

STOCKS		Week on week	COMMODITIES		As of Friday	ASIAN MARKETS				Friday Closings	CURRENCIES				As on Thursday
DSEX	CSCX			Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI		USD	EUR	GBP	JPY	STANDARD CHARTERED BANK
▼ 3.36%	▼ 3.37%			\$1,474.30	\$65.22	▲ 1.05%	▲ 2.55%	▲ 0.61%	▲ 1.78%		BUY TK	83.95	92.73	110.37	0.75
4,514.45	8,331.73			(per ounce)	(per barrel)	41,009.71	24,023.10	3,214.05	2,967.68		SELL TK	84.95	96.53	114.17	0.79




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DHAKA SUNDAY DECEMBER 15, 2019, AGRAHAYAN 30, 1426 BS
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# Telecom sector’s revenue to cross \$5b by 2023

USAID report says

MUHAMMAD ZAHIDUL ISLAM

The telecommunication industry’s revenue will grow by 34 percent in the next five years to \$5.08 billion from \$3.8 billion at present, on the back of expanding user base and wide range of services, said the USAID in a new study.

“The sector is quite large in size and has a crucial contribution to achieving the goal of making Bangladesh a middle-income country,” said the report of the United States Agency for International Development (USAID) published recently.

The industry employs about 7.60 lakh people directly, of which 92.5 percent are unskilled and 7 percent are women, the Comprehensive Private Sector Assessment report said.

The job growth rate in the sector will be 9 percent from 2016 to 2020.

The USAID Bangladesh has listed 16 emerging sectors in the study which could contribute a lot to the country’s economic development, beyond that facilitated by the readymade garment sector. Telecommunication is one of them.

“The mobile telecom service in Bangladesh is very promising as the operators are providing standard services with extensive facilities to customers,” said M Farhad, secretary general of the Association of Mobile Telecom Operators of Bangladesh (AMTOB).

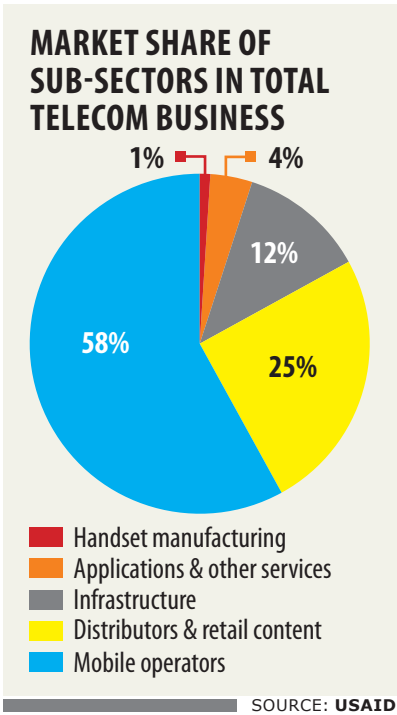
The report said the country is undergoing transformation on social and economic fronts. Rapid changes have been observed in the lifestyle of the population.

Connectivity has been an integral part of modern-day life, thus accelerating the growth in mobile communication and internet use.

The use of social media platforms such as Facebook, WhatsApp, Viber and video-streaming sites like YouTube have become part of everyday life for all classes of people, mostly young and middle-aged groups.

The use of social media is growing every day, resulting in more and more consumption of internet data. Steady population growth and increase in purchasing power will continue to drive the telecom sector growth, the report added.

In 2016-17, the telecommunications sector accounted for 6.98 percent, or \$29.6 billion, of the economy. The contribution of the sector is highly dominated by mobile operators with a direct impact of 58 percent, followed by distributors and retailers (25 percent), infrastructure providers (12 percent), and the handset industry, content applications and other services providers (5 percent).



Shahed Alam, chief corporate and regulatory officer of Robi, said the country has made tremendous progress towards implementing the Digital Bangladesh vision by 2021.

He said with Robi, mobile operators have created the platform for the digital economy to take off in the country.

“As part of that we are already in the process of transforming ourselves into a digital company by diversifying our product and service portfolio through digital innovation. This transformational journey is helping us get integrated with all elements of the country’s rich and varied socio-economic fabric.”

“Therefore, the telecom sector is becoming the key enabler for the country to achieve the targets set in the Sustainable Development Goals.”

The report found that the total number of smartphone users was 48 million in 2017 and it will go up by threefold to 138 million in 2025.

“As the number of smartphones will grow accordingly.”

The report said the telecom sector has experienced sluggish growth in the face of rapid digital disruption and an unfavourable regulatory regime.

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\$20M LAUNDERED ABROAD

## AB Bank sues 15, including former chairman, 2 MDs

STAR BUSINESS REPORT

AB Bank has filed a case against 15 persons, including a former chairman and two managing directors, over their alleged involvement in laundering \$20 million abroad.

The private commercial bank filed the suit on November 20 with the 1st Joint District Judge’s Court in Dhaka to realise the amount, according to a press release sent out by the lender yesterday.

The accused include M Wahidul Haque, who was serving as chairman of AB Bank when the laundering took place, Shamim Ahmed Chaudhury and Moshir Rahman Chowdhury, former managing directors, Abu Hena Mustafa Kamal, a former head of financial institutions and treasury, and Mahadev Sarker, former chief financial officer.

The laundering process started off when the bank’s board of directors approved an investment of \$20 million in December 2013.

The investment was set to be made in a Singapore-based fundraising and investment company, Pinnacle Global Fund Pte Ltd (PGF).

In February 2014, the bank’s offshore banking unit transferred the money to an account of UAE-based Abu Dhabi Commercial Bank (ADCB).

The account belonged to Cheng Bao General Trading LLC which acted as a mediator for the PGF. The Cheng Bao immediately withdrew the money and closed the account.

The first generation private bank was also found to have signed the investment deal with the PGF on a white paper, raising questions about the deal’s effectiveness, according to a central bank investigation of 2017.

The BB probe found that Wahidul was named as a nominee of the transferred amount and a joint signatory of the ADCB account. He visited the United Arab Emirates (UAE) in February 2014 to complete the deal.

One of the 15 accused is a Canadian



citizen, Abdus Samad Khan, who signed the deal on behalf of the PGF. In the papers, he was mentioned to be a PGF director but in another document he was referred to as a partner of the firm.

AB Bank in its press release said the \$20 million was withdrawn without its knowledge.

“It has been alleged that the defendants of this case were parties to a conspiracy to defraud AB Bank of \$20 million and for which the bank officials did not comply with proper internal procedures and failed to keep proper records,” it said.

The financial health of AB Bank, a first generation private bank established in 1983, has been deteriorating for the last several years due to rising bad loans.

The bank’s share was last traded at Tk 7.90 on Thursday against its face value of Tk 10.

## Reconditioned car importers in trouble as sales drop



STAR BUSINESS REPORT

Reconditioned car importers are in deep trouble as their sales dropped drastically in the first five months of the fiscal year because of a faulty tax structure and reduction in depreciation rate, said industry people yesterday.

“Duty structure for reconditioned cars has been set in a way that pushes up the prices of used cars more than the new ones,” said Abdul Haque, president of the Bangladesh Reconditioned Vehicles Importers and Dealers Association (BARVIDA).

He was addressing a press conference at the association’s office at Bijaynagar in the city.

According to the BARVIDA, only 3,438 units of reconditioned cars were imported from July to November. The association could not provide the data on the cars imported during the same period a year ago.

In fiscal 2018-19 that ended on June 30, a total of 12,502 units of reconditioned cars were imported, down 46 percent from a year ago, when 23,075 units were brought in. Haque said car import is declining continuously because of higher duties, a fall in price depreciation, currency devaluation, and higher bank interest rate.

The government has brought down the maximum depreciation of imported reconditioned vehicles to 35 percent in 2018-19 from 45 percent in 2015-16, increasing the import duty and the price of cars.

Car depreciation is the difference between how much a car is worth when it is bought and how much it is worth when sold. The value goes down over time with the wear and tear of everyday use. So, the more one drives a car, the faster the car’s value depreciates.

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### AGITATION Fuel crisis likely in NE India

PALLAB BHATTACHARYA,  
New Delhi

India’s northeastern states may be hit by a fuel crunch if the ongoing street protest against the Citizenship Amendment Act continues for another week as it has already led to the shutdown of oil refineries and producing facilities in the region, sources said.

State-owned Indian Oil Corp (IOC) has been forced to shut down its refinery in Digboi in Assam and is operating the Guwahati unit at minimal.

Similarly, Oil India Ltd (OIL), also state-run, has been forced to shut its liquefied petroleum gas (LPG) production and its crude oil production has dropped by 15-20 percent, sources in the two companies said.

They said the ongoing agitation has blocked the movement of tankers and trucks, which are mostly used to supply petrol, diesel and LPG from the refineries to different parts of the north-east.

With limited storage capacity, the companies have been forced to curtail production in the absence of products being evacuated, they said.

OIL has shut the LPG production for the same reason, they said, adding the agitation has also limited movement of employees and officers who work at the refineries and oil installations.

If the agitation continues for another 7-10 days, the region may face fuel supply crunch as fresh replenishment to the current stocks will exhaust and supply would dry up, sources said.

Bongaigaon, which has the third refinery in Assam, was already under maintenance shutdown when the agitation broke out.

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## HSBC to award business excellence

STAR BUSINESS REPORT

The Hongkong and Shanghai Banking Corporation (HSBC) in Bangladesh yesterday launched its first ever Business Excellence Awards to recognise the country’s businesses and entrepreneurs for their contribution to the sustainable growth of the national economy.

The awards will be presented in seven categories. These include exporter of ready-made garments (RMG), supply chain and backward linkage, exporters of non-traditional and emerging sectors and contributor in import substitution.

The remaining three are leader in inbound investment, contributor of impactful infrastructure, and special contributor in innovation, job creation and supporting the community.

Businesses and entrepreneurs can nominate themselves by filling in a form available at business.hsbc.com.bd/bea by December 31. The jury board comprises members from the HSBC senior management team and the commerce ministry.



**Md Mahbub ur Rahman, deputy CEO and country head of wholesale banking at HSBC Bangladesh, speaks at the launch of “1st HSBC Business Excellence Awards” at the Pan Pacific Sonargaon Dhaka yesterday.**

Aspects such as annual contribution to national exports and economy, diversity, responsibility, sustainable business practices, governance strengths and regulatory compliance will be considered in selecting winners.

The awards is not exclusive

to HSBC customers and open to all enterprises and entrepreneurs operating in Bangladesh. There is no entry fee or financial recognition, said the bank.

Applicants of the RMG category must have a minimum annual export turnover of \$50 million, non-

traditional and emerging products exporters at least \$3 million and supply chain and backward linkage firms \$10 million.

For nomination in import substitution category, firms have to produce at \$10 million worth of import-substitute products.

Launching the awards though a press conference at Pan Pacific Sonargaon Dhaka yesterday, Md Mahbub ur Rahman, deputy CEO and country head of wholesale banking of HSBC Bangladesh, said the economy was doing well in achieving higher growth rate.

Entrepreneurs hope for their businesses to grow at a faster rate which will continue to have an impact on the socio-economic development of the country, he said.

“These awards aim to support businesses to thrive, and to enable them to connect with high growth global opportunities,” he said.

Muhammad Shohiduzzaman, country head of global trade and receivables finance, and Talukdar Noman Anwar, country head of communications, also spoke.

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