

DHAKA THURSDAY JANUARY 4, 2018, POUISH 21, 1424 BS



Mosharraf new NBR chairman

STAR BUSINESS REPORT

The government yesterday appointed former senior secretary Md Mosharraf Hossain Bhuiyan as chairman of the National Board of Revenue on a two-year contract.

Bhuiyan will also be in charge of Internal Resources Division of the finance ministry as senior secretary, according to a government notification.

He will succeed Md Nojibur Rahman who was transferred to the Prime Minister's Office as principal secretary to the prime minister on December 31.

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Rice imports hit two-decade high

Soaring imports fail to rein in prices

SOHEL PARVEZ

Rice imports scaled a two-decade high in the first half of the fiscal year as private importers rushed to make profit from higher prices resulting from huge crop losses amid three episodes of floods.

Imports of the staple stood at 22.59 lakh tonnes in July-December of fiscal 2017-18, the highest since 1998-99 when a record 30.67 lakh tonnes of rice were bought from external sources in the full fiscal year, according to food ministry data.

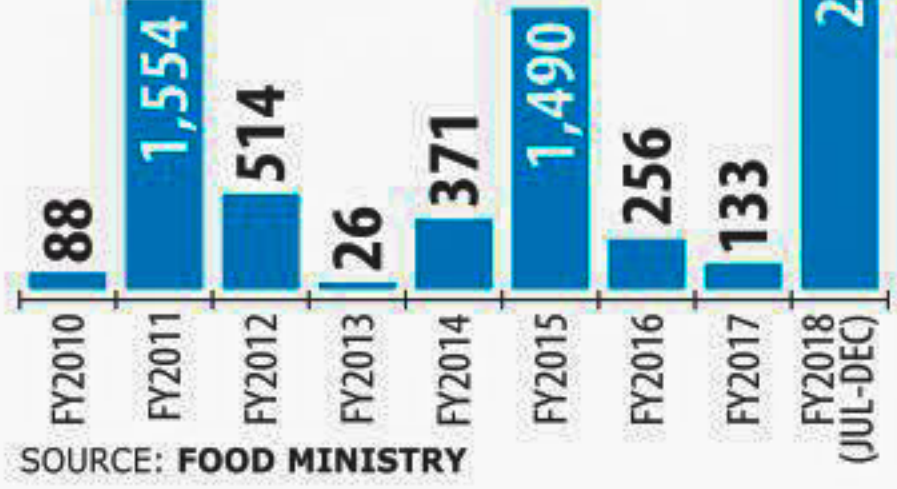
The government imported 5.08 lakh tonnes of rice in July-December.

Analysts said imports soared in the face of speculation of a decline in yield of current aman and low stocks of previous boro rice at private mills. A slash in import duty to 2 percent from 10 percent in August gave a boost to imports.

Analysts said higher imports will increase supply, thus helping to stabilise the market and benefit consumers. But the government should be watchful so that higher imports do not hurt farmers by

RICE IMPORTS

in thousand tonnes



SOURCE: FOOD MINISTRY

creating a glut in the market, they added.

"Imports will continue as prices are higher in Bangladesh compared to India," said Citta Majumder, managing director of Majumder Group of Industries.

Food ministry data showed letters of credits to import 32 lakh tonnes of rice were opened until December 23 last year.

The buoyancy in imports continues at a time when farmers have harvested most of the aman crop, which accounts for 38 percent of the country's annual rice production.

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Forex reserves fall to 1-year low after ACU payments

STAR BUSINESS REPORT

Bangladesh's foreign exchange reserves fell to \$32.01 billion yesterday, the lowest since January last year, following the largest ever payments made to the Asian Clearing Union or ACU.

According to central bank data, Bangladesh yesterday paid ACU \$1,355 million to settle payments for imports.

The ACU is an arrangement by which the participants settle payments for intra-regional transactions among the participating central banks on a net multilateral basis.

Bangladesh, Bhutan, India, Iran, the Maldives, Myanmar, Nepal, Pakistan and Sri Lanka are members of the Tehran-headquartered ACU that was established in December 1974.

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Top bankers seek BB support to halt sudden changes in boards

STAR BUSINESS REPORT

The Association of Bankers, Bangladesh (ABB) yesterday said both management and depositors are now in panic following the sudden changes in ownership of different banks last year.

The ABB, an organisation of top executives of the scheduled banks, sought support from the Bangladesh Bank to halt sudden changes in banks' board so that depositors' confidence in the banking sector does not erode.

In response, BB Governor Fazle Kabir assured of taking relevant measures, Syed Mahbubur Rahman, chairman of the ABB, told reporters after a quarterly meeting between the central bank's high-ups and the organisation.

"Changes can take place, but sudden reformation is not good for banks. Management of the banks have to face crisis due to such changes," said Rahman, also the managing director of Dhaka Bank.

Last year S Alam Group, a Chittagong-based business conglomerate, took own-

ership of Islami Bank Bangladesh and Social Islami Bank, which created a volatile situation in the banking sector.

Some banks are now in panic over facing the same consequence of the two Shariah-based banks.

BB Deputy Governor SK Sur Chowdhury, however, told reporters that depositors and other shareholders of banks should not panic if reformation came under a normal process.

He also said more than 19 percent credit growth is unexpected for the private sector. So, the central bank has taken an initiative to revise the advance-deposit ratio (ADR) for banks to prevent aggressive lending.

In November 2017, private sector credit growth stood at 19.06 percent, which is far beyond the target of 16.2 percent set by the BB for the first half of the fiscal year.

Considering the scenario of the country's private sector, 16 to 17 percent credit growth is good enough for the business sector, Chowdhury said.

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Jabbar pledges to cut internet price

STAR BUSINESS REPORT

Newly appointed ICT Minister Mustafa Jabbar yesterday said his main agenda was to reduce internet usage charges and improve its service quality.

Apparently pointing at mobile operators he said, "You are purchasing bandwidth but selling data to customers and this cannot continue."

Jabbar was attending a reception accorded to him by the Bangladesh Association of Software and Information Services (BASIS) at its office after he took oath as a technocrat minister on Tuesday. Industry leaders were present.



Mustafa Jabbar

Best known as the creator of software Bijoy, Jabbar had been serving as a president of BASIS for the last three years and earlier served as president of Bangladesh Computer Samity four times.

He has been a very close ally of the ruling party, working on drafting its "Digital Bangladesh" manifesto before the 2008 election.

"I think the ICT sector is

running smoothly but there are problems in the telecom sector and I need to work on it," he said, adding that he would sit with Bangladesh Telecommunication Regulatory Commission next week to get some answers.

"Definitely I want to know why they have not fixed the internet prices like voice call charges," he said.

Jabbar had been trying to convince the policymakers and has been the leading voice seeking withdrawal of value added tax on internet usage.

He said, though operators claim 3G services were available around the country, the performance was "very bad".

There were 8.02 crore active internet connections as of November 2017 while the country's total bandwidth usage is about 550 Gbps, according to the BTRC.

Jabbar also spoke of two other priorities he would be addressing: helping the local manufacturers of different devices and digitising education. Though Bangladesh is a huge country in terms of the number of devices being used, it has no manufacturing plant, said Jabbar.

"I want to encourage local manufacturing companies, and if needed, we will definitely try to give some extra benefits to them," he said, adding that he would personally help and inspire the local companies to go for mergers.

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People gather at a stall of plastic products at the ongoing Dhaka International Trade Fair yesterday.

PRABIR DAS

Govt to amend Grameen Bank electoral rules again

REJAUL KARIM BYRON

The government is set to amend the electoral rules of Grameen Bank for the third time in four years after its previous attempts to elect nine directors from borrowers failed due to opposition of the microcredit lender.

The banks and financial institutions division (BFID) has prepared a draft electoral rule and sent it to the law ministry for vetting. Once the vetting is given, an election commission will be formed to hold the elections, a finance ministry official said.

As per the draft rules, a three-member commission will be formed and it will be led by a deputy managing director of a state-owned commercial bank. The other two members will be general managers of Grameen Bank.

In April 2014, the government issued an electoral rule with provisions that a three-member election commission will be formed with an executive director of the Bangladesh Bank as its head. The two other posts were said to be filled up by a general manager of Grameen Bank and a

director of the Microcredit Regulatory Authority.

The then nine elected directors of the board protested the government move. The rules gave six months to the central bank to form the commission to pick the directors. But the BB verbally informed the finance ministry that it would not be able to hold the elections, as it is not involved in any election either for private or public banks.

This led the government to amend the rules in November in the same year.

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Six state banks post hefty operating profits

STAR BUSINESS REPORT

The combined unaudited operating profits of Bangladesh's six state-owned commercial banks in 2017 rose 68 percent year-on-year to Tk 3,999 crore, up from Tk 2,376 crore a year ago.

Officials attributed the state banks' increased operating profits to the falling cost of funds and recovery of bad loans during the year.

Most of the private banks also made hefty operating profits -- between 10 percent and 60 percent -- in the just concluded year riding on a resurgence of demand for credit from the private sector.

Operating profit is that resulting from business operations (gross profit minus operating expenses) before the deduction of interest and taxes.

Of the six, Sonali and Janata each made the highest, over 1,000 crore, last year.

Janata earned Tk 1,171 crore, up from Tk 1,006 crore in the previous year.

"This was the highest annual operating profits we made in the last four years," said Mohammad Abdus Salam Azad, managing director of Janata said yesterday.

Azad said branch managers were made accountable directly to the audit committee with respect to recovery of classified loans.

He said 115 branches were free of classified loans and they were working to do the same in the remaining 797 branches.

Rupali Bank suffered a loss of Tk 87 crore in 2016 but in 2017 reaped operating profit of Tk 540 crore.

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GOODS TRANSPORT THRU' HIGHWAYS

Port users call for lifting vehicle's weight limit

STAFF CORRESPONDENT, Ctg

Chittagong port users and importers yesterday called for withdrawal of vehicle's weight limit set by the government on goods transport through highways.

They made the call at a meeting organised by the Chittagong Port Users Forum, at World Trade Centre in Chittagong.

On November 30, the Road Transport and Highways Division said a six-wheeler truck will be allowed to carry at best 22 tonnes, including the weight of the vehicle and goods, with effect from December 1.

The limit for 10 wheelers has been set at 30 tonnes while it was 40 tonnes for 14 wheelers.

After taking the vehicle's weight into account, a six-wheeler can now carry only 13 tonnes of goods, which hover around

20 tonnes before the imposition of the limit, importers said.

Now businesses have to hire an additional truck to transport 20 tonnes of goods, they said.

The weight limit would ultimately increase transport cost and demand for vehicles that will create further traffic congestion on the Dhaka-Chittagong highway and at Chittagong port, they said.

The transport cost has increased by around 10-25 percent, as the load capacity has been decreased by 25 percent due to the restriction, said Zahir Uddin Ahmed, CEO of Confidence Cement.

Such cost will ultimately have an adverse impact on the consumers, Ahmed said.

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