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## Bangladesh's position in budget transparency falling

STAR BUSINESS REPORT

Bangladesh's score for budget transparency has been lodged in a downward spiral ever since 2012 as official documents regarding the annual national plan and public works are not published in due time, according to a survey released yesterday.

The country's budget transparency score stood at 30 in 2021, down from 58 in 2012, 47 in 2017 and 36 in 2019, as per Open Budget Survey 2021 conducted by International Budget Partnership (IBP).

"Budget openness helps tackle corruption, reduce waste and improve efficiency and effectiveness in public spending," said M Abu Eusuf, a professor of development studies at the University of Dhaka.

For example, budget openness helps match public resources with national priorities and builds trust in the government, the report says.

**Budget openness helps tackle corruption, reduce waste and improve efficiency and effectiveness in public spending**

Eusuf, also executive director of the Research and Policy Integration for Development (RAPID), made this comment while giving a presentation on the survey at a webinar organised by the IBP and RAPID.

Referring to the survey, Eusuf said official documents such as quarterly implementation reports were not made available on the finance ministry's website within the timeframe stipulated by rules in this regard.

Planning Minister MA Mannan said his ministry instantly disseminates all relevant information regarding projects approved by the Executive Committee of the National Economic Council through an electronic board.

However, he stressed on the need to increase transparency and accountability in development projects through the participation of local people at the district and upazila levels.

Mannan also said documents regarding the national budget should be more open to the public.

Atiur Rahman, former governor of Bangladesh Bank, said such documents should be instantly uploaded to the web so that people from all parts

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## FIRMS THAT GOT LICENCES

- Summit Communications
- Cdnet Communications
- Metacore Subcom

## CURRENT SERVICES

- Only state-run BSCCL provides submarine cable services
- It connected Bangladesh with two submarine cables

**SEA-ME-WE 4 in 2006**

Bandwidth: **800Gbps**

**SEA-ME-WE 5 in 2017**

Bandwidth: **1,500Gbps**

- Rest is met through **7 ITC companies**
- Third cable **SEA-ME-WE 6** to hit market in 2025

## CONDITIONS

- Licence awarding fee Tk **10cr**
- Annual licence fee Tk **3cr**
- Must submit licence awarding fee within **30 days**
- Have to roll out undersea cable within **48 months**



"There is growth in the market. If you compare Bangladesh with countries like Vietnam, Thailand and the Philippines, data usage here is far less."

**Md Arif Al Islam**  
MD of Summit Communications

## BANDWIDTH CONSUMPTION

\* Until July; SOURCE: BTRC

YEAR	BANDWIDTH (Gbps)
2017	464
2018	798
2019	985
2020	1,826
2021	2,657
2022*	3,850

# 3 private firms get nod to lay, run undersea cables

MAHMUDUL HASAN

The government has selected three private firms to award them the licence to establish, maintain and operate submarine cables as it looks to ramp up the supply of bandwidth amid a surge in data consumption.

The companies that have received the green light from the Bangladesh Telecommunication Regulatory Commission (BTRC) are Summit Communications, Cdnet Communications, and Metacore Subcom Ltd.

The foray of private companies into the industry is expected to break the state monopoly since Bangladesh Submarine Cable Company Ltd (BSCCL) is the lone entity permitted to connect the country with the rest of the world through undersea cables.

"We have given them a licence because we don't believe that there should be a government monopoly in a sector that is investment-intensive," Mustafa Jabbar, telecom minister, told The Daily Star.

In Bangladesh, private entities have a presence in all areas of the telecommunication sector, including telecom, tower, internet service, and transmission network.

"This will ensure competition in the market," Jabbar added.

"A licence for submarine cable to Metacore Subcom Ltd has been approved," said Ahmed Junayed, managing director of the company.

Now, the company will have to pay the licence fee within 30 working days before receiving the licence from the telecom regulator.

According to the BTRC's guideline, the firms must deposit a licence awarding fee of Tk 10 crore and an annual licence fee of Tk 3 crore. Companies must roll out cables within 48 months.

Initially, six companies had applied for the licence.

Md Arif Al Islam, managing director of Summit Communications, said: "Now we will have to lay fibre cables by joining hands with a regional initiative."

Summit is eyeing to join Reliance Jio Infocomm of India, NTT Ltd of Japan, or Campana of Singapore.

According to industry people, an investment of \$60 million to \$100 million is needed to join an undersea cable consortium.

Islam sees growth potential in the market. "If you compare with Vietnam, Thailand and the Philippines, data usage in Bangladesh is far lower."

**The foray of the companies into the industry is expected to break the state monopoly since Bangladesh Submarine Cable Company Ltd is the lone entity to connect the country with the rest of the world through undersea cables**

Summit is the only end-to-end infrastructure in Bangladesh in the telecom and ICT sector. It has the licence for the nationwide telecommunication transmission network, international terrestrial cable (ITC), and international internet gateway (IIG).



The main partner of Metacore Subcom is Level Three, one of the top IIG operators in Bangladesh.

"We have a plan to roll out our submarine cable service by 2024. Our full investment will come from a local firm," said Junayed.

## BANDWIDTH CONSUMPTION ON THE RISE

In Bangladesh, bandwidth consumption witnessed a remarkable rise during the coronavirus pandemic as people turned to internet to work, study and find entertainment at home.

Bandwidth use surged to 3,850 Gbps in June from 1,000 Gbps before the health crisis erupted, according to the BTRC.

BSCCL supplies 2,300 Gbps while the rest comes from India through seven international terrestrial cable service providers.

Bangladesh is a member of the South East Asia-Middle East-Western Europe 4 (SEA-ME-WE 4) consortium, the first undersea cable with which Bangladesh was connected in 2006. It supplies about 800 Gbps bandwidth.

The state-run entity supplies 1,500 Gbps through the SEA-ME-WE 5. The connection was established in 2017.

The company is set to receive 13,200 Gbps from the third undersea cable, SEA-ME-WE 6, by 2025.

BSCCL is going to spend \$3.2 million to raise the capacity of its first undersea cable by more than four times to 4,600 Gbps.

"We are upgrading BSCCL's capacity so that it can meet the bandwidth demand till 2030," said Jabbar.

The bandwidth use is forecast to rise on the back of increasing reliance on internet. There were 12.62 crore internet users in the country in June.

The government also plans to bring about 1 lakh educational institutions under internet connectivity.

If all of the country's classrooms get connected with high-speed internet, the speed of digital growth continues, and 5G is rolled out, the broad projection is bandwidth consumption

could rise to 34,000 Gbps by 2025, said Brig Gen Md Nasim Parvez, director-general of the Systems and Services Division of the BTRC, during a recent event.

## Credit growth keeps rising

Bad news for inflation-hit consumers

AKM ZAMIR UDDIN

Private sector credit growth in Bangladesh rose further in July despite a contractionary monetary policy adopted by the Bangladesh Bank for the current fiscal year to tame higher inflation.

The credit growth inched up to 13.95 per cent in the first month of the fiscal year, up from 13.66 per cent in June, data from the central bank showed.

The credit growth has been rising for five months despite a number of measures from the central bank aimed at curbing import bills. Most of the loans are used to facilitate overseas purchases.

Higher import payments, fueled by the need to feed the economy recovering from the coronavirus pandemic and the escalated cost of commodities in the global markets, pushed up the credit growth in Bangladesh.

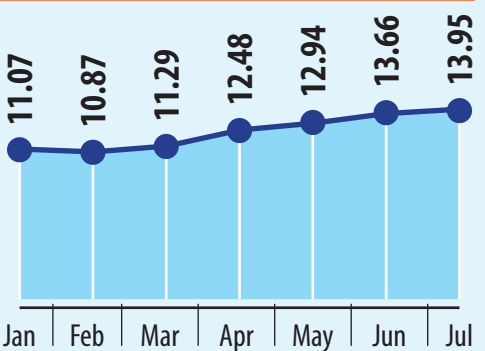
In addition, many businesses are reluctant to borrow from the global market after interest rates have gone up internationally following the hiking of central bank rates in most countries. So, they are relying more on the domestic sources for funds.

The BB has set a private credit growth target of 14.1 per cent for the fiscal year of 2022-23 compared to 14.5 per cent last financial year.

The lower growth target is aimed at containing inflation, which stood at 7.48 per cent in July,

## PRIVATE SECTOR CREDIT GROWTH

In %; SOURCE: BB



slightly lower than the nine-year high of 7.56 per cent in June.


Syed Mahbubur Rahman, managing director of Mutual Trust Bank, thinks the credit growth may rise further in the next couple of months as many lenders are currently settling import bills that earlier enjoyed deferral support from the central bank.

At the height of the coronavirus pandemic, the BB allowed businesses to settle import bills after a year, giving them a much-needed breathing space amid business slowdown as the crisis sapped demand at home and abroad.

Many businesses are unwilling to take loans

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	DSEX ▲	CASPI ▲
	0.09% 6,407.98	0.02% 18,829.02

	COMMODITIES	
	Gold ▼	Oil ▲
	\$1,730.98 (per ounce)	\$93.49 (per barrel)

ASIAN MARKETS			
MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 1.46% 57,972.62	▼ 2.66% 27,878.96	▼ 0.84% 3,222.26	▲ 0.14% 3,240.73



Suffering a fire and explosion on June 4 which left 51 people dead and over 200 injured, privately owned BM Container Depot in Chattogram has partially resumed operations on gaining permission to handle empty containers.

PHOTO: STAR/FILE

## BM Container Depot starts partial operations

DWAIPAYAN BARUA, Ctg

Privately owned BM Container Depot has partially resumed operations on gaining permission to temporarily handle empty containers after around two and half months of suffering a deadly explosion.

A total of 51 people were killed and over 200 injured in the fire and explosion on June 4. After repeated appeals from the depot authority, Custom House, Chattogram on August 22 gave the permission on two conditions.

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