STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES (STANDARD CHARTERED BANK)				
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI		USD	EUR	GBP	JPY
0.01%	0.36%	$1,188.30 (per ounce)	$83.30 (per barrel)	0.83%	0.52%	0.05%	Closed	BUY TK	82.80	95.38	107.54	0.71
5,369.91	10,020.28			36,526.14	24,245.76	3,255.46		SELL TK	83.80	99.28	111.14	0.75

Star BUSINESS

DHAKA TUESDAY OCTOBER 2, 2018, *ASHWIN 17, 1425 BS* ● starbusiness@thedailystar.net

MNP hits a snag

Many mobile users could not change operators on first day

MUHAMMAD ZAHIDUL ISLAM

A huge number of customers could not change operators on the inaugural day of the mobile number portability (MNP) service largely for a number of operators' reluctance to let their existing users go.

About 1,000 users, however, were successful.

The MNP is a service that empowers customers to switch to any operator keeping their existing mobile phone number. It helps improve service quality.

Banglalink said more than 500 customers attempted to join its network from other operators, but the success rate is around 30 percent from Robi and zero from Grameenphone.

"Since this was the first day, we believe there might have been some technical issues. However, we appreciate and thank the customers who have decided to join the Banglalink family," said Taimur Rahman, senior director for corporate and regulatory affairs of the operator.

Robi and Banglalink complained to the telecom regulator about the rejection issue.

Syed Talat Kamal, head of external communications of Grameenphone, said, "We are very happy to welcome a good number of customers to our strong network on the first day."

"We have also seen some of our valued customers opt for other operators which they are welcome to do."

He said the MNP is an automated service, so there is no scope for non-cooperation.

Yesterday, 976 users tried to join Robi. Of them, 80 percent were from Grameenphone, but only 26 customers were successful on the day.

Ekram Kabir, vice-president of Robi Axiata, said, "We have begun to provide the service to the people."

He thanked the customers who have chosen Robi and Airtel on the very first day of the service.

Nine customers left state-run Teletalk, but nobody from other operators joined it.

With the MNP, Bangladesh became the 72nd country in the world to make the service available.

For the service, the government has fixed a fee of Tk 50, excluding 15 percent value-added tax, and the service will be available within 72 hours. To do so within 24 hours, another Tk 100 has to be paid.

In both cases, customers will require a visit to the customer care centres of recipient operators. Customers will also have to pay Tk 100 as SIM replacement tax.

READ MORE ON B3

Home textile exporters in a tight corner

A number of mills are shutting down amid competition

REFAYET ULLAH MIRDHA

At a time when home textiles, especially terry towels, promise both enhanced earnings and diversity to Bangladesh's export basket, many mills are shutting down unable to compete at international markets.

At least 10 small and medium factories have shuttered in the past two years while another three to five are struggling to survive, according to data from the Bangladesh Terry Towel & Linen Manufacturers & Exporters Association.

All in all, there are some 90 factories currently in operation.

"Our factory was closed six months ago as we were in trouble due to pressure from international buyers to reduce the price," said Rubel Hossain, a senior official of Mark Terry, which was established in Ashulia in 2000.

The buyers had the upper hand as they had competitive prices of Pakistan as a second option, he said. "Before the closure we used to export terry towels worth $2 million a month," he added.

A production unit of Alltex Group faced the same fate in November last year failing to keep up with international competition, said a senior official of the group asking not to be named.

"At least 70,000 workers lost their jobs due to the closure of those factories," said M Shahadat Hossain, the association chairman. The sector was just starting to grow, bolstered with some Tk 2,000 crore in investments, he said.

In fiscal 2017-18, export of Bangladesh's home textiles, including terry towels, bedsheets, linen, curtains and pillow covers, grew 9.95 percent year-on-year to reach $878.68 million.

However, terry towel export declined 4.40 percent year-on-year to $42.35 million last fiscal year, according to data from the Export Promotion Bureau.

The sector's growth started to witness a decline from January 2014, when the European Union (EU) allowed zero-duty benefit to Pakistan under it GSP Plus scheme, on export of home textiles and some other products.

The EU imported over $6.86 billion-worth home textiles in 2016, according to data from Euratex, the European apparel and textile confederation.

Of it, China accounted for 33 percent, Pakistan 25 percent, Turkey 16 percent and India 11 percent. Bangladesh's share was 7-8 percent.

The EU's data shows that its preferential import of textiles and clothing from Pakistan increased 82 percent year-on-year in 2014 (from 2 billion euros to 3.7 billion euros).

Bangladesh previously enjoyed 9.6 percent duty privilege over Pakistan as a least developed country in the EU, its main export destination, Hossain said.

With a trade advantage of nearly 15 percent, including 6 percent cash incentive, the sector in Bangladesh, especially terry towels, was performing well even amidst high yarn prices in the local markets, he said.

Yarn is the main ingredient in the production of home textiles, accounting for 70 percent of the cost, while the remaining 30 percent went behind chemicals, such as dyes, he said.

READ MORE ON B3

EBL, Summit strike interest rate swap deal

STAR BUSINESS REPORT

Eastern Bank has struck an interest rate swap deal with Summit Group, a first-of-its-kind agreement for a local bank.

An interest rate swap is a contract between two parties to exchange interest payments with the view to reducing or increasing exposure to fluctuations in interest rates or obtaining a marginally lower interest rate.

The deal struck up yesterday at the EBL headquarters in Dhaka pertains to the interest payment on the $71.25 million loans taken by concerns of Summit Group -- Barisal Power and Summit Narayanganj Power Unit II -- in December 2016.

The interest rate on the loans -- taken from Infrastructure Development Company Ltd (IDCOL) and the Islamic Corporation for the Development of the Private Sector (ICD) -- is 3-month LIBOR plus 4.25 percent.

As per the swap deal, the EBL will pay the interests to the IDCOL and ICD as per the original loan conditions, while the two Summit concerns will pay the local bank a fixed rate of 4.25 percent plus swap rate, which is nearly 3 percent, for the next five years.

At present, the 3-month LIBOR is 2.38 percent; if it shoots upwards of 3 percent anytime over the next five years the two Summit companies profit.

Conversely, if the rate stays the same or declines, the EBL profits as the fixed payments received from Summit would be higher than what it would be paying out to the IDCOL and ICD.

"This is a first-of-its-kind deal executed by a private commercial bank in Bangladesh," said Ali Reza Iftekhar, managing director of the EBL, at the agreement signing ceremony.

Interest rate swaps are becoming increasingly popular among all the major global producers and traders given growing volatility in the market, he said.

"This landmark deal opens up the possibility for the EBL to provide hedging facility to Bangladeshi enterprises to better manage their price risks," said Iftekhar, also a former chairman of the Association of Bankers, Bangladesh, a platform of private banks' chief executive officers.

Azeeza Aziz Khan, director of Summit Corporation, expressed gratitude to the EBL as the lender has kept its faith on Summit.

Abdul Wadud, managing director of Summit Power, said that it was a unique agreement by the EBL and Summit.

TORU

From right, **Saif Kamal, founder of the Toru Institute of Inclusive Innovation; Rubana Huq, chairperson of Annisul Huq Foundation; Bitopi Das Chowdhury, head of corporate affairs, brand & marketing at Standard Chartered Bank Bangladesh; Mominul Islam, CEO of IPDC Finance, and M Mahboob Rahman, dean for business at North South University, attend the launch of Impactor, a Toru programme for early-stage entrepreneurs, at Lakeshore Hotel in Dhaka yesterday.**

Toru to help budding entrepreneurs flourish

STAR BUSINESS REPORT

Toru Institute of Inclusive Innovation, a startup incubator, yesterday launched a programme to facilitate budding entrepreneurs to realise their innovative ideas.

Called the Impactor programme, it is an eight month-long curriculum for 10 select start-ups that want to transform their ideas, early form of a product or business into a successful enterprise with a social impact.

The programme will involve individually tailored roadmaps, supplemented with expert advice on areas ranging from product design to business, legal and investment support, said Saif Kamal, founder of Toru.

Other than the mentoring support, the participants, who will be selected through a rigorous process, will receive up to Tk 10 lakh seed funding and workspace from Startup Bangladesh at the ministry of information communication and technology.

"This programme will be the first-of-its-kind in Bangladesh. We have already had accelerator programmes or competitions, but ideas need extensive and long-term support in order to become impactful enterprises," he added.

The Impactor programme is supported by Standard Chartered Bangladesh, Microsoft Bangladesh, The Daily Star, IPDC, Annisul Huq Foundation, Startup Bangladesh and North South University.

READ MORE ON B3

NBR plans dedicated unit for multinationals

SOHEL PARVEZ

The National Board of Revenue plans to set up a separate unit for multinational companies (MNCs) to provide hassle-free services to foreign firms doing business here, said a senior official yesterday.

Likely to be named "International Taxpayers' Unit (ITU)", the wing will also allow taxmen to curb the scope of illicit fund transfers for tax avoidance and tax evasion through transfer pricing and other means, said the official.

The move comes based on proposals from the EU-Bangladesh Business Climate Dialogue held last year.

"This will ensure better services for foreign taxpayers. We have agreed in principle to form the unit where multinational companies will be able to submit returns for tax assessment and do other formalities," he said.

The unit would also be helpful in avoiding cases of arbitrary disallowance of expenses by taxmen at field offices.

At present, nearly 700 foreign companies are in operation in Bangladesh, including 204 members of the Foreign Investors' Chamber of Commerce and Industry.

A number of multinational firms carry out their tax related formalities at Large Taxpayers Unit while many foreign firms, particularly small and medium enterprises (SMEs), submit tax returns to different tax zones.

READ MORE ON B3

Foreign funds rise in stocks

STAR BUSINESS REPORT

Net foreign investment in the premier bourse returned to the positive territory after five months as foreign investors' purchase soared slightly in September as they bought good stocks at lucrative rates.

Dhaka Stock Exchange data showed the net foreign investment was Tk 35.16 crore last month when foreign investors purchased stocks worth Tk 247.51 crore and sold off shares worth Tk 212.34 crore.

In August, the net foreign investment stood at Tk 5.75 crore in the negative, as foreign investors sold more than what they purchased.

"As good stocks became lucrative, foreign investors bought some shares," said Mohammed Rahmat Pasha, managing director of UCB Capital Management.

Although the net foreign investment jumped, the turnover in the foreign portfolio is still very low.

The turnover rose 28.45 percent to Tk 459.85 crore in September, the second lowest in 2018. In August, the turnover was Tk 357.99 crore, the lowest not only so far this year but also in four years.

Pasha said the yield on US Treasury bond soared so foreign investors are investing in the tools. On the other hand, foreign investors are slightly averse to investing in Bangladesh's stock market because of a fear of political uncertainty.

Yesterday, the 10-year US Treasury yield was last at 3.071 percent, up from its close on Friday at 3.056 percent. The 30-year bond yield was last at 3.214 percent, up from Friday's close at 3.196 percent, according to Reuters.