

New CEO of BRACNet



STAR BUSINESS DESK

Zahir Ahmed has been appointed as the new managing director and CEO of BRACNet, an internet service provider. Ahmed has an illustrious career spanning over 38 years in the international banking and telecom sectors at home and abroad, according to a statement. Prior to joining BRACNet, he was the managing director and CEO of Bangla Tel Group for over three and a half years and CEO of Mir Telecom for more than four and a half years. Ahmed completed his MBA in 1978 from the Institute of Business Administration of Dhaka University.

Case filed for abuse of bond facility

STAR BUSINESS REPORT

The Customs Intelligence of the National Board of Revenue yesterday filed a case against a company on allegations of duty evasion through abuse of the zero-duty import benefit under the bonded warehouse privilege, according to a press release.

The case has been filed against FL Packaging with the Customs Bond Commissionerate (CBC) Dhaka on allegations of a duty evasion of Tk 3.66 crore.

Moinul Khan, director general of Customs Intelligence and Investigation Directorate (CIID), said the firm was given permission to import raw materials duty free to make accessories for exportable garments.

"But inspection at the factory revealed that the raw materials were sold in the local market, in a violation of the rules." Customs Intelligence detained a covered van at Bakshi Bazar in Dhaka early last month. The van went there after releasing goods from Chittagong Customs, instead of the factory premises.

Later, a team of CIID inspected the factory and analysed the bond register at CBC, Dhaka, and found discrepancies. The press release said no stocks of PVC sheet, polypropylene and adhesive tape were found in the factory at the time of inventory.

But as per the bond register, these items were supposed to be in stock on the factory premises.

On the other hand, the stock of art cards and paper was found to be higher than the balance shown in the bond register, said CIID.

It shows that the firm was releasing goods in the domestic market without making export items with the raw materials imported duty free.

CIID said it was a violation of customs law and bonded warehouse licensing rules.

The company could not be reached by phone for comments.

Anti-euro plan 'to cost France 30b a year'

AFP, Paris

Marine Le Pen's pledge to ditch the euro if elected French president would cost the country over 30 billion euros a year in increased borrowing costs, the country's central bank governor warned Monday.

With less than three months to go before the first round of the election Le Pen is polling strongly on a nationalist platform of heavily curtailing migration, relinquishing the euro and organising a referendum on France's EU membership.

Banque de France governor Francois Villeroy de Galhau said that pulling out of the single currency would drive up the cost of France's borrowing.

"If we were alone, we would be helpless faced with financial market speculation... and helpless faced with US pressure on the dollar," he told France Inter radio.



Mashuk Huck, chairman and CEO of Sanmar Properties, receives a gold medal and crest from Mosharraf Hossain, housing and public works minister, at the inauguration of REHAB Chittagong Fair 2017 on February 8. The company got the award for its contribution to the housing sector.

SANMAR PROPERTIES

DR Congo's street food mushrooms as crisis grows

AFP, Kinshasa

In crisis-hit Democratic Republic of Congo, people in the capital increasingly turn to street hawkers to feed themselves and their families cheaply, but the makeshift option is often not a hygienic one.

From civil servants and students, to construction workers and parents with their children, hungry Kinshasa residents depend on so-called malewas, or street food sellers, whose numbers have grown as the economy has worsened.

"Here, I eat my fill for under 2,000 Congolese francs (\$1.1, one euro)," said Jose Bangamba, a 29-year-old taxi driver.

Leaning over a plate of chicken in gravy, which cost him just 1,500 francs, Bangamba also tucked into a side dish of fufu, a traditional recipe made from cassava flour that cost 400 francs.

"In a normal restaurant, this meal would have cost me at least 10 times more. How can I possibly afford that?" he said. DR Congo has been mired in political and economic unrest for years.

A fall in commodity prices that hit the country's mining industry, leading to mass job losses, sparked a crisis in mid-2015.

The slump in production left the government without a much-needed source of revenue. The situation has been further compounded by high inflation after a fall in the Congolese currency. Since December, the political crisis has also worsened, with

President Joseph Kabila refusing to step down despite his mandate coming to an end. Though the vast central African nation is rich in mineral wealth and water, it has long been one of the continent's poorest nations and rising unrest has only deepened the economic malaise.

For the past year and a half, malewas have become massively popular in Kinshasa, home to 10 million people.

And it isn't just those looking for a cheap meal who are turning to malewas; it is also housewives like Marie Aloka Hioma, who have started selling hot food in front of their Kinshasa homes.

Better known as Mama Marie, the 48-year-old mother of eight said she set up her malewa six years ago "to pay my children's school fees".

Customers for her malewa stand in line from 5:00 am every day, waiting to be served from pots of fish, chicken, meat and pondou, a local dish made from cassava leaves and vegetables.

Mama Marie, who serves all the customers herself, does not know how many people come in a day.

"A hundred or so, I guess," she says, standing under a parasol by her makeshift food stand, stuffing the cash she makes into a handbag slung over her shoulder.

For the past seven years, Mama Annie has been running a similar business just a couple of streets away.

Most of her profit, she says, goes "to

my children, to buy them shoes" and clothes.

Papi Bula Mbemba, a 49-year-old regular who works for a pest control company, comes to Mama Annie's every day. "You get the best prices here. Malewas really do offer the people of Kinshasa the solution they need," he said.

But these cheap meals often come at the cost of hygiene.

Bangamba, the taxi driver, says some malewa owners use unwashed plates and glasses.

Customers also run the risk of diseases such as typhoid, diarrhoea and even cholera as malewas are often located near rubbish dumps and polluted water tanks.

"Worsening living conditions force the population to eat what they can afford," said Benjamin Kewngani Mavard, director of DR Congo's public hygiene service.

Warning of a "growing public health problem", Kewngani conceded it would be "impossible" to shut down all the malewas. "We have to improve them," he said, adding that authorities would seek to raise street food vendors' hygiene awareness.

Mama Marie said that, while others may not be up to standard, her food was clean.

"I eat what I cook, and so do my husband and children," she said, as she washed her plates and cutlery.

"I don't want people to fall ill. I want them to come back the next day."



MI Cement Factory Ltd (Crown Cement) signed an agreement with Northern TOSRIFA Group for supplying cement to the ongoing projects of Northern TOSRIFA Group. Mohammed Jahangir Alam, chairman of MI Cement Factory Ltd, and Naim Hassan, managing director of Northern Corporation Ltd and group director of Northern TOSRIFA Group, were present at the signing ceremony.

Smartphone imports soar 46pc

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Walton, another local brand, imported about nine lakh smartphones, to round off the top three spots.

"Our handset market is still dominated by feature phones, but smartphones will rule in future," Mahubb said.

The importers are expecting that smartphones will account for 60 percent of the total mobile imports in 2017 and 80 percent in 2018, according to Mahubb.

"Although the sales of smartphones in 2016 did not meet expectations, we are optimistic about this year," said Rezwanaul Hoque, general secretary of BMPIA.

He went on to tip the smartphone market to treble in the next five years.

The official smartphone import figure would have been higher: a big chunk of the smartphones that are sold in Bangladesh enters the country through the illegal channels.

For instance, almost 90 percent of the Apple handsets available in the market at present are brought into the country through illegal channels and 40 percent of the Samsung handsets, according to Mahubb.

The reason for the big chunk of illegal smartphone imports is that there is about 25 percent tax to be paid if brought in through the legal channel.

"If the government reconsiders the tax issue then smartphone penetration will be

huge over the next few years," the BMPIA president said.

In 2016, the government logged in Tk 1,300 crore in duty and value-added tax from mobile phones.

"We can give the government this amount of money if they reduce the tax even more as sales will increase then," he said.

Meanwhile, many local and international companies have shown interest in establishing an assembly line in Bangladesh but are put off by the tax structure, said Mohammed Mesbah Uddin, joint secretary of BMPIA.

Symphony and Walton, although registered as local companies, source their handsets from China and do not have any production facilities in Bangladesh.

Currently, the average price of a smartphone in Bangladesh is about Tk 3,000, and it is Tk 1,000 for basic and feature phones.

Bangladesh's mobile phone industry got a boost in 2012 and 2013 -- especially in the smartphone segment -- after the roll-out of 3G services.

In 2012, only 3 percent of the total mobile imports were smartphones, which climbed to 7.88 percent in 2013, 19.7 percent in 2014 and 21 percent in 2015, according to BMPIA.

Raquibul Kabir, senior vice-president of BMPIA, and ATM Mahubbul Alam, treasurer of the association, were also present at the event.

EU's Moscovici heads to Greece for debt talks

AFP, Brussels

Top EU economic affairs official Pierre Moscovici heads to Athens for talks with Greek Prime Minister Alexis Tsipras on Wednesday in an effort to unblock bailout negotiations.

Months of failed talks between Athens and its eurozone and IMF creditors have alarmed markets and raised fears of a new debt crisis that could again jeopardise Greece's place

in the euro. "Intensive meetings are taking place and I will myself visit Athens on Wednesday," Moscovici told reporters in Brussels on Monday. The former French finance minister said he would meet with Tsipras as well as Finance Minister Euclid Tsakalotos during the visit.

Moscovici, who is considered an ally of the Greek government, said that all sides should avoid any needless instability, calling Greece a potential "success

story". "We cannot, just like that, bring a crisis to the recovery in Greece amid global uncertainty," he said.

Tsipras on Saturday warned that the International Monetary Fund, as well as headline Germany, should "stop playing with fire".

Talks on Friday between Athens and its creditors failed to end the stalemate, though Eurogroup head Jeroen Dijsselbloem said substantial progress had been made.

Lighter vessel workers' strike enters third day

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Two lighter vessels, with about 3,000 tonnes of wheat are waiting at the Chanmari Ghat of Karnaphuli for unloading, said Rabintra Das, general manager (trading) of TK Group. Unloading was supposed to be the day the workers went on strike, he added.

"Goods reimagining idle in the vessels translate into economic losses from various fronts. If this situation lingers, production would also be hampered."

According to Water Transport Cell (WTC), a private organisation that coordinates the schedules of lighter vessels, some 60 lighter vessels with about 70,000 tonnes of goods and commodities are stranded at the 16

ghats along the Karnaphuli river.

The goods and commodities include iron scrap, coal, limestone, sugar, triple superphosphate and wheat, they added.

In addition, around 30 mother vessels are waiting at the outer anchorage with about 9 lakh tonnes of goods as of yesterday, they added.

AKM Shamsuzzaman, vice-president of Bangladesh Ship Handling and Berth Operators Association, said the unloading of goods from the mother vessels at the outer anchorage is also being hampered since Sunday due to the strike.

"We are to face huge losses for the stalemate," said BSM Group Chairman Abul Bashar Chowdhury.

On February 12, President of

Chittagong Chamber of Commerce and Industry Mahubbul Alam wrote a letter to Shipping Minister Shajahan Khan seeking an initiative to stop the ongoing strike.

Due to work abstention, unloading of commodities, fertiliser and raw materials for industries remained stop at the 16 ghats of Karnaphuli, CCCI President mentioned in the letter. If this continues, it will have a negative impact on the economy as the import, export activities are affected, he added.

Meanwhile, 14 lighter vessels that have implemented the wage hike will remain functional from now, said Sheikh Md Ichha, president of the Bangladesh Lighterage Sramik Union, yesterday evening.

Ex-chief of Spain's central bank charged over banking scandal

AFP, Madrid

The former head of Spain's central bank was charged Monday for allegedly allowing the troubled Bankia bank to list on the stock exchange in 2011 "despite repeated warnings... that the group was unviable."

Miguel Angel Fernandez Ordóñez, in charge of the central bank from 2006 to 2012, was charged over the failed listing, which saw small investors lose millions of euros in investment, as was the former president of Spain's CNMV market regulator Julio Segura, a court order revealed. Bankia was bailed out in May 2012 less than a year after its listing, and is accused of misrepresenting its accounts ahead of the flotation.

Rodrigo Rato, a former economy minister and ex-IMF chief who headed up Bankia at the time of its listing, has also been charged over the scandal.

BB asks banks to inform clients before raising lending rate

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They have also been instructed to mention it in the loan agreement. If the client wants to pay off the entire loan amount within a month due to the rise in lending rate, they can do so without being charged the early settlement fee.

In case of late payment, the fee should not exceed 2 percent plus the lending rate.

Banks have also been advised not to take blank cheques as security against any loan due to the rise in forgeries.

GP fined for false offer

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Later, the customer was informed through a text message that the bonus data would expire within seven days and could only be used in between 2am and 12pm, not the entire 28 days.

He had contacted Grameenphone's customer care centre then, but they did not give any solution, Mamataz said.

Sadiq wrote in the complaint to the director general of the directorate that Grameenphone lured him with false advertisement and by concealing information. The complainant, Sadiq, will receive 25 percent of the fined amount, in line with the law.

When contacted, Grameenphone's Head of External Communications Sayed Talat Kamal said, "We are in the process of assessing the rule and we reserve all comments till then."

Officials of the telecom regulator said they did not receive any complaint from Sadiq.



Bangladesh Bank has signed agreements with South Bangla Agriculture & Commerce (SBAC) Bank Ltd to facilitate fund for a long-term financing under the "green transformation fund for export-oriented textile and textile products and leather manufacturing industries" at the BB office recently. SK Sur Chowdhury, deputy governor of BB, and Md Rafiqul Islam, managing director and CEO of SBAC Bank, were present.

'Significant uncertainty' about fiscal policy under Trump: Fed's Fischer

REUTERS

US Federal Reserve Vice Chair Stanley Fischer said there was significant uncertainty about U.S. fiscal policy under the Trump administration, but the Fed would be strict in meeting targets of creating full employment and getting inflation to 2 percent.

Speaking at the Warwick Economics Summit on Saturday, Fischer also said he thought Dodd-Frank financial regulation would not be repealed as a whole, and he hoped capital requirements for banks would not be significantly reduced. "There is quite significant uncertainty about what's actually going to happen, I don't think anyone quite knows. It's a process which involves both the administration and the Congress in deciding fiscal policy," Fischer said, in response to a question.

"At the moment we're going strictly according to what we see as our responsibility according to the law, which is maintaining full employment and getting inflation to 2 percent."