

এসআইবিএল

ইসলামিক কনজুমার ফাইন্যান্স

আপনার সংসার গুছিয়ে দিচ্ছি আমরা

আপনার সংসার সোছানোর আসবাবপত্র, পিন্ধা সামগ্রী, ইলেক্ট্রনিক ও অন্যান্য গ্যোশপদ্য কেনার সুন্দর সমাধান দিচ্ছি আমরা।

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BUSINESS

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Telcos' investment falls, revenue up

MUHAMMAD ZAHIDUL ISLAM

Mobile operators' investment declined 6.18 percent last fiscal year, while their revenues increased 4.3 percent, according to statistics from the telecom regulator.

The six mobile operators altogether earned Tk 22,959 crore and invested Tk 5,317 crore.

Of the six operators, only Grameenphone and Citycell bumped up their investments in fiscal 2015-16, according to the Bangladesh Telecommunication Regulatory Commission's annual report.

Grameenphone led the charge in terms of investment in fiscal 2015-16, putting in Tk 2,276 crore, which is an increase of 21 percent from a year earlier.

Beleaguered Citycell, which did not make any investment in fiscal 2014-15, put in Tk 64.44 crore last year.

Grameenphone made significant investments during the period to expand 3G coverage and strengthen 2G network, said Sayed Talat Kamal, the operator's head of external communications.

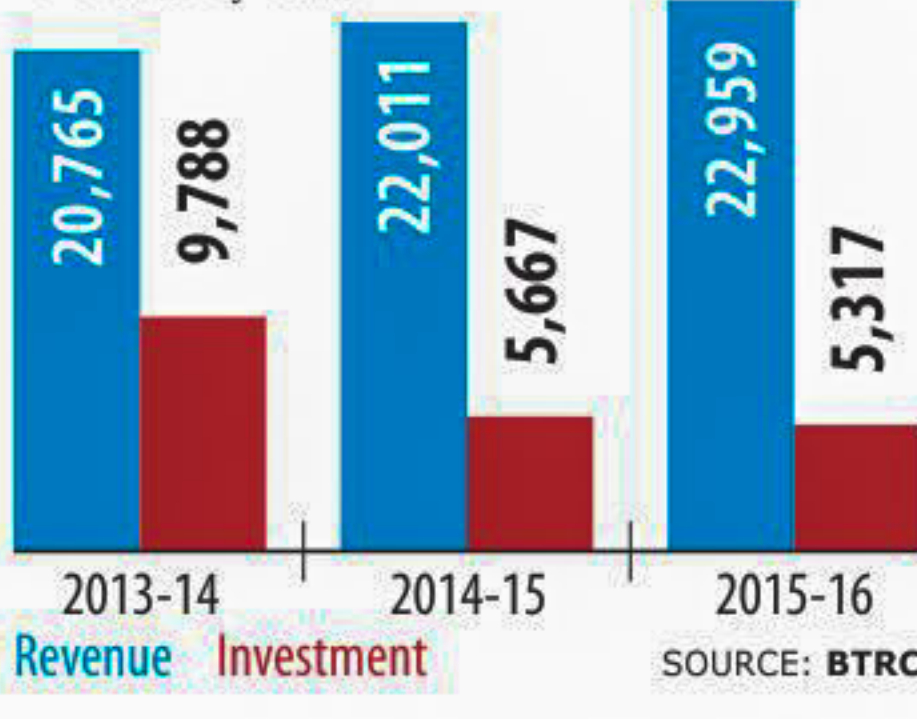
"This investment and the resulting network coverage has positively impacted customer experience and cemented our position as the number one network of the country," he added.

However, senior executives of other operators said the investment figures were much higher in the preceding three fiscal years than the last as a handsome amount needed to be paid for 2G licence renewal, to acquire 3G spectrum and subsequently build 3G networks.

"Now that we have covered almost all the geographic areas, the need for investment was not that much. But new investments will come soon for upgrading the network," said a top official of a leading operator.

OPERATORS' REVENUE & INVESTMENT

In crores of taka



SOURCE: BTRC

In terms of revenues too, Grameenphone was in pole position. Its revenues increased 5.72 percent to Tk 10,890 crore, which is 47.43 percent of the industry revenues earned in fiscal 2015-16.

Robi was the second largest operator in terms of revenue and investment in fiscal 2015-16. Its revenues stood at Tk 5,155 crore, up 1.9 percent year-on-year; its investment was Tk 1,644 crore, down 9.97 percent from a year earlier. Banglalink's investment declined 20 percent, while its revenue growth was flat at Tk 4,367 crore.

Airtel's investment declined 32.91 percent to Tk 253 crore, while its revenue increased 10.56 percent to Tk 1,490 crore.

State-owned Teletalk's revenues swelled 30.68 percent to Tk 984 crore but its investment slumped 83 percent to Tk 36 crore.

Senior officials of the lone state-owned operator said they are expecting the revenues to cross the Tk 1,000 crore-mark this year; investments too will increase.

Citycell was the only operator that found negative growth in revenue segment in fiscal 2015-16: its revenue slumped 46 percent to Tk 72.27 crore.

Costly nuclear power project to get final nod today

REJAUL KARIM BYRON

The Rooppur nuclear power plant project involving Tk 113,093 crore is set to get the green light today, making it the most expensive project in the history of Bangladesh.

In fact, the project's cost is more than the national budget of fiscal 2009-10, which stood at Tk 110,520 crore, according to the Economic Review.

The expenditure for the nuclear power plant is about one-third of the current fiscal year's budget of Tk 340,605 crore.

Russia's state export credit will account for Tk 91,040 crore or 80.5 percent of the total project cost, with the government chipping in with the remaining amount, according to the project's proposal.

For the Russian loan, the rate of interest will be 1.75 percent plus Libor and the loan has to be

repaid over 20 years with a grace period of 10 years. The interest rate will never be more than 4 percent, and the loan is neither concessional nor commercial.

Bangladesh has already received \$500 million for initial work of the 2,400-megawatt power plant project, which kick-started in July 2016. The project is expected to be complete by December 2025.

Russia's state-owned Rosatom State Atomic Energy Corporation will implement the project.

As per the plan of Rosatom, the main construction work will start in 2017. The first unit is expected to go into production in 2022 and the second in 2023.

The plant would use a new generation reactor that has a lifespan of 60 years with the option of extending it for another 20 years, according to a planning ministry official.

The reactor contains improved safety features, and its passive safety system is capable of working for 72 hours in case of any critical or emergency situation, the official added.

However, the Russian loan for the plant would be a major debt burden considering the current level of Bangladesh's foreign borrowing.

The country's debt burden is now \$18 billion, and at the current pace of external borrowing it will go up to \$30 billion in five years' time, according to an estimate of the finance ministry. It would balloon to \$42 billion if the Russian loan is included.

In 2009, the government had initially estimated that the nuclear power plant would cost between \$3 billion and \$4 billion.

However, similar plants are now being built by Russia in different countries with price tags ranging from \$10 billion to \$13 billion.

Current account slips into deficit after four years

REJAUL KARIM BYRON

The current account balance has slipped to the negative territory for the first time in four years due to remittance contraction and high import growth.

Between July and September this year, the current account deficit stood at \$504 million, which was \$1.66 billion in the surplus a year earlier, according to data from the central bank.

The last time the current account was in deficit was in fiscal 2011-12, when it was \$447 million in the negative. Since then, the current account never slipped into deficit at any point in time.

Remittance has remained a major source of foreign currency for the last 10-12 years. It slumped 17.71 percent in the first quarter of the fiscal year.

And remittance's downward trajectory continued: in the first five months of fiscal 2016-17, about \$966 million was received from expatriates, down 15.64 percent year-on-year.

The growing tendency of expatriates to send

money through illegal channels and the oil price crash have been blamed for the decline in official remittance figures.

The oil price slump, which dropped to a historic low in January, affected the incomes of Gulf Cooperation Council economies, from where Bangladesh gets the bulk of its remittance.

Among the Middle Eastern countries, a sizeable sum comes from Saudi Arabia and the UAE.

In the first five months, remittance inflow from Saudi Arabia slid 22.81 percent and from the UAE 20.61 percent.

Remittance from other countries dropped as well. For instance, after the Middle Eastern countries, the highest remittance comes from the US, and it plunged 35 percent during the period.

The incoming administration of president-elect Donald Trump has created uncertainty among Bangladeshi expatriates over their future, due to which they cut back on sending money home, said Bangladesh Bank officials.

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BALANCE OF PAYMENTS

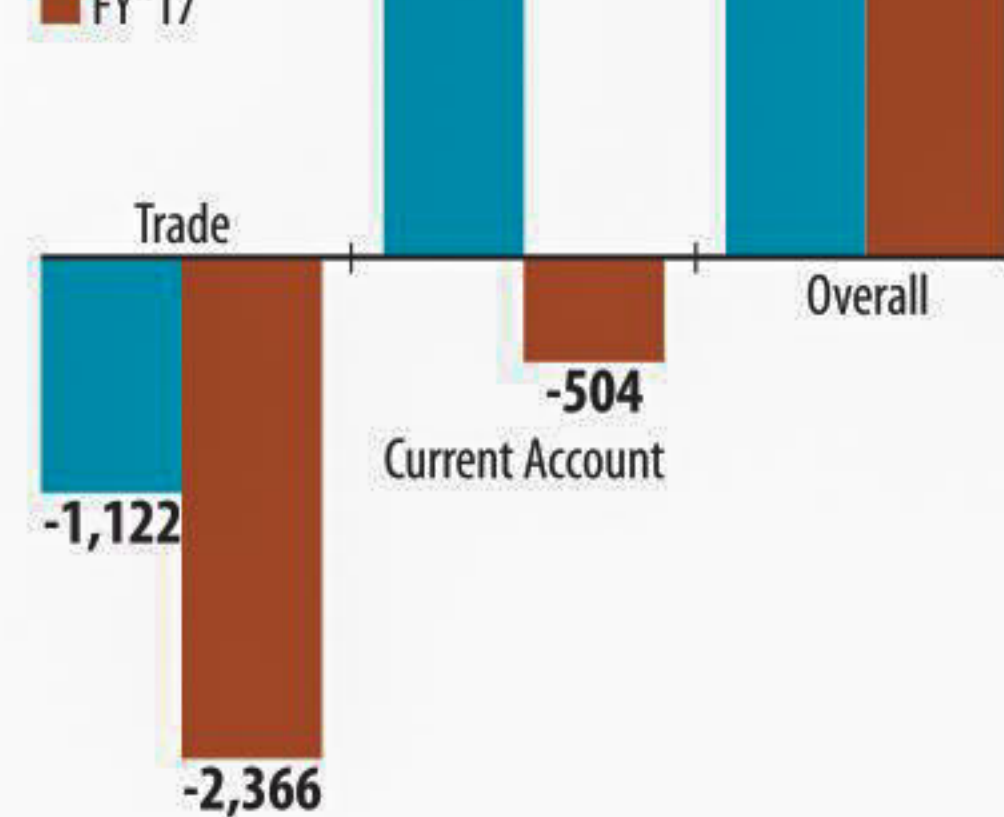
Jul-Sep

In millions of \$

SOURCE: BB

■ FY '16

■ FY '17



Another NBR move to check tax dodging

STAR BUSINESS REPORT

The National Board of Revenue has asked its field offices to form intelligence and investigation cell (IIC) in each zone to prevent tax evasion and net evaders.

The NBR directed field offices to send reports on unearthed cases of tax evasions every month to the headquarters, according to a notice issued on December 1 to tax commissioners.

"It is necessary to bring more dynamism and expand the activities of the intelligence and investigation to rein in tax dodging," the NBR said in the notice.

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Zunaed Ahmed Palak, state minister for ICT, attends an event where five startups of GP Accelerator programme -- BuzzAlly, Socian, Cramstack, Ghuri, and CMED -- presented their business ideas, at GPHouse in Dhaka on Sunday.

No more direct listing for private companies

STAR BUSINESS REPORT

Private companies cannot join the bourses under the direct listing system, a regulatory measure to protect the interests of investors as well as the capital market.

Direct listing is the process by which a company can be listed on a stock exchange without increasing existing paid-up capital or issuing new shares. Under the mechanism, a company can join a bourse just by offloading its existing shares to investors.

Bangladesh Securities and Exchange Commission in a regulatory notice last week directed the twin bourses not to allow any private company to be listed directly. Only the government companies or state-owned enterprises can apply the mechanism.

The regulatory directive comes after a private sector company, Aman Cement Mills, recently submitted a proposal to the premier bourse for direct listing, which was misused massively before the price crash of 2011.

A government probe committee had found that before offloading their shares in the market, some companies inflated their stock prices by misusing the bidding system under the direct listing.

The listing of companies with inflated prices affected the stockmarket, according to the probe committee report.

Khulna Power Company was the last private sector firm to join the Dhaka and Chittagong stock exchanges in March 2010 through direct listing; trading of its shares began in April that year.

Since the introduction of the direct listing system in 2006, five state-owned companies and five private sector companies joined the bourses by offloading shares.

The government entities are: Desco, Power Grid, Jamuna Oil, Meghna Petroleum and Titas Gas; and the private organisations are: Shinepukur Ceramics, ACI Formulations, Navana CNG, Ocean Containers and Khulna Power Company.

IGW operator gets more time to pay dues

STAR BUSINESS REPORT

Defaulting international gateway operator Apple Global Tel Communications got a lifeline after the High Court give it more time to clear its dues of Tk 120 crore to the telecom regulator.

On November 13, Apple Global saw its licence scrapped after it failed to pay its licence fee and revenue-sharing amount to the government. It filed a writ petition on November 27 in response. A court hearing took place on Sunday.

The court ordered Apple Global to pay Tk 60 crore of its dues to Bangladesh Telecommunication Regulatory Commission by December 31. The remaining Tk 60 crore will be cleared in equal instalments in the following six months. The telecom regulator will start the process of returning the licence once Apple Global pays the first instalment within the stipulated time, said a senior BTRC official.

Apple Global's licence was initially suspended for non-payment of dues but the company later sought to pay the outstanding amount in instalments, which the BTRC agreed to, he said.

"But the company failed to keep its promise. So, its licence was finally cancelled," the BTRC official added. In September 2013, the telecom regulator blocked operations of 10 IGW operators.

Of them, four started to pay their dues in instalments soon after, which prompted the BTRC to allow them to resume operations.

READ MORE ON B3

470 taxpayers filed income tax returns online

STAR BUSINESS REPORT

About 470 taxpayers, including Finance Minister AMA Muhith, filed their income tax returns online for the current year after the National Board of Revenue launched e-filing last month to ease taxpayers' hassles, an official said.

The scheme introduced on November 1 was also meant for increasing transparency and accountability in the tax department, and improving compliance among taxpayers to accelerate tax collection.

About 5,000 taxpayers collected user IDs and passwords from taxmen to get access to the online platform to file tax returns, the official said, asking not to be named.

Many taxpayers, who collected passwords, could not go for e-filing due to a lack of time, he said.

"But the number of submission will rise next fiscal year as more taxpayers would collect access IDs and passwords in the coming months," he said.

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BB directs banks to form sustainable finance units

STAR BUSINESS REPORT

The central bank has asked financial institutions to create a sustainable finance unit, to help the country achieve the sustainable development goals or SDGs.

The unit, which has to be formed in 45 days, will also take care of green banking and corporate social responsibility initiatives.

"With the formation of the sustainable finance unit, green banking unit and CSR cell in banks and non-bank financial institutions will be abolished," Bangladesh Bank said in a notice on Thursday.

The unit will be led by the chief of risk management division and a senior deputy managing director will chair the sustainable finance committee.

Green banking and CSR activities of banks and non-banks will be strengthened with the move, the regulator said.

The United Nations in September this year adopted 16 sustainable development goals or SDGs with 169 targets to guide the world tackle poverty, inequality, governance, climate change etc till 2030.

Bangladesh is a signatory in the SDGs,

which have replaced millennium development goals or MDGs in 2015.

Bangladesh has taken a strong move under the leadership of the Prime Minister's Office to implement SDGs successfully.

Bankers have welcomed the BB move and said the sustainable finance unit would make people conscious about environmental and social issues.

"Sustainability is not only an environmental issue. It also takes into account economic and social issues, labour practices, human rights, economic performance, community, society, corruption, corporate governance and responsibility regarding products and services," said Touhidul Alam Khan, deputy managing director and chief business officer of Prime Bank.

Khan, who is also the first Certified Sustainability Reporting Assurer in Bangladesh, also said without a sustainable business model, environmental and social issues will continue to badly impact economy and compromise future needs.

The BB initiative is a timely move toward implementation of SDGs and supporting the environment-friendly banking, he said.

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