Star BUSINESS

DHAKA WEDNESDAY OCTOBER 25, 2017, *KARTIK 10, 1424 BS*

FDI hit record $2.45b last fiscal year

AKM Zamir Uddin

Foreign direct investment hit an all-time high of $2.45 billion in fiscal 2016-17 on the back of a surge in equity investment by mobile phone operators.

The inflows are an increase of 22.54 percent from a year earlier, according to data from the Bangladesh Bank.

The telecom sector saw the highest inflows of $594 million, followed by textile and garment at $360.35 million and power at $334.26 million.

Last fiscal year, $701 million flew in from the Singapore, $314 million from the UK, $208 million from the US, $187 million from Norway, $178 million from South Korea, $112 million from Hong Kong, $95 million from India and $90.04 million from the Netherlands.

The central bank calculates the FDI in three categories: equity, reinvestment of earnings and intra-company loan.

Last fiscal year, equity capital or new investment shot up 99.13 percent to $1 billion.

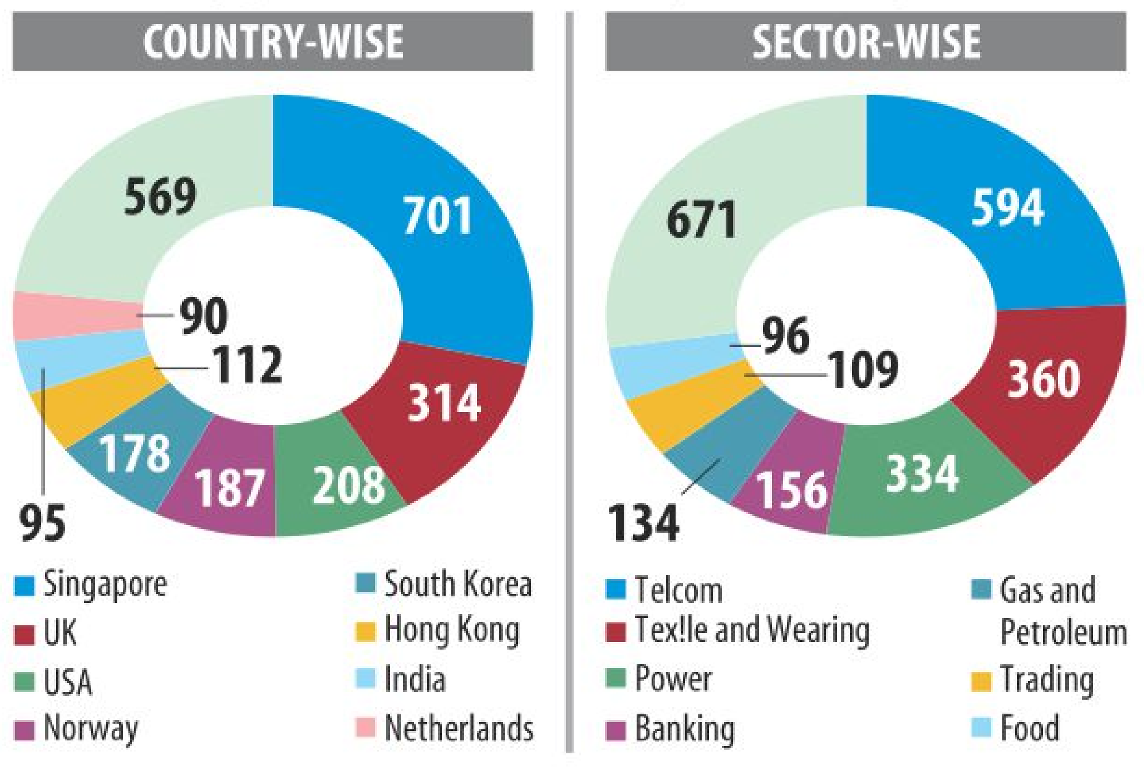
"Some mobile phone operators brought in a significant amount of equity capital last fiscal year. This had a positive impact on the net FDI flow," said a BB official.

Reinvestment of earnings by existing foreign companies also edged up 8.70 percent last fiscal year to $1.25 billion.

"It is a positive indicator for the country's private sector that the foreign companies have not repatriated their profit abroad -- they are raising their investment."

FDI INFLOW IN 2016-17

figures in million dollar (Total 2.45b)



READ MORE ON B3

BB grills NRBC Bank CEO over loan scandal

Star Business Report

Bangladesh Bank has grilled NRB Commercial Bank's Managing Director Dewan Mujibur Rahman on charge of his alleged involvement in a number of loan scandals.

A BB standing committee started interrogating Rahman in a personal hearing at the BB headquarters on October 16 and completed the process yesterday, a central bank official confirmed The Daily Star requesting anonymity.

If Rahman fails to give convincing answers, the central bank would remove him from the post as per the law, the official said.

Last year, the central bank inspection teams found that Rahman was allegedly involved in disbursing loans worth over Tk 700 crore violating the credit norms.

READ MORE ON B3

EXPORT OF JUTE GOODS

India snubs pleas against anti-dumping duty

Sohel Parvez

An Indian court has dismissed appeals against an anti-dumping duty imposed on Bangladesh's jute goods, dampening the spirits of domestic millers and exporters.

The Customs, Excise and Service Tax Appellate Tribunal of India on October 9 gave the order, rejecting the appeals filed by five local millers and the Jute Products Importers Association of India against anti-dumping duty for jute goods shipments from Bangladesh.

The anti-dumping duty ranges between $19 and $352 per tonne.

"This is bad news for us," said Moniruzzaman Monir, managing director of Pride Jute Mills, one of the five millers to have appealed against the anti-dumping duty early this year.

The other mills are: Anwar Jute Spinning Mills, Sagar Jute Spinning Mills, Sidlaw Textile Bangladesh and Sharif Jute Mills.

"We have been exporting jute products to India for a long time. We will not be able to do business now due to the anti-dumping duty," Monir added.

The Indian revenue authority had slapped the duty on January 5 based on a report of the Directorate General of Anti-Dumping and Allied Duties (DGAD) of India.

The DGAD launched an investigation based on complaints from the Indian Jute Mills Association that Bangladeshi exporters were selling jute products at prices lower than those of India's domestic market.

As part of the investigation, a DGAD team visited some factories in Bangladesh and collected data, including export prices of shipped products to India and sales prices in the domestic market.

In its final report in October last year, DGAD came to a conclusion that goods were being dumped and the imports were "undercutting and suppressing the prices of the domestic industry".

It said Indian jute producers were failing to compete with the imports, as Bangladeshi jute growers got 10 percent cash incentive.

Later, the five mills appealed to CESTAT for the review. The Bangladesh government also raised the issue with the India authority on several occasions and requested reviewing the decision.

READ MORE ON B3

Select TCB dealers as per MPs' advice

Says JS body

Star Business Report

A parliamentary body yesterday suggested giving out dealerships of the Trading Corporation of Bangladesh to individuals as per lawmakers' recommendations so as to ensure "accountability and transparency".

The parliamentary standing committee on commerce also asked the ministry concerned to inform it of the number of persons who had become TCB franchisees in this manner.

The committee's lawmakers also expressed disappointment over the price hike of onion, saying the daily essential item was presently selling at Tk 50 per kilogramme.

"As lawmakers we do not know who had been given dealership of TCB in our areas," said lawmaker Sanowar Hossain, who was present at the meeting.

READ MORE ON B3

Western Marine builds two ships for Indian firm

Staff Correspondent, *Ctg*

The shipbuilding sector of Bangladesh has an immense opportunity to work with India as the neighbouring country is set to expand water-based cargo movement targeting huge growth in infrastructure development.

India's current government has given importance to bringing a model shift in the transport of cargo from road to rail and rail to water, said BVJK Sharma, chief operating officer and joint managing director of JSW Infrastructure, a concern of Jindal Group.

"We are now planning to use the largest ships possible for the river and coastal routes," he said, adding that India is losing about $45 billion annually for not using its waterways enough for transporting cargoes.

Sharma's comments came on Monday at the handover ceremony of two bulk vessels made by Bangladesh's leading ship builder Western Marine Shipyard for JSW Jaigarh Port Ltd, the first deep-water private port in Maharashtra.

READ MORE ON B3

WESTERN MARINE

These two red coloured bulk carriers, JSW Pratapgad and JSW Raigod, were handed over to JSW Jaigarh Port Ltd of India at a ceremony at Hotel Agrabad of Chittagong on Monday. The builder, Western Marine Shipyard, says these are the largest vessels made in Bangladesh and the first ones to be exported to India.

TRADE CORRIDOR

ADB gives $1.2b for 2nd phase

Star Business Report

The Asian Development Bank (ADB) yesterday approved $1.2 billion for the second phase of upgradation of the Dhaka-Northwest international trade corridor in Bangladesh.

"Bangladesh has good prospects of becoming a regional trade hub, if the country's transport infrastructure can be improved to bring down transport costs and make the sector more competitive," said Dong Kyu Lee, unit head of project administration in ADB's South Asia Department.

"To further these aims, the project is expected to significantly boost trade and prosperity along the trade corridor route, the second busiest artery in the country."

In the second phase, the 190-km section from Elenga through Hatikurul to Rangpur will be improved.

Road operation and management in the roads and highway department will also be strengthened, the Manila-based donor said in a statement. It also said there would be further work on issues such as road safety and gender responsive features to make the highway user-friendly to women.

Studies have shown that women particularly use the route on foot or slow-moving vehicles such as rickshaws, so the project will include footbridges, footpaths and lanes for slow moving traffic to make their travel safer, ADB said.

The total cost of the project is $1.67 billion, of which the government will meet $472.6 million.

ADB's financial assistance will be delivered through a multi-tranche financing facility, with the first tranche comprising a regular loan of $250 million and a concessional loan of $50 million.

READ MORE ON B3

MFS providers oppose new pricing model for short messages

Muhammad Zahidul Islam

The mobile financial service providers are opposing the session-based pricing model for the Unstructured Supplementary Service Data (USSD) that allows banking services from one's basic feature phone without the need for internet connection.

Bangladesh Telecommunication Regulatory Commission proposed a charge of Tk 0.85 for a 90-second session, which will include the cost for two text messages.

If the new model is introduced it will ward off the five crore customers from the MFS platform, said market leader bKash. Rocket, the second largest MFS provider, echoed the same.

It will also hurt the financial inclusion agenda of the government, the MFS providers said.

However, the mobile operators said it will not create any extra burden on customers and will instead help bring clarity and transparency to the sector.

At present, the MFS providers charge 1.85 percent of the transaction amount for over-the-counter transactions, and a Tk 5 service fee for account-to-account transfers.

The MFS providers are delivering the services by piggybacking on the mobile operators' network and for that they share 7 percent of the revenue with the carriers.

But in the last few years, the mobile operators have been complaining that the MFS providers were delivering different services free of charge, putting pressure on their network.

Subsequently, they are now calling for session-based charges.

"If the session-based USSD pricing is introduced, the MFS customers will have to bear the high transaction fees regardless of successful or unsuccessful session use," said Md Monirul Islam, chief external and corporate affairs officer of bKash.

Moreover, the charges would apply on some of the services that are now offered free of cost such as balance check, statement check, pin reset and so on, he added.

Abul Kashem Md Shirin, managing director of Dutch-Bangla Bank, the parent company of MFS provider Rocket, said they are now paying Tk 0.20 on average to mobile operators for every successful transaction.

"If the government goes on to implement something like a session-based USSD pricing model it will definitely impact the sector -- we will have no option but to pass it on to customers."

READ MORE ON B3

Dhaka stocks continue bleeding

Star Business Report

Dhaka Stocks continued its losing streak yesterday amid dividend declarations by some companies for June.

The prime index—DSEX—lost 13.93 points or 0.23 percent to close at 5,968 yesterday although the daily turnover increased 2.4 percent to Tk 536 crore compared to the previous session.

Among the five companies which declared dividends for the year ended on June, ACI was mostly discussed firm as its declaration could not satisfy the investors, market insiders said.

The board of directors of ACI has recommended 40 percent cash and 10 percent stock dividends for the year ended on June 30, 2017, which brought the company to the top turnover chart.

The price of the company's each share lost Tk 30.9 or 5.02 percent yesterday to close at Tk 584.10 amid huge sell pressure from the investors thanks to the unexpected dividend declaration.

ACI also decided to further invest Tk 24.7 crore into its subsidiary ACI Foods Ltd as an additional equity against rights offer for 2,470,000 ordinary shares of Tk 100 each.

The company will also invest Tk 4 crore into its joint venture company Tetley ACI (Bangladesh) Ltd as additional equity against its rights offer for 400,000 ordinary shares of Tk 100 each.

The index is going through a correction, which is causing the drop, LankaBangla Securities said in its daily market analysis yesterday.

Among the major large cap sectors, telecom, food and allied and ceramics gained 1.90 percent, 0.79 percent and 0.34 percent respectively.

Brac Bank topped the turnover list followed by LankaBangla Finance, Grameenphone, Ifad Autos, Rangpur Foundary Ltd and ACI.