

STOCKS		Week on week	
DSEX	1.28%	CSCX	1.50%

COMMODITIES		As of Friday	
Gold	\$1,475.30 (per ounce)	Oil	\$66.14 (per barrel)

ASIAN MARKETS				Friday Closings	
MUMBAI	▲ 0.02%	TOKYO	▼ 0.20%	SINGAPORE	▲ 0.15%

CURRENCIES				As on Thursday STANDARD CHARTERED BANK	
\$ USD	83.95	€ EUR	92.61	£ GBP	109.22
BUY TK	83.95	SELL TK	96.41	¥ JPY	0.75
SELL TK	84.95		113.02		0.79



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# Star BUSINESS

DHAKA SUNDAY DECEMBER 22, 2019, POUSH 7, 1426 BS starbusiness@thedailystar.net

## BTCL falls from grace

Depreciation eating up revenue of once hugely profitable landphone company

MUHAMMAD ZAHIDUL ISLAM

Bangladesh Telecommunications Company Limited's revenue slumped 22.23 percent to Tk 886.81 crore last fiscal year, in yet another emblem of the steady decline of the once hugely profitable state-owned enterprise.

In fiscal 2008-09, when it was declared a company from a state organisation, its revenue was Tk 1,689.36 crore and net profit was Tk 106.15 crore. Ten years later, it incurred a loss of Tk 389.39 crore.

The company is at a disadvantage for its ageing assets: in fiscal 2018-19 it had to write off Tk 560.73 crore for depreciation, according to its annual report.

Of BTCL's total revenue last fiscal year, 58.15 percent came from depreciation of its assets and establishments: Tk 560.73 crore.

"Our vast assets have become our liability," said Md Rafiqul Matin, managing director of BTCL.

The depreciation was Tk 591.61 crore in fiscal 2017-18, Tk 485.83 crore in 2016-17, and Tk 514.51 crore in 2015-16.

"Our cash flow is quite satisfactory but when the depreciation issue comes up we become a loss-making company," Matin said.



### REVENUE AND NET LOSS

In crore taka

REVENUE	NET LOSS
843.95	504.49

SOURCE: BTCL



Since fiscal 2015-16, BTCL suffered losses of about Tk 1,200 crore.

In one year the state-run landline provider's depreciation was much higher than its actual revenue: in fiscal 2014-15 BTCL's total revenue was Tk 504.49 crore and the depreciation was Tk 182.64 crore.

The state-run company now has 5.5 lakh subscribers.

"BTCL has huge physical infrastructure like buildings and their value is declining every year. We have to spend a huge amount for their maintenance," Matin added.

However, some BTCL officials raised doubts about the huge sums of depreciation shown in the books every year.

"The officials related with the process may be indulging in a spot of financial doctoring. The government needs to investigate it," said one official, on condition of anonymity.

With a view to giving a boost to BTCL's fortunes, the government has recently decided to make landline connection and re-connection free of cost to boost the user numbers.

The company is also suffering for a lack of steady leadership, the BTCL official said.

In the 11 years BTCL has been a standalone company, as many as 19 individuals have occupied the top seat, with some being re-appointed multiple times.

Telecom Minister Mustafa Jabbar acknowledged this continuity void.

"The government cannot always choose the best leaders, but fortunately this time a young leader has tightened the ship."

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"We are way behind in product development," he said, while speaking on the findings of the study at the BGMEA office in Dhaka.

He said H&M pays 75 cents more to Chinese suppliers compared to Bangladeshi exporters for the same products, as China has the capacity to produce diversified items.

Bangladesh's export is over-concentrated in five garment items - t-shirt, trouser, jacket, sweater, and formal shirt - and they together accounted for 73 percent of garment exports last fiscal year.

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## Time to go for man-made fibre

This will boost exports of apparel, say exporters and buyers

STAR BUSINESS REPORT

Bangladesh needs to scale up production of garment items from man-made fibre to increase exports as the consumption of apparels made from the artificial textile raw material is rising globally, exporters, manufacturers and buyers said yesterday.

The export of apparel items produced from man-made fibre (MMF) from Bangladesh has remained stuck at 20 percent for many years although the production of such garment items has crossed 40 percent worldwide, according to a study of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

In Bangladesh, the use of cotton-based yarn and the garment products

produced from it is rising. But exporters are receiving lower prices from the sales of cotton fibre-made garments items.

Of the total garment items exported from Bangladesh last fiscal year, 74.14 percent was made from cotton fibre, up from 68.67 percent from that in 2008-09, the study showed.

Rubana Huq, president of the BGMEA, said the sector needs foreign direct investment and government assistance to divert to MMF-based garment production.

The government should also ease the rules to attract FDI to MMF textile production as the country has very low capacity in this segment, she said.

Ziaur Rahman, head of H&M for Bangladesh, Pakistan and Ethiopia,

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### ROBOT OLYMPIAD Bangladeshi teenagers win 10 medals

STAR BUSINESS REPORT

Bangladeshi teenagers won 10 medals in the International Robot Olympiad in Thailand on Friday of which one was gold, two silver, six bronze and one technical.

At the last year's event in the Philippines, Bangladesh team won one gold, one technical and two highly commended medals.

This year's gold medal was jointly won by Abrar Shahid of Chattogram Cantonment Public College and Mir Ummaima Hoque of Nalanda High School in a creative category, says a statement from Bangladesh Robot Olympiad.

Rafiullah Saleh Chowdhury of Jalabad Cantonment English School won one silver medal while Nasheeth Zainah Rahman of Sunbeam School and Quazi Mostahid Labib of Chittagong Grammar School Dhaka jointly attained the other.

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## 3 reasons behind stock slide: BSEC chief

They are GP-regulator tussle, retreat of foreign investors, misreport on TIN requirement

STAR BUSINESS REPORT

The chief of Bangladesh Securities and Exchange Commission has blamed the recent plunge in stocks on the ongoing tussle between Grameenphone and the telecom regulator as well as a huge sell-off by foreign investors.

A piece of news in April that the revenue administration is making tax identification number (TIN) mandatory for opening beneficiary owners' accounts also played a part, BSEC Chairman M Khairul Hossain said.

Besides, apprehension is doing the rounds in the market that the local currency may devalue, prompting foreign investors to go for massive sell-offs, he added.

But Finance Minister AHM Mustafa Kamal has ruled out the possibility of any currency devaluation, he said.

Hossain spoke while inaugurating the new office of the Capital Market Journalists' Forum (CMJF) in Motijheel on Thursday.

In the first week of April, a news item was published, quoting the chairman of the National Board of Revenue (NBR), that stock investors would need TINs to open beneficiary owners' accounts.

Hossain said the market started to fall after the comment. Later, the tax authority clarified that it did not make opening TINs mandatory for stock investors, allaying the fears of general investors.

The benchmark index of the Dhaka Stock Exchange fell 261 points, or 4.73 percent, within six days, starting from the day when the report was published.

The dispute between

Grameenphone, the largest listed company in terms of capitalisation, and the telecom regulator began to impact the "structure of the market" because foreign investors pour funds largely looking at the fundamentals of companies, the BSEC chief said.

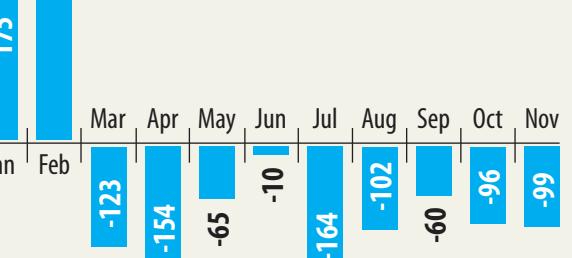
The Bangladesh Telecommunication Regulatory Commission (BTRC) ran a long auditing process, and in 2016 it claimed that the mobile phone operator owed it Tk 12,579.95 crore in revenue share, taxes, and late fees accumulated until December 2014.

Grameenphone maintains that the amount is disputed and filed a writ with the High Court, challenging the BTRC's claim. The High Court has issued an injunction on the BTRC move.

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### NET FOREIGN INVESTMENT IN STOCKS

In crore taka



SOURCE: DSE

## Digital solutions make farmers more connected: experts

STAR BUSINESS DESK

Data-driven digital ecosystems can address bottlenecks in the agriculture value chain, including poor market linkages, lack of access to finance, knowledge and inputs, and shortcomings to an enabling environment, experts said.

However, they said, digitalising the sector is not just the solution. Rather, the whole ecosystem needs to be developed around the sector, according to a statement.

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### Inauguration of International Lifestyle Hotel Brand 'Renaissance Hotel'

Located in the heart of the business center, the design-forward hotel invites guests to set off on an unexpected journey through an indigenous lens.

The International Lifestyle Hotel brand Renaissance Dhaka Gulshan Hotel began its journey recently with a colourful grand opening. The opening marks the debut of Renaissance Hotels in Bangladesh, which further expands the Marriott International portfolio to the country. Earlier in the day, a press conference highlighted the details of the Renaissance Hotel.

Freedom Fighter Dr. H.B.M. Iqbal (Ex-MP) Chairman, Premier Hotel Management Company Ltd. Premier Group, Mr. Moin Iqbal, Managing Director, Premier Hotel Management Company Ltd. Premier Group, along with other directors were present.

Chief Guest AHM Mustafa Kamal, FCA, MP and other guests inaugurated the Hotel Renaissance by cutting ribbon and cake. Many reputable businessmen of our nation along with high ranking government officials and diplomatic people from various other countries attended the grand hotel opening.

Premier Hotel Management Company Ltd. Premier Group Managing Director Moin Iqbal and Chairman Dr. H.B.M. Iqbal handed over the traditional keys to the Renaissance Dhaka Gulshan Hotel authority. Afterwards, a wonderful audiovisual of the hotel showcasing its exceptional features was played for the guests. Then special dinner was served for the guests. After dinner, a small cultural program was held where the internationally acclaimed Bangladeshi fusion band Chirkutt performed live with their popular songs and ending the event in good tunes.



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