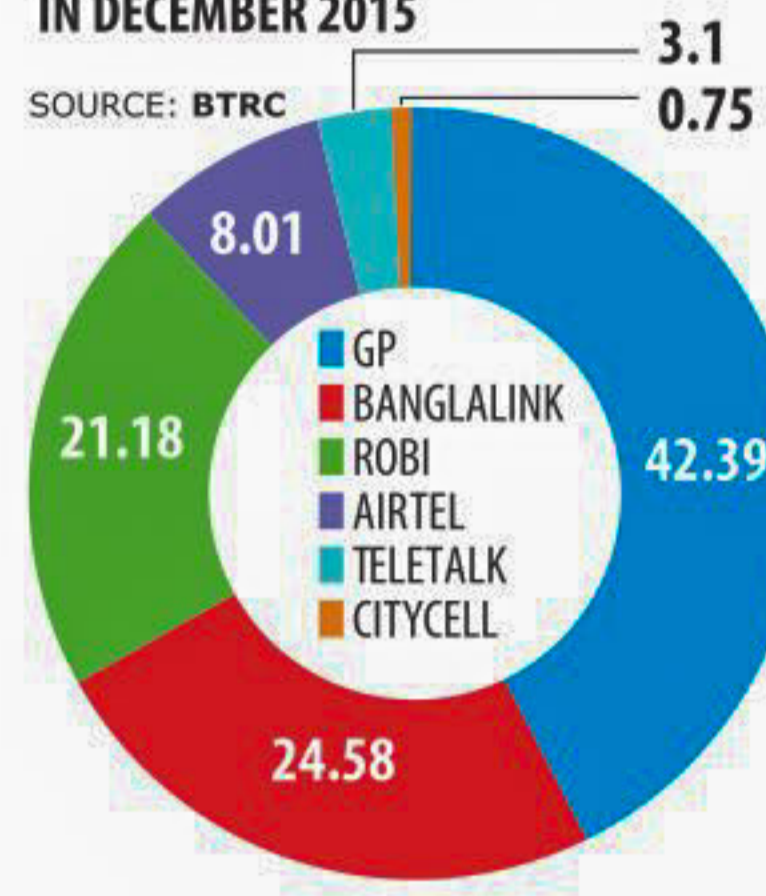
Grameenphone started the year with 5.67 crore active SIMs, which stood at 5.45 crore in August.

"We have invested heavily to expand the 3G network around the country and on complementing that network with useful digital services. All these efforts help us retain customers and encourage more to choose Grameenphone as their communication provider," Azman added.

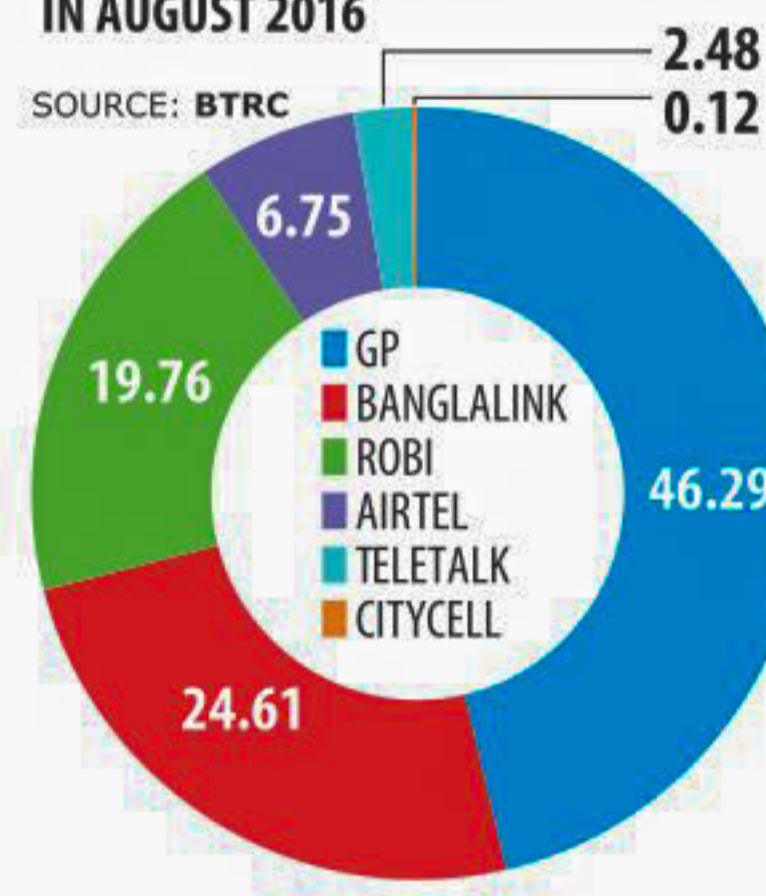
Banglalink, the second largest operator in terms of connections, holds a 24.61 percent market share, although it lost 38.88 lakh active connections over eight months.

As the third largest operator, Robi lost

### TELCOS' MARKET SHARE IN DECEMBER 2015



### TELCOS' MARKET SHARE IN AUGUST 2016



1.42 percent of its subscribers and its market share shrank to 19.76 percent.

Airtel, in the process of merging with Robi, lost 1.26 percent of market shares in the eight months, according to BTRC data. Robi started the year with 2.83 crore connections and reached 2.33 crore at the end of August. The two operators lost 78.21 lakh connections jointly.

Airtel started with 1.07 crore active SIMs, which fell to 79.43 lakh.

The biometric re-registration process also shook the lone state owned operator Teletalk as it had to block 12.18 lakh active connections. Currently, its market share stands at 2.48 percent, which was 3.1 percent before the re-registration process started in December last year.

Citycell, the oldest mobile operator in this region, consistently lost customers every month, and ended

up with 1.42 lakh customers after re-registration. The operator said it had 10.07 lakh active SIMs before re-registration.

At the start of the year, Citycell has a market share of 0.75 percent, which fell to 0.12 percent, according to BTRC's customer data.

Some officials of operators other than Grameenphone and Banglalink said the registration process destroyed the level-playing field, and strengthened the position of the top operators.

The process also brought about a shift in operators' revenue earnings, they added.

Grameenphone and Banglalink saw 11.2 percent and 4 percent revenue growth in the third quarter respectively.

Robi's quarterly report is yet to be published, while Airtel and the operators never made it public.

## Get ready for GSP Plus: EU

STAR BUSINESS REPORT

The European Union yesterday advised Bangladesh to improve labour standards, security, democracy, environment standards and freedom of expression to qualify for the GSP Plus status.

The suggestion came at a meeting between Commerce Minister Tofail Ahmed and Bernd Lange, chair of the International Trade Committee of the European Parliament, at the state guesthouse Meghna in Dhaka.

"This (GSP Plus) is of course really related to the question of freedom of expression, democratic development and security," Lange said at a media briefing after the meeting.

"So, we have to prepare for that even now because process is going on and time is limited."

He also suggested Bangladesh focus on fulfilling the requirement as early as possible, so that the EU agrees to award the GSP Plus soon.

Bangladesh is on track to receiving the GSP Plus status from the European Union when it graduates to the developing country bracket in 2021.

As a least-developed country Bangladesh has been enjoying zero-duty benefit to the EU under its Everything but Arms scheme since 1971. But once it becomes a developing country, Bangladesh will no longer be eligible for the privilege.

The GSP Plus scheme will be applicable for Bangladesh then, for which the country will have to fulfil some conditions. Strengthening workplace safety, improved labour rights, saving the environment and reduction of corruption are some of the major conditions for receiving the GSP Plus status from the EU.

A 14-member delegation of the International



Commerce Minister Tofail Ahmed speaks at a joint press conference with Bernd Lange, chair of the International Trade Committee of the European Parliament, at state guesthouse Meghna in Dhaka yesterday.

Trade Committee of the European Parliament, headed by Lange, came to Bangladesh to review the compliance status of the garment factories under the Sustainability Compact.

Bangladesh signed the Sustainability Compact with the EU in September 2013 committing to responsible business behaviour.

The delegation has visited factories to see the labour rights situation and workplace safety. They are optimistic that Bangladesh will qualify for the GSP Plus status as the country improved a lot in workplace safety and labour rights after the Rana Plaza building collapse.

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## Etiihad Airways celebrates 10 years in Bangladesh

STAR BUSINESS REPORT

Etiihad Airways celebrated its 10th anniversary of operations in Bangladesh yesterday.

Since the start of its operational journey in 2006, the Abu Dhabi-based carrier has flown about 1.5 million passengers to and from Bangladesh, and beyond.

"After India, Bangladesh is the second most important market for us in the Indian sub-continent," said Neerja Bhatia, vice-president, Indian sub-continent of Etiihad Airways, addressing a press briefing at Westin Hotel in Dhaka.

In response to a query on expansion, she said, "Expansion is a continuous process. But we are fantastic in offering our services both by us and our partner airline in Bangladesh that is Jet Airways."

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## Another round of fuel price cuts in the works

STAR BUSINESS REPORT

The government plans to cut fuel prices further but raise the tariff of electricity, said the finance minister yesterday.

The issue was discussed at the last meeting of the fiscal coordination council, Finance Minister AMA Muhith told reporters at the secretariat.

"There was a unanimous view at the meeting that if we reduce the price further it will be better for the economy," he said, after a meeting with a team of the International Monetary Fund.

The minister also said the government would adjust the electricity price.

"We will revise the electricity tariff -- it will go up. But if we cut the fuel price the rise in electricity tariff will not be that significant, even though it doesn't go down."

The tariff adjustment will only be considered after deciding on the fuel price cut, he said.

In September last year, the electricity tariff went up 2.93 percent. In April last year, the government cut the price of furnace oil by more than 30 percent to Tk 42 a litre, octane and petrol by Tk 10 a litre and diesel and kerosene by Tk 3 per litre.

After lowering the price in April, it now costs the Bangladesh Petroleum Corporation Tk 61.25 for producing a litre of octane, Tk 62.5 for petrol, Tk 49.25 for diesel and Tk 48.25 for kerosene.

Despite the cut, BPC makes a profit of Tk 27.75 a litre on octane, Tk 23.5 on petrol, Tk 15.75 on diesel and Tk 16.75 on kerosene.

The fuel price in the local market was cut after that of petroleum products went on a freefall in the international market from mid-2014.

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## Novoair to fly to Kolkata from Ctg on Dec 14

STAFF CORRESPONDENT, Ctg

Private airline Novoair is set to spread its wings to Kolkata from Chittagong on December 14.

The airline will operate three flights on the Chittagong-Kolkata route from December 14, Mofizur Rahman, managing director of Novoair, said at a media briefing yesterday at Hotel Agrabad in the port city.

It will also operate four flights on the Dhaka-Kolkata route from December 1. "Through these, we will connect Dhaka and Chittagong to Kolkata throughout the week."

The promotional fare on a two-way Chittagong-Kolkata ticket including taxes and surcharges will start from Tk 11,555, Mondays,

Wednesdays and Saturdays.

The promotional fare on a two-way Dhaka-Kolkata ticket including taxes and surcharges will start from Tk 9,999.

The airline will fly from Chittagong at 2:50pm and arrive in Kolkata at 3:35pm, while it will fly from Kolkata at 4:20pm and arrive in Chittagong at 6:05pm (local time).

Novoair has been operating flights on all domestic routes since 2013 and it had kicked off its maiden international flight on the Dhaka-Yangon route a year ago, said Sohail Mojid, head of marketing and sales.

The airline currently operates 38 flights on the Dhaka-Chittagong route.

## Russia moves to block LinkedIn network

AFP, Moscow

Russia's state communications watchdog said Thursday it had ordered internet providers to block the LinkedIn professional networking site after a court ruled it was breaching a law on storing users' data.

"The social networking site LinkedIn has been added to a register of violators... and submitted for blocking by internet operators," the Roskomnadzor watchdog said in a statement on its website.

The site, popular with job-seekers, could still be accessed on a cell phone in Moscow early on Thursday afternoon but several providers said they had blocked it. The hashtag LinkedIn was topping the trends on Twitter in Russia. LinkedIn, in a statement sent to AFP, said it was "starting to hear from members in Russia that they can no longer access LinkedIn."



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