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BUSINESS

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Shocks and setbacks, but economy stood tall

MD FAZLUR RAHMAN

By and large, 2016 will go down as the year of shocks and setbacks, but the Bangladesh economy stood tall: it continued its steady growth.

The central bank reserve hacking and the terrorist attack in Gulshan were the two major incidents in what was otherwise a tranquil year.

A New Year always starts with unpredictability as the future is always mystery.

Many feared that the political landscape might heat up on the occasion of the second anniversary of January 5 general elections that some major parties boycotted.

But there was no commotion surrounding the date, which came as a huge sigh of relief to the ordinary people.

The cyber heist of Bangladesh Bank reserves in February though jolted the country out of the stupor.


But the real shock came on July 1, when a group of young militants stormed into an upscale restaurant in the heart of the capital's diplomatic zone and brutally murdered a number of foreigners and locals.

The incident raised fears that it would eat into the country's booming garment export business.

But the fears were soon quelled as the government took tough measures to root out militancy from the country.

Towards the close of the year, Bangladesh Bureau of Statistics

LOOKING BACK



HIGH POINTS OF THE YEAR

Political stability

High GDP growth

Consistency in agriculture production

High exports growth

New highways, seaport

Inflation under check

Cuts in fuel prices

disclosed that the country's gross domestic product grew 7.11 percent in fiscal 2015-16, riding on double-digit growth of the industrial sector. However, some economists contested the figures.

There was consistency in agriculture production. Maintaining self-sufficiency in rice production was particularly notable given the total arable land available for farming is squeezing every year.

Exports, the driving force of the economy, surpassed expectations despite global slowdown and domestic challenges. The World Bank revealed that more people graduated from the poverty line.

The multilateral lender was so pleased with Bangladesh's achieve-

ments on poverty and hunger eradication that its president Jim Yong Kim himself came to Bangladesh to celebrate the End Poverty Day, which was introduced this year.

The WB updated Bangladesh's new poverty numbers at \$1.90 per capita per day in the 2011 purchasing power parity prices. It showed the number of poor in Bangladesh is much lower, but the historical trend is the same.

The government took on a host of big projects, with one of them being the Payra seaport in Patuakhali. The third largest seaport is expected to lessen the burden on the already-constrained Chittagong port.

The Dhaka-Chittagong Highway and Dhaka-Mymensingh Highway opened to public after years of delays, both of which have cut the travel time by at least four hours. The construction work for the first metro rail service in Dhaka has also kicked off.

The visit of Chinese President Xi Jinping was the most noteworthy as it took the bilateral relations between the two countries to a new height.

China committed soft loans for more than two dozen large projects, particularly related to infrastructure, energy and connectivity.

If the projects come to fruition, they would change the face of the country's infrastructure. In monetary terms, Dhaka may receive between \$21.5 billion and \$24.45 billion in loans from Beijing.

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Quick telecom bidding raises eyebrows

BTCL, through a 4-day procurement process, awards contract to Telephone Shilpa Sangstha to build undersea cable links

STAR BUSINESS REPORT

Public procurement from international sources is usually a lengthy process in Bangladesh. But Bangladesh Telecommunications Company Ltd (BTCL) has only taken four days to complete an international purchase to link the capital city with the country's second submarine cable, only to raise eyebrows from experts.

Within this time the state-owned telecom firm has sought an offer, received, evaluated, approved and

signed a deal, recording the fastest government procurement.

Moreover BTCL has received supplies from the seller, another state-owned company Telephone Shilpa Sangstha Ltd (TSS), violating court order. Legal experts termed it contempt of court.

Procurement experts said it is impossible to complete such an international purchase within four days as a number of time-consuming procedures are required.

Md Faruque Hossain, director-

general of the Central Procurement Technical Unit (CPTU) of the planning ministry, said there are five to six steps in procurement, and every step takes a few days to complete.

"In this case, we have found very fast procedural activities. It seems that there is some collaboration between TSS and BTCL officials," he said.

Hossain said though it was direct procurement it needs to give the supplier at least 14 days after seeking the offer.

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A decent year for capital market

SARWAR A CHOWDHURY

The capital market ended 2016 with hope and aspiration, as the index recorded an almost 9 percent gain in the course of the year.

A consistent rally, especially in the last two months of the year, enabled the key index of the premier bourse to stay above the 5,000 points level, yielding an 8.8 percent return for this year.

DSEX, the key index of the Dhaka Stock Exchange, closed the year with 5,036 points yesterday, the last trading of 2016, up from 4,624 points on the first trading day of the year.



Active participation of local and foreign investors and the psychological confidence were the main drivers of the market.

The market was consolidating round the year but the momentum picked up in the last three months and crossed the psychological barrier of 5,000 points.

"This current sentiment would only be sustainable if we overcome the hindrance from financial indiscipline and shortage of diversified products in our capital market," said Kh Asadul Islam, managing director of Alliance Capital Asset Management.

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International calls plummet 44pc

No plan to block free mobile apps: BTRC

STAR BUSINESS REPORT

Incoming international calls through the legal channel have slumped about 44 percent due to a rise in illegal call termination and growing popularity of free mobile apps.

On an average, incoming international call minutes stood at less than 70 million minutes a day, down from last year's 125 million minutes, said Shahjahan Mahmood, chairman of Bangladesh Telecommunication Regulatory Commission, yesterday.

This is causing the government huge losses in revenue every day, he said while talking to a group of journalists at his office.

"We have taken zero tolerance against illegal call termination," Mahmood said, adding that different measures were taken to curb it. At the same time, his team is working out the impact free mobile apps had on international calls.

"Definitely, mobile applications impact the call volume but we have no idea by how much. We need to measure it."

Not only Bangladesh, every other country in the world saw their voice call volumes drop as a result of mobile apps.

"But we have no plans to block the free mobile apps," he said, while calling for a clear-cut guideline on over-the-top (OTT) services from the revenue sharing perspective.

OTT is where a telecom service provider delivers one or more services across an IP network.

Incoming international voice calls declined 11.03 percent to 3,158.32 crore minutes in fiscal 2015-16, according to the BTRC's annual report, as free mobile apps like Viber, WhatsApp and Skype are fast becoming the chosen medium for communication.

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Sonia Bashir Kabir, managing director of Microsoft Bangladesh; Keshav S Dhakad, regional director, digital crimes unit, Microsoft Asia; and Arijit Roy, sales director, azure analytics and data platform, Microsoft Asia Pacific, pose for photographs on Banking Solutions Day organised by Microsoft at the Westin Dhaka hotel recently. Story on B3

Police detail suspicions of inside help in BB heist

REUTERS, Dhaka

A top investigator into the electronic theft of \$81 million from the Bangladesh central bank is turning his attention to some IT technicians from the bank whom he suspects hooked up its transactions system to the public Internet, giving hackers access.

In a series of interviews this month, Mohammad Shah Alam, a Bangladesh police deputy inspector general who is heading investigations in Dhaka, went into some detail about how insiders at Bangladesh Bank may have helped in the execution of one of the world's biggest cyber-heists last February.

For instance, Alam said he was focusing on why a password token protecting the SWIFT international transactions network at Bangladesh Bank was left inserted in the SWIFT server for months leading up to the heist. It is supposed to be removed and locked in a secure vault after business hours each day.

The failure to remove the token

allowed hackers to enter the system when it was not being monitored, first to infect it with malware and then to issue fake transfer orders, he said.

Alam's comments follow months of assertions by Bangladesh authorities that central bank officials were guilty of nothing more than negligence in the heist, in which hackers moved money out of the bank's account at the Federal Reserve Bank of New York and sent it to individual accounts in the Philippines.

Reuters could not independently confirm Alam's claims. He declined to name any of the suspects.

No one has been arrested and Alam did not provide any further evidence to back up his assertions.

Bangladesh Bank spokesman Subhankar Saha declined comment on the investigation. He said the bank has not been told of any plans to detain any of its employees.

The US Federal Bureau of Investigation, among the agencies involved, had no comment on Alam's claims. Interpol was not

available for comment.

A spokeswoman for SWIFT declined to comment.

Nearly 11 months since the audacious robbery that undermined confidence in the global SWIFT transactions system and sent tremors through the global financial community, there is no sign if any of the half-a-dozen investigating agencies involved are close to cracking the case.

No suspects in the Bangladesh central bank had been arrested, Alam said, because investigations were incomplete. They were under watch and their movements monitored, but he was awaiting "specific information" on any communications they may have had with the hackers or with those who received the funds.

Help has been sought from police in the Philippines, Japan, Sri Lanka and China, countries where the hackers are believed to have links, he said.

Bangladesh police had previously blamed a group of contractors hired by the SWIFT transactions network for making its

computer system vulnerable, a charge denied by the Belgium-based cooperative.

Alam said the investigation had instead shown that central bank IT technicians were most likely to have provided the inside help. Asked if he had any proof, he said: "There were a number of other things, which if the Bangladesh Bank people had not done, the hacking would not have been possible."

Alam said he believed the IT technicians connected the Bangladesh central bank's SWIFT network to the public Internet last year while linking the network to the bank's domestic payments system, the Real Time Gross Settlement System (RTGS). SWIFT is used only for international transactions.

Linking it to the Internet made the highly secure network accessible from any outside computer.

The work on linking SWIFT to the RTGS was supervised by SWIFT contractors but carried out by Bangladesh Bank technicians, Alam and a bank official said.

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India's Petronet to build LNG terminal under \$950m deal

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Petrobangla yesterday signed an initial agreement with India's energy company Petronet to set up an LNG re-gasification terminal on Kutubdia Island and a pipeline at an estimated cost of \$950 million.

Prabhat Singh, managing director of Petronet LNG, India's biggest gas importer, and Syed Ashfaquzzaman, secretary of state-run Petrobangla, signed the memorandum of understanding at the Petrobangla office in Dhaka, the Indian High Commission in Dhaka said in a statement.

Harsh Vardhan Shringla, Indian high commissioner to Bangladesh, and Nazimuddin Chowdhury, energy secretary of Bangladesh, were also present.

The agreement aims to set up liquefied natural gas infrastructure, which includes a land-based LNG terminal and a pipeline to carry the re-gasified LNG.

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Wheat acreage unchanged

SOHEL PARVEZ

Wheat acreage this winter is more or less the same as last year even though a large number of growers in the southwest switched to other crops this year.

Plantation of the second most consumed cereal stood at 4.43 lakh hectares of land this winter against the Department of Agricultural Extension's target of 4.45 lakh hectares, according to preliminary data.

The acreage was 4.44 lakh hectares last winter, according to the Bangladesh Bureau of Statistics.

Wheat area, which had been rising in recent years, has not expanded this season as many of the farmers in the southwestern districts switched to maize, vegetables and other crops to avoid losses for recurrence of the blast disease, said agricultural officials.

The outbreak was its first in Asia, and it affected 15,000 hectares of wheat fields in the southwest districts -- Jessore, Kushtia, Chuadanga, Jhenaidah, Meherpur, Barisal and Bhola -- last season, causing 30 percent average yield loss, said Naresh Chandra Deb Barma, director of Wheat Research Centre.

As a precaution, the DAE has discouraged farmers from growing wheat in those districts that were hit hard by the fungal disease last season.

"We have suggested farmers cultivate maize, pulses and other crops," said Chaitanya Kumar Das, DAE's director for field services.

"You will not see wheat on even one-tenth of the area this year," said Wasim Royal, a 32-year farmer at Darshana, Chuadanga.

He said wheat plantation covered one-third of the farmland in his village last year.

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