

Phone tariffs to come under lens

Regulatory body feels current rates too high to increase tele-density

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The Bangladesh Telecommunication Regulatory Commission (BTRC) considers rationalising tariffs on landline and cell phones, which are deemed high.

"Tariff structures of fixed and mobile phones will be rationalised because of high rates," BTRC Chairman Syed Marghub Morshed recently told The Daily Star.

As the regulator, BTRC feels tariff rationalisation will increase tele-density, he said.

Subscribers are unhappy with the tariff rates of private cell phone operators and the landline monopoly Bangladesh Telegraph and Telephone Board (BTB). High tariff works as a barrier to tele-density.

The BTB introduced multi-metering a few months back -- a move in sharp contrast to free local calls in developed and other developing countries. "We are going back instead of forward," says a frustrated BTB subscriber.

However, BTB reduced the telephone installation charge from Tk 18,300 to Tk 10,000 for Dhaka and Chittagong and to Tk 8,000 for district towns.

"At about \$172, the installation charge in Bangladesh is still high compared to other Asian countries," said an expert.

According to a World Bank study, the charge is US\$79 in Pakistan, \$25 in India, \$150 in Sri Lanka, \$40 in Nepal and \$146 in the Maldives. The average connection

charge is \$100 for most countries around the world.

Tele-penetration in Bangladesh is still one of the lowest in the world. Four private operators in foreign joint ventures provide 10.25 lakh cell phones and the state-owned BTB provides 666,000 landline phones.

The subscription charge of a mobile phone with BTB fixed line connectivity ranges between Tk 10,000 and Tk 75,000 depending on the type of handset.

Local outgoing call charges of cell phones range between Tk 4.60 and Tk 6.90 a minute, while the charge in neighbouring India is flat at Rs 0.40 irrespective of local and STD (subscriber's trunk dialling) calls. In Bangladesh, STD call charges range from Tk 6 to Tk 12 a

minute.

The BTRC will sign a memorandum of understanding with the United Nations Development Programme (UNDP) for grants to carry out a study to rationalise tariff.

The UNDP has agreed to provide \$250,000 for the study and the International Telecommunication Union (ITU), the world telecom watchdog, will provide technical assistance.

"We have talked with ITU officials on that and ITU has agreed to assist," Morshed said. Examples of other countries will help us know about global tariff structures, he added.



Chairman of Prime Finance and Investment Limited KM Khaled speaks at the company's seventh annual general meeting at a local hotel on Monday.

StanChart, PDB sign MoU on bill collection

Standard Chartered Bank and Power Development Board (PDB) signed a memorandum of understanding (MoU) on collection of electricity bill on Tuesday in Dhaka, says a press release.

Md Serajuddin, Secretary of PDB, and SAA Masrur, head of Corporate and Institutions of Standard Chartered Bank, signed on behalf of their organisations.

Syed Abdul Mayeed, chairman of PDB and David Fletcher, chief executive officer, Bangladesh of Standard Chartered Bank, were present at the ceremony.

Thomas O' Donnell, the visiting group head of Transaction Sales and officials from the bank and PDB also attended the signing.

The new arrangement will allow PDB customers in Chittagong, Bogra, Sylhet and Khulna to pay their electricity bills through Standard Chartered Account or Credit Cards.



Officials of Standard Chartered Bank and Power Development Board pose for a photograph after signing a memorandum of understanding on electricity bill collection in Dhaka on Tuesday.

Mercantile Bank earns Tk 11.40cr operating profit in 3 months

Mercantile Bank Limited made an operating profit of Tk 11.40 crore during the first quarter of 2003, says a press release.

It was disclosed at a meeting of the bank's Executive Committee held in Dhaka recently.

The bank mobilised total deposits of Tk 11746 million as of March 31, 2003.

Loans and advances of the bank stood at Tk 8867.00 million.

The bank established Tk 4236.50 million-worth 2608 letters of credit and handled export business of Tk 3165.60 million during the period.

Global Beverage receives ISO certificate

Global Beverage Company Ltd, manufacturer of Virgin drinks, has received the ISO 9001:2000 certificate from audit firm Orion Registrar Inc for quality and performance, says a press release.

The certificate awarding ceremony was held recently at Sonargaon Hotel. Robert, chief auditor of Orion Registrar, and Shahid, consultant, were present at the function.

From Global Beverage, Afzalur Rahman, director, Tariquzzaman, general manager, M Kadir, sales manager, and Akbor Munna, company executive, attended the ceremony.

Bangladesh to open outlet in Silicon Valley next week

AFP, Dhaka

Bangladeshi software exporters, in a bid to lure US businessmen, are to open an outlet in Silicon Valley in the United States in a few days, an engineer said Wednesday.

"The Bangladesh ICT (information communication technology) business centre in the Silicon Valley will open on Sunday," M. Rasheduzzaman, a software engineer who is involved in setting up the centre, told AFP.

A delegation led by Commerce Secretary Sobel Ahmed will travel to the US to mark the opening of the centre which will display Bangladeshi-made software.

The World Bank will provide 400,000 dollars in funding for the outlet, IT sources said.

Software exports at the moment are around 30 million dollars a year, but the government has set a target of two billion dollars by 2006.

Prime Finance okays 20pc dividend

Shareholders of Prime Finance & Investment Limited have approved a 20 per cent cash dividend for the year 2002, says a press release.

The approval was given at the company's 7th annual general meeting (AGM) held at a local hotel on Monday, says a press release.

Company's business volume grew by 60 per cent in 2002 over the previous year.

The meeting, presided over by company chairman K M Khaled, was attended by Tapan K Podder, managing director, and representatives of institutional shareholders MA Wahhab MA Khaleque, Md Aminul Haque, Md Nader Khan, M N H Bulu, Kutubul Alam Chowdhury, Salma Rahman, A M M Iqbal Ali, Md Aliuzzaman, founder chairman M Mustafizur Rahman, EVP Asad Khana and SVP and Company Secretary Md Akter Hossain Sannamat.

Prime Finance is engaged in providing diversified financial services like lease finance, bill discounting, term finance, bridge finance, corporate finance services and loan syndication.

Pubali Bank signs deal on shared ATM network

Pubali Bank Limited and Information Technology Consultants Ltd (ITCL) have signed an agreement on shared ATM network.

Under the deal customers of Pubali Bank Limited will get the advantages of drawing cash 24 hours, paying utility bills and purchasing goods by using the shared ATM network and smart card of ITCL.

M Rafiqul Islam, general manager of Information Technology Division of PBL, and Dr Kazi Saifuddin Munir, director of ITCL signed the agreement on behalf of their organisations at Pubali Bank head office in Dhaka recently, says a press release.

Khondkar Ibrahim Khaled, managing director, A H Ziauddin Ahmed, deputy managing director, MA Zubayer, deputy general manager of Pubali Bank Limited, and Engg Qutub Uddin Ahmed, chairman, Ahsan Ullah Chowdhury, asstt manager of ITCL, were also present at the signing ceremony.

India's new uniform sales tax to miss June deadline

AFP, New Delhi

India's plans to implement a uniform sales tax to create a common market and plug huge revenue leakage was unlikely to meet the target deadline of June, officials said Wednesday.

West Bengal Finance Minister Ashim Dasgupta, who heads a panel of various Indian states on value added tax (VAT), told reporters nine states were fully ready to implement the new sales tax structure.

These states have sent their proposed legislation for implementation of the VAT to the finance ministry, government sources said.

However, the federal government's finance ministry will not press ahead with the implementation of VAT until all of India's 27 states are ready, they added.

"VAT is an important initiative which must not and cannot be defeated through faulty implementation," Finance Minister Jaswant Singh recently told parliament, saying it would not be implemented in "patchwork fashion."

ADB to help Afghanistan develop gas resources

AFP, Kabul

The Asian Development Bank has approved a technical assistance grant to help Afghanistan draw up a master plan to exploit its underused gas resources, the Manila-based bank said Tuesday.

The bank said Afghanistan had large known gas reserves of about 120 billion cubic metres and a possible further 1,000 billion cubic metres at a deeper level.

"Despite these reserves, gas availability is grossly inadequate to meet needs, mainly due to the loss of production facilities and the high rate of leakages," the bank said in a statement received here.

"These represent not only a loss of revenue but also a major safety hazard."

The 950,000 dollar technical assistance grant is to undertake a review of the energy sector and prepare a gas sector development master plan that would guide and promote development of Afghanistan's gas infrastructure in the next 10 years, the bank said.

"Natural gas has great potential in Afghanistan, as there is a significant gap between demand and supply. In addition, it has the least negative impact on the environment compared with other fossil fuels," said ADB senior energy specialist Najeeb Jung.

Preparation of a gas development master plan would help realise the maximum economic benefits from natural gas and provide a blueprint for the development of associated infrastructure, Jung said.

According to the bank, Afghanistan has one of the lowest per capita energy consumption rates in the world, with traditional fuels such as wood, animal dung, and agricultural waste meeting more than 85 per cent of energy requirements.

Wood alone accounts for 75 per cent of the country's energy needs, which has led to indiscriminate cutting of trees for fuel, thus creating serious ecological and environmental risks, the bank said.

The gas industry development program aims to increase production and develop the distribution infrastructure so that a higher proportion of Afghanistan's energy requirements can be met by natural gas, reducing the cash-strapped country's dependence on imported oil.



Chairman of Shahjalal Bank Limited Sajjatuz Jumma speaks at the bank's Managers' Conference-2003 in Dhaka Monday. Among others, Vice-chairman Mohiuddin Ahmed, Advisor Ashfaq U Chowdhury and Managing Director Matin Uddin Ahmed were present.

US exporters assail EU 's 'disguised trade barriers'

AFP, Washington

The European Union is imposing disguised trade barriers on US products ranging from poultry to automobiles using dubious scientific justification, a US business group said Tuesday.

The National Foreign Trade Council, an association of some 400 US companies involved in international trade, released a study that cited dozens of trade barriers that "ignore sound science" and appear to be used to protect ailing industries or block market access.

While the study cited several countries including Japan and South Korea, the European Union was far and away the leader in this practice, the report said.

It cited well-known cases such as the EU ban on beef from hormone-treated cattle and the effective EU moratorium on any geneti-

cally modified foods.

But it also said some new EU environmental regulations could make it harder to sell US-made computers, automobiles and other products in Europe, without an adequate scientific basis.

"US industry, in particular, has been placed at a competitive disadvantage because of these regulations," the report said.

"Producers of agricultural and industrial products derived from bioengineering have been effectively 'quarantined.' Manufacturers of automobiles, electrical and electronic equipment, and chemicals have also been adversely impacted, as have the many downstream industries that use or consume these products in intermediate processes or resell them as finished articles."

The trend "may be attributable to the growing global economic influence of the EU and its desire to

gain a competitive advantage," the NFTA said.

"The nature and degree of regulation imposed within the EU ... is overwhelming to say the least," the report said.

"Given what has been called the European innovation 'paradox,' namely, the European Union's growing deficit in trade of high-tech products and decline in R and D (research and development) ... one would have thought that the EU would work more closely with industry than it has."

Apart from the EU, the report cited various barriers to US apples in Japan, fresh fruits and nuts in South Korea and grain additives in various countries.

It said the EU may effectively ban many wines by requiring "oenological practices that are authorized for the production of EU wines."

SoEs have to survive on business, warns Saifur

UNB, Dhaka

Finance Minister M Saifur Rahman has cautioned the public sector industries that they would have to survive on efficiency and cost competitiveness.

"Otherwise, there is no way for any industry to survive in these days of globalisation," he told reporters yesterday after a pre-budget meeting with Industries Minister MK Anwar.

Saifur Rahman regretted that the state-owned sugar industry could not be made viable even after spending crores of taka as various supports.

"Anyway, we want the sugar mills to continue," he said, pointing to the higher price and poorer recovery of sugar from the local sugarcane compared to neighbouring countries.

Bangladesh's 15 sugar mills, all in public sector, produced 180,000 tons of sugar this year against estimated annual consumption of 500,000 tons.

The government liberalised sugar import from the current fiscal year, curbing state monopoly in sugar import and distribution.

Industries Ministry sources said the import liberalisation has opened the floodgate of sugar import surpassing the local consumption. So far, a total of 500,000 tons of sugar has been imported, while local sugar are lying in the warehouses of the sugar mills.

Cross-border smuggling is also going on as usual.

"We're incurring huge losses, as we're forced to offer our sugar at Tk 24,000 per ton instead of the official rate of Tk 27,500. Even then, we can't sell our sugar," an Industries Ministry source said.

Operating loss of 15 sugar mills under Bangladesh Sugar and Food Industries Corporation (BSFIC) stood at Tk 764.7 million in fiscal 2001-02.

BSFIC also owes Tk 5.64 billion to nationalised commercial banks, of which Tk 410 million is classified.

Sugar mills, meanwhile, have set a unique example of cost-cutting in the current fiscal year, as employees, in their frantic bid to make the industry viable, refrained from taking overtime and other fringe benefits. Their austerity helped the industry save Tk 340 million.

Recently, the government decided to import crude sugar to keep the wheels of the local sugar mills rolling during the off season. Pakistan also expressed its interest in extending financial and technical support to Bangladesh's sugar industry.

"We've sought whatever assistance we actually need for our industries," State Minister for Industries Prof Rezaul Karim said after the meeting.

The Industries Ministry has devised specific development plans for industries under various state-run corporations and sought allocations for implementing those, he said.



M Rafiqul Islam, general manager of Pubali Bank Ltd, and Kazi Saifuddin Munir, director of Information Technology Consultants Ltd (ITCL), sign an agreement on shared ATM network on behalf of their organisations in Dhaka recently. Among others, Pubali Bank Managing Director Khondkar Ibrahim Khaled, Deputy Managing Director AH Ziauddin Ahmed, Deputy General Manager MA Zubayer and ITCL Chairman Qutub Uddin Ahmed were present at the signing ceremony.