

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

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BUSINESS

DHAKA SUNDAY JANUARY 14, 2018, MAGH 1, 1424 BS

Look into capital flight via import

CPD urges govt as it suspects money laundering through import of sugar, edible oil and cotton

STAR BUSINESS REPORT

The Centre for Policy Dialogue yesterday advised the government to investigate whether capital flight has taken place by way of sugar, edible oil and cotton imports.

"There is no resemblance between export and import growth of garment and cotton," said Mustafizur Rahman, distinguished fellow of the CPD, while unveiling the private think-tank's latest study at an event held at the capital's Cirdap auditorium.

In the first four months of the fiscal year, the apparel export growth was recorded at 7 percent while the import growth of cotton was recorded at 75 percent, he said.

"Despite global price stability of raw cotton and an upturn in the growth of garment exports, the high growth of over 75 percent in import payments for this item appears to be suspicious," the CPD said in its State of the Bangladesh Economy in FY2017-18.

There has not been any fall in yarn and fabrics

IMPORT PAYMENTS

ITEMS	JULY-OCTOBER				
	FY2017	FY2018	Growth in %	Share of import (FY2018)	Incremental growth (FY2018)
In millions of dollar					
Edible oil	437.4	608	39	3.3	4.1
Sugar	286.1	431.4	50.8	2.3	3.5
Raw cotton	613.1	1,078.3	75.9	5.8	11.3

SOURCE: CPD

import, neither has there been a sudden spurt in investment in spinning.

Given the fall in prices of raw cotton, the high imports would allude to very high volumes, which reinforces the need for investigation into the matter, the CPD said.

In a similar vein, the import bill for edible oil and sugar soared 29.3 percent and 50.8 percent

respectively during the period.

Given the declining global price of sugar, this high growth suggests large increases in volume, the CPD said in the report. It is the same case for edible oil. These trends call for appropriate checking of the market by the commerce ministry for overstocking of edible oil and sugar.

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Current account deficit hits a 15-year high

AKM ZAMIR UDDIN

The country's current account deficit reached a 15-year high in the first five months of the fiscal year on the back of higher import payments and moderate export growth.

In the July-November period of 2017-18, the deficit stood at \$4.43 billion, way higher than \$683 million recorded in the same period a year ago, according to data from the central bank.

The deficit is the highest since 2002-03, as data related to the current account before the year was not available from the central bank's documents and website.

The current account recorded a surplus of \$176 million in 2002-03 and the previous highest deficit was recorded in 2010-11 when it stood at \$1.68 billion.

Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh, told The Daily Star yesterday that the government had started implementing some mega infrastructure projects with its own funds which put pressure on the current account.

Higher import payments, moderate growth of remittance inflow and export earnings are mainly responsible for the large current account deficit, he said.

In the first five months, imports rose 27.57 percent year-on-year, while exports grew 7.65 percent.

Mansur said imports of capital machinery and industrial raw materials usually play a positive role in the expansion of the country's business sector, but questions have been raised due to fictitious import payments.

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Telcos' investment shrinks but revenue rises

MUHAMMAD ZAHIDUL ISLAM

Investment by mobile operators hit a six-year low in fiscal 2016-17 after being on a descent for the past four years even though the sector's revenue is growing every year.

In fiscal 2016-17, the mobile operators' investment declined 14.94 percent year-on-year to Tk 4,626 crore while their revenue grew 3.77 percent, according to a report of Bangladesh Telecommunication Regulatory Commission.

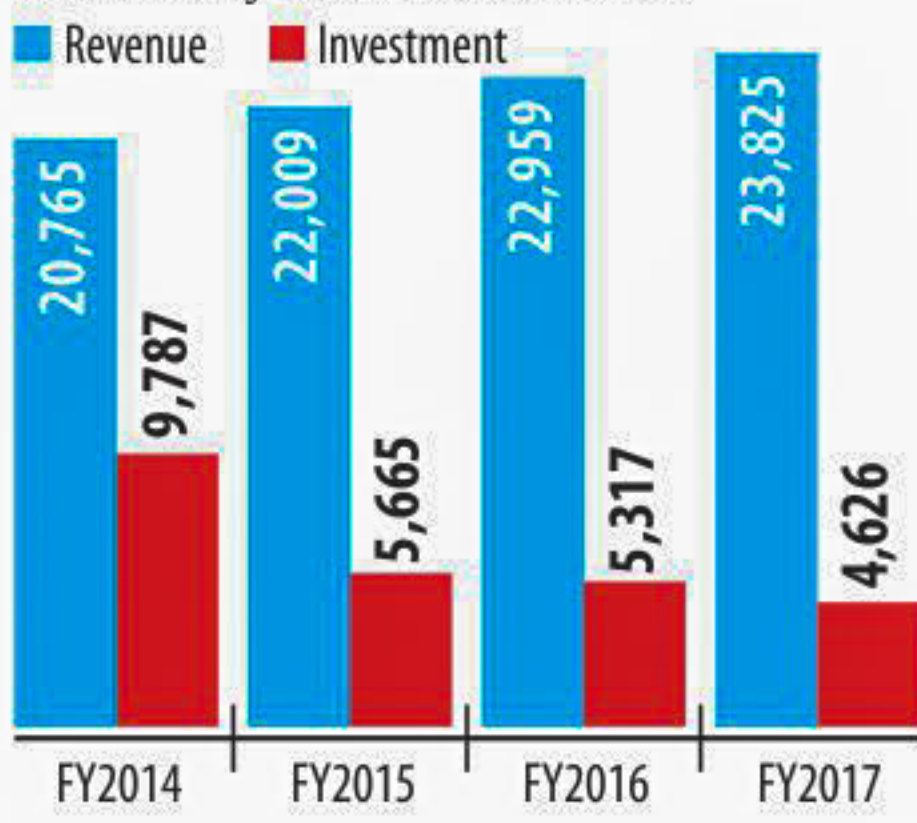
Mobile operators blamed the regulatory uncertainties for the shrinking investment.

"Doing business in Bangladesh is very challenging due to various issues and regulatory uncertainties," said TIM Nurul Kabir, secretary general of the Association of Mobile Telecom Operators of Bangladesh.

The operators have huge sums of contingent liabilities since some disputed issues with the regulators are being left "unresolved" for a long time.

OPERATORS' REVENUE & INVESTMENT

In crores of taka; SOURCE: BTRC



"From an investment point of view, this is not a good sign and should be addressed with high priority."

Despite the adverse regulatory environment, the mobile operators have made huge investment during the current tenure of the government in the form of 2G licence renewal and 3G technology adoption, Kabir added.

A senior official of a leading operator said the investment figures for fiscal 2013-14 were higher due to 3G spectrum fees paid by the operators at that time.

The mobile operators then had to pour in money for rolling out 3G service. In fiscal 2011-12 and 2012-13, the mobile operators also had to renew their licences and that also

bumped up the investment numbers, said market sources.

Over the last decade, the sector has become an engine for economic growth and one of the key enablers for digital transformation, Kabir said.

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LIMITED TENDERING

Govt to select bidders for first China project

REJAUL KARIM BYRON

In a first, the government is set to select bidders through limited tendering for implementing the digital connectivity projects bankrolled by China.

Before this, all China-financed projects were implemented by the party nominated by Beijing.

But going forward, the limited tendering will be followed for all China-funded projects, and the Economic Relations Division has issued a guideline about the implementation of the projects.

At present, the limited tendering is followed for India-funded projects, which means only Indian companies can participate in the bidding.

During Chinese president's visit to Dhaka in 2016, an umbrella deal was

signed to finance a total of 26 projects.

Beijing has already nominated companies for some of the projects, but for the rest the limited tendering will be applied, said a finance ministry official.

In 2016, the cabinet committee on economic affairs decided that the digital connectivity project will be implemented by the company selected through the direct method.

But last month, in a meeting of the Information and Communication Technology Division, it was decided that a tender will be floated for the project on the ground that the move will make the cost of the project more reasonable and the quality of work better.

The total project cost would be Tk 8,500 crore and China Exim Bank will provide 94 percent of the amount,

which would come to about \$1 billion.

The government will bring two lakh small institutions under digital connectivity to boost trade and economic activity in remote areas. Besides, high-speed internet facility at low-cost will be provided to remote areas of the country.

The connectivity will be provided to educational institutions, health centres, post offices and agriculture offices, according to a proposal of the ICT ministry.

Bangladesh will set up 10,000 "points of presence" at business growth centres across the country to expand digital financial services and e-commerce.

Computer labs will be set up at secondary and higher secondary educational institutions.

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Mobile operators to apply for 4G licences today

Citycell aims for a comeback, BTRC sees no new entity

STAR BUSINESS REPORT

Mobile phone operators, including state-run Teletalk and now out-of-service Citycell, will be applying for 4G licence within the deadline at noon today as the government plans to hold the spectrum auction on February 13.

A top official of Citycell, which stopped providing service in October last year, confirmed it yesterday, saying they are preparing to re-enter the telecommunication business.

Senior officials of Teletalk and the remaining three private operators also informed of their preparations.

Though the Bangladesh Telecommunication Regulatory Commission (BTRC) has put a provision in the 4G guideline to facilitate participation of new entities to deliver the fastest data service, there is no new prospective candidate, said Shahjahan Mahmood, chairman of the telecom regulator.

"A few months ago two players came to us and showed interest, but afterwards there has been no contact till last Thursday," he said.

The BTRC has decided to arrange a mock auction on February 12 before organising the actual public sale. The names of the licence and spectrum winners will be made public on February 14, according to the regulator's advertisement.

Meanwhile, the BTRC acted fast on Thursday to get a stay order from Justice Syed Mahmud Hossain, chamber judge of the Appellate Division of the Supreme Court.

Earlier on the day, the High Court had ordered to halt the 4G licensing proceedings after a wi-max operator filed a writ.

"As the Supreme Court has stayed the order everything now will move as per previous decisions," said Mahmood.

Market sources said the private mobile phone operators are prepared to launch the 4G service and currently working on converting the SIM cards accordingly and developing the ecosystem.

According to the BTRC guideline, operators will have to pay an application processing fee of Tk 5 lakh, a licence fee of Tk 10 crore and an

annual fee of Tk 5 crore for the 15-year licensing tenure.

It also stipulates that the 4G network must be deployed across the country in three years.

In the auction, the BTRC will give away 25 MHz in 2,100 MHz band with a floor price of \$27 million per MHz. It will also put up for sale 18 MHz in the 1,800 MHz band and 3.4 MHz in the 900 MHz band, both starting off with \$30 million per MHz.

Operators will have to pay separately for technological neutrality if they want to offer services through any technology (2G/3G/4G/LTE) using any of the frequencies they get.

Though the guideline has been amended twice, the private mobile operators still have some worries about unresolved issues concerning value added tax, fibre optic network and mandatory speed of 20 mbps under the fastest technology.

The BTRC last arranged an auction for 3G spectrum in 2013 and the operators immediately rolled out the service.



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