

| STOCKS | | COMMODITIES | | ASIAN MARKETS | | | | CURRENCIES | | | | |
|----------|----------|-------------|--------------|---------------|-----------|-----------|----------|------------|-------|--------|--------|------|
| DSEX | CSCX | Gold | Oil | MUMBAI | TOKYO | SINGAPORE | SHANGHAI | USD | EUR | GBP | JPY | |
| 5,124.44 | 9,537.30 | \$1,409.20 | \$66.55 | 39,131.04 | 21,535.25 | 3,360.03 | 2,937.62 | 83.50 | 93.05 | 103.64 | 0.76 | |
| 0.64% | 0.51% | (per ounce) | (per barrel) | 0.60% | 0.69% | 0.36% | 0.16% | BUY TK | 84.50 | 96.85 | 107.44 | 0.80 |
| | | | | | | | | SELL TK | 84.50 | 96.85 | 107.44 | 0.80 |

star BUSINESS

এসআইবিএল সুপার ডিপিএস বিশেষ সঞ্চয় কিম

প্রাক্কলিত মুনাফা:

| | | |
|-------|-------|--------|
| ৩ বছর | ৫ বছর | ১০ বছর |
| ৯.২৫% | ৯.৫০% | ১০% |

ইসলামী শরীআহ এর মূল্যবান নীতির ভিত্তিতে পরিচালিত।

SIBL Social Islami Bank Limited

DHAKA WEDNESDAY JULY 17, 2019, SRABAN 2, 1426 BS • starbusiness@thedailystar.net

GP, Robi to get back bandwidth

Joy suggests alternative measures to realise dues

MUHAMMAD ZAHIDUL ISLAM

The telecom regulator is set to lift the partial block on the bandwidth capacity of Grameenphone and Robi after the government stepped in to give relief to the cores of internet users of the two operators.

they had issued demand notes to the respective operators several times but they fell on deaf ears.

Officials who attended the meeting said now the telecom division will withdraw their previous decision of bandwidth capping and come up with a new course of action.

KEY POINTS

- BTRC cut **30pc** bandwidth of GP and **15pc** of Robi on July 4
- Poor speed is affecting **7cr** internet users of the two operators
- Auditors found GP owes the regulator Tk **12,579.95cr** and Robi Tk **867.24cr**
- The commission may stop issuing NOCs to the two until the dues are paid

The development comes after Prime Minister's ICT Affairs Adviser Sajeeb Wazed Joy held a meeting with the telecom division and its other wings, including the Bangladesh Telecommunication Regulatory Commission (BTRC) yesterday. Telecom Minister Mustafa Jabbar presided over the meeting.

"It was not a good decision. You should think about other tougher alternatives," said a senior official who attended the meeting quoting Joy.

Md Jahurul Haque, chairman of the BTRC, said they will sit again on the issue. Joy asked the telecom watchdog to rethink its decision on bandwidth capping as it affects the customers, who should be the top priority, Haque said.

Senior officials of the two operators, who are the top two in the country, said the capping of bandwidth severely affected their internet service. Some parts of the country were cut off from internet use and in some cases the speed became slow.

On June 4, the telecom regulator slashed Grameenphone's bandwidth by 30 percent and Robi's by 15 percent for non-payment of dues detected in audits -- enough to slow down the internet speed and raise the call drop frequency of the two operators.

"Blocking any kind of no-objection certificate (NOC) would be our next step and after that appointing an administrator, as they are allowed by the telecom act," he added.

Earlier, the regulator has suspended issuing NOC to the two operators from even importing equipment to run the network.

INTERLOCK RUSTIC WALL TILES | 30X60CM

dbi CERAMICS

Officials present said the ICT adviser also directed the BTRC to take VAT registration from the National Board of Revenue within the next one week. He asked Telecom Secretary Ashoke Kumar Biswas to consult with the NBR chairman on the matter.

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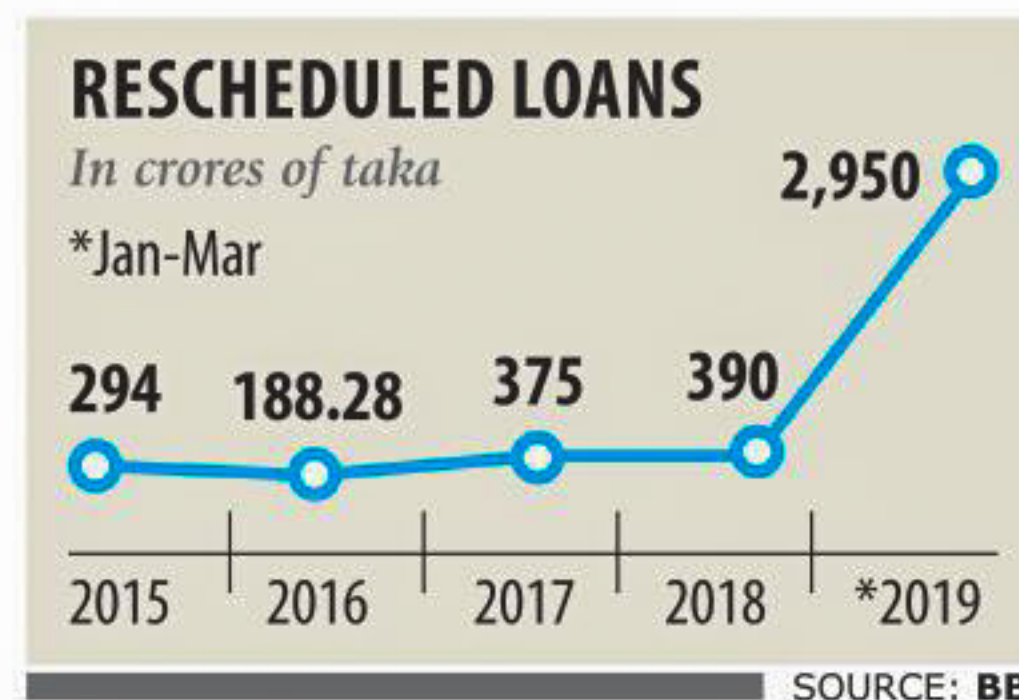
Lighters pass idle time in the Karnaphuli river, waiting for inclement weather to subside before restarting to unload imported cargoes from vessels at the outer anchorage of the Chattoogram port. The photo was taken from Shah Amanat Bridge in the port city yesterday morning.

Record loan rescheduling at Social Islami Bank

Amount more than 50pc of banking sector's total rescheduled loans

AKM ZAMIR UDDIN

Social Islami Bank rescheduled a record amount of loans in the first quarter of 2019 and yet failed to arrest its default loans from spiralling, in a worrying development for the bank that saw a hostile takeover from a controversial business group last year.



"This means the bank regularised a big chunk of its bad loans at its own risk."

To reschedule a default loan, banks must take down payment ranging from 10-50 percent of the default loan.

Between the months of January and March, SIBL rescheduled Tk 2,950 crore, which is exponentially more than what it had been rescheduling in a year.

For instance, it rescheduled Tk 390.31 crore in 2018, Tk 375 crore in 2017 and Tk 188.28 crore in 2016, according to data from the central bank.

And yet, SIBL's default loans are racing ahead: in the first three months of the year its default loans soared 11.70 percent to Tk 1,559 crore.

The bank also failed to keep the required provisioning against its loans -- an indication that its financial health is wobbly.

At the end of March, SIBL's provisioning shortfall was Tk 275 crore.

The lender took 28 special approvals so far this year from the central bank to reschedule their default loans but those do not amount to Tk 2,950 crore, said a central bank official with strong knowledge on the matter.

But when the lender fails to secure the requisite down payment or wants to set an uncommon repayment tenure it must take special approval from the BB to reschedule the loans, he said.

"Had the lender rescheduled the loans by taking the requisite down payment, its default loans should have decreased and there would not have been a provisioning shortfall."

A central bank inspection team should look into the matter, the official added.

In October 2017, a Chattogram-based business group took over the bank by replacing the previous board members and high officials. But the loans that got bad or rescheduled were disbursed at least three years ago, according to an SIBL official.

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Stock investors want BSEC chair to resign

STAR BUSINESS REPORT

Stock investors have demanded resignation of the chairman of Bangladesh Securities and Exchange Commission, as the market has lost 260.48 points or Tk 16,863 crore since July 2, the first trading day after the budget was passed.

"The chairman has failed to punish the gamblers."

Abu Ahmed, a former chairman of the economics department of the Dhaka University, said the present commission has failed to boost investors' confidence.

Instead, it spooked investors' confidence on the mutual fund sector by allowing return on unit (a form of stock dividend) and enhancing their tenure by 10 years, he said.

"The commission has failed to punish

the sponsors who sold off shares without informing investors. It could not bring good stocks to the market as well."



Investors stage a protest outside Dhaka Stock Exchange in the capital yesterday demanding that M Khairul Hossain be removed from the post of chairman of the Bangladesh Securities and Exchange Commission.

However, the stocks bounced back slightly yesterday, ending a seven-day falling streak.

The DSEX, the benchmark index of the DSE, edged up 32.96 points or 0.64 percent to 5,124.48.

Turnover, another important indicator of the market, however, fell by a staggering 11.2 percent from the previous session, to Tk 271.76 crore, the lowest in two months.

A group of investors have been demonstrating in front of the Dhaka Stock Exchange (DSE) for the last five days, as the commission boss has failed to boost the market confidence.

At the protest site, Mizanur Rahman, an investor, said the chairman has failed to implement the rules and regulations the BSEC has formulated to establish accountability in the market.

The BSEC has also not taken any strict measure against the directors of the listed companies who have failed to hold at least 2 percent shares in their companies, he added.

Market insiders say the regulator should talk to the institutional investors informally and encourage them to provide support to the market so that the index goes up.

UCB Capital, one of the leading stockbrokers, said in its market analysis that the market closed in the green, breaking the week-long losing streak as investors opted for buying attractive and fundamentally sound stocks.

However, there was volatility throughout the session, it added.

Of the traded issues, 222 securities advanced, 94 declined and 36 closed unchanged.

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TCB sales to rein in onion prices

Minister says

STAR BUSINESS REPORT

The government may sell onion through the state-owned Trading Corporation of Bangladesh (TCB) to cool down skyrocketing prices of this widely consumed item in the local markets, Commerce Minister Tipu Munshi said yesterday.

Onion sold between Tk 43 and Tk 45 per kilogramme (kg) in different kitchen markets in Dhaka compared to Tk 25 and Tk 30 even a few days ago.

The price went up as a section of unscrupulous traders try to make hefty profits ahead of Eid-ul-Azha when demand for the item goes up.

However, the minister said imports recently slowed from India, the major source for the item for Bangladesh.

"Moreover, the rainfall has also impacted the prices. We have also talked with the TCB. We may sell onion through the TCB. We will notice for a few days whether the price of onion decreases or not in the domestic markets. If the prices do not fall we may sell onion through the TCB countrywide," the minister said.

"The price hike of goods is like a nightmare for me. I always monitor the prices of basic commodities in the market," Munshi said at a press conference at his secretariat office in Dhaka.

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Non-RMG exports to thrive if incentives offered

PM's private industry adviser says at ERF event

STAR BUSINESS REPORT

Exports of non-apparel items will go up if the government extends the same level of attention and benefit it gives to the garment sector, Salman F Rahman, private industry and investment adviser to the prime minister, said yesterday.

managed by the International Finance Corporation, at the forum's conference room in Dhaka.

Bangladesh's exports are heavily dominated by garment items. In the last fiscal year, the earnings of the sector accounted for more than 84 percent of the national exports of \$40.53 billion.

Rahman said the export market of the garment sector has diversified and the sector is moving towards value addition as part of diversification.

He said the government has identified a number of potential sectors for exports and measures have been taken to this effect.

"We are giving attention to these sectors. We have achieved success in some cases as well."

The adviser was addressing an orientation programme for the members of the Economic Reporters' Forum (ERF) on "Export diversification for economic growth in Bangladesh".

The ERF organised the programme in collaboration with the Bangladesh Investment Climate Fund-II, which is

He is hopeful that Bangladesh's ranking in the World Bank's Ease of Doing Business Index would improve as some initiatives have been implemented and some are underway.

"We want to improve the ranking to double-digit by next year and it will be helpful to diversify the export basket."

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Bar on mutual funds to give stock dividend

STAR BUSINESS REPORT

The stockmarket regulator yesterday came up with the decision of barring the open-end and closed-end mutual funds from providing any return on unit (a form of stock dividend) to the unitholders. Mutual funds are investment funds that gather a fixed pool of money from a number of investors and re-invest them into stocks, bonds and other assets.

The asset managers provide a dividend after the yearend and it could provide cash dividend or return on unit (like stock dividend) earlier.

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Export target to be 15pc higher: Munshi

STAR BUSINESS REPORT

The government is likely to set a 15 percent higher export target for this fiscal year as it looks to hit \$60 billion in receipts by 2021, said Commerce Minister Tipu Munshi yesterday.

If the target is achieved Bangladesh's export will be \$46.60 billion, up from \$40.53 billion in the immediate past fiscal year that ended on June 30, according to data from the Export Promotion Bureau (EPB).

To boost receipts, the government will allow rice export of two lakh tonnes by eligible businesses, Munshi said in a press conference at his secretariat office.

"Around 30 lakh tonnes of potatoes have been surplus this year in Bangladesh. We are also in talks with Malaysia and the Philippines to export potatoes," he added.

Bangladesh wants to export garment items to Brazil and to some Eurasian countries.

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The government has been working to achieve the export target of \$60 billion by 2021.