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BUSINESS

DHAKA WEDNESDAY DECEMBER 26, 2018, POUISH 12, 1425 BS

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Digital services hit by election nerves

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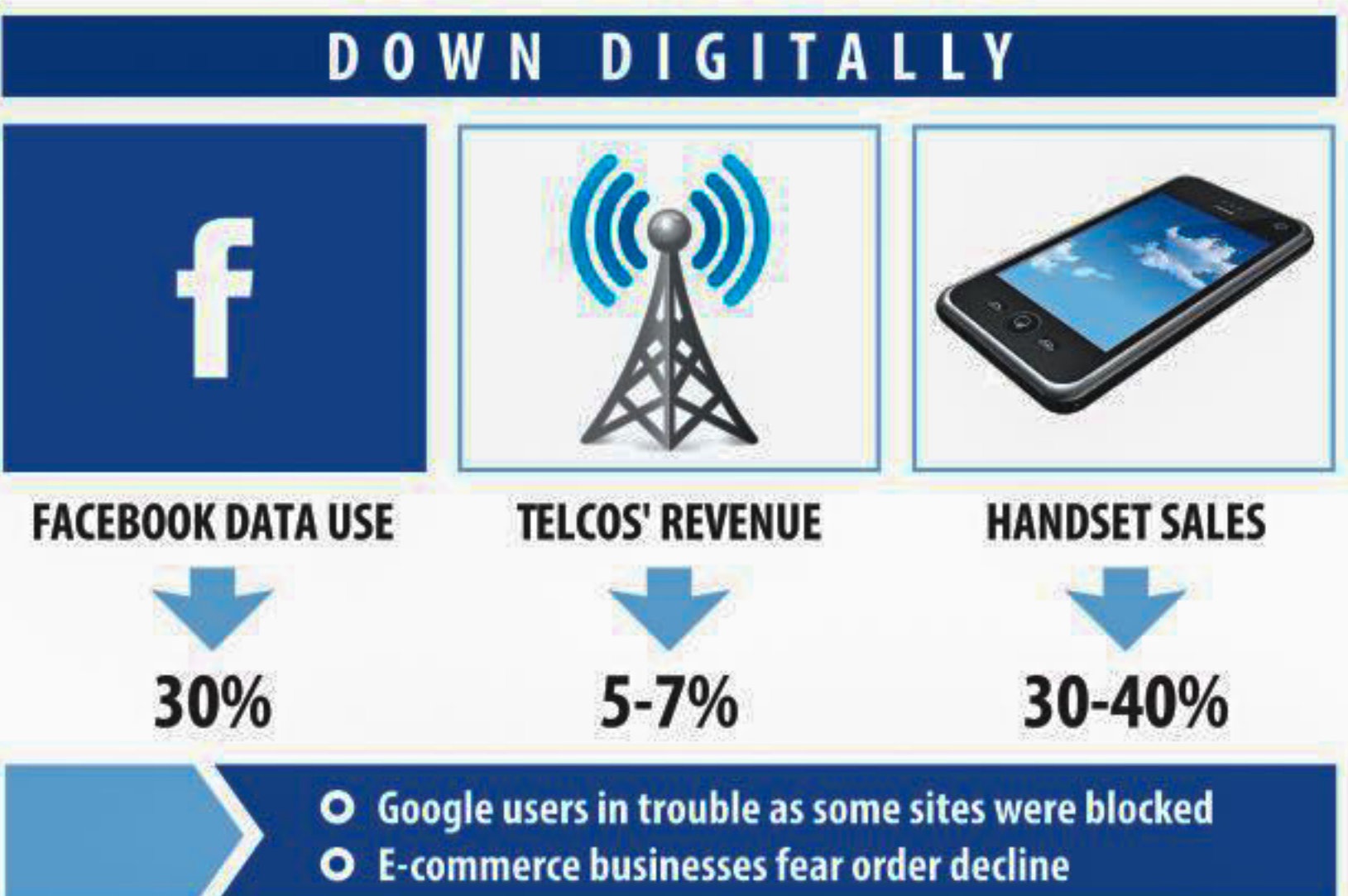
Digital service business has shrunk unexpectedly ahead of the 11th general election on December 30, in a puzzling development for the industry that was anticipating a spike amid the growing tendency towards digital campaigns.

December has been the worst month this year from a business point of view, said mobile operators, broadband providers, mobile handset companies and wholesale bandwidth suppliers.

Data usage, both through mobile network and broadband, has drastically declined, said Sumon Ahmed Sabir, chief technology officer of Fiber@Home, the leading wholesale bandwidth supplier.

For instance, usage of Facebook, the most widely used social media platform in Bangladesh, dropped about 30 percent compared to last month.

Facebook data usage was about 28 Gbps in November, but as of this week



Fiber@Home recorded 18 Gbps. "We had estimated that the usage would increase and taken preparation for that, but surprisingly people are not using Facebook as much."

side of the Digital Security Act 2018. "So, people are avoiding using Facebook before the election," Sabir said.

Mobile operators said they observed 5 to 7 percent drop in revenue in December from both the voice and data segment from a year earlier.

Traditionally, the final quarter of a year is the revenue harvesting one, but this year has been different.

"In the last one week, the situation has gone from bad to worse," said a top executive of an operator requesting anonymity.

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Jute industry going thru' rough patch

SOHEL PARVEZ

The jute industry is riding out 2018 on a rough tide thanks to a slide in global demand in the second half after a decent start to the year.

Economic downturn in Turkey, anti-dumping duty imposed by India on jute goods and a decline in

demand in China altogether affected the jute industry this year.

"This has been the most difficult year," said Mahmudul Huq, deputy managing director of Janata Jute Mills, a leading exporter of jute yarn and jute goods.

The industry, which posted a 6.56 percent higher export receipt of \$1.02

billion last fiscal year, fell into trouble in the wake of sliding demand for yarn from buyers in Turkey, which usually account for 37 percent of total annual exports.

Turkish economic growth crawled down to 1.6 percent in the third quarter, falling short of forecasts as a currency crisis and soaring inflation led to the worst economic performance in two years, reported Reuters on December 10.

Devaluation and volatility of the Turkish lira was a big factor behind the decline in demand, Huq said. "It did not give confidence to buyers."

The anti-dumping duty slapped by India further affected exports of jute sacks and bags.

"The months since September have been the worst," he said.

Local manufacturers make about 10 lakh tonnes of jute goods, namely yarn and twine, sacks and bags and export 8.5 lakh tonnes annually, according to the Bangladesh Jute Spinners Association (BJSa).

Of the shipment, about 6 lakh tonnes are jute yarn.

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Sonali Bank to offer services in economic zones

STAR BUSINESS REPORT

Sonali Bank has teamed up with Bangladesh Economic Zones Authority (Beza) to provide banking services to foreign and local investors of the economic zones across the country.

Gazi Mohammad Saifuzzaman, secretary of Beza, and Md Obayed Ullah Al Masud, managing director of the bank, signed a memorandum of understanding in this regard at Pan Pacific Sonargaon Dhaka on Monday.

The bank will meet the financing needs of the foreign and local entrepreneurs along with providing services related to foreign currency exchange and offshore banking and establishing ATM booths in the zone areas.

An authorised dealer of the bank will also be there inside the economic zones providing treasury transaction services.

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No contract jobs in banks beyond 65yrs

STAR BUSINESS REPORT

Bangladesh Bank has asked banks not to hire people over the age of 65 on a contractual basis amid a rising trend of such appointments.

As per existing rules, chief executive officers of banks will have to go into retirement at the age of 65 but there is no specific rule for other contractual posts, creating disparity among employees in the banking sector.

The central bank, however, said no such age limit would be applicable for recruiting advisers and consultants on contracts.

The board of directors of private lenders will have to frame retirement related guidelines in accordance with the existing policy followed by state-run lenders, according to a central bank circular sent to all banks on Monday.

Employees of the state-lenders have to go into retirement when their age exceeds 59 in line with government service rules.

In a separate instruction, the central bank asked lenders to refrain from recruiting people without postgraduate degrees as managing directors.

If any person attained third division in his academic life, he will not be eligible to hold the post of chief executive officer of a bank.

Moreover, the CEOs must have obtained at least GPA 3 in both SSC and HSC examinations. In graduate and postgraduate exams, they must have a minimum CGPA of 2.5 and 3 on the scales of 4 and 5 respectively.

The degrees must be from recognised universities and the lenders should put emphasis on degrees from the fields of economics, banking and finance, accounting, management and business administration.

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25pc foreign aid used in 5 months

STAR BUSINESS REPORT

Utilisation of foreign aid rose 9.36 percent year-on-year to \$1.87 billion in the first five months of 2018-19, the amount being one fourth of the whole year's target of \$7.5 billion.

The utilisation is yet to get momentum, as it usually remains slow at the

start of a fiscal year, according to an official of the Economic Relations Division (ERD). The enthusiasm centring the upcoming national election also played an important role to slow down the use of foreign fund, the official said.

The utilisation is expected to reach close to this year's target in the second half of the current fiscal year when a

new government will take the helm.

On the other hand, the ERD has started collecting data for the revised foreign aid utilisation target for this fiscal year. The ministries and divisions have been asked to inform the ERD if they are unable to meet their utilisation target for this year.

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