

Tsipras hits back at IMF, Germany over debt impasse

AFP, Athens
Greek Prime Minister Alexis Tsipras on Saturday warned the International Monetary Fund and EU economic powerhouse Germany to stop playing with fire over his country's debt problems.
Opening a meeting of his far-left Syriza party, Tsipras said he was confident a solution over repayments would be found, despite talks between Greece and its creditors ending in Brussels with no breakthrough on Friday.
Months of feuding with the IMF has rattled markets and raised fears of a new debt crisis, with Athens resisting pressure to cut public services any more than has already been agreed with creditors.
The Greek premier urged a change of course from the IMF.
"We expect as soon as possible that the IMF revise its forecast.. so that discussions can continue at the technical level," he said.
And referring to Germany's Wolfgang Schäuble, Tsipras called for Chancellor Angela Merkel to "encourage her finance minister to end his permanent aggressiveness" towards Greece and "stop playing with fire".
"The IMF is playing a game of poker by dragging things aside because it does not

want to blame the intransigence of the German minister," Tsipras said, criticising the "new absurd demands" targeted at Greece. The next meeting of eurozone ministers on February 20 -- is seen as an unofficial deadline ahead of important elections in Europe.
The row with its eurozone paymasters over debt relief and budget targets has also revived talk of Greece's place in the euro.
On Friday, Eurogroup chief Jean-Claude Juncker said progress had been made in the Brussels talks with Greek Finance Minister Euclid Tsakalotos and other EU and IMF officials. But he provided few details.
Athens faces debt repayments of 7.0 billion euros (\$7.44 billion) this summer that it cannot afford without defusing the feud that is holding up new loans from Greece's 86 billion euro bailout.
An IMF report obtained by AFP on Monday said Greece's debt "is highly unsustainable" and "will become explosive in the long run."
There has long been a split between the IMF and Europe over a demand by the eurozone that Greece deliver a primary balance, or budget surplus before debt repayments, of 3.5 percent of GDP. The IMF has said only 1.5 percent is feasible.

Apparel exports to US fall

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After the scrapping of the TPP, the export duty of 8.38 percent for the Vietnam to the US will remain the same, which will ultimately benefit Bangladesh, exporters opined.
Bangladesh now faces an export duty of 15.62 percent under the America's most favoured nations' category.
However, the retailers in the US have been predicting that the current year will go good for them as well as for the suppliers due to increased number of jobs.
Retail-industry sales are predicted to grow between 3.7 percent and 4.2 percent this year over 2016, the National Retail Federation (NRF) in the US forecast.
The retail business might be rankled by unpredictable consumer behaviour, Matthew Shay, CEO and president of the federation, said in a statement recently.
"With jobs and income growing and debt relatively low, the fundamentals are in place and the consumer is in the driver's seat," Shay said. "But this year is unlike any other—while consumers have strength they haven't had in the past, they will remain hesitant to spend until they have more certainty about policy changes on taxes, trade and other issues being debated in Congress."
Jack Kleinhenz, chief economist of NRF, also warned that federal policy shifts could shake up the forecast.
"Our forecast represents a baseline for the year, but potential fiscal policy changes could impact consumers and the economy," Kleinhenz said. "It seems unlikely that businesses will notably increase investment until tax reform and trade policies are well-defined."
The imposition of the proposed border tariffs between 35 percent and 45 percent as part of Trump's tax reforms would also have a bad impact on consumer spending in the US, according to the NRF.
NRF analysis indicates that the border tariffs could cost an average US family \$1,700 extra in the first year alone if the border adjustment provision is enacted.
Bangladesh's garment exports to the UK, the third largest destination for the Asian country, declined 5.19 percent year-on-year to \$1.53 billion in the July-December period of the current fiscal year.



Commerce Minister Tofail Ahmed speaks at the annual conference of Janata Bank at Pan Pacific Sonargaon Hotel in Dhaka yesterday. Bangladesh Bank Governor Fazle Kabir, Janata Bank Chairman Shaikh Md Wahid-uz-Zaman and Managing Director Md Abdus Salam were also present.



Bidyuth K Mahalder, chief of party at USAID-Agricultural Extension Support Activity project, and Md Sazzadul Hassan, managing director of Syngenta Bangladesh, attend the signing of a deal at Syngenta's corporate office in Dhaka yesterday to support smallholder farmers in the southern part of the country through A-Card, a debit card of Bank Asia.



Zakia Rouf Chowdhury, chairperson of Race, a motorbike brand, opens the first flagship showroom of the company at Gulshan 1 in Dhaka. Syed Tasneem Hayat, marketing manager, was also present.

Workers of lighter vessels continue strike

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Anarita arrived at the outer anchorage of the port on February 2 while Sarita Naree on February 6. Since last week, about 24,000 tonnes of wheat were loaded into 19 lighter vessels from the two mother vessels.
On Saturday, the wheat carrying lighter vessels anchored at the Bangla Bazar Ghat of the Karnaphuli river, but could not start unloading the goods due to the strike.
BSM Group Chairman Abul Bashar Chowdhury said not a single tonne of wheat could be unloaded from the lighter vessels till yesterday.
This will disrupt unloading from the mother vessels at the outer anchorage as well, he said. For each day of overstaying, a mother vessel pays \$12,000 in demurrage, he said.
The delay would also affect the quality of the food products in the vessels and disrupt the supply chain, he added.
Mahbub Rashid, executive director of Water Transport Cell, a private organisation that coordinates the schedules of lighter vessels, said 60 lighter vessels with about 70,000 tonnes of goods and commodities are stranded at the 16 ghats.
The goods include iron scrap, coal, limestone, sugar, triple superphosphate and wheat, he added. At a press conference on January 6, the association gave an ultimatum to the vessel owners that they would go on work abstention on February 13 if their demand was not met by then. But the workers went on strike ahead of their deadline.
The government on October 5 last year published a notification increasing the wages of lighterage workers to a minimum of Tk 9,650 from present Tk 6,900.
The pay hike was supposed to have been implemented within a month, said Shahadat Hossain, general secretary of the faction of Bangladesh Lighterage Sramik Union.
While some of the owners have increased the wages, most have failed to do so, he added. The country-wide strike would continue until their demand is met, he said.



Ahteram Uddin, chief operating officer of ProthomAlo Digital, and ANM Meshquat Uddin, vice chancellor of Southeast University, exchange the signed documents of a partnership deal, at the vice chancellor's office in Dhaka.

BB governor blasts state banks for high nonperforming loans

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The lack of collateral is the main barrier for SMEs to getting bank loans.
Kabir suggested the banks consider skills, training and education as intangible collateral for SMEs.
The BB governor also touched upon the issue of sliding remittance, which he blamed on the rise in popularity of mobile financial services (MFS) that come with lower transaction costs than Western Union, the standard channel for sending money from abroad.
In the first seven months of fiscal 2016-17, remittance stood at \$7.18 billion, down 16.9 percent from a year earlier, according to data from the central bank.
Last week, Abdul Matlub Ahmad, president of the Federation of Bangladesh Chambers of Commerce and Industry, brought to the fore the phenomenon of digital hundi.
Digital hundi is an illegal transfer of funds from abroad, in which the remitter deposits the amount to a vendor in his host country, who then instructs his network in Bangladesh to deposit the sum to the requested MFS account.
"We are losing out to the non-banking channel in the Middle East and Southeast Asia," Kabir said.
To send money through the official channel, the remitter has to take service from the Western Union, which charges high rates of commission. In contrast, the

commission rate is low through digital hundi.
Furthermore, it takes only half an hour to send money through digital hundi, according to Kabir. "That's why it is getting popular, much to our concern."
Kabir has summoned an exhaustive research of the illegal fund transfer channel from the Middle-East and South Asia, the findings of which are due in a month.
"We did not feel the pinch of the falling remittance as we have healthy foreign currency reserves. But we should always be careful," he added.
At the event, Nihad Kabir, president of the MCCI, requested the BB governor to review the Foreign Exchange Regulation Act, 1947 and its relevant guideline in light of the country's growing economy and foreign currency reserves.
The move would facilitate foreign trade and allow businesses to acquire technology and build research and development capacity overseas, she said.
In response, the BB governor said the central bank has no immediate plans to liberalise the capital account but it will loosen the terms and conditions for the 'export retention quota'.
The MCCI president also requested the BB governor to set the same limit for using the Export Development Fund for all sectors. At present, the limit for the garment sector is \$20 million and for others \$15 million.

NBR moves to boost VAT compliance

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The lottery is expected to be introduced as part of NBR's plan to implement the VAT and Supplementary Duty Act 2012 through automation of VAT systems and administration.
The latest law envisages a uniform 15 percent rate of VAT, doing away with the multiple rates that exist under the VAT Act 1991.
Hossain said consumers pay VAT, but they usually do not ask for a receipt. This creates a scope for VAT evasion, he added.
Officials said the lottery involves motivating and rewarding those who are part of the efforts to fight tax evasion. Officials said the lottery system prevails in many countries, such as Malta, the Philippines and Bulgaria, to boost tax compliance.
"The idea of introducing such a lottery is to make the receipt valuable to the consumer. If the receipt serves as a lottery ticket, consumers might have a reason to ask for it," according to a concept note on VAT lottery.
"Lotteries are designed to increase the issuance of receipts. This way, transactions are more likely to be part of the official economy and VAT can be collected."
In addition, VAT registered firms will be recognised with 'VAT Honour Cards' for their regular compliance under the new law. If a firm furnishes all the VAT returns for a year, the firm will be given the honour card, said Hossain.
Officials said the recognition will be given to boost submission of VAT returns through compliance. Nearly 30,000 firms submit VAT returns — a number that frustrates policymakers. The NBR aims to ensure 3 lakh VAT returns by 2020.
Businesses will have to use the VAT Honour Cards for various purposes such as participating in tenders, renewing bond licences, getting approvals for bank loans and registering land under the name of the VAT registered entity, according to VAT and Supplementary Duty Rules 2016.
The NBR official said the honour card will be issued automatically for compliant businesses from July 2018.

GP returns unused balance of blocked SIMs

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A top official of the regulator said all the operators have around two crore blocked connections and most of the accounts have unused balance, which will be worth a few hundred crores of taka. "We will try to realise the entire amount and it will be deposited with the state coffer," said the BTRC official.
While depositing the money, Grameenphone requested the regulator to allow it another number series; BTRC earlier decided to allocate '013' to add to its existing '017' number series. In August last year, BTRC had decided to allocate a new number series to Grameenphone with some conditions, as its existing '017' prefix is almost full.
But it changed the decision last month and formed a committee to explore the option of

reselling blocked SIMs. As of October last year, Grameenphone has 5.57 crore active subscribers out of the country's total of 12.74 crore.
Grameenphone, which was founded in 1997, needed to expand its number series twice -- first after hitting the 10-lakh landmark and later after reaching one crore subscribers. Among the current operators, Citycell is using the 011 series, Teletalk 015, Robi using 016 and 018 and Banglalink 019.
Meanwhile, BTRC also directed five other mobile phone operators -- Banglalink, Robi, Airtel, Citycell and Teletalk -- to deposit the unused balance of their deactivated SIMs before resale. The regulator also set seven days for it, otherwise punitive measures would be taken against the defaulter operators, said Alam.

IFIC Bank allowed to transfer \$12.28m

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If NB Bank performs well, it will be a positive branding for Bangladesh, he said, asking not to be named. The official hinted that the BB mulls over liberalising the foreign investment provision to allow local entrepreneurs to invest aboard.
Between 1994 and 2014, IFIC Bank transferred a total of \$26.18 million to Nepal and repatriated only \$1.39 million, according to a BB report. The report shows that the share price of NB Bank reached a highest of \$8 a share from \$4.77 in fiscal year 2015-16.
Had IFIC Bank sold its bonus share, it would have bagged over \$32 million -- enough to buy the rights shares. Moreover, the bank will be able to repatriate over \$23 million into

Bangladesh. However, IFIC's stakes in NB Bank would come down to 30.99 percent.
At present, IFIC has controlling power of NB Bank, taking up three posts of the seven-member board. If IFIC sold the bonus shares, it would lose one spot from the board and control of the bank as well.
Shah Md Moinuddin, deputy managing director of IFIC Bank, confirmed to The Daily Star about the BB's approval to transfer the money to Nepal. "We were able to convince the Bangladesh Bank that the investments will be good for us," Moinuddin said, adding that the NB Bank has been expanding fast and making profits as well.
NB Bank counted \$11.23 million as profit in fiscal 2015-16.

1st Managers' Conference-2017
Barisal Region, Barisal
41 February 2017

Chief Guest: Mr. Md. Abdul Halim Chowdhury, Managing Director & CEO, Pubali Bank Ltd.

Special Guest: Mr. Md. Iul Alam Khan Chowdhury, Additional Managing Director, Pubali Bank Ltd.

Pr. : Mr. Md. Tahaman, Head of Region, Barisal

Pubali Bank Managing Director Abdul Halim Chowdhury attends the bank's first managers' conference for 2017 of Barisal region.

16th Annual Sales Conference
Deepplaid Pharmaco Limited
Venue: Skycity Hotel, Siddheshwari, Dhaka. Date: 11 February, 2017

Chairman and Managing Director of Deepplaid Pharmaco Ltd Habibur Rahman, Directors Shahena Rahman and Abdul Latif Haulader and Chief of Marketing HM Saifullah attend the 16th annual sales conference of the company in Dhaka.