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Star BUSINESS

Submarine Cables cuts bandwidth prices by 10%

STAR BUSINESS REPORT

Bangladesh Submarine Cables has decided to reduce bandwidth prices by 10 percent, which is likely to reduce internet bills at users' end.

The decision was finalised at a board meeting of the state-owned company on Saturday.

The information was disclosed in a press release issued by the Press Wing of the Chief Adviser to the interim government yesterday.

Faiz Ahmad Taiyeb, special assistant to the Chief Adviser on Posts, Telecommunications, and ICT Affairs, said the government is working to make internet access more affordable.

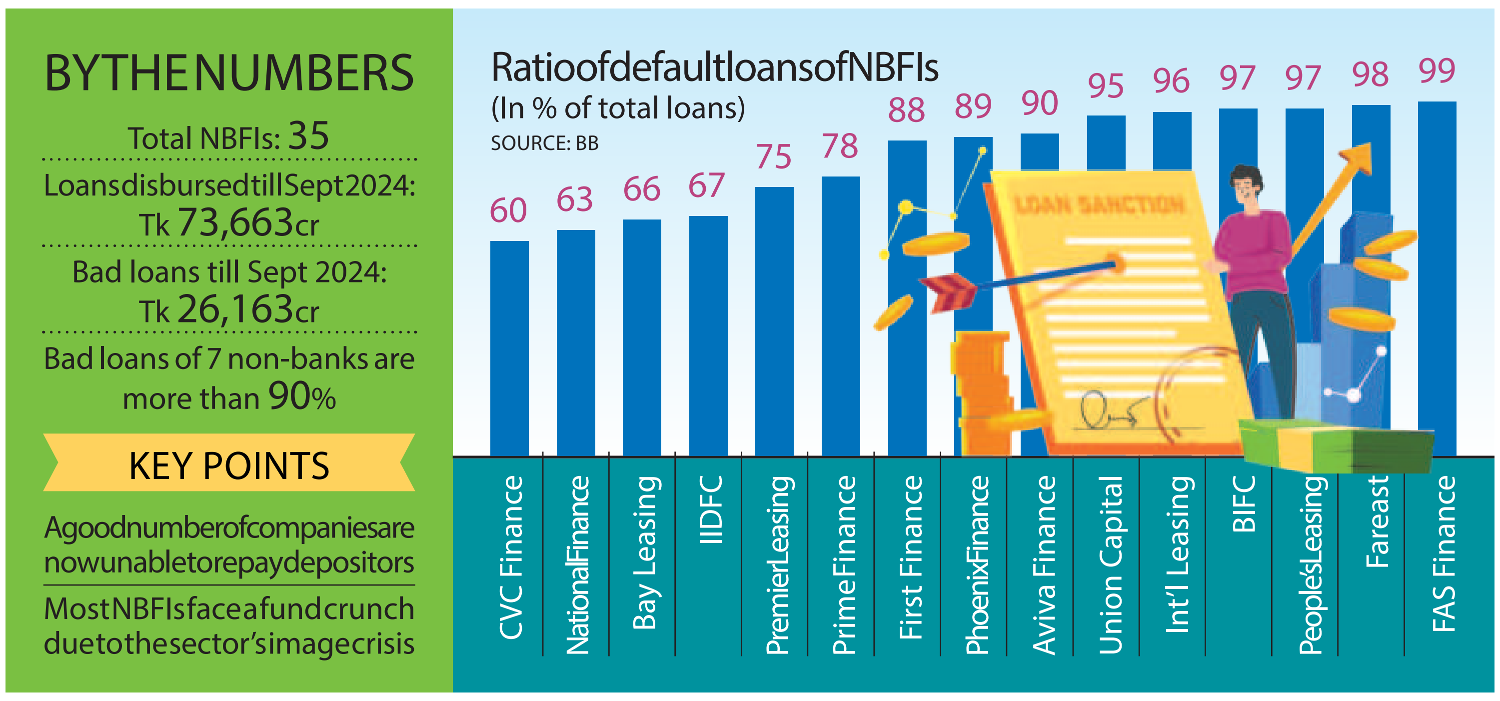
"Reducing wholesale bandwidth prices is one of the key steps. This 10 percent price cut will apply to all bandwidth at the international gateway level," he said.

Taiyeb added that discussions are underway to provide mobile operators with access to Dense Wavelength Division Multiplexing (DWDM) facilities, which could reduce transmission costs by up to 39 percent.

DWDM is an optical networking technology that increases the bandwidth of fiber networks by transmitting multiple data streams simultaneously on different light wavelengths through a single fiber.

"We have already consulted with telecom operators. It is expected that they will pass on the benefits to end users by lowering internet prices by up to 10 percent," Taiyeb said. He also noted that Bangladesh is set to be connected to its third submarine cable, SEA-ME-WE 6, by mid-next year.

Banks get remedies but what about ailing NBFIs?



BY THE NUMBERS

Total NBFIs: 35

Loans disbursed till Sept 2024: Tk 73,663cr

Bad loans till Sept 2024: Tk 26,163cr

Bad loans of 7 non-banks are more than 90%

KEY POINTS

A good number of companies are now unable to repay depositors

Most NBFIs face a fund crunch due to the sector's image crisis

MD MEHEDI HASAN

Irregularities, scams, and governance failures necessitate reforms for both banks and non-bank financial institutions (NBFIs), but the severity of ailments in both sectors seems to have left the banking regulator with no option to pick and choose.

For the Bangladesh Bank, the question is no longer regarding which will get the remedy first, but how long the other can sustain itself in a state of neglect.

The longer NBFIs remain untreated, the worse their condition will become. Banks require urgent reforms, but so do NBFIs, industry leaders say, warning that delays may push them beyond recovery.

Of the 35 NBFIs in the country, a dozen are currently struggling to repay depositors due to an acute liquidity crisis, a persistent issue that has tarnished the sector's image over the years.

After the political changeover on August 5 last year, the central bank initiated a series of banking sector reforms, including the formation of taskforces, the introduction of new laws and amendments to existing legislation such as the Bank Company Act.

The regulator also injected fresh funds into weak banks to protect depositors.

However, the treatment has been entirely different for struggling NBFIs. Since the interim government took office in early August last year, no visible initiatives have been taken to reform the ailing sector.

The central bank has also refrained from injecting funds to revive the NBFI sector and help companies repay depositors.

Following the political changeover, more than half a dozen banks were unable to repay depositors, prompting the central bank to inject over Tk 25,000 crore into weak banks by printing money.

Justifying this move, BB Governor Ahsan H Mansur said it was necessary to maintain depositor confidence.

This raises a simple but important question: if banks receive central bank funds to protect depositors, why are weak NBFIs denied similar support?

Institutional and individual depositors of over a dozen NBFIs, including People's Leasing, International Leasing, Union Capital, FAS Finance, Aviva Finance, Fareast Finance, and First Finance, are still struggling to recover their deposits. For instance, Khalil Ahmed Khan, a depositor at Aviva Finance, has not received his full deposit despite it maturing on January 21 this year.

He told The Daily Star that he invested Tk 23 lakh in three fixed deposit receipts (FDRs) on January 21, 2024. Despite repeated requests, the company has repaid only Tk 8.98 lakh, while Tk 14.01 lakh remains unpaid.

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Payra Port a painful burden on economy

Says planning adviser

STAR BUSINESS REPORT

The Payra Port, a seaport located in the southern coastal district of Patuakhali, has become a "painful abscess" on the country's economy, Planning Adviser Wahiduddin Mahmud said yesterday.

"This port can barely function as a river port, let alone a seaport," he said at a press briefing following a meeting of the Executive Committee of the National Economic Council (Ecnec) at the National Economic Council auditorium in the capital's Sher-e-Bangla Nagar.

"After examining the site, the commerce adviser and officials concerned concluded that this is not even a river port. At best, it can be called a river terminal," he told reporters.

During the meeting, Ecnec approved a revised project proposal for the first terminal and related facilities of Payra Port, increasing the total cost by Tk 911 crore to Tk 5,228 crore.

The project's deadline has also been extended to December 2026.

"We have approved the revised project on the condition that we retain the scope to intervene at any time," Mahmud said.

"The additional funds are required not only for previous financial commitments but also for continuous dredging."

Construction of the Payra Port began in 2013, with commercial operations starting in August 2016.

The port, located on the bank of the Rabnabad channel, is also geographically important as it is in close proximity to the 1,320MW Payra Thermal Power Plant, which began operations in 2020.

Wahidduddin said the entire channel is long and extensive, and without annual dredging, even small vessels will struggle to bring coal to the power plant. Moreover, expensive dredgers will be needed every year to keep operations running.

"Our commerce adviser jokingly remarked that, given the massive annual dredging costs, it might be cheaper to transport coal by air! I have been instructed to lead a team and personally visit the site to inspect the entire project," the planning adviser said.

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Rupali Haque Chowdhury

Make it easy for companies to get listed

Says association of publicly listed firms

STAR BUSINESS REPORT

Bangladesh needs to ensure an environment conducive to attracting companies, especially multinational ones, with good track records to the stock market, said Rupali Haque Chowdhury, president of the Bangladesh Association of Publicly Listed Companies (BAPLC), yesterday.

This should be enabled not only through widening of the gap in taxes paid by listed and non-listed firms but also by ensuring a level playing field for all firms, said Chowdhury, also managing director of Berger Paints Bangladesh.

When Berger got listed, the gap was 15 percentage points, she told a views-exchange meeting organised by Capital Market Journalists' Forum (CMJF) on its premises in Dhaka.

Now it is very low (5 percentage points), for which getting listed is an unattractive option for non-listed firms, she said.

The law for listed and non-listed companies should be reviewed as the company act is giving a lot of benefits to the non-listed firms, such as relief from maintaining corporate governance, said Chowdhury.

If non-listed firms are forced to maintain corporate governance, the practices will cause no discomfort once they get listed, she said.

"It is not just about taxes; we must create a level playing field," she said, adding that listed firms need to follow stricter regulatory requirements.

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Political stability key to higher Japanese investment: experts

STAR BUSINESS REPORT

Bangladesh must ensure long-term political stability, maintain policy consistency, and improve regulatory processes to create an environment conducive to attracting more Japanese investment, according to speakers at a discussion yesterday.

The findings of the Japan External Trade Organization (Jetro) 2024 survey have underscored the country's resilience and investment potential, particularly in attracting Japanese businesses, they said.

The discussion on the "2024 Jetro Survey on Business Conditions of Japanese Companies in Asia and Oceania" was organised by Jetro at The Westin Dhaka.

"Bangladesh's investment potential and key areas for improvement have been reflected in the Jetro 2024 survey," said Ashik Chowdhury, executive chairman of the Bangladesh Investment Development Authority (Bida).

Speaking on the country's commitment to fostering a business-friendly environment, he reaffirmed Bida's dedication to addressing investor concerns, particularly those of Japanese businesses.

> **"Political stability and policy consistency remain vital to investor confidence," said Ashik Chowdhury, executive chairman of Bida**

"The structured flow of human capital is crucial," he said, noting that Japanese investors emphasise skilled labour export and knowledge exchange.

Bida is actively working to streamline labour management systems to ensure a stronger economic partnership with Japan, he said.

Chowdhury also stressed the need to integrate Bangladesh into the broader regional trade network.

He acknowledged that investment decision-making varies globally and that Japanese investors typically adopt a long-term approach.

"Political stability and policy consistency remain vital to investor confidence," he said.

Chowdhury also emphasised the need for structural reforms to ensure transparency and predictability.

"Developing quantifiable indicators will help track progress and build a more stable investment environment," he said.

An upcoming investment summit has drawn significant global interest, said Chowdhury, expressing optimism about Bangladesh's potential to become a leading investment destination.

Saida Shinichi, Japan's ambassador to Bangladesh, said the findings of the Jetro survey reaffirm what has long been recognised—that Bangladesh holds immense potential as a destination for Japanese investment.

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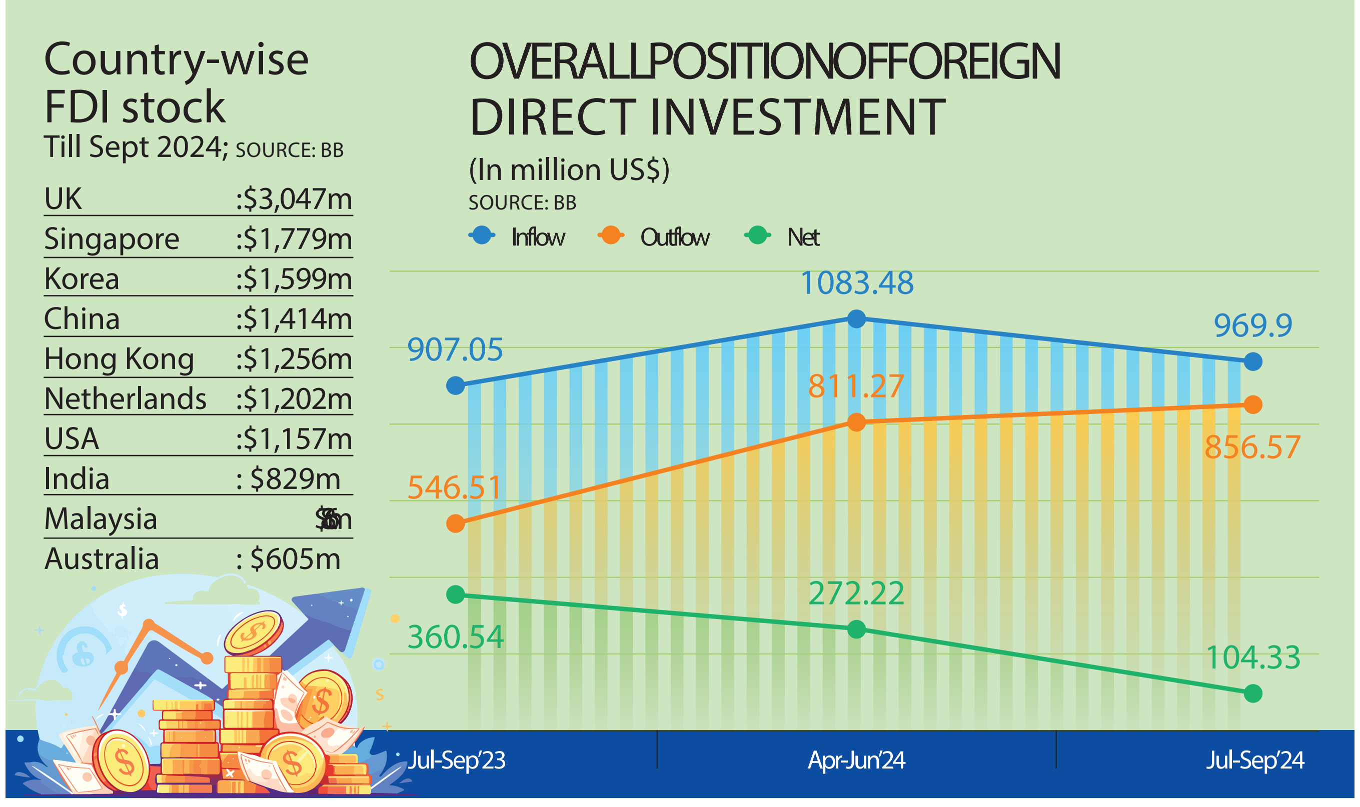
Investment summit seeks to revive moribund FDI

Will take place in Dhaka from April 7 to April 10



Country-wise FDI stock

Till Sept 2024; SOURCE: BB

UK	:$3,047m
Singapore	:$1,779m
Korea	:$1,599m
China	:$1,414m
Hong Kong	:$1,256m
Netherlands	:$1,202m
USA	:$1,157m
India	: $829m
Malaysia	$6m
Australia	: $605m

SUKANTA HALDER

The Bangladesh Investment Summit 2025 will be hosted at a critical juncture this year against the backdrop of foreign direct investment (FDI) inflows hitting a six-year low, raising concerns about the investment climate.

Scheduled to take place from April 7 to April 10 at the InterContinental Dhaka, the event aims to attract global investors and highlight Bangladesh's evolving economic landscape.

Amid political uncertainty, stray incidents of labour unrest and economic challenges, the summit presents a crucial opportunity to restore investor confidence, showcase economic reforms, and position Bangladesh as a competitive investment destination.

FDI inflows dropped by 71 percent year-on-year, falling to $104.33 million in the July-September quarter of FY25, the lowest in six years, according to Bangladesh Bank.

The country's total FDI stock stood at $17.68 billion as of September 2024, with the United Kingdom, Singapore, and South Korea emerging as the top three investors.

The UK remains the leading investor, with $3.05 billion, primarily in banking, power, and pharmaceuticals. Singapore follows with $1.78 billion, while South Korea ranks third with $1.6 billion, driven by investments in manufacturing and telecommunications.

A recent survey by the Japan External Trade Organization (Jetro) 2024 highlighted policy inconsistency and bureaucratic hurdles as significant barriers, discouraging reinvestment and leading to capital outflows.

Japanese investors frequently cite complex approval processes, tax inconsistencies, and sudden policy shifts as challenges to long-term commitments.

While Bangladesh has made progress in infrastructure, logistical inefficiencies and slow project execution also continue to impact business operations.

Additionally, currency depreciation, inflationary pressures, and the rising cost of doing business have made the country less competitive compared to regional peers.

The Bangladesh Investment Summit 2025 presents an opportunity to reverse the downward trajectory of FDI inflows by presenting new investment opportunities and showcasing economic reforms and policy incentives.

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