

আপনার বিআরটিএ ফি এবং সকল ইউটিলিটি বিল এসআইবিএল এর যে কোন শাখার মাধ্যমে জমা দিন

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যে কোন প্রয়োজনে ০৯৬২০০৯২২

Star BUSINESS

DHAKA WEDNESDAY FEBRUARY 1, 2017, MAGH 19, 1423 BS

GP announces record profit

STAR BUSINESS REPORT

Grameenphone logged in the highest profit in its 19-year history last year thanks to healthy growth in internet subscription and a reduction in operational expenditure.

The country's leading mobile phone operator recorded Tk 2,250 crore in net profit in 2016, up 14.16 percent from the previous year.

"For Grameenphone, 2016 has been a solid year with encouraging all-round business performance," said Petter Furberg, the operator's chief executive officer.

Data revenue continued its growth momentum along with the voice, he said disclosing the annual financial results at a press briefing in Dhaka yesterday.

Grameenphone's data revenue soared 69.7 percent year-on-year to Tk 1,442.45 crore in 2016. The user base expanded 56.1 percent.

Typically, voice revenue declines when data revenue increases, but this time Grameenphone experienced growth in both sectors. Its voice revenue grew 5.1 percent.

The operator ended 2016 with 5.8 crore active connections, up 2.2 percent from a year earlier.

Biometric verification might be a factor behind the growth, though other operators recorded a decline in their subscriber base.

Its gross revenue recorded 9.6 percent growth last year, reaching Tk 11,490, which is also the highest in its history.

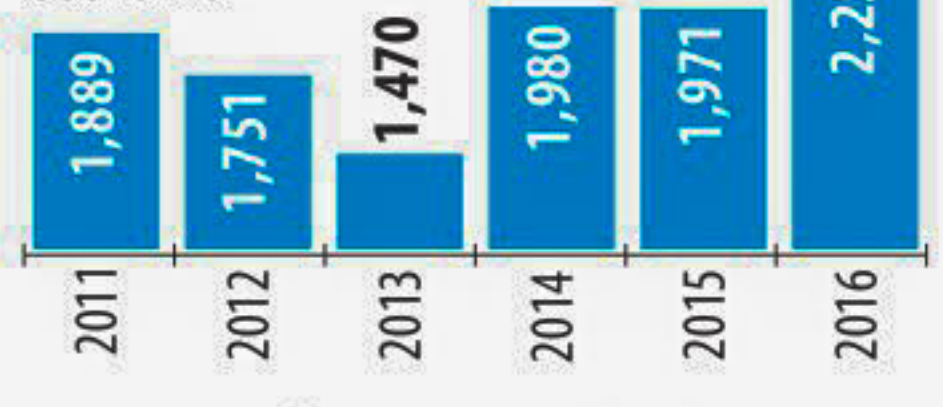
"It has been a wholly satisfying year for us," said Dilip Pal, chief financial officer of Grameenphone.

The operator will try to leverage the growth opportunities over the next couple of years.

"We believe the potential growth and

GP'S NET PROFIT

In crores of taka SOURCE: GP



operating efficiencies will help us drive future profitability for the company," Pal said.

The operator's earnings per share stood at Tk 16.68, down from Tk 17.34 in 2015. Grameenphone also announced 90 percent cash dividends for the July-December period to take the total dividend to 175 percent for the year.

In 2015, Grameenphone gave 140 percent cash dividends.

Grameenphone invested Tk 2,110 crore during the year to expand its coverage of both 3G and 2G networks, enhance capacity for catering to higher volumes of data and voice as well as enhance IT infrastructure. It also rolled out 90 percent of sites with 3G capability.

The country's lone-listed mobile phone operator, Grameenphone paid Tk 5,860 crore to the national exchequer, making it the largest contributor during the year.

On the Dhaka Stock Exchange yesterday, each Grameenphone share traded between Tk 302.3 and Tk 300, before closing at Tk 301.6.

Sponsors hold 90 percent stakes in Grameenphone, while institutional investors own 5.19 percent, foreign investors 2.4 percent and retail investors 2.41 percent.

Agriculture vital to poverty reduction: study

STAR BUSINESS REPORT

Agriculture plays a three times more powerful role than non-agriculture when it comes to poverty reduction, according to a joint study of the Brac and the UK's Department for International Development.

The study, which was unveiled yesterday, found that a 1 percent increase in agricultural income would reduce poverty by 0.39 percent. In contrast, a 1 percent rise in non-agriculture income will alleviate poverty by 0.11 percent.

"Agriculture demands high attention in future as far as poverty reduction is concerned," said Abdul Bayes, director of Brac Research and Evaluation Division.

Bayes presented one of the four papers of the study titled 'Strategic Agricultural Sector and Food Security Diagnostic for Bangladesh' at a seminar held yesterday at the Brac Centre.

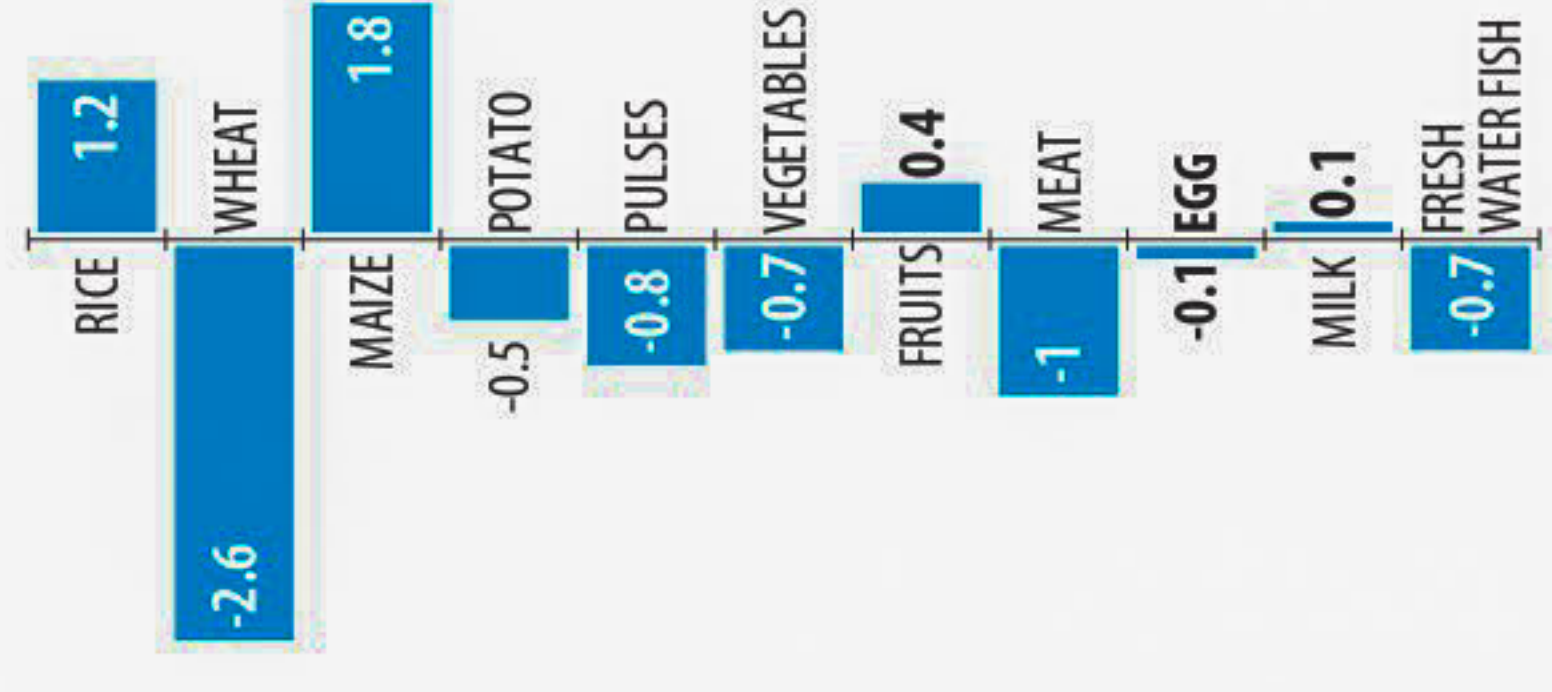
Subsequently, the government policy and support to agricultural productivity growth is essential for an effective poverty reduction and food security strategy.

The study also projected that Bangladesh might produce 38.7 million tonnes of rice by 2030 against the demand for 37.6 million tonnes, indicating a surplus of the staple.

Production of wheat, maize and non-cereal crops, especially potato,

FOOD SUPPLY PROJECTIONS BY 2030

Surplus (+), Deficit (-); In millions of tonnes



pulses, vegetables, fruits, eggs, meat, milk and fresh water fish will also rise but there would still be a deficit.

Citing the trend of diversification of consumption, he said calorie intake from potato, vegetables and animal products increased gradually between 1990 and 2010 and it will continue to rise between 2030 and 2050.

"We should shift our attention from predominantly rice to non-rice. Non-rice should get more priority so that we can have balanced growth," Bayes said.

Bangladesh's agriculture, particularly rice production, grew over the past decades for supportive policies for fertiliser and irrigation as well as liberalisation, said SM Fakhru Islam, a consultant, in another paper.

But agriculture today faces challenges -- scarcity of surface water for irrigation and a decline in groundwater level, arsenic pollution, yield gap and slow farm mechanisation -- for higher growth.

Augmentation of surface water for irrigation through development of water reservoir, reduction of use of ground water and adoption of water-saving technology is necessary.

He also stressed the need for acceleration of farm mechanisation and improvement of market linkages and development of the value chain to boost agriculture productivity and growth.

In a separate paper styled 'Competitiveness of Bangladesh Agriculture, Commercialisation and Value Chain', he said Bangladesh has comparative

advantage in rice production.

"It could export surplus rice and the farmer could earn higher return through access to international markets," he said.

To exploit the export potential, Bangladesh will need to enhance its supply side capacity, improve value chains and pursue a broad-based diversified agricultural production and export strategy.

The marketing of paddy has increased overtime despite farm size becoming smaller. Producers marketed 50 percent of rice in 2014, up from 26 percent in 1988.

The contribution of small farmers in rice production has also increased during the period, he said, adding that 30 percent of the marketed paddy comes from three-fourths of rural households who own up to one acre of land.

In a paper 'Diagnostic Study on Bangladesh Agriculture', Andrew Jenkins, coordinator of Impact Assessment Unit at Brac, said Bangladesh could earn more than \$1.8 billion in a period of about 18 years from exports of fresh and processed foods.

Subsequently, facilities for marketing, storage and information especially for perishable products should be extended he said.

Citing the value chain analysis, he said producers suffer from low productivity and low quality of inputs.

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BGMEA asks factory owners not to publish photos of sacked workers

STAR BUSINESS REPORT

Bangladesh Garment Manufacturers and Exporters Association yesterday asked factory owners not to display the photos of the workers sacked or suspended for their alleged involvement in labour unrest.

In December last year, factory owners fired or suspended 1,600 workers for their alleged links to unrest in the manufacturing hub of Ashulia. Some companies posted the pictures of those employees on factory walls for easy identification, said Siddiqur Rahman, president of BGMEA.

This suspension and subsequent identification of those workers were later heavily criticised by rights groups at home and abroad.

"I am requesting the factory owners not to display the photos of terminated or suspended workers, as the law doesn't support this practice," Rahman.

All suspended and sacked workers have been given their dues and salaries as per the labour law, as the units resumed operations after two weeks of deadlock,

he said. The BGMEA chief was speaking at an emergency press conference at the association's office in Dhaka to discuss the current situation as a volatile global situation and some domestic challenges are having an impact on the sector.

The growth of garment exports from Bangladesh declined 3.53 percent year-on-year in December last year due to a volatile global situation coupled with domestic challenges including the chronic crisis of gas and power.

Brexit, currency swings and the US elections have impacted apparel exports from Bangladesh, Rahman said.

In July-December this fiscal year, garment exports grew only 4.37 percent year-on-year to \$13.7 billion; at least 12.25 percent annual growth is required to achieve the export target of \$50 billion by the end of 2021.

Garment shipments to the UK, the third largest export destination for Bangladesh, decreased 5.19 percent as demand weakened in early signs of Brexit's impact on the British economy.



Siddiqur Rahman, middle, president of Bangladesh Garment Manufacturers and Exporters Association, speaks at a press conference at the association's office in Dhaka yesterday to describe the current situation of the garment industry.

Rahman said Bangladeshi exporters are worried as the Indian government recently launched several financial incentives for garment makers to revive

their apparel sector and increase export volumes worldwide.

"It is our request to the government to develop two separate garment zones -- one near Dhaka

and the other near Chittagong -- so that entrepreneurs can set up factories like in the special economic zones."

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Bangladesh moves to improve ranking in ease of business

STAR BUSINESS REPORT

Bangladesh has set an ambitious task of climbing in to the World Bank's top 100 ranking of economies in ease of doing business in the next five years.

In the last Doing Business report released in October last year, Bangladesh ranked 176th out of 189 economies across the world. Only Afghanistan (ranking 183) among the eight South Asian countries came in lower than Bangladesh, while Bhutan topped the list with the 73rd position.

So, Bangladesh has to jump at least 15 positions each year to reach its target.

Bangladesh Investment Development Authority or BIDA announced this plan at a press meet at Sonargaon Hotel yesterday.

"We have prepared an action plan after consulting with over two dozen ministries, relevant agencies and private sector stakeholders," said Kazi M Aminul Islam, executive chairman of BIDA.

The objective of this reform is to attract private investment, both domestic and foreign, which is vital to take the country to a middle income status by 2021 and high income by 2041, said Islam.

"If we can carry out the reforms, we are confident that Bangladesh will become one of the best places for investment," he said.

The reforms will be done in line with international best practices, added Islam, also a former top bureaucrat.

The ease of doing business report is based on 10 parameters, such as, starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency.

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VAT law should be clear and predictable: MCCI

STAR BUSINESS REPORT

The Metropolitan Chamber of Commerce and Industry yesterday called for a clear, stable and predictable VAT policy such that entrepreneurs can form their long-term business plans.

"There are concerns from the business community," MCCI President Nihad Kabir said at a workshop on implementation roadmap of the new VAT law.

The new law, called VAT and Supplementary Duty Act 2012, will become effective from July 1 and replace the existing VAT Act 1991.

will implement the new law through automation of the VAT system and VAT administration -- expected to boost revenue collection, reduce the hassle of businesses and improve transparency and accountability.

"There is no doubt that the new law will improve the NBR's performance," she said, while calling for uniform interpretation and application of the law for all taxpayers.

But the business community are concerned about the abolition of a wide area of tax exemption; withdrawal of the package VAT, truncated-base and tariff value systems; and imposition of uniform rate of VAT at 15 percent.

"Any challenge that arises in achieving this can and should be addressed through close cooperation between the tax administrators and taxpayers," Kabir said, adding that the MCCI is keen to help the NBR in this regard.

The MCCI, whose members mostly fall under the large taxpayers' category, said it has always encouraged the expansion of VAT coverage and reduction of the rate.

The new law has a broader coverage. Besides imports, production, trading and services, the VAT law will also cover import of services, immovable property, lease grants, licences, permits and rights facilities, she said.

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MONETARY POLICY REVIEW

FBCCI demands strict stance on loan defaults

STAR BUSINESS REPORT

The monetary policy for the second half of the fiscal year lacks a proper guideline on controlling the rising trend of loan defaults, the Federation of Bangladesh Chambers of Commerce and Industry said yesterday.

Banks' default loans stood at Tk 63,300 crore at the end of June last year and currently the amount is even bigger, said FBCCI President Abdul Matlub Ahmad citing a central bank report.

"The central bank should not remain concerned about the defaults only. It must be more bold in control-

ling the rising trend of non-performing loan ratio," he said at a press briefing at the federation's headquarters in Motijheel.

It is necessary to take immediate steps, and there should have been a proper guideline on NPLs in the monetary policy, he said.

In September last year, default loans accounted for 10.34 percent of the total outstanding loans, up from 10.06 percent in June that year.

But the central bank, while announcing the monetary policy on Sunday, said its supervisory vigilance on lending efficiency and risk management will continue to be strengthened,

with particular emphasis on transparent, accountable corporate governance and substantial reduction in loan defaults.

Referring to India's currency demonetisation, the chief of the country's apex trade body said the BB should also have a guideline in its monetary policy on how to bring the untaxed or undisclosed money to the main economy.

Ahmad also said credit with single-digit interest rate should be made available to all small- and medium-sized enterprises, which can bolster economic growth.

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