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DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
▲ 0.52%	▲ 0.58%	\$1,327.00	\$63.19	▲ 0.43%	▲ 1.20%	▲ 0.69%	▲ 0.86%	BUY TK 83.50	93.45	105.30	0.75
5,431.59	10,063.13	(per ounce)	(per barrel)	39,784.52	21,134.42	3,188.11	2,852.13	SELL TK 84.50	97.25	109.10	0.79

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Tk 100cr fund for budding entrepreneurs

REJAUUL KARIM BYRON and REBAYET ULLAH MIRDHA

The government is set to create a Tk 100 crore fund for start-ups as it looks to alleviate youth unemployment, which is progressively becoming an albatross for the country.

More than 20.1 million youths aged 15-29 participated in the labour force, according to the Labour Force Survey 2016-17. Of them, 2.1 million were unemployed.

Then another 29 percent of the 41.4 million of 15-29 year-olds were not in education, employment or training.

In short, the number of unemployed,



especially the number of educated unemployed youths, is on the rise in the country as the government can hardly manage jobs for them.

On the other hand, new business opportunities have sprung up in both private and public sectors because of advancement in technologies.

So now, budding entrepreneurs who have been unable to get their business underway for want of capital will be able to do so thanks to the fund.

The modalities of the fund are yet to be worked out: the government may disburse the fund either as loan or as grant.

The most common reasons are structural changes in the labour market that affect young people particularly severely, which at times may be further exacerbated by recessions or downturns, according to the latest survey of the Bangladesh Bureau of Statistics.

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Telecom service quality to drop over tower row

MUHAMMAD ZAHIDUL ISLAM

Crores of mobile phone users can brace themselves for poorer network quality as the carriers and tower licence holders have failed to get on the same page seven months into the new arrangement.

With a view to rationalising the number of towers in the country and giving smaller

operators a fair shot, the government last year decided to separate the network business from telecom services.

And in October last year, Bangladesh Telecommunication Regulatory Commission awarded the licences for tower operation to four companies: edotco Bangladesh, Summit Tower Limited, Kirtonkhola Tower Bangladesh and AB Hightech Consortium.

The four companies were supposed to take over the towers from the mobile operators and also build new ones.

But they have been unable to do either seven months since getting their licences, leaving the mobile operators in limbo.

Since the awarding of tower licences in October, the mobile operators were forbidden from setting up any new towers of their own as this exercise would be taken over by the four new tower companies.

But, three of the four tower licence holders have failed to start their operations within the deadline of May 1, meaning virtually no new towers were set up in the country in the past seven months amidst a fast-growing demand.

The mobile operators have called for 3,000 new sites from the telecom regulator to alleviate the strain on their network.

At the same time, the process of acquiring the mobile operators' existing towers is stalling as the carriers are not happy with the terms and conditions being offered by the tower licence holders.

One of their major bone of contention is the duration for which the towers are guaranteed to be functional.

At present, the mobile operators keep the towers running for at least 99.50 percent of the time, whereas the licence holders are promising 98 percent of the time.

This is not acceptable by the mobile operators as it would invariably lead to a noticeable drop in their service quality.

Not only that, the tower companies are not promising prompt action in getting the towers up and running again in case of disruptions.

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The government last year decided to separate the network business from telecom services to rationalise the number of towers in the country.

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Fix banking woes

Analysts call for massive reform measures in budget

AKM ZAMIR UDDIN

The government should go for massive reforms to salvage the ailing banking system or else the contagion will batter the entire financial sector, analysts said.

The financial acts should be amended in a way that will arrest rising default loans, ensuring punishment against willful defaulters and keeping banks free from political intervention, they said.

They went on to urge the government to address the issues in the forthcoming budget considering the jumpy mood in the banking sector.

"But, the government thinks that there has been no crisis in the banking sector despite a rapid upward trend in default loans stemming from financial scams," said Ahsan H Mansur, executive director of the Policy Research Institute of Bangladesh.

In March this year, default loans in the banking sector stood at Tk 110,873 crore, up 18 percent compared to December last year.

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Highest ever export earnings in May

REBAYET ULLAH MIRDHA

Bangladesh raked in \$3.81 billion in exports in May, the highest single month receipts in history, riding on the higher shipment of apparels, official data showed yesterday.

The earnings clocked 14.78 percent year-on-year growth in May and also beat the monthly target by 9.23 percent.

The previous single month highest export was recorded at \$3.67 billion in January this year.

The apparel shipment took the overall export earnings to \$37.76 billion between July and May, up 11.92 percent year-on-year, according to data from the Export Promotion Bureau.

Between July and May, the export of garment, which makes up more than 80 percent in the total exports earnings, grew 12.82 percent year-on-year to \$31.73 billion. Some \$15.69 billion came from knitwear export and \$16.06 billion from woven export.

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Tax holiday may continue for infrastructure, industries

REJAUUL KARIM BYRON and SOHEL PARVEZ

The government is likely to extend the tax exemption benefit on income from investment in infrastructure and industries in lagging regions for five years to encourage private investment and job creation.

The move to continue the facility up to June 2024 is being considered as the existing offer expires on June 30.

"Tax holiday benefit is likely to continue in modified form to encourage investment," said a senior official of the finance ministry.

Private investment has been hovering between 22 and 23.4 percent of the gross domestic product (GDP) for the last several years for reasons such as inadequate infrastructure and poor investment climate.

It rose by only 1.37 percentage points since 2013-14 when it was 22.03 percent, according to Bangladesh Bureau of Statistics.

In the face of infrastructure deficit, the government in 2011 offered the tax-break for five years to 10 years to investors on condition that infrastructures and industries should be established between July 2011 and June 2019.

For physical infrastructure, namely

deep seaport, elevated expressway, export processing zone, flyover, gas pipeline, hi-tech park, ICT village and LNG (liquefied natural gas) terminal, renewable energy (energy-saving bulb and solar plant), toll or bridge, the tax exemption was granted for 10 years.

Full exemption was available in the first two years and it declined from the third year to gradually phase out in the 11th year, according to income tax law.

If anyone set up 20 types of industries in areas, excluding Dhaka, Narayanganj, Gazipur, Chattogram, Rangamati, Bandarban and Khagrachhari, between July 2011 and June 2019, they got the tax-break for five years.

The government offered full immunity from income tax to investors in specific industries for the first two years. The benefit began to shrink from the third year and came to an end in the sixth year.

In order to encourage investment in the economically disadvantaged regions and reduce high concentration of factories in Dhaka and Chattogram divisions, the tax exemption was given for 10 years in Rajshahi, Khulna, Sylhet, Barishal, Rangamati, Bandarban, and Khagrachhari.

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