

Banks, NBFIs sign up to refinance power, infrastructure projects

STAR BUSINESS REPORT

Eight banks and four non-bank financial institutions yesterday signed a participation agreement with Bangladesh Bank to enjoy funds from an Investment Promotion and Financing Facility (IPFF) II project.

The central bank, as the project's administrator, has formed a \$403.70 million fund to lend to financial institutions, authorising them to refinance customers in power and infrastructure projects at a lower cost.

Governor Fazle Kabir was present at the signing ceremony as chief guest at the central bank headquarters in the capital.

Ahmed Jamal, deputy governor of the central bank; Hassan O Rashid, project director of IPFF II; AKM Abdullah, senior financial sector specialist of World Bank, and senior executives of the signatories were present at the event.

The signatories are Dhaka Bank, Prime Bank, Eastern Bank, Mutual Trust Bank, Dutch-Bangla Bank, United Commercial Bank, One



Bangladesh Bank Governor Fazle Kabir and Deputy Governor Ahmed Jamal pose at the central bank yesterday when eight banks and four non-bank financial institutions signed an agreement to enjoy funds from Investment Promotion and Financing Facility II project.

Bank, City Bank, IDLC Finance, Infrastructure Development Company, Bangladesh Infrastructure Finance Fund, and Industrial and Infrastructure Development Finance Company.

The government received loans amounting to \$356.70 million from World Bank to implement the IPFF II project.

The government provided \$60 million as a counterpart fund to the

project. The total project cost stands at \$416.70 million, out of which the amount being lent is \$403.70 million. The rest of the fund will be used as technical assistance.

Robi asked to pay Tk 867cr

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Of the sum, Tk 189.47 is payable to the NBR for value-added tax. The remaining Tk 677.77 crore would go to the BTRC for: handset royalty; licence fees; licence renewal fees and spectrum assignment fees; and revenue sharing. In the early days of mobile service in the country, the operators had to pay royalty per handset used in the operators' networks as there was no SIM tax then.

The Daily Star contacted Robi for its comment but the operator did not respond.

However, a top official of the operator said the legality of the audit process and the findings might be challenged.

As per the telecom act, the BTRC is allowed to run audits. In response, the telecom regulator said it will consider lawful action against the operator if it does not pay up.

The amount though does not include missed or under payments by Airtel, with whom Robi merged in November 2016. Airtel's books will be audited and the auditor appointment is under way, said BTRC officials.

MISUSE OF BOND FACILITY Goods worth Tk 3cr seized at Ctg port

STAFF CORRESPONDENT, Ctg

Custom House Chittagong officials yesterday seized two containers with 54 tonnes of textile fabrics and artificial leather worth Tk 3 crore at Chittagong port on charge of misuse of bond facilities.

Accenture Footwear Ltd in the paperwork claimed it was importing "heel grip lining" but imported the fabrics and leather, which cannot be imported under bond facilities said the house deputy commissioner, Nuruddin Milon.

Officials searched the containers based on a tipoff and filed a case against the importer and its clearing and forwarding agent, MA Trading Corporation, he said. Exporters usually get bond facilities for importing raw materials only for duty-free export of finished goods, Milon said.

No rate cut on savings tools this year

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On the basis of the recommendation of the finance ministry the new government will take a decision.

Banks last week pledged to lower the interest rates on lending and deposits to 9 percent and 6 percent respectively from August 9.

But for that, the state-owned enterprises must keep their funds with private banks and the interest rates on national savings instruments are lowered in line with the bank deposit rates.

On Sunday, the finance minister held a meeting with all state-owned enterprises and told them to keep their funds with the banks at 6 percent interest rate.



Md Faruque Hossain, director general of Central Procurement Technical Unit, and ASM Mashi-ur-Rahman, managing director of Micro Industries Development Assistance and Services (Midas), exchange documents after signing a deal at the former's conference room in Dhaka recently. Midas will translate procurement documents into Bangla.

MIDAS



Tram Anh Tran, managing director of Coats Bangladesh, poses at a tree plantation programme of the company at Bhawal National Park in Gazipur.

COATS BANGLADESH

Tea association elects top brass



M Shah Alam

Riazur Rahman

Md Abdul Awal

STAR BUSINESS DESK

M Shah Alam has been elected as the chairman of Bangladesh Tea Association (BTA) for a two-year term.

The election of the central executive committee of the association took place at its Dhaka office yesterday, according to a statement of the only representative organisation of tea garden owners in Bangladesh.

The association also elected Riazur Rahman and Md Abdul Awal as its senior vice chairman and vice chairman respectively.

The elected members are: Ahmed Quamrul Islam Chowdhury, OBE, M Wahidul Haque, Mohd Safwan Choudhury, Mirza Salman Ispahani, Imran Ahmed, Ardasher Kabir, M Samad Chowdhury, Altamash Hasan, Tahsin Ahmed Choudhury, Khorshedul Alam Quadery, Mir Mahbul Haque and M Naufel Karim Khan.

The election was conducted by Kazi Saifuddin Ahmed, acting chairman of BTA's election board.

The office bearers will take up their offices in the next annual general meeting of the association.

Inflation edges down in July

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Restoration of the 28 percent duty on rice imports contributed to the increase in domestic rice prices in July, while bad weather disrupted internal supply chains, he said.

"Exchange rate depreciation in July may

also have fuelled inflation somewhat."

Adherence to the monetary policy targets announced recently and ensuring smooth functioning of the domestic supply chains will be important for keeping inflation within the target set for fiscal 2018-19.

Deal signed for single window to boost trade

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The NSW came at a time when Bangladesh scored 34.9 in the "Distance to Frontier" indicator in the Doing Business Index 2018, far below the South Asian regional average of 57.8 and behind countries such as Sri Lanka, India and Pakistan.

The measurement is based on a scale from 0 to 100, where 0 represents the lowest performance and 100 represents the highest performance.

Estimates suggested that modern customs and border clearance procedure can reduce the cost of trading for the lower middle-income countries such as Bangladesh, said Khondaker Muhammad Aminur Rahman, a member for customs audit, modernisation and international trade of the NBR.

Md Shafiul Islam Mohiuddin, president of the Federation of Bangladesh Chambers of Commerce and Industry, said, "As I understand, we will get a relief from submitting multiple documents thanks to the introduction of the NSW."

"We look forward to its speedy and effective implementation," he said. NBR Chairman Md Mosharraf Hossain Bhuiyan also spoke. The NBR and the IFC jointly organised the event.

13 firms under DSE scanner

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Turnover, another important indicator, also jumped 11.14 percent to Tk 710.52 crore, with 19.65 crore shares and mutual fund units changing hands.

BBS Cables dominated the turnover chart with 54.61 lakh shares worth Tk 60.13 crore changing hands, followed by United Power Generation, Regent Textile, Simtex Industries and Dragon Sweater.

Aman Cotton was the day's best performer with an 11.73 percent gain while Savar Refractories was the worst loser, shedding by 10 percent.

Japanese investors to get more land

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According to a planning ministry proposal, the government will acquire the land at Araihaazar in Narayanganj and Mirsharai in Chittagong.

The Ecneq approved the project in March 2017 with a plan to acquire 491 acres of land in Araihaazar and 500 acres in Mirsharai.

Now, the government is going to acquire an additional 500 acres of land for the economic zone in Araihaazar to meet the requirements of the Japanese developer.

An extra Tk 2,377 crore will be needed to acquire the additional land. This includes Tk 1,771 crore in land value and Tk 482 crore in compensation for the affected

landowners. The compensation was not incorporated in the initial project cost.

The project was scheduled to be complete by December 2018. Now, the new deadline will be June 2019.

Ecneq yesterday approved 12 more projects of Tk 3,253 crore. One of the projects at Dohar in Dhaka district -- Majhirchar via Narisha Bazar to Mokshedpur dredging in the river Padma and protection of its left bank -- was approved at a cost of Tk 1,483 crore.

The erosion of the left side of river Padma has been destroying roads, markets, school, madrasas and mosques. Through dredging 2,500 hectares of land will be reclaimed under the project.

Campaigners worried about Japan Tobacco's entry

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But Progga said, "The move which will eventually put the public health of the country into a larger risk is utterly reprehensible."

Progga said Japan Tobacco while expanding its market into new territories puts forth the issue of selling so-called 'safe' tobacco vapour or e-cigarettes.

"But in reality, the sole purpose of its business is to create a much larger market for cigarettes."

The anti-tobacco campaigner said the sale of cigarettes in Japan is rapidly shrinking and JT's business in Japan fell by 5.1 percent.

Japan has introduced a set of stern

tobacco-control regulations in recent months, heavily penalising smoking in public, it said.

The expansion of Japan Tobacco's business into other countries with lax tobacco control and government monitoring is thought to be a move to offset the shrinking sales at home.

"This is why Bangladesh, the world's eighth-largest cigarette market, has become a major target for the company."

Each year, about 160,000 people of Bangladesh die of diseases caused by tobacco use, according to Progga.



STANDARD BANK

Tarique Azam, additional managing director of Standard Bank, poses with participants of a two-day training on "Leading to Team Building" at BCDM Rajendrapur in Gazipur recently. The bank and soft skills training and management consulting services provider FutureLeaders jointly organised the programme for the bank's executives.



UTTARA BANK

Azharul Islam, chairman of Uttara Bank, launches "Uttara Bank Visa Credit Card" at its head office in Dhaka yesterday. Mohammed Rabiul Hossain, CEO, was present.