

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	CNY
▲ 0.05%	▼ 0.19%	\$1,755.60	\$82.42	▲ 0.75%	▼ 2.19%	▼ 0.07%	▲ 0.90%	BUY TK 84.55	97.04	114.09	12.88
7,331.39	12,872.58	(per ounce)	(per barrel)	59,744.88	27,822.12	3,068.12	3,568.17	SELL TK 85.55	100.84	117.89	13.54



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BB on dollar selling spree to keep taka steady

Move to cool off the foreign exchange market

AKM ZAMIR UDDIN

The foreign exchange regime has made an about-face in the last two months as the Bangladesh Bank continues to inject US dollars (USD) into the market to halt the depreciation of the local currency and meet the growing appetite of the economy.

The central bank had bought a record amount of USD amounting to \$7.93 billion from local banks in the last fiscal year as a part of its move to rein in the devaluation of taka.

But, the BB switched gears after August as the demand for the American greenback grew in keeping with the recovering economy: it sold \$946 million between August and September as many banks are facing a shortage of USD.

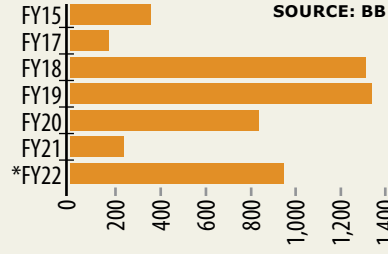
The declining trend of remittances, the rising price of commodities in the global market, and the end of deferral support on payments for imports were the drivers behind the tight situation in the foreign exchange market,

WHY BANKS ARE FACING A DOLLAR SHORTAGE

- Declining trend of remittances
- Price hike in global commodity market
- Increase in imports due to industrial expansion
- End of BB's deferral support for imports

SALE OF DOLLAR BY BB

In millions of \$, *Till Sep 30;
No dollar was sold in FY13, FY14 and FY16



according to bankers.

The inter-bank exchange rate stood at Tk 85.50 per USD on October 4. On August 2, it was Tk

84.80, the level at which it had hovered around since July last year.

The taka has been sliding since the first week of August, compelling the central bank to inject dollars into the market.

Md Arfan Ali, managing director of Bank Asia, attributed the sluggishness in remittance flow as one of the main causes for the weakening of the local currency.

A majority of banks held a hefty amount of US dollars throughout last year and in the first half of 2021, riding on the strong inflow of

remittance, lower import demand and moderate exports, all influenced by the coronavirus pandemic.

This sent the foreign exchange reserves to \$46.21 billion in September, up 18 per cent from a year ago. But, the reserves may decline if the ongoing situation persists, a BB official says.

Already, remittance fell to a 16-month low of \$1.72 billion in September as money transfers through informal channels made a comeback.

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PROBE AT A GLANCE



- Robi, Banglalink fined Tk 10 lakh each
- BTRC probe found financial irregularities
- Three-member committee carried out the probe during Oct-Nov
- Operators dodged revenue-sharing
- Telcos have to share 5.5pc of their revenue with govt
- The operators provided unauthorised value-added services

Robi, Banglalink fined for flouting rules

BTRC probe finds the operators deprived govt of revenue

SHAHID BAPPY and MD ABU TALHA SARKER

Robi Axiata Ltd and Banglalink Digital Communications Ltd were fined Tk 10 lakh each for providing telecom value-added service (TVAS) to customers through unauthorised firms and attempting to dodge revenue.

They also allowed a TVAS provider to set up its equipment in their data centre without signing any infrastructure sharing agreement, according to a probe of the Bangladesh Telecommunication Regulatory Commission (BTRC).

The mobile phone operators were also found to have funds deposited in the bank account of a TVAS provider against the service availed from another.

This unearthed the attempts to dodge revenue and abet in committing financial irregularities, the probe report said.

A three-member team from the Department of Enforcement and Inspection Directorate of the BTRC conducted the probe from October 4, 2020 to November 15, 2020.

In Bangladesh, telecom operators share 5.5 per cent of the revenue with the government.

TVAS providers offer various services such as welcome tunes, voice messages, news alerts, missed call alerts, call block, call forwarding or diverting, music, videos, games, streaming services, and balance transfer, through mobile carriers under a revenue-sharing model, and customers are charged by mobile phone operators.

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BFIU freezes bank accounts of payment gateway Foster

STAR BUSINESS REPORT

The Bangladesh Financial Intelligence Unit (BFIU) has frozen the bank accounts of Foster Payments due to its alleged involvement in money laundering.

The payment gateway service provider settled the transactions between clients and controversial e-commerce platform Qoom.

The agency took the decision on September 9, officials of the BFIU said.

An official of the Bangladesh Bank says any business that intends to act as a payment gateway service provider is required to take a licence from the central bank.

Although Foster had applied for a licence earlier, the company is yet to manage any approval from the central bank to run its business.

Last month, Ripan Mia, chief executive officer of Qoom, told The Daily Star that Tk 420 crore had been stuck with Foster Payments since July, which included Tk 200 crore from 20,000 customers.

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Edimon Ginting

New ADB country director for Bangladesh

STAR BUSINESS REPORT

Asian Development Bank (ADB) has appointed a new country director for Bangladesh.

Edimon Ginting, who has 22 years of professional experience, including about 14 years at the ADB, assumed office yesterday.

He succeeds Manmohan Parkash who recently joined ADB's South Asia department as deputy director general, says a press release.

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WORK ABSTENTION BY DRIVERS

Export containers stuck at two ICDs

DWAIPAYAN BARUA, Ctg

The transport of export and import containers to and from two private inland container depots (ICDs) was suspended as prime mover workers enforced work abstention to realise several demands.

As a result, several export-bound containers were stuck at the ICDs and missed shipment as the boxes could not be sent to Chittagong Port.

Drivers and helpers of the vehicles that carry containers went on a strike at KDS Logistics Ltd, an ICD in Sitakunda, on Thursday morning.

Workers at Shafi Motors Ltd in Sagarika area in the port city stopped working on Monday midnight, disrupting the activities of the ICD.

Jahangir Alam, deputy general manager of KDS, said around 200 drivers and helpers who run its prime movers stopped working, demanding appointment letters and identification cards from the ICD, along with minimum wages and post-retirement benefits.

Currently, the drivers and helpers are appointed by Allied Express Shipping Ltd, a vendor and one of the sister concerns of KDS, and they have been provided with the appointment letters and ID cards accordingly.

But the workers are illogically demanding the two documents from the ICD, Alam said.

Because of the protest, more than 500 TEUs (twenty-foot equivalent units) of export-bound containers got stuck at the depot of KDS and missed export deadlines in the six days to yesterday.

Around 400 TEUs of import load containers also could not be shifted from the port to the ICD during the period for the work stoppage, said officials of KDS.

Ahsanul Kabir, executive director of KDS, wrote to the Bangladesh Inland Container Depots Association (BICDA), the association of shipping agents and other stakeholders, stating that all transport and operational activities at the depot had come to a halt due to the strike.

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Keep rising cotton prices in mind when selling RMG

Spinners urge apparel exporters



STAR BUSINESS REPORT

Spinners yesterday asked garment exporters negotiating prices of apparel items with buyers to be aware of the price of cotton that has started to rise again in global markets.

Mohammad Ali Khokon, president of Bangladesh Textile Mills Association

(BTMA), at a press conference at the BTMA office in Dhaka, said cotton prices were now ranging between \$1.05 per pound and \$1.07 per pound.

"So we need to sit again in a meeting soon with the garment exporters as they are the main customers of the locally produced yarn.

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New e-commerce platform comes into being

STAR BUSINESS REPORT

Let's GO Mart has started its operations as a new e-commerce platform as the company organised its commercial launch at The Daily Star Centre in Dhaka yesterday.

Customers can buy any product they need from this e-commerce platform, which believes in the slogan: "Never let go of your needs", said Major (Retired) Mohammad Rabiul Alam, chairman of Let's GO Mart.

Let's GO Mart will now provide quality products with the aim of making it easier to get products in the fastest time possible in the current e-commerce industry of the country, said Golam Mostafa, managing director of the company.

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