

Planned industrial development remains elusive in Rangpur as construction of a second economic zone has been barred by red tape for 16 years now

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## Teletalk hamstrung by weak power backup

MAHMUDUL HASAN

A significant portion of Teletalk's mobile network towers lacks adequate battery backup systems, exacerbating customer frustrations with its unreliable service and contributing to a steady decline in its subscriber base.

According to the state-run carrier, there are 5,661 base transceiver stations (BTS) that facilitate access to its network. However, of the 3,856 towers run on batteries supplied by Teletalk, 21.52 percent can't provide more than one minute of backup.

This means customers who are under the coverage of the 830 towers can't access the network if there is a power outage.

Similarly, about 40 percent of Teletalk's towers can no longer provide network access if electricity outages persist for more than an hour.

This grim scenario was presented to Zunaid Ahmed Palak, state minister for telecom and ICT, when he visited the head office of the state-owned telecom operator in the capital's Gulshan recently.

### AT A GLANCE



- Teletalk network is supported by **5,661** towers
- 3,856** of the towers are equipped with batteries supplied by Teletalk
- 21.52%** or **830** of these towers have only zero to **1-minute** backup
- 40%** towers offer backup for less than **1 hour**
- Standard battery backup typically ranges from **4 to 8 hours**

In Bangladesh, BTS or towers are operated by either telecom companies or third-party companies, which manage and operate the facilities to support mobile network coverage.

According to officials of the companies, the standard battery backup duration for a BTS typically ranges from 4 to 8 hours depending on electricity availability, ensuring that a tower remains operational during short to moderate power outages.

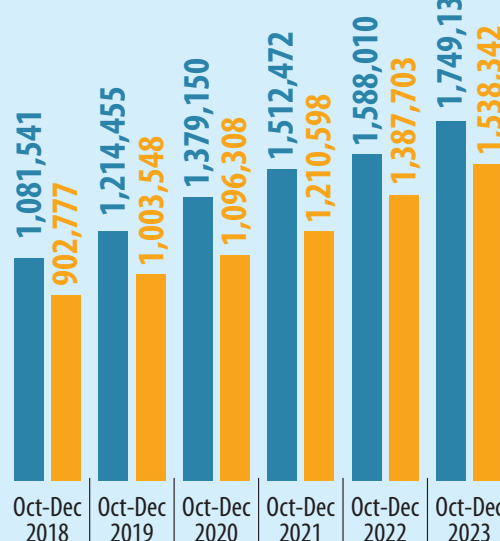
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## Rural deposits fall for first time in five years as inflation bites

### DEPOSITS AND ADVANCES BY BANKS

(In crore taka)

■ Total deposit  
■ Total advances



SOURCE: BANGLADESH BANK

SOHEL PARVEZ

Banks in Bangladesh witnessed a sharp decline in deposits in rural areas in the last quarter of 2023, the first fall in five years, data from the central bank showed.

This was driven by an erosion of savings capacity for sustained higher inflation and a rush for cash withdrawals from scam-hit Islamic banks as savers' confidence took a beating after scams made the headlines.

Deposits in the countryside slumped 21 percent year on year to Tk 266,415 crore in October-December though overall savings grew nationally on the back of higher inflows of funds to the banking system in cities and towns.

"I think inflation has chipped away at their savings," said Mashur Arefin, managing director of City Bank.

"Even though they have the same disposable income, people have been forced to dip into their savings because of higher inflation in order to get by."

Since March 2023, consumer prices in Bangladesh have persisted by over 9 percent. Inflation was also at a higher level in the previous year.

Mohammad Ali, managing director of Pubali Bank, also thinks lingering higher inflation could be one reason behind the declining savings in rural areas.

Still, the private commercial lender managed to attract higher deposits from rural and urban customers.



"We opened a large number of sub-branches. This includes 150 sub-branches launched in rural areas," Ali added, adding that rural savings might have been diverted to agencies such as cooperatives that offer higher interest rates.

Ashikur Rahman, a senior economist at the Policy Research Institute of Bangladesh, said one possible explanation is that rural inflation had been slightly higher

than urban inflation between October and December.

"This could relatively undermine the savings capacity of rural households in comparison to urban households."

In rural areas, the Consumer Price Index grew 9.99 percent, 9.62 percent, and 9.48 percent

in October, November and December respectively, data from the Bangladesh Bureau of Statistics showed. This was 9.72 percent, 9.16 percent, and 9.15 percent in the identical months in urban areas.

Two bankers linked the deceleration in savings flow in rural areas to the ebbing of confidence among people in Shariah-based banks because of widespread allegations of loan

scams. Islamic banks' deposits slipped 11 percent to Tk 56,447 crore in the three months to December, according to the central bank. Thus, the share of rural savings to the total national deposits dropped to 15 percent at the end of 2023.

The gap was filled up by the spectacular growth in urban deposits: banks recorded a 19 percent year-on-year rise in fund inflows to Tk 14,82,717 crore, the highest pace of expansion in five years.

The overall deposit growth in the banking sector stood at 10 percent to Tk 17,49,132 crore, said the Scheduled Banks Statistics of the BB released last week.

"It seems that people, especially the well-offs, are becoming interested in parking money in banks as the interest rates are rising," said Md Mahiul Islam, deputy managing director at BRAC Bank.

The weighted average interest rate on deposits fell to as low as 3.97 percent in June 2022. Since then, banks have begun to raise the interest rate on deposits after liquidity availability was reduced for the purchase of US dollars

considering the country's economic condition.

"We are observing the market condition as the real picture will only emerge after a few days."

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## US trade body defends Bangladesh at USITC hearing

REFAYET ULLAH MIRDHA

Despite facing one of the highest tariff rates, Bangladesh is the third-largest apparel exporter to markets in the US because of its efforts to improve working conditions, end forced labour, stamp out counterfeits, and provide safe and high-quality products to American consumers, the American Apparel and Footwear Association (AAFA) said at a hearing recently.

The hearing on "Apparel: Export Competitiveness of Certain Foreign Suppliers to the United States" was initiated by the United States International Trade Commission (USITC) to investigate the sudden rise in per unit import prices of garment items exported from Bangladesh, Cambodia, India, Indonesia and Pakistan.

"These five countries are important sourcing destinations for the US market, accounting for just over one quarter of all US apparel imports. These countries are competitive because they have created responsible, reliable and skilled industries," Beth Hughes, vice-president on Trade and Customs Policy at AAFA, said in her testimony.

She also said Bangladesh has been lowering its carbon footprint to ensure the planet is preserved for future generations.

Bangladesh Garment Manufacturers Association (BGMEA) and AAFA officials attended a hearing on March 11.

Hughes also said the industry made considerable investments in due diligence activities in the private sector.

"As these initiatives go deeper in our supply chains and address a wider range of compliance standards than ever before, these investments have grown and will continue to do so."

She added that Bangladesh, India, Indonesia, Cambodia, and Pakistan were major

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## Fabric sales still slow ahead of Eid

Makers blame inflation, changing trends

REFAYET ULLAH MIRDHA and SUKANTA HALDER

Textile makers in Bangladesh are witnessing slow sales ahead of Eid-ul-Fitr due to factors including a drop in demand for women's salwar-kameez amidst a high living cost and a lack of interest among the affluent class to donate clothes as Zakat to avoid hassle.

The wealthy typically donate saris and lungi as zakat, a form of alms offered out of religious obligation, propelling their sales during Ramadan.

However, the tradition has changed in recent years as many people now prefer to hand out cash in order to save time and avoid hassles linked with distribution.

The wide adoption of mobile financial services (MFS) has brought about massive convenience to users as they can seamlessly transfer donations to beneficiaries whereas collecting and distributing clothes is slow and cumbersome.

MFS accounts totalled 21.92 crore in January in a country where the population size is about 16.98 crore.

Additionally, people have adopted austerity measures to limit their expenses as inflation continues to erode their real purchasing power. Thus, many people are not buying any additional garments this year.

Bangladesh has been experiencing higher consumer prices since May 2022. It has particularly stayed above 9 percent over the past year.

"These factors have badly impacted fabric sales ahead of Eid not only this year but also the last three," said Rashidul

Hasan Rinto, proprietor of Chishtia Sizing Mills in Narsingdi.

Baburhaat, a major hub for textile and garment items in Narsingdi, would register weekly sales of about Tk 2,000 crore during Ramadan in previous

years. Now, it is difficult to rake up sales of Tk 1,500 throughout the month, he added.

Abdullah Al Mamun, managing director of Abed Textile Processing Mills, said the market seems unpredictable



PHOTO: PALASH KHAN

A worker is seen loading thread into a spinning machine at a textile mill in Ashulia of Savar. The picture was taken yesterday.

## Forex market liquidity rising for higher dollar inflow

MD MEHEDI HASAN

Liquidity in the foreign exchange market is increasing due to a rise in the inflow of US dollars, riding on growing remittance, export earnings and currency swap deals.

Banks' net open position (NOP) in foreign exchange, meaning the difference between their assets and liabilities in foreign currency, stood at \$606 million on March 11, Bangladesh Bank data showed.

It was \$40 million in the negative on January 1, before rising to \$125 million on February 1 and then to \$412 million at the end of February.

Industry insiders attributed the NOP increase to a rise in the inflow of the US dollar, which indicates that the foreign exchange market was increasingly gaining stability.

An increase in remittance over the last two months, growing exports, and initiatives of the central bank gave a boost to the inflow of foreign exchange in banks, Mirza Elias Uddin Ahmed, managing director of Jamuna Bank, told The Daily Star yesterday.

Remittance inflow soared 39 percent year-on-year in February to \$2.16 billion, the highest in eight months. It went up 8 percent to \$2.10 billion in January.

Exports totalled \$10.91 billion in January and February, the highest in the two months.

Under the currency swap deal introduced by the central bank in February, commercial banks can take the local currency from the BB in exchange for the US dollar for a tenure ranging from seven days to 90 days.

"The inflow of the US dollars and the local currency increased after the introduction of the swap while foreign currency reserves were also growing," said Mezbaul Haque, spokesperson of the BB, last week.

The reserves currently stand at around \$20 billion.

People who have US dollars in cash now can park them in banks as the central bank has increased the interest and various benefits on resident foreign currency deposits

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