

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
▲ 0.40%	▲ 0.32%	\$1,313.20	\$60.37	▼ 0.00%	Closed	▲ 0.80%	▲ 1.27%	BUY TK 82.20	97.60	109.98	0.71
6,279.96	11,740.82	(per ounce)	(per barrel)	33,812.26		3,430.30	3,349.05	SELL TK 83.20	101.20	113.58	0.75

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



* ফি অনলাইন সেবা
যে কোন প্রয়োজনে ০৯৬২২০০৯২২

Star BUSINESS

DHAKA WEDNESDAY JANUARY 3, 2018, POU5H 20, 1424 BS

Loan write-offs soar

The amount rises 18 times to Tk 452cr in a quarter

AKM ZAMIR UDDIN

Banks wrote off Tk 452 crore in the three months to June last year, up by over 18 times from Tk 24.76 crore in the previous three months.

Of the 12 banks that took the facility to clean up their balance sheets, City Bank topped the chart with Tk 207 crore followed by Dutch-Bangla Bank's Tk 108 crore and Eastern Bank's Tk 101 crore, according to Bangladesh Bank data released recently.

With the latest update, total written-off loans between January 2003 and June 2017 stood at Tk 45,527 crore. Of the amount, 78 percent remained outstanding, meaning that banks' efforts to recover the loans did not pay off.

State-owned banks have written-off Tk 22,435 crore loans and private banks Tk 21,674 crore as of June last year.

Two state-run specialised banks—Bangladesh Krishi Bank and Rajshahi Krishi Unnayan Bank—have written-off Tk 555 crore and foreign commercial banks Tk 863 crore.

As per the BB norms, loans are written off after making adequate provisions to take advantage of tax benefits. But banks are obligated to continue their recovery efforts.

For write-offs, banks have to file lawsuits with the money loan court (Artha Rin Adalat) against the defaulters and keep 100 percent provisioning.

Khondkar Ibrahim Khaled, a former deputy governor of the central bank, told The Daily Star yesterday that, by taking loans from banks, some unscrupulous people had siphoned off the money.

Subsequently, the banks have been

With the latest, total written-off loans between January 2003 and June 2017 stood at Tk 45,527 crore

forced to write-off the loans to conceal the corruption, he said.

The central bank in 2003 introduced the policy to show a decreased amount of default loans on the banks' balance sheet, Khaled said.

"Written-off loans are like uncollectible loans. The recovery process of such loan is highly difficult. So, the banks should prevent the corruption so that the vested quarter will not take loans through the unethical process," he said.

BB data shows the default loans increased by Tk 6,159 crore to Tk 80,307 crore in September last year compared to the figure a quarter ago.

The total amount of default and written-off loans together stood at more than Tk 1.16 lakh crore at the end of June.

Helal Ahmed Chowdhury, former managing director of Pubali Bank, said the banks should beef up monitoring of the recovery process of written-off loans.

This type of loans will be recovered in the shortest possible time if the banks strengthen their legal process to resolve the cases with the money loan court, he said.

DSE discloses Delta Life's fine

slapped five months ago

STAR BUSINESS REPORT

The stockmarket regulator fined some directors and top brass of Delta Life Insurance in August last year, but it took the Dhaka Stock Exchange nearly five months to post the news on its website.

As a result, the news misled investors as it made them think that the Bangladesh Securities and Exchange Commission (BSEC) fined the life insurer again.

The regulator fined then company secretary Abdullah Al-Mansur, then CEO Swapan Kumar Sarkar and directors Wahid Uddin, Anika Rahman, Arif Ahmed, Monzurur Rahman, Mujibur Rahman, Saika Rahman, Nizamul Hoque, Kazi Fazlur Rahman and Zeyad Rahman Tk 2 lakh each for non-compliance with securities laws.

The penalty was imposed and announced on August 10, but the DSE disclosed it yesterday.

The regulatory action came after the insurer failed to purchase shares of Delta Brac Housing (DBH) as per its declaration, according to the BSEC.

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Inflation eases in Dec



AT A GLANCE

Inflation came down to **5.83pc** in December

The rate was **5.91pc** in November

A decline in non-food prices brought down inflation

Food inflation in December rose by **4** basis points to **7.13pc**

Non-food inflation went down by **25** basis points to **3.85pc** in December

STAR BUSINESS REPORT

Inflation came down to 5.83 percent in December, from 5.91 percent a month ago, riding on a decline in non-food prices, according to Bangladesh Bureau of Statistics.

Planning Minister AHM Mustafa Kamal yesterday released the data for November and December.

In December food inflation increased slightly but as non-food inflation decreased, the overall inflation fell.

Food inflation in December rose by 4 basis points and stood at 7.13 percent. But in November it fell by 53 basis points to 7.09 percent.

Food inflation went down by 25 basis points to 7.62 percent in October after hitting a 38-month high of 7.87 percent in September.

Food inflation declined for three months in a row but in December it increased as rice prices went up.

Prices of many other essential commodities, including onion, also marked a rise stoking the inflation rate.

According to Trading Corporation of Bangladesh data, coarse rice sold for Tk 44 to Tk 46 per kilogramme in Dhaka yesterday -- a rise by 5.88 percent from a month back and by 23 percent from a year ago.

In recent months, rice prices rose to record highs, reflecting dwindling supplies following flood-induced losses to the main boro crop, coupled with reduced production and imports in 2016.

In September, coarse rice price in Dhaka city was Tk 52.54 a kg in contrast to Tk 34.62 a year earlier.

In August 2014, food inflation was 7.67 percent and gradually decreased to below 4 percent. But from January last year, it started to creep up to more than 6 percent, crossing the 7 percent mark in May. It remained above 7

percent in the following five months except June.

According to BBS data, food inflation in rural areas rose by only 1 basis point to stand at 7.08 percent. However, in urban areas inflation increased by 7 basis points to 7.22 percent.

When asked whether the BBS data reflected the real picture of the rise in food prices, Kamal said the BBS conducted the survey and prepared the inflation data on the basis of living index throughout the country.

The prices of rice and onion increased and this reflected in the overall index.

The minister said, from October to December, general inflation was 5.93 percent whereas it was 5.32 percent in the same period last year.

Non-food inflation went down by 25 basis points to 3.85 percent in December from 4.10 percent a month ago, according to the BBS data.

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A foreigner, left, tries out some jewellery at Dhaka International Trade Fair in the capital's Agargaon yesterday. Others look over kitchenware, one of the many items being showcased in the month-long fair that began on Monday.



PRABIR DAS

Dhaka trade fair gets off to a good start

STAR BUSINESS REPORT

People started to visit the Dhaka International Trade Fair (DITF) on the second day of the month-long exposition yesterday in a boost to the organisers and the participating companies.

Still, many companies were found busy in setting up their stalls and decorating their stores to display their products and attract crowds.

Amid this scenario, a significant number of visitors came to the fairground at Sher-e-Bangla Nagar yesterday.

The visitors were mostly interested in home appliances and crockeries, with the Italiano pavilion drawing the attention of female crowds. Italiano, a brand of Pran-RFL Group, is showcasing kitchen appliances.

"I went into the pavilion as I am looking for some new variety of plastic products", said Rubina Islam, a visitor who hails from Teigaon.

"Italiano has introduced colourful kitchen appliances and offering discounts. Moreover, the price is reasonable," she said.

Sohel Rahman, a sales executive of a store selling winter cloths and Kashmiri shawls, said people started to gather on the fair premises but they are not into buying mood yet. "They are mostly looking for discounted products."

A large gathering of the visitors were seen at different stalls selling garment items. Home Textile, a local brand, is offering discounts to allure visitors.

"We have brought in some new collections which will not be available in our showrooms in the next two months," said Habibur Rahman, a sales executive of the company.

At Home Textile, visitors can get a bed cover at Tk 600 and the average price of the item is between Tk 1,500 and Tk 2,000. The country's biggest international trade fair is aimed at showcasing local products to foreign buyers in order to boost exports. This time companies from home and abroad are displaying their wares in nearly 600 stalls.

The commerce ministry and Bangladesh Export Promotion Bureau, the organisers, allocated about 50 stalls to foreign companies and the rest to local companies.

Scores of companies from 17 foreign countries, including China, the US, India, South Korea, Iran, Turkey, Nepal, Malaysia, Vietnam, Thailand, Iran, Pakistan, Mauritius, Singapore, Sri Lanka and the Maldives, are taking part in the fair, reported Xinhua.

The exhibition showcases a wide range of local and foreign products, including machinery, equipment and materials for agriculture and gardening, carpet, chemical and allied products, cosmetics, dairy products and electronic items, said the news agency quoting an official of the EPB.

The fair is open to visitors from 9:00am to 10:00pm. The entry fee for adults is Tk 30 and Tk 20 for minors.

Customs files Tk 120cr case against Mastex for duty evasion

STAR BUSINESS REPORT

The customs intelligence yesterday filed a Tk 120 crore duty evasion case against Mastex Industries Ltd for allegedly abusing duty-free import privileges under the bonded warehouse facility.

"We filed the case on finding that the company sold off in the local market most of the raw materials it imported with zero-duty benefit," said Moinul Khan, director general of the Customs Intelligence and Investigation Directorate (CIID).

"This is a violation of bonded warehouse licencing rules," he said. The case was filed at the Customs Bond Commissionerate Dhaka.

The move follows the seizure of two covered vans loaded with fabrics of shirts and trousers on way to Islampur, a wholesale hub for fabrics, in Dhaka in August last year.

The company imported the fabrics as raw materials under the zero-duty benefit, which the government offers to industries to make finished products for export.

Export-oriented firms that get the duty-free privilege to import raw materials are not allowed to sell the items in the domestic market.

The CIID, an office under the National Board of Revenue (NBR), said Mastex Industries got a bonded warehouse licence in 2014 and the company imported products worth Tk 126.29 crore until August 20 last year.

On August 21, detectives found only 9,206 kilogrammes of raw materials at the production floor and bonded warehouse of the firm. Examining documents related to import and exports, they found that 5,658 tonnes of fabrics worth Tk 120.53 crore were sold in the local market.

Khan said the CIID sought permission from the NBR to file a case under money laundering prevention law.

Contacted, Mizanur Rahman, managing director of Mastex Industries, denied the allegation of duty evasion and selling products in the local market. He said his company was regularly exporting products.

SOCIAL OBLIGATION FUND

Over Tk 1,200cr lying unused

MUHAMMAD ZAHIDUL ISLAM

The government has failed to use a single penny of Tk 1,257.32 crore or over \$150 million furnished by the mobile phone operators to the telecom regulator's social obligation fund in the last six years.

The telecom regulator introduced the fund in November 2011 when four mobile operators renewed their licences, and a committee was formed to use the fund in 2014.

But the committee could not make time and organise any meeting to decide on how to use the fund in the next three years. The first meeting of the committee was held in early 2017 in absence of the telecom minister. But it brought no result.

Bangladesh Telecommunication Regulatory Commission (BTRC) formed the fund to expand the reach of telecom services to the underprivileged population and boost economic growth.

The operators have been contributing 1 percent of their gross revenue to the fund on a quarterly basis from the last quarter of 2011. The amount reached Tk 1,070.47 crore as of September 2017.

The commission kept the money as a bank deposit and so far earned Tk 186.85 crore as interest.

In a recent meeting, the BTRC once again decided to keep the latest quarterly contribution as a bank deposit for six months because of the absence of any initiative from the government to use it.

On Friday, State Minister for Telecom Tarana Halim said they had sent a proposal to the Prime Minister's Office to organise a meeting of the fund utilisation committee.

Prime Minister Sheikh Hasina—who is also the telecom minister and president of the obligation fund using committee—has given her consent to hold the meeting, Tarana said.

"The PMO had sought a briefing on the issue and we have briefed. The meeting will take place once the prime minister gives her schedule."

Grameenphone, the largest mobile phone operator, contributed the highest Tk 544.84 crore to the fund.

Citycell and Teletalk were not regular in making contributions. The lone state-owned operator Teletalk put in the lowest, Tk 2.70 crore, to the fund. Citycell contributed Tk 6.70 crore before its closure in October last year.

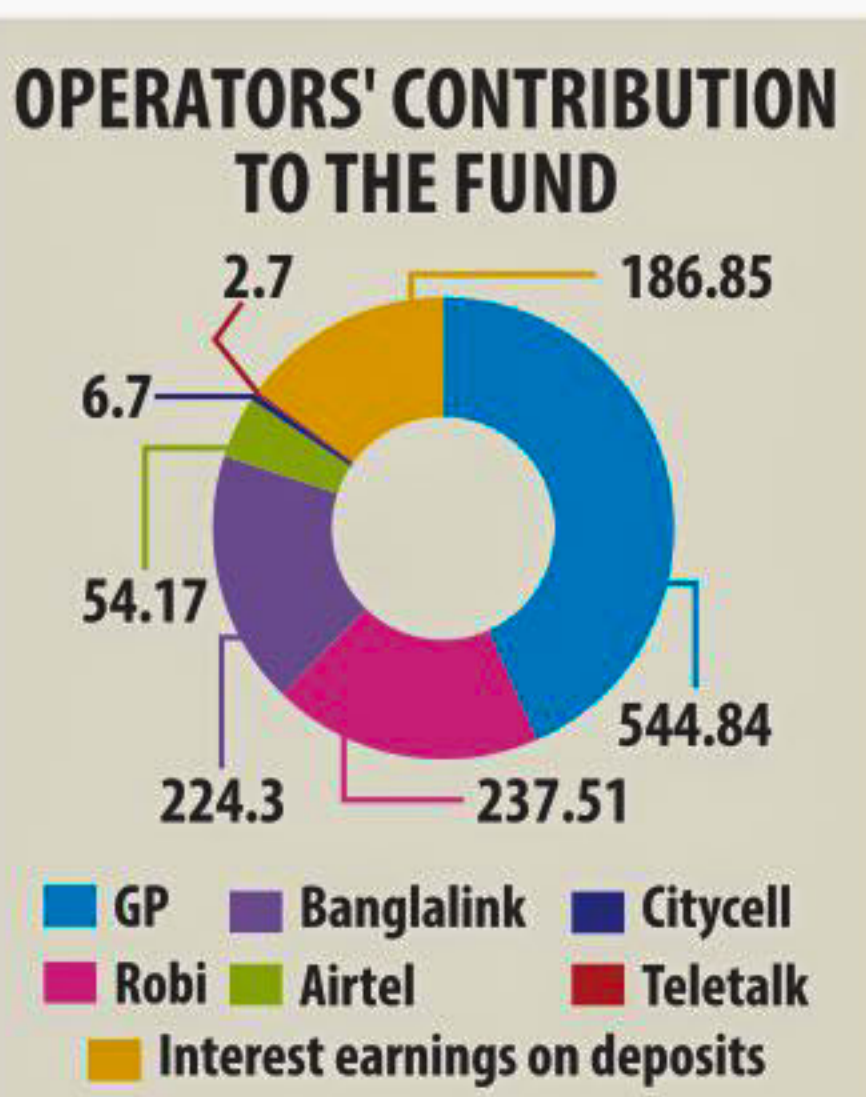
Continuous accumulation of over \$150 million is highly dangerous from financial management point of view, LIRNEasia's Senior Policy Fellow Abu Saeed Khan said.

He said the government should set a target of the amount to be collected and abolish the fund thereafter.

"Otherwise, it will be a perpetual source of ungovernable corruption."

In 2015, the BTRC included international gateway operators and other service providers in the list of mandatory contributors. However, they are still enjoying the exemptions.

The ICT division applied to the prime minister seeking more than Tk 600 crore from the fund in order to establish a network, but the telecom division opposed the idea.



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