



# BUSINESS

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## 4G services by March

**BTRC receives 5 applications, including Citycell's**

STAR BUSINESS REPORT

Mobile internet users, especially in city areas, can brace themselves for super-fast data service from March as all operators are set to roll out 4G service, said the top brass of the telecom regulator yesterday.

The Bangladesh Telecommunication Regulatory Commission yesterday received five applications for licence to provide 4G service, which will ensure 20 Gbps speed even from mobile phone.

State-run Teletalk and now out-of-service Citycell also applied for licences.

All the private entities will now sit in the spectrum auction scheduled for February 13.

However, Teletalk will not attend the auction as they have not applied for spectrum, said Shahjahan Mahmood, chairman of the telecom regulator, at a press conference at his office.

"Maybe Teletalk thought their existing spectrum was good enough for offering 4G data service."

The state-run operator currently has 25 Megahertz of spectrum across three bands.

After getting the licence and paying the spectrum fees, the mobile operators can offer 4G service to their customers, Mahmood said.

"We have been informed that all the top



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operators are technically ready to offer this service."

Market sources said the top three private mobile operators are prepared to roll out 4G service and currently working on converting the SIM cards and developing the ecosystem.

## Apparel wage board formed to avert unrest

STAR BUSINESS REPORT

The government yesterday formed a wage board that will recommend a minimum salary scale for the country's 3.6 million garment workers within six months.

Md Mujibul Haque, state minister for labour and employment, announced the formation of the board at his secretariat office in Dhaka. The constitution of the board aims mainly at averting labour unrest.

Massive demonstrations by hundreds of workers in Ashulia and Savar in December 2016 for a wage hike prompted nearly 100 factory owners to shutter their production units.

The factories were reopened after a negotiation with the labour ministry and trade unions.

"We want the minimum wage to be set at Tk 16,000 or \$200 as the prices of basic commodities like rice went up abnormally in the local market," says Nazma Akter, president of Sammitilo Garment Sramik Federation, a garment workers' rights group.

Akter, the workers' representative to the 2006 board, said rice prices went up to Tk 60 and above. House rent also increased a lot earlier. "So, we want a big hike now."

Siddiqur Rahman, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), said two workers' rights groups submitted proposals to the BGMEA in writing for taking measures to form the wage board two months ago.

"We immediately suggested that the government form the board to increase the salary of workers," he told The Daily Star over phone.

The BGMEA sent a proposal to form the wage board to the labour ministry in August last year.

A four-member permanent wage board already exists. Whenever a board is announced afresh, two additional members representing owners and workers are usually included.

The permanent board is led by Senior District Judge Syed Aminul Islam.

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## Biman's turnover hit by direct cargo ban to UK

REFAYET ULLAH MIRDHA

Biman's cargo business shrank 22.54 percent last fiscal year on the back of the ban on direct freight flight from Dhaka to London.

In fiscal 2016-17, Biman earned Tk 244 crore from its cargo business in contrast to Tk 315 crore a year earlier. The state-run carrier transported 33,542 tonnes of cargoes last fiscal year, down 18 percent year-on-year.

The British government on March 8, 2016 slapped the ban on direct cargo flights from Dhaka to London after Biman failed to pass the safety and security tests.

"It is a huge loss for our country," said Kazi Wahidul Alam, the editor of the Bangladesh Monitor, an aviation and tourism fortnightly.

Biman is the only carrier that operates direct flights between Dhaka and London and is now running four flights a week.

Before the ban, Biman used to earn Tk 40 lakh to Tk 50 lakh each flight from carrying cargoes: some 25 to 30 tonnes of cargoes, mostly apparel and vegetables, were shipped in each of the flights to London.

"We are losing in two ways due to the ban," said Alam, also the managing director of Airspan, which represents different airlines as their passenger and cargo general sales agent.

First, the direct loss of business and second, almost all the other private and foreign airlines have increased the carrying charge because of the need to rescreen

goods in a third country.

Now, the airlines charge between \$2.65 and \$2.70 for carrying a kilogram of goods from Dhaka to any destination in the EU. Even as recently as the middle of last year, the charge was \$1.70 to \$1.80.

The ban was supposed to be lifted in December, but the British government instead imposed 10 more terms and conditions after the current facilities left a British expert underwhelmed, Alam said.

As of now, the Civil Aviation Authority of Bangladesh has set up the ETD (explosives trace detection) machine and deployed a British company for screening of the goods.

Still the British government called for further improvement of the situation, he added.

Shakil Meraj, general manager for public relations of Biman, acknowledged the substantial loss of business as a result of the ban by the UK government.

"Biman has direct flights only with London in Europe, so the UK ban has affected Biman negatively."

Until 2007, the national flag carrier ran flights to Frankfurt, Amsterdam and a few other European cities. The routes were commercially not viable, so the flights were discontinued.

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## ERA InfoTech to install Palli Sanchay's banking software

STAR BUSINESS REPORT

ERA InfoTech, a joint venture of Bank Asia, Ranks ITT and ETA InfoTech LLC of Dubai, won the contract to supply and maintain the core banking software of Palli Sanchay Bank.

The company will install the online banking software at all branches of Palli Sanchay Bank and will maintain the architecture for six years.

The agreement was signed yesterday by Akbar Hossain, the bank's acting managing director, and Md Serajul Islam, chief executive of ERA InfoTech, at an event held at the finance ministry. Finance Minister AMA Muhith also spoke on the occasion.

Palli Sanchay Bank is the culmination of the government's "One House One Farm" project by way of a special act in 2016. The bank will have a branch in each of the 492 upazilas.

Data on 325 branches have already been transferred from the project to the bank, Palli Sanchay said in a statement. Work for transferring the data from another 160 branches is on way.

By March next year, data on transaction of 22 lakh members from 40,216 cooperatives in 485 branches will be transferred.

The bank members have so far saved Tk 1,142 crore, according to Hossain.

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Left, visitors take a look at jewellery from Thailand and India being offered at 10 percent discounts at a stall of Dhaka International Trade Fair in the capital yesterday. Refrigerators along with over 300 products of Vision Electronics are being offered with cashbacks and gifts such as trips to Russia centring the upcoming FIFA World Cup, jerseys, t-shirts and footballs.

## NGOs under NBR scanner

STAR BUSINESS REPORT

The tax authority has taken steps to ensure compliance by the non-governmental organisations after it recently discovered that more than half of them in Dhaka do not even have tax files.

"This is a huge gap," said Mohammed Masud, additional commissioner of tax zone-5, adding that letters are being sent to NGOs registered in the capital asking them to get the Taxpayer's Identification Number (TIN).

The NGOs are required to submit returns regularly and tax is payable if an organisation has income other than from microcredit operations.

Whether an NGO has taxable income or not will be examined after ensuring that all have TINs, Masud said.

There are 2,580 registered NGOs and 1,600 are in operation, according to Md Shahadat Hossain, acting director general of NGO Affairs Bureau.

"We are realising 15 percent VAT from the NGOs. We will ask them to comply with the NBR's directive in this regard," he added.

Md Abdur Razzak, NBR's member for tax administration, said the tax authority will next check if the NGOs registered outside Dhaka have tax files.

"All the NGOs will be brought under tax compliance."

## Berger Paints to form Tk 60cr JV with UK firm

*The paint-maker announces on DSE website; Dhaka stocks witness sharp fall*

STAR BUSINESS REPORT

Berger Paints Bangladesh plans to expand its business by setting up a joint venture with UK-based construction solutions provider Fosroc International with a combined investment of Tk 60 crore.

The board of directors of Berger will soon sign a deal with Fosroc, according to a disclosure posted on the Dhaka Stock Exchange (DSE) website yesterday.

Berger will invest Tk 30 crore and hold 50 percent share in the new entity, Berger Fosroc Ltd. It will manufacture all kinds of construction materials, chemicals and related technologies.

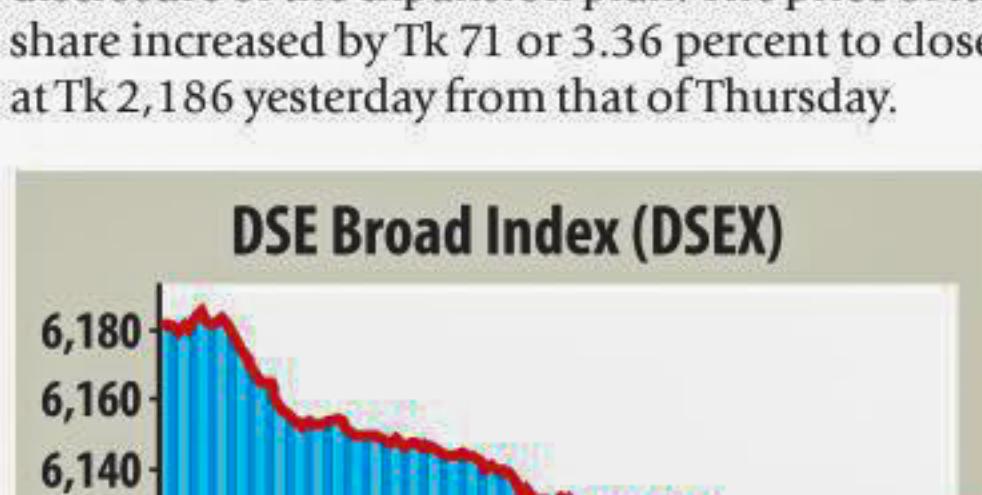
The firm will mainly work to improve the quality of construction materials with the help of state-of-the-art technologies, said Rupali Chowdhury, managing director of Berger Paints Bangladesh.

"We will develop a professional group by providing them with training on latest construction technologies." Berger expects to reach the break-even point in four to five years, Chowdhury said.

One of the oldest names in the paint industry, Berger Paints Bangladesh made a profit of Tk 69 crore in the half year that ended in September 2017, according to DSE data. In Berger Paints Bangladesh, sponsor directors hold 95 percent of the share, public 0.38 percent, institutions 2.56

percent and foreign shareholders 2.06 percent.

The company's shares rose sharply after the disclosure of the expansion plan. The price of its share increased by Tk 71 or 3.36 percent to close at Tk 2,186 yesterday from that of Thursday.



### DAILY MARKET:

Dhaka stocks witnessed a sharp fall in price index amid sluggish turnover because of low participation of institutional and foreign investors.

The prime index, DSEX, shed 61.42 points, or nearly 1 percent, to close the day at 6,117.89. Daily turnover also fell 14 percent to Tk 328 crore from the last day of trading.

Institutional investors have refrained from making fresh investments in the market as they are waiting for the upcoming monetary policy of the central bank, a top executive of a merchant bank said.

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## Brac Saajan Exchange to operate in EU

JEBUN NESA ALO

The Bangladesh Bank has given the go-ahead to Brac Saajan Exchange, the UK subsidiary of Brac Bank, to expand its business activities into the European Union in preparation of the Brexit.

Brexit, which is the prospective withdrawal of the UK from the EU in March 2019, will restrict Brac Saajan's market to only the UK, said Selim RF Hussain, managing director of Brac Bank.

So, the exchange house will now set up a 100 percent-owned subsidiary in Portugal to run its remittance business in the EU.

The development comes at a time when remittance inflow from the UK is on the decline while that from the EU is on the rise.

Last fiscal year, \$808 million flew in from the UK as remittance, down 6.82 percent year-on-year, according to data from the BB.

In contrast, remittance from Italy surged 45.39 percent to \$510.78 million in fiscal 2016-17 and that from Germany 25.89 percent to \$31.75 million.

"Portugal has been selected for lower costs," Hussain said, adding that Brac Saajan would eventually set up operations in France, Spain, Italy and Germany by taking licence from Portugal.

The estimated cost for setting up the exchange house in Portugal is €2.5 lakh, which will be provided from the retained earnings of Brac Saajan, according to a BB report.

The Portugal government is facilitating business organisations affected by Brexit to expand operations into the EU, said the report. Moreover, the operational costs, including tax and labour costs, are lower than in other EU countries.

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## Correction

In an interview with the headline -- Biman in dumping tactics on domestic routes -- published on B4 yesterday, the designation of Mofizur Rahman, the interviewee, was inadvertently mentioned as the chief executive officer of Novoair. Actually, he is the managing director of the private airline. We regret the error.

