

DSEX ▼ 0.08% CSCX ▼ 0.07%  
5,418.27 10,090.66



Gold ▲  
\$1,201.80 (per ounce)

Oil ▼  
\$85.53 (per barrel)

MUMBAI ▼ 2.24% TOKYO ▼ 0.56% SINGAPORE ▼ 1.1%  
35,169.16 23,975.62 3,231.59

SHANGHAI  
Closed

USD 82.85 94.46 106.77 0.71  
EUR 83.85 98.16 110.37 0.75



# BUSINESS

DHAKA FRIDAY OCTOBER 5, 2018, ASHWIN 20, 1425 BS • starbusiness@thedailystar.net

## Buy handsets with ease

*Users with no credit cards can soon purchase smartphones on EMI*

MUHAMMAD ZAHIDUL ISLAM

The telecom regulator has finalised a directive that will soon allow those with no credit card to enjoy equal monthly instalment facility to purchase high-end smartphones from mobile operators.

A longstanding demand of the carriers, the move is expected to boost 4G-enabled handset penetration in the market, enabling operators to better monetise their investment on 4G.

Currently, only about 30 percent of the mobile handsets in use in Bangladesh are smartphones.

The EMI will be for six months and the handsets will be locked to the network until then, said a senior official of Bangladesh Telecommunication Regulatory Commission related with the process.

Failure to clear the dues will lead to the phone being blocked by the vendor, rendering the handset unusable.

The handsets, which would carry the mobile operator's logo as well as the vendor's, can have no less than 1GB RAM and 8GB storage space and be compatible with 900, 1,800 and

### BENEFITS AND CONDITIONS

Operators and vendors will jointly offer 4G handsets

Even customers without cards to get six months' EMI facility

Only one operator's SIM to work until dues are paid

RAM must be over 1GB, ROM over 8GB; work in all 900, 1,800 and 2,100 Mhz spectrum bands

Price cannot exceed market average

Mobile operators can go for marketing, advertisement

2,100 spectrum bands.

The handsets must not cost more than the regular market price, and the mobile operators can run advertising campaigns to market them, as per the directive.

"This is a global practice and most of the developed countries have

adopted this facility quite a few years back," said Md Jahirul Haque, acting chairman of the BRTC.

The directive, which was finalised in a recent meeting of the telecom regulator, will be issued within the next couple of working days.

"Besides, we have taken this step to accelerate the digitisation process," he said, adding that it was a longstanding demand of the mobile operators as smartphone penetration was not increasing at the rate they were expecting.

As of June, there are 60 lakh 4G mobile connections in the country and about six crore 3G connections. But the smartphone numbers are not that high.

Handset imports increased 9.6 percent year-on-year to 3.4 crore units in 2017, but smartphone imports did not see any rise.

In 2017, around 8.2 lakh smartphones were imported, according to the Bangladesh Mobile Phone Importers Association. The trend continued this year too, when 37.89 lakh units were brought in to the country in the first six months.

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People flock to a stall of the Department of Immigration and Passports at the fourth National Development Fair in the capital's Agargaon yesterday to get their passports renewed within a day.

## Too many compliance reports raise costs for banks: paper

STAR BUSINESS REPORT

Commercial banks have to submit scores of reports on compliance -- on average 263 a year -- to the central bank, which a new paper says do not reflect the reality but raise costs for the lenders.

Public and private banks adhere to 15 laws or ordinances, 46 guidelines, 10 regulations, and 478 circulars related to compliance.

The opinions were shared at a roundtable titled "Costs for compliance with regulations in banks" at the Bangladesh Institute of Bank

Management's (BIBM) office in Dhaka yesterday.

It said banks provide incorrect information in the reports at their convenience, and it should be stopped. It called for cutting down the number of the reports.

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## Energy costs to double by 2031: Jica

STAR BUSINESS REPORT

Energy costs in the industrial and transport sectors will stand at \$20 billion by 2031, double that of 2021, said Hitoshi Hirata, chief representative at the Bangladesh office of Japan International Cooperation Agency (Jica).

Jica has been assisting Bangladesh in efforts to cut energy cost which is very crucial for the country's future development, he said.

Hirata was addressing the launching of the three-day "Green & PPP Convention and Expo 2018" organised by state-run Bangladesh Infrastructure Finance Fund Limited (BIFFL) at Bangabandhu International Conference Centre in the capital.

Finance Minister AMA Muhith inaugurated the expo as the chief guest. The BIFFL gave a cheque worth Tk 64 crore to Muhith as dividend.

Hirata said efficient use of energy in Bangladesh is very crucial as the country has been importing power alongside going for low-cost natural gas-based electricity generation. To minimise costs, the power tariff has also been increased, he said.

The Jica representative said energy-efficient machines have to be set up in industries, something

for which Jica has been assisting Bangladesh for the last couple of years.

Hirata said Jica has provided Bangladesh \$100 million whereas the demand was \$1 billion.

The BIFFL organised the expo to promote green and energy-efficient technology as well as public private

partnership (PPP) for sustainable infrastructure development in the country.

A BIFFL statement said the convention provided a platform for the participants to share experience from global best practices and collate recommendations for policymakers to formulate

enabling policies and regulations towards fostering the green movement in Bangladesh.

Three national seminars will be held alongside the expo followed by plenary discussions participated by experts, development partners, bankers, regulators and users.

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AMA Muhith, finance minister, attends the opening ceremony of a three-day "Green & PPP Convention and Expo 2018" organised by state-run Bangladesh Infrastructure Finance Fund Limited (BIFFL) at Bangabandhu International Conference Centre in Dhaka yesterday.

## Private credit growth hits 31-month low

STAR BUSINESS REPORT

Private sector credit growth hit a 31-month low of 14.95 percent in August as investors shy away from business expansion due to the upcoming national election in December.

The development will bring much cheer to the Bangladesh Bank as this is the first time in about a year that the growth rate has been below its ceiling. The private sector credit growth target for the second half of the year is 16.80 percent.

Banks have enough money but investors are unwilling to take investment decisions ahead of the election, said Md Arfan Ali, managing director of Bank Asia.

The central bank's decision to slash the loan-deposit ratio by 1.5 percentage points to 83.5 percent was one of the main reasons behind the declining credit growth, according to bankers.

On January 30, the BB instructed banks to implement the new ratio by March next year. More than 25 banks were above the authorised limit of the ratio in December last year.

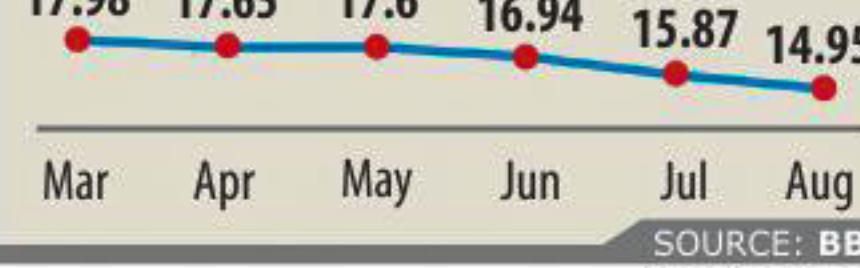
"Some banks that lent aggressively in the first half of the year are now adjusting their portfolio," Ali said.

Most of the banks have brought down their loan-deposit ratio in line with the central bank's instruction, said a senior BB official.

"As a result, credit growth has slowed

### PRIVATE SECTOR CREDIT

Growth in %



recently. But the trend is normal as it remained within the central bank's ceiling," he added.

At the end of June, the average loan-deposit ratio stood at 76.66 percent.

The total credit to businesses stood at Tk 9,101,659 crore at the end of August, according to data from the Bangladesh Bank.

Meanwhile, public sector credit growth was 5.92 percent in August, far below the ceiling of 8.60 percent set for the July-December period.

In another development, the weighted average lending rate in the banking industry came down to 9.63 percent in August from 9.71 percent the previous month, according to data from the BB.

On June 21, the Bangladesh Association of Banks, a forum of directors of private banks, decided to lower the interest rates on lending and deposit to 9 percent and 6 percent respectively.

The new rates came into effect on July 1, but most of the banks are still lending at double-digit.

## Microsoft to help local startups go global

STAR BUSINESS REPORT

Microsoft has recently launched its 'Microsoft ScaleUp' programme in Bangladesh to provide opportunities to local startups to go global.

The initiative aims to connect promising local startups to the Microsoft marketplace to connect them globally, said the company in a statement yesterday.

The programme will also provide deep technological support, mentoring, and community assistance to the startups. The statement said Microsoft reiterated its commitment to Bangladesh's startup community as part of its global programme, which has committed \$500 million in investment across the globe over the next two years.

The programme will offer joint sales engagement opportunities with Microsoft, along with access to Microsoft technology, credits, and mentorship. In the statement, Lathika S Pai, country head of Microsoft for Startups, said Bangladesh has a promising startup ecosystem.

"There are startups on education, healthcare, power, event management, food delivery, Internet of Things, agro-services and together they can provide solutions to most of the existing problems in Bangladesh."

Pai said Microsoft was here to improve the entrepreneurship ecosystem and scale up their business by helping these potential startups.

"At Microsoft, we aim to help individuals and organisations on the planet achieve more, and as part of the mission we will provide support to select enterprise-ready startups from Bangladesh and help them scale up through this immersive programme."

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## Big firms still staying away from stock market: BSEC

World Investor Week begins Sunday

STAR BUSINESS REPORT

Big companies in Bangladesh are reluctant to get listed on the stock market in spite of tax benefits to avoid coming under the regulators' scanner, said a top official of the Bangladesh Securities and Exchange Commission yesterday.

With a view to attracting much-needed quality stocks to the market, the government is extending 5 to 10 percent tax waiver to listed companies. But, listed companies have to comply with certain rules and regulations -- a daunting prospect for many.

"So, many well-performing companies are staying away from the stock market," said Farhad Ahmed, executive director of BSEC.

Ahmed's comments came at a press briefing yesterday to announce the BSEC's participation in the World Investor Week, a global campaign to raise awareness about the importance of investor education and protection and highlight the various

initiatives of securities regulators in these two critical areas.

"Bangladesh is logging good GDP growth, so banks will not be able to cover the huge demand for finance from our entrepreneurs. So, they have to turn to the stock market in future," he added.

The country's stock market is based on small investors, who lack the ability to make informed decisions, said Md Saifur Rahman, executive director of BSEC.

They mostly operate on the basis of rumours, which more often than not send them towards junk stocks and poorly performing companies.

"We have a category system on the basis of stock's performance, so that investors can make informed decisions. This is rare in other stock markets."

Rahman, who is also the spokesperson of the BSEC, said the regulator often warns investors of the junk stocks and even imparts training on the stock market from time to time.

And still they are rushing towards

those stocks, sending their prices soaring, he said, adding that the BSEC took some steps against the stocks recently. BSEC is also trying to extend institutional investors' base, Rahman added.

As a member of the International Organisation of Securities Commission (IOSCO), the BSEC will organise a week-long programme from October 7 to celebrate the World Investor Week.

IOSCO is the international body that brings together the world's securities regulators and is recognised as the global standard setter for the securities sector.

It develops, implements and promotes adherence to internationally recognised standards for securities regulation.

A total of 84 countries are observing the week this year along with seven regional and global organisations.

Md Mahbubul Alam, executive director of BSEC, was also present at the briefing.

## EU calls for removing trade barriers

Bangladesh seeks GSP Plus

STAR BUSINESS REPORT

A trade delegation from the European Union yesterday urged the government to remove trade barriers to help Bangladesh move up in the global ease of doing business index and reduce the trade gap between the bloc and the country.

Rensje Teerink, the EU ambassador to Bangladesh, suggested Commerce Minister Tofail Ahmed facilitate EU businesses by removing barriers in customs and taxes so that the big imbalance in trade is reduced.

He remarked at a joint press conference after the fourth round of the EU-Bangladesh Business Climate Dialogue with Ahmed at the latter's secretariat office in Dhaka.

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