STOCKS

DSEX	CSCX
▲ 0.53%	▲ 0.65%
5,381.88	10,013.83

COMMODITIES

Gold ▲ $1,210.80 (per ounce)

Oil ▲ $69.16 (per barrel)

ASIAN MARKETS

MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 0.07%	▲ 0.69%	▲ 1.66%	▲ 2.74%
37,665.80	22,662.74	3,340.00	2,779.37

CURRENCIES STANDARD CHARTERED BANK

	USD	EUR	GBP	JPY
BUY TK	82.75	95.31	106.72	0.73
SELL TK	83.75	98.91	110.32	0.77

Star BUSINESS

2ND EDITION

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Robi asked to pay Tk 867cr

MUHAMMAD ZAHIDUL ISLAM

Robi has been asked to pay Tk 867.24 crore to the telecom regulator and the revenue collector as missed or under payments over a 19-year period, detected after a thorough audit.

Earlier in 2016, the Bangladesh Telecommu-nication Regulatory Commission appointed Masih Muhith Haque & Co to run an audit into the country's second largest operator's books from its inception in 1997 through to December 2015 for a fee of Tk 7.82 crore.

The audit, which was completed in November last year, had placed a claim of Tk 1,251.68 crore.

The operator disputed the amount and after a series of tripartite meeting with the BTRC and the auditing firm, the claim was lowered about 45 percent to Tk 867.24 crore.

Accordingly, the telecom watchdog on July 31 issued a demand letter to Robi, asking it to furnish the amount within 10 working days. Failure to pay the amount within that timeframe yielded a late fee of 15 percent.

"So far we understand that Robi has accepted the findings as we have attended series of meetings with them before finalising the amount," said Md Jahurul Haque, acting chairman of the BTRC.

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BREAKDOWN

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- Handset royalty, licence fee Tk **240.86**cr
- Licence renewal, spectrum fee Tk **141.21**cr
- Underpayment of revenue share due to VAT deduction: Tk **94.47**cr
- Unpaid corporate tax in 2012-14: Tk **57.4**cr
- Underpayment of tax due to under-recognition of revenue: Tk **56.58**cr
- Underpayment of spectrum charge for 2G access frequency: Tk **44.03**cr
- Underpayment of revenue share for interconnection: Tk **39.20**cr
- Others: Tk **193.47**cr

Deal signed for single window to boost trade

STAR BUSINESS REPORT

Some 38 government and private sector agencies yesterday signed a memorandum of understanding to speed up the process of clearing imported and exportable goods under a National Single Window (NSW).

The electronic gateway will allow businesses to submit information related to imports and exports to regulatory authorities only once to clear their goods from the ports.

The single entry point will deliver a user-friendly, electronic system that streamlines and automates procedures for international trade-related permits, licences, certificates and customs declarations, said the National Board of Revenue (NBR).

Once fully introduced, the NSW, which will connect the 38 agencies electronically, will benefit 319,000 Bangladeshi traders by cutting time and cost.

The average processing time for imports is expected to come down to 122 hours and the average processing time for exports to 88 hours.

"This is potentially a significant and vital step to facilitate trade," said Finance Minister AMA Muhith at the MoU signing ceremony at the Pan Pacific Sonargaon Hotel in Dhaka.

"Implementation of the NSW will be beneficial for businesses," said Commerce Minister Tofail Ahmed.

The government has undertaken the NSW scheme at $74 million with funds from the International Finance Corporation (IFC) and the UK's DFID. The customs authority will be the lead agency to implement the electronic gateway.

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No rate cut on savings tools this year

STAR BUSINESS REPORT

The interest rate on savings instruments will remain unchanged for the time being, in a development that can be termed an about turn for Finance Minister AMA Muhith, who only a couple of days ago indicated it would be lowered.

The new govt following the national election will take a call on the matter, Muhith says

The new government, which will take office following the national election scheduled for later in the year, will take a call on the matter, Muhith said yesterday after a review of the interest rate on savings instruments.

"Investment in savings instruments is part of the social safety net," he told reporters after the meeting, which was held at his secretariat office.

Analysts and banks have long been calling for cuts in the interest rate for savings instruments, which have been deflecting deposits from the banking system.

The rate of interest on savings certificates is about 12 percent whereas deposits with banks yield 6 percent.

At the same time, the government's interest expenditure is ballooning for the excessive sales of savings certificates, which has also prevented the state from going for low-cost bank borrowing.

In so doing, the government is creating a large financial burden for the near future.

Besides, lowering of the interest rate on savings certificates was one of the conditions put forward by banks to bring down the lending rate to single digit.

At the meeting with the chairmen and managing directors of banks on August 2, Muhith intimated that the interest rate on savings instruments would be cut.

Fazle Kabir, governor of the Bangladesh Bank; Eunusur Rahman, senior secretary of the banking division; Mosharraf Hossain Bhuiyan, chairman of the National Board of Revenue; and Abdur Rouf Talukder, finance secretary, attended the meeting yesterday.

At the meeting it was decided that the finance division and the internal resource division will conduct a study on the interest rate on savings certificates and submit a recommendation to the government within the next two months.

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Inflation edges down in July

STAR BUSINESS REPORT

Inflation fell slightly to 5.51 percent in July due to a cut in non-food prices, much to the cheer of the central bank.

Last week, the Bangladesh Bank announced an unchanged monetary policy for the second half of the year, drawing criticism from analysts that it would not be able to combat the inflationary pressure.

"This year, the government would be successful in achieving its inflation target of 5.5 percent," said Planning Minister AHM Mustafa Kamal, while unveiling July's inflation figure yesterday.

Kamal attributed the 3 basis point decline in inflation to the stable prices of various consumer items in the international market.

The taka did not depreciate that much against the dollar, which resulted in the non-food inflation decreasing.

In July, food inflation increased 20 basis points to 6.18 percent. In the previous month, it had fallen 58 basis points to 5.98 percent.

The spiralling prices of egg and onion, an essential cooking ingredient, caused the food inflation to edge up slightly, said Abul Kalam Azad, director of the Bangladesh Bureau of Statistics.

However, non-food inflation declined 62 basis points to 4.49 percent in July. In June, it had surged 79 basis points to 4.87 percent in June.

Overall Inflation is stable due to stability in both food and non-food inflation, said Zahid Hussain, lead economist of the World Bank's Dhaka office.

"However, there are pressures on prices. Inflation in urban areas remains very high and it increased in July rather significantly due largely to an increase in food inflation."

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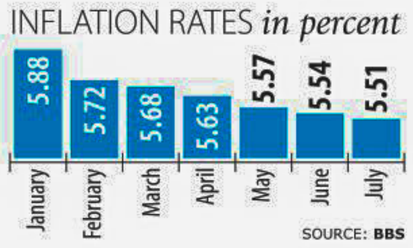
INFLATION RATES *in percent*



SOURCE: BBS

Govt brings fresh funds for entrepreneurs

Equity and Entrepreneurship Fund abolished

STAR BUSINESS REPORT

The government has introduced an Entrepreneurship Support Fund (ESF) for agro-based industrial, food processing and ICT sectors by abolishing the Equity and Entrepreneurship Fund (EEF), as clients did not pay back loans on time despite enjoying equity at zero interest.

The ESF fund would provide eight-year term loans at 2 percent simple interest, the central bank said in a circular yesterday.

It has a four-year grace period, after which clients will have to pay 25 percent principle and interest every year, according to the statement.

Clients themselves have to provide 51 percent as equity of the project cost and invest it within one year after securing the approval from the Investment Corporation of Bangladesh (ICB). They must also submit mortgage against the loans.

The loans will be disbursed in three instalments, the first through the ICB. Clients will have to invest the whole of the first instalment within one and a half years. They would otherwise have to pay back the fund including interest.

No other bank loan will be allowed as equity of the projects and no defaulter can get the loan, according to the guideline.

The central bank will continue to frame policy-related rules of the fund as needed and the ICB will work as the operator.

Campaigners worried about Japan Tobacco's entry

STAR BUSINESS REPORT

Progga, a platform of anti-tobacco campaigners, yesterday opposed the government decision that allowed Japan Tobacco to take over the tobacco business of Akij Group.

In a statement, Progga said the entry of Japan Tobacco into Bangladesh will put public health under a threat and hinder the country's aspiration to become a tobacco-free nation.

Japan Tobacco, one of the largest tobacco companies in the world, acquired United Dhaka Tobacco Company, a concern of Akij Group, for $1.47 billion on Monday.

United Dhaka Tobacco is the second biggest player in Bangladesh's market after British American Tobacco.

The Bangladesh Investment Development Authority hailed the deal, saying this is the biggest-ever foreign direct investment in the private sector.

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13 firms under DSE scanner

They didn't declare dividends in last 5 years

STAR BUSINESS REPORT

The Dhaka Stock Exchange has decided to come down hard on 13 companies which did not pay any dividend in the last five years.

13 FIRMS NOT PAYING DIVIDEND

Meghna Pet Industries	Meghna Condensed Milk Industries
ICB Islamic Bank	Kay & Que (Bangladesh)
Dulamia Cotton Spinning Mills	Savar Refractories
Samata Leather Complex	Beximco Synthetics
Shyampur Sugar Mills	Jute Spinners
Zeal Bangla Sugar Mills	Shinepukur Ceramics
Imam Button Industries	

The companies have already been asked to explain why they failed to declare the dividend, KAM Majedur Rahman, managing director of the premier bourse, told The Daily Star.

"We will review the companies' chances to return to profits. We will delist them if they cannot show any potential to start making profits again."

The performance of the companies will be reviewed in line with the listing regulations, said the DSE in a statement yesterday.

The DSE move left a negative impact on the prices of the shares of the companies yesterday. Savar Refractories shares lost 10 percent, Imam Button shed 9.96 percent, Jute Spinners declined 9.93 percent, Samata Leather gave up 9.87 percent, Dulamia Cotton decreased 9.86 percent and Zeal Bangla fell 9.81 percent.

The share of Shyampur Sugar fell 9.74 percent, Meghna Condensed Milk lost 8.38 percent, ICB Islamic Bank fell 8.16 percent, Kay and Que down 7.50 percent, Beximco Synthetics shed 7.22 percent, Shinepukur Ceramics dropped 5.56 percent and Meghna Pet declined 1.30 percent.

However, stocks gained amid increased participation of investors.

The DSEX, the benchmark index of the DSE, rose 28.47 points, or 0.53 percent, to finish the day at 5,381.88.

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Japanese investors to get more land

STAR BUSINESS REPORT

The government is going to give 500 more acres of land to Japanese investors in a bid to jack up foreign direct investment. The Executive Committee of the National Economic Council (Ecnec) yesterday approved the revised project for land acquisition to set up economic zones for Japanese investors at a cost of Tk 3,195 crore, up from the original Tk 762 crore.

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