

CURRENCIES

USD

82.95

EUR

93.02

GBP

103.68

JPY

0.72

BUY TK

83.95

SELL TK

96.82

107.48

0.75

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NATIONAL ELECTION

Banks turn to BB amid sudden demand for cash

AKM ZAMIR UDDIN

Commercial banks have suddenly started borrowing from the central bank to manage the growing cash withdrawal pressure ahead of the national election scheduled for December 30.

Ten banks borrowed Tk 3,687 crore from Monday to Wednesday last week by way of repurchase agreement (repo) and the assured liquidity support facility (ALSF) to meet their instant liquidity demands.

On December 18, AB Bank borrowed Tk 400 crore, Trust Tk 350 crore, One Tk 200 crore, EBL Tk 183 crore, Dhaka Tk 120 crore, National Tk 97.50 crore, NRB Tk 41.50 crore, Uttara Tk 27.02 crore and Standard Bank Tk 25 crore.

The repo and the ALSF are short-term loans disbursed by the banking regulator to commercial banks in case of any shortfall of fund. A bank has to count 6 percent interest if it takes loans through the repo and the ALSF from the Bangladesh Bank.

Primary dealer banks, which are dedicated to providing funds to the government by purchasing treasury bills and bonds, are only allowed to borrow from the central bank using the ALSF.

The banking sector has been facing liquidity crisis in recent months, but banks hardly went to the central bank to manage their required cash, a managing director of a commercial bank said yesterday, requesting anonymity.

"But we have been forced to take liquidity support from the central bank this time because of huge cash withdrawal ahead of the parliamentary polls," he said.

The candidates contesting in the election and the political activists are now on a spending spree to conduct electioneering, adding more pressure on the banks' liquidity base, he said.

The trend of the cash withdrawal will continue into next week considering the peak time of the election campaign, the CEO said.

The central bank injected funds amounting to Tk 8,000 crore into some banks in August to help minimise cash withdrawal pressure during the Eid-ul-Azha, the second largest religious festival for Muslims, according to BB data.

The BB pumped Tk 74.80 crore into a bank on April 12 for the first time this year.

It is a natural phenomenon that lenders take liquidity support from the central bank almost every year ahead of Eid, the CEO said.

"Banks have not taken adequate preparation for the cash requirement during the polls as majority of them failed to foresee the crisis."

The cash-strapped banks mobilised funds through the call money market throughout the year. But the banks, which are the major players in the call money market, are also now under pressure because of the election-related fund requirement, said the treasury head of a private bank said.

READ MORE ON B3

Polls campaign enters digital era

Tk 200cr could be spent to reach out to voters

MUHAMMAD ZAHIDUL ISLAM

Election campaigns through digital platforms rose extensively targeting this month's national polls as contenders are increasingly using social media platforms thanks to voters' massive presence on the internet.

Most of the campaigns are customised, using all the social media platforms and mostly run by ruling party nominees, said digital advertising industry insiders.

"Political parties and candidates are using digital channels for campaigns this year and it is a new phenomenon in the country," said Imtiaz Ahmed, lead operations at Wizards Ad Network, one of the top marketing and advertising agencies in Bangladesh.

He said the digital segment received huge work flow in the last few months and the business volume reached a few hundred crore taka.

According to industry estimates, about Tk 200 crore is being spent for electioneering on digital platforms. SMS and recorded voice campaigns would add business worth another Tk 100 crore, said Ahmed.

Candidates are using platforms such as Whatsapp, Twitter and Instagram alongside Facebook and YouTube.

The government, under different ministries, is also engaged in campaigns and a couple of international agencies are also using digital channels to raise awareness among voters.

Zunaid Ahmed Palak, the youngest state minister in the current cabinet and an Awami League contender in Natore-3 constituency, said of the electioneering, more than 30 percent was being carried out through digital platforms.

"It is impossible to come in contact face-to-face with all of the voters of my constituency within the limited time, but digital platforms are giving me the opportunity to reach out to all of them. Voters also feel I am in touch with them when they find me on Facebook or YouTube," said the state minister for ICT.

This is a major change from the 10th general election that took place five years ago. At the time, there were a limited number of digital service users; the number of Facebook users was only 30 lakh and now it has gone past 3 crore.

"People in the remotest part of the country use YouTube frequently, prompting the candidates to choose these platforms," Palak added.

There are about 100 digital content developers and marketing agencies in Bangladesh and all of them have been very busy in the last three to four months, industry insiders said.

One of them is Filmy Features, which has developed five video contents, including two for ministries and one for Democracy International, an NGO.

Shankha Dasgupta, a video developer of Filmy Features, said in some cases candidates had little idea about digital campaigns, but still they were using these platforms as many of the voters were live on the internet.

Most of the publicity contents have already hit the market and a few more will be released within a day or two, said Ahmed of Wizards Ad Network.

Axiata Digital, a sister concern of Robi's parent company Axiata Group, is providing electioneering support through digital platforms. It has partnered with Facebook and Google for customised services and is using artificial intelligence technology to pinpoint coverage.

Digital channels have opened up a new window of opportunities for campaigning. Candidates are also interested, creating a new avenue for business for the advertising segment, said a top executive of Axiata Digital.

According to Axiata Digital, the demand for recorded voice campaigns for a customised constituency went up as voters can get a recorded voice call from candidates.

READ MORE ON B3



MUHAMMAD ZAHIDUL ISLAM

A big poster is seen outside the venue of a workshop on digital election campaign that Bangladesh Awami League organised on December 15 at the Institution of Engineers, Bangladesh in the capital.

Automobile servicing industry revs up

Dearth of skilled workforce still a challenge

JAGARAN CHAKMA

After obtaining a diploma in automobile engineering from Cumilla Polytechnic Institute in 1998, Ismail Karim Chowdhury managed a job at the age of 20 at a service station of Navana, the sole distributor of Toyota's brand new cars in Bangladesh.

He spent five and a half years there before switching to Rancon Motors, which imports Mitsubishi cars, Toyota's Pajero and Mercedes-Benz. After a year, he moved to Millennium Service Centre, a wing of Millennium Automotive, which imports Hyundai and Nissan vehicles.

Chowdhury wanted to learn about as many branded vehicles and their technologies as possible to materialise his dream of setting up his own workshop.

The dream came true in 2009 when he set up a service centre named Multibrand Workshop at Tejgaon industrial area, albeit in a small scale.

He now owns three service centres in Dhaka. The centres employ 270 people, including graduate and diploma engineers and provide services to 30,000 vehicles a year.

Chowdhury could sense it well before many that the sector would flourish in the years to come. Steady economic growth, rising purchasing power and the increasing use of cars proved him right.

As of September this year, 3,663,189 vehicles, including truck and tractors, got registered, up 144 percent from 1,498,244 eight years ago, according to Bangladesh Road Transport Authority.

Mechanics are busy at Multibrand Workshop in Tejgaon industrial area yesterday, one of the many garages sprouting up to cater to the increasing number of vehicles in the capital.

PRABIR DAS



Regulator invites bid to monitor telecom services

STAR BUSINESS REPORT

The telecom regulator has called an international tender to establish a separate centre to monitor the country's overall telecom services round the clock, especially the quality of mobile networks and voice and data traffic.

Officials of the Bangladesh Telecommunication Regulatory Commission (BTRC) said the centre would help improve digital services in the country.

The monitoring includes call detail records, something only an intelligence agency of the country can currently carry out.

It will also help the regulator check whether operators' integration of revenue reporting process and automated audit system were in line with BTRC regulations.

The BTRC yesterday uploaded the tender notice on its website and would be publishing it in newspapers. Any local and international IT company can submit their offer.

The tender calls for development, deployment, acquisition and installation of required software and hardware to implement the proposed system.

The winning firm will run the operations of the system for one year and the maintenance for two years.

Earlier, the telecom regulator allotted Tk 15 crore to establish the centre, said Md Jahurul Haque, acting chairman of the BTRC.

He said its impact would be huge and every telecom service user would be benefited.

Officials will be able to recommend punitive measures which the commission will consider before taking a final decision, he said.

"Ensuring quality of service through this kind of initiative will be helpful and at the same time this process will ensure transparency of the total service system," said Haque.

He said the telecom regulator's main priority was to ensure customer satisfaction. So, it decided to build a centre soon where a laboratory for monitoring service quality would be set up.

All the service providers, including mobile operators, WiMAX and internet service providers will have to be connected to the monitoring centre.

READ MORE ON B3

Banks shut Dec 28-31

STAR BUSINESS REPORT

All banks will remain closed on the last four days of the year because of weekend, general holiday for election and bank holiday.

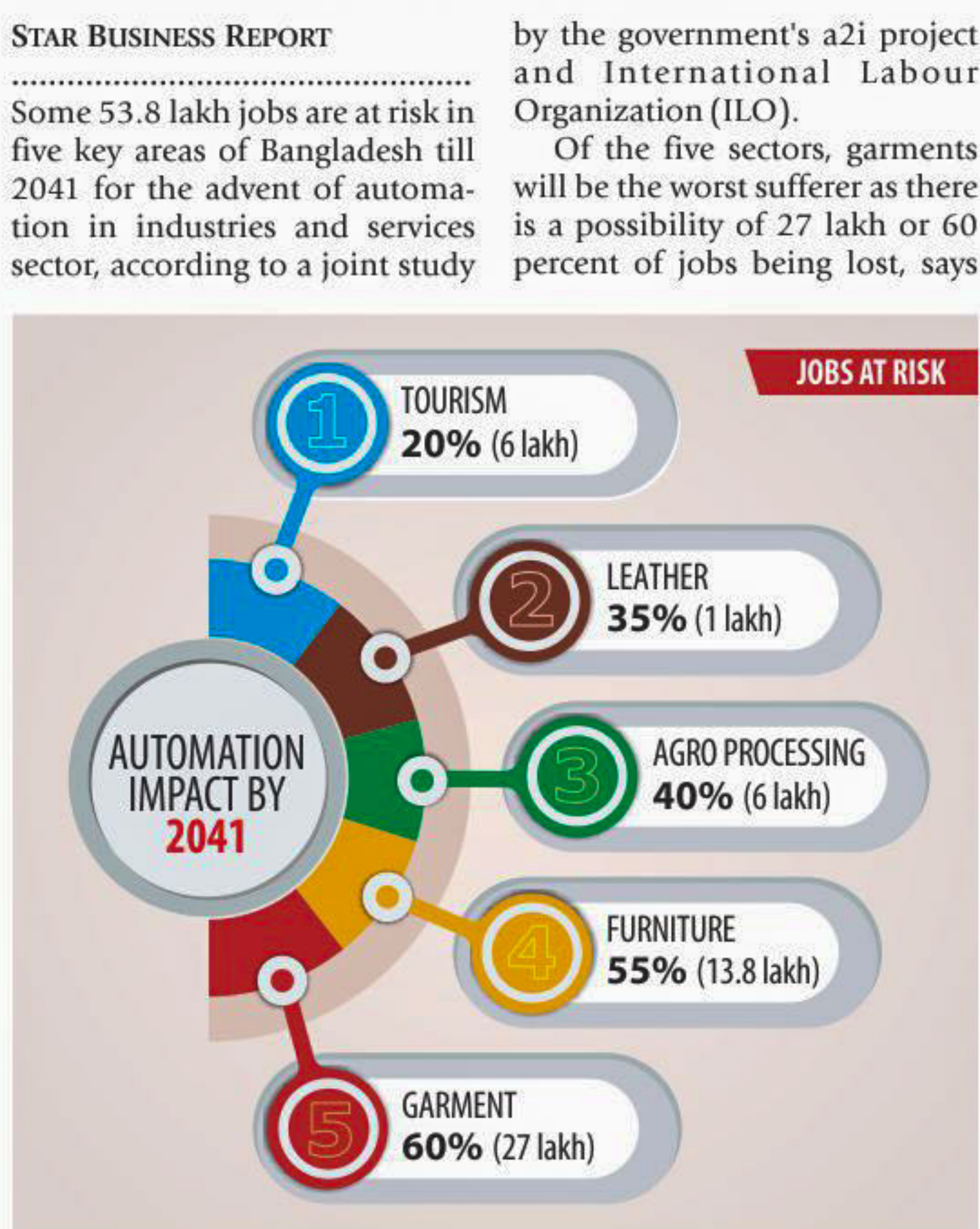
This year's last working day for banks and non-bank financial institutions will be December 27, according to a Bangladesh Bank notice issued Wednesday.

Banking operations will remain closed on December 28-29 as a regular weekend. The government announced a general holiday on December 30 for the 11th parliamentary election and December 31 will be a bank holiday.

However, clients can use ATM booths and alternate banking channels such as mobile financial services during this time. Banking operations will resume as usual from the first working day next year.

Banks say cash withdrawals have increased ahead of the election and yearend.

Automation to cut 53.8 lakh jobs by 2041: study



DCCI

Md Shahidul Haque, senior secretary to the foreign ministry, speaks at a discussion on the 4th industrial revolution at the DCCI office in Dhaka yesterday. Abul Kasem Khan, second from right, president of the DCCI, was present.