# WB gives $100m to help improve fiscal discipline

STAR BUSINESS REPORT

The World Bank yesterday approved $100 million to improve Bangladesh's fiscal discipline and budget preparation.

The credit has been given under Public Financial Management (PFM) programme to make the financial reporting better and bring greater transparency and accountability in selected government agencies, said a WB statement.

"Bangladesh has improved its PFM systems over the past two decades with effective fiscal measures and by maintaining public debts at sustainable levels," said Dandan Chen, WB's acting country director for Bangladesh and Bhutan.

"This project will further help public agencies strengthen oversight and improve availability of public resources, which are essential for public service delivery."

The Washington-based lender said currently key bottlenecks exist in public resource allocation, availability and use for social service delivery.

Delay in budget releases is often cited as one of the biggest obstacles to smooth and efficient service delivery, and slow procurement processes delay the provision of necessary goods and services, according to the statement.

Citing an example, the WB said it takes an average of 15–18 months for drugs to reach upazila health complexes, while it should not take more than nine months for procuring and distributing these.

Inadequate audit follow-up and delayed resolution of audit queries affect aid disbursement and civil servants' terminal benefits, it added.

"The current context provides a unique window of opportunity to strengthen Bangladesh's PFM institutions and systems. This is a critical time to strengthen PFM, given the heightened need for prudent use of resources," said Furqan Ahmad Saleem, World Bank Team Leader for the PFM.

"These reforms will contribute to achieving the Sustainable Development Goals and upper middle-income country status by 2030."

The credit from the WB has a 30-year term, including a five-year grace period, and an interest rate of 1.25 percent with a service charge of 0.75 percent.

# IT sector needs 20 lakh skilled manpower by 2030: experts

STAR BUSINESS REPORT

Experts said the country will require 20 lakh skilled manpower in the IT sector by 2030, given that every organisation is now dependent on technology.

Speaking at a human resource summit, they further said the advancement of any organisation in the competitive world depends on skilled workers as growth of profits and long-term sustainability need a time-befitting human resource management.

The Institute of Personnel Management (IPM) organised the summit in the city on Friday, said a press release.

At the summit's inaugural session, Hosne Ara Begum, managing director of Bangladesh High-Tech Park Authority, said every institution was dependent on technology and it was not possible to go ahead without strong human force in this sector.

"The government has taken various schemes to train the young generation as the country will need 2 million of skilled manpower in the IT sector by 2030," she said.

She also said many people were working abroad with good reputation obtaining training under the government's various training schemes.

"Even foreign investors want skilled manpower. So, it also requires private initiatives to create skilled workforce and the IPM can play an important role in this regard," Begum said.

IPM President Anwarul Azim highlighted the activities of the organisation.

Earlier, its secretary general, Shakil Meraj, delivered the inaugural speech.

Among others, Mosharraf Hossain, president of the Federation of Bangladesh Human Resource Organizations, and IPM founder director, Osman Gani, spoke on the occasion.

HATIL

Md Mosharraf Hossain Bhuiyan, chairman of the National Board of Revenue, presents a trophy to Moshiur Rahman, a director of Hatil, on the former's premises in Dhaka last week on Hatil Complex becoming the highest VAT payer of the 24th Dhaka International Trade Fair 2019.

# Trump says strong dollar hurting US competitiveness

REUTERS, *Maryland*

President Donald Trump on Saturday renewed criticism of the Federal Reserve and said the US central bank's tight monetary policy was contributing to a strong dollar and hurting the United States' competitiveness.

"We have a gentleman that likes a very strong dollar at the Fed," Trump said at the annual Conservative Political Action Conference in Oxon Hill, Maryland. "I want a strong dollar, but I want a dollar that's great for our country not a dollar that is so strong that it is prohibitive for us to be dealing with other nations."

Trump, who has made the economy a key part of his political platform, has repeatedly criticized the Federal Reserve and its chairman, Jerome Powell, whom he appointed to head up the Fed, for raising interest rates.

The US central bank, after raising interest rates four times last year, has signaled recently that it will be "patient" before tightening monetary policy further, in a nod to rising concerns about the economic outlook amid financial markets volatility, slowing global growth and a trade war between the United States and China.

# Garment makers seek duty benefit from US

FROM PAGE B1

He said under the agreement the US can allow the duty benefit on condition that all the garment items would be made from the yarn and fabrics using American cotton.

Two local spinning mills have already proposed that the government allow them to set up mills in the US to produce yarn there and make garment items in Bangladesh. But, the proposals were not approved, Rahman said.

Earlier, US cotton exporters also raised the issue and the BGMEA agreed to the proposal, according to Rahman.

"Now, it is up to the governments of both sides to take the proposal forward."

Such trading arrangement in garment business had been incorporated in the now-scrapped Trans Pacific Partnership Agreement keeping Vietnam in mind.

Bangladesh does not produce cotton and meets 98 percent of the requirement through imports. Of the imports, 40 percent comes from India and nearly 10 percent from the US.

"If the US agrees to our proposal, we will increase the cotton import from America," Rahman said.

The US is the single largest export destination of Bangladesh. Local apparel exporters face 15.62 percent duty on the shipment of garment items to the country as the American government does not allow duty-free import of garment items. Bangladesh exports more than $6 billion worth of products every year to the US, of which 95 percent are garment items.

The BGMEA also proposed that the US reinstate the generalised system of preferences which was scrapped for Bangladesh in 2013 over poor labour rights and workplace safety.

Replying to a query, Rahman said nearly 4,000 workers were terminated during the labour unrest centred on wage revision in January, not 11,000 workers as claimed by rights groups.

No worker got back their job as they were paid compensation as per labour law, he said.

ANWAR GROUP

Manwar Hossain, group managing director of the Anwar Group of Industries, poses with top dealers of Anwar Cement Sheet at a dealers' conference for 2019 in Bali, Indonesia recently.

# Janata sinks into Tk 6,063cr loss

FROM PAGE B1

Despite the ailing health, the bank has continued to extend undue benefits to the large loan borrowers to keep their loan account regular at the expense of shrinking income.

Janata Bank extended its exceptional concession to Beximco Group by rescheduling its large loan and reducing the instalment size by almost half in December last year, after the conglomerate failed to repay two consecutive instalments.

The group's loan has doubled to Tk 3,619 crore from Tk 1,849 crore that was restructured, putting more pressure on Janata as the amount accounted for 75 percent of the lender's capital, also a breach of the ceiling set by the central bank.

This was a clear breach of the agreement related to the large loan restructuring, which was given to 11 companies in 2015. The facility was allowed by the BB on conditions that if the companies fail to repay even a single instalment, the loans will be dubbed as classified and will never be rescheduled.

Speaking about the concession made to the borrower, Azad said Beximco is the highest export earner in his bank.

"If we do not provide a breathing space to such a big client, the bank will weaken," he said, adding that other state banks provided the same facility to Beximco.

Of the seven large loan borrowers, the loans of Beximco, Thermax and Jamuna groups are regular. Beximco and Thermax have managed it by cutting down the instalment size.

The bank has not been able to recover instalments from borrowers such as SA Group, AnonTex, Ratanpur and MR Group as they have filed writs with courts against their default status and secured stay orders, Azad said.

# China's currency becomes key issue in US trade talks

AFP, *Paris*

US officials have said any trade deal with China will include a provision to prevent manipulation of the exchange rate to help exporters but Beijing's currency regime reflects a complex reality.

US President Donald Trump, who has accused the Asian giant of artificially undervaluing its currency for competitive purposes, last week said "we have a deal" with China on the currency.

And White House economic adviser Larry Kudlow on Thursday said the draft documents would prohibit currency manipulation and oblige authorities in Beijing "to report any interventions in the market."

But at the center of the issue is a paradox: China does not necessarily want a weak currency, and the downward pressure on the yuan is in large part caused by US economic conditions, like rising interest rates.

The yuan or renminbi (RMB) is not freely convertible and the government limits its movement against the US dollar to a two percent range on either side of a central parity rate which the People's Bank of China sets each day to reflect market trends.

That managed float system limits volatility: the currency has remained confined in the last five years between 6.2 and 6.8 yuan to the dollar, a historically high level, compared to 8.28 fixed rate in the 2000s.

While the RMB strengthened 6.3 percent in 2017, it depreciated by 5.7 percent last year, falling to its lowest level in a decade, which was enough to spur speculation Beijing was putting its foot on the currency scale again.

But the International Monetary Fund has said the RMB is not undervalued, and in a July report said it was "broadly stable against the basket of currencies ... and broadly in line with fundamentals."

# Govt taking Tk 2,582cr project for Japanese economic zone

FROM PAGE B1

Bangladesh Economic Zones Authority (Beza), the implementing agency, will develop land, construct access roads and set up a power plant, transmission lines and gas pipelines under the project.

The government will acquire 1,000 acres of land in Araihazar, 500 acres of which have already been acquired, according to a BEZA official.

Earlier in 2017, the government took up a Tk 991 crore project for land acquisition in Narayanganj and Chattogram. Under the project, the land acquisition for the Japanese economic zone is going on in Araihazar.

Some 200 Japanese investors have expressed interest to invest in the zone, the Beza official said.

Many Japanese investors are eying Myanmar and Bangladesh to relocate their factories from China, he said.

The government is likely to set up another economic zone for Japanese investors in Mirsarai upazila in Chattogram.

# Is SMP restriction procedure legal?

FROM PAGE B1

Currently, vendors are allowed to extend offers to only GP customers, shutting out other operators from negotiating such deals. Moreover, the acceptable call drop for GP has been set at no more than 2 percent.

According to a market drive run by the regulator on November 6 to 8, GP's call drop rate was found to be 3.38 percent, which is higher than its competitors.

The last restriction was on making it easier for a user to leave GP under the mobile number portability facility.

Currently, if a subscriber wants to switch to a network they will have to stay with the new carrier at least for 90 days. But such subscribers can quit the GP network after 30 days.

Khan said according to the SMP regulations, the regulator can tag any operator with the title if it was satisfied with the reasons to do so.

But there are procedures to follow before the declaration can be made and those have not been abided by in GP's case, he said.

According to section 9 of the regulation, the BTRC will have to inform the operator of the restrictions or regulatory bars and give 15 days for it to respond. The reply must be given consideration before the regulator could uphold its previous decision.

But in this case, the BTRC did not share any idea with GP, breaching its own regulation, Khan added.

The court did not verbally mention any deadline for the clarification but it can be known once the written order was made available, said Khan.

BTRC Chairman Md Jahurul Haque said they would respond to the court's query and describe the procedure the commission followed.

On the stay on one of the four restrictions, Haque said the BTRC would settle on whether to contest it after consulting its own legal office.

Khan said there would be a bigger hearing on the issue after the court's vacation, which is scheduled for March 15-29.

# Remittance rises 15pc

FROM PAGE B1

The inter-bank exchange rate stood at Tk 84.15 on February 27, up from Tk 82.96 a year earlier.

Banks have been forced to offer the higher rates to the remitters for mobilising foreign exchange in order to meet up their import obligation, said Rahman, also chairman of the Association of Bankers, Bangladesh, a platform of the managing directors of commercial banks.

February's receipts take the remittance inflows in the first eight months of the fiscal year to $10.40 billion, up 9.15 percent year-on-year.

Rahman added that the central bank has recently taken various measures to curb remittance through illegal channels, which also gave a boost to the inflow.

# Banglalink's revenue hits 4-year low

FROM PAGE B1

The telecom operator's customers were found consuming 1,024 megabytes of data per head at the end of 2018, which was 580 MB at the end of 2017.

The financial statement also highlighted that the revenue in three other markets of the Amsterdam-based Veon—Uzbekistan, Algeria and Pakistan—hit three-year lows in the October-December period of 2018.

Md Mosharraf Hossain Bhuiyan, chairman of the National Board of Revenue, presents a trophy to Md Humayun Kabir, executive director of Walton Group, on the former's premises last week on Walton Hi-Tech Industries becoming the second highest VAT payer of 24th Dhaka International Trade Fair 2019.

WALTON GROUP

MASTER BUILDER

Shibbir Ahmad Khan, managing director of real estate company Master Builder, attends the celebration of the company's 22nd anniversary in Dhaka on Saturday.