

Foreign airlines take away major market pie

Biman fails to come up with high-scale expansion, prudent management

M ABDUR RAHIM

Foreign airlines are taking away bulk of the international passengers, thanks to Biman Bangladesh Airlines' low-scale expansion and lack of prudent management.

According to Civil Aviation Authority of Bangladesh (Caab), at present, 14 foreign airlines are operating in Bangladesh which carried 59.23 per cent passengers in 2002 while the national flag carrier, Biman, booked 40.77 per cent.

Of the total 22,58,312 international passengers embarked and disembarked at Zia International Airport (ZIA) in 2002, 14 foreign airlines handled 13,37,517 while Biman hosted 9,20,798.

In 2001, foreign airlines carried 12,81,574 passengers and Biman carried 8,98,248. In 2000, of the total 20,88,161 international passengers, 12,82,258 flew with foreign airlines and 8,05,903 with Biman recording a share of 61.41 per cent and 38.59 per cent.

Out of total 19,16,281 passengers in 1999, 11,73,013 took hospitality of foreign airlines while 7,43,268 flew with Biman showing a share of 61.21 per cent and 38.79 per cent.

As in the last four years Biman's share of international passengers made only nominal progress, officials inside the Biman management felt that the national flag carrier lost the opportunity to raise its market share due to low-key expansion and non-adoption of modern marketing

which foreign airlines bank on.

Biman is fighting with Saudi Arabian Airlines to retain its biggest passenger market in the Middle Eastern countries where millions of Bangladeshis are working. The Saudi airline carried 2,04,478 passengers in 2000, 2,18,253 in 2001, 2,67,021 in 2002. The figure jumped to 3,15,571 in 2002.

A government decision last year to allow only Biman and Saudi Arabian Airlines to carry Hajj pil-

grims also helped the Saudi airline to improve its market position on Dhaka-Jeddah route. Because of the decision Saudi Arabian Airlines carried 19,000 non-ballottee Hajj pilgrims while Biman carried only 12,000 non-ballotees.

The restriction is most likely to continue this year which will help the Saudi airline to outstrip Biman in Middle East market, sources said.

Biman now operates in 26 international destinations with 17 air-

craft. Biman last procured aircraft in 2000 when it leased one DC 10, one Airbus. Biman also leased one DC 10, one Airbus and one F28 in 1999.

Though Biman took some steps to expand market but due to lack of prudent management and marketing it did not work, a private airline official said.

Biman is not increasing its flight frequency in lucrative routes like Riyadh, Jeddah, Kuwait, Dubai, Doha, Malaysia, Singapore. Instead it resumed flying on Dhaka-New York route in 2000 which is the largest loss-making route of Biman.

In 2002, Emirates carried 2,68,792 passengers from and to Bangladesh, Thai Airways 1,52,814, Gulf Air 1,26,442, Singapore Airlines 1,10,499, Qatar Airways 98,990, Kuwait Airlines 78,761, Malaysian Airlines 61,543, British Airways carried 50,499, Indian Airlines 25,500, Iran Air 23,191, Dragon Air 17,519, Oman Air 6,785, Druk Air 661.

Russian airline Aeroflot, Pakistan International Airlines, Uzbekistan Airlines discontinued Bangladesh operation in early 2002. Oman Air followed them in 2003.

According to latest figure from Biman, the national airline carried 11,21,814 international and 2,97,532 domestic passengers in July-June 2002-2003 totaling 14,19,346. It carried 4,19,124 domestic passengers in 2001-2002 which was 3,78,240 in 2000-2001.

Passenger shares of Biman and foreign airlines operating in Bangladesh		
	2002	2001
Saudi Arabian Airlines	3,15,571	2,67,021
Emirates	2,68,792	2,32,248
Thai Airways	1,52,814	143,367
Gulf Air	1,26,442	148,188
Singapore Airlines	1,10,499	1,04,581
Qatar Airways	98,990	63,600
Kuwait Airlines	78,761	68,844
Malaysian Airlines	61,543	49,079
British Airways	50,449	40,198
Indian Airlines	25,500	30,695
Iran Air	23,191	18,195
Dragon Air	17,519	17,723
Oman Air	6,785	32,786
Druk Air	661	569
Aeroflot	--	19,700
Pakistan Int'l Airlines	--	40,739
Uzbekistan Airlines	--	4,041
Total (Foreign airlines)	13,37,517	12,81,574
Biman	9,20,798	8,98,248
Total (All airlines)	22,58,315	21,79,822

Source: Civil Aviation Authority of Bangladesh



PHOTO: STAR

Commerce Minister Amir Khosru Mahmud Chowdhury formally inaugurates shopping mall Anam Rangs Plaza at Dhanmondi in Dhaka yesterday.

Shopping malls contribute to GDP, says Khosru

Anam Rangs Plaza opens

STAR BUSINESS REPORT

The shopping complexes are making contribution to Bangladesh's gross domestic product (GDP), Commerce Minister Amir Khosru Mahmud Chowdhury said yesterday.

Although people raise questions about the necessity of so many shopping malls in Dhaka, these complexes play a significant role in the economic development, the commerce minister said.

These plazas are also creating employment opportunities, Khosru said while inaugurating shopping mall Anam Rangs Plaza at Dhanmondi in Dhaka.

Moreover, these complexes are bringing new products and improving the purchasing power of consumers, he said.

Citing the example of developed countries, the minister said at present service sector growth has outpaced the industrial growth in GDP.

Rangs Group Chairman A Rouf Chowdhury recalled the memory of late politician and litterateur Abul Mansur Ahmed and late Mahbub Anam, the former editor of now defunct The Bangladesh Times.

He also said that Rangs Group has the intention to contribute to the economic growth in Bangladesh and also create employment opportunities for the people.

On behalf of Anam family The Daily Star Editor Mahfuz Anam requested the shop-owners to be careful about the traffic jam and make enough space for car parking.

Among others, Khondker Mahabub Uddin Ahmed MP, Romo Rouf Chowdhury, managing direc-

tor of Rangs Properties Limited, Mohammed Yunus, convener of Shop Owners Association of Anam Rangs Plaza, spoke at the inaugural function.

Zakia Rouf Chowdhury, vice-chairman of Rangs Group, was also present.

The six-storey plaza houses some one hundred shops. Shops on the first three floors will display dresses, shoes, gift items, snacks and ornaments.

There are children's play zone and food court on the 3rd floor. The plaza will also have a dental clinic by this month.

The plaza has also a parking lot for 60 cars, said Masud Sajjad, senior executive (Sales) of Rangs Properties.

Emirates flights to Brisbane, Auckland start Oct 26

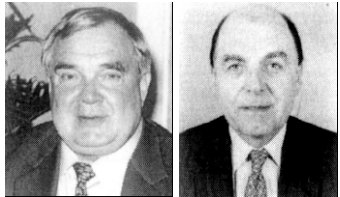
Emirates will launch a new daily service between Dubai and Brisbane via Singapore from October 26. The flights will also be extended to Auckland, the commercial capital of New Zealand.

Brisbane, state capital of Queensland, is the airline's fourth destination in Australia after Sydney, Melbourne and Perth, says a press release.

Initially, the flights will be operated with an Airbus A330-200 in three-class configuration, offering 18 first class seats, 42 in business and 183 in economy.

From December 1, a Boeing 777-300 will be operated on the route, which will increase the number of available economy seats to 320, with the same number of first and business class seats. Thus, an additional 2,660 Emirates seats per week will then be available into Brisbane. The Boeing 777-300 can also carry 23 tonnes of cargo.

Top executives of Group 4 Falck due tomorrow



Sorensen

Hudson

Nils Jorgen Philip Sorensen, chairman of Group 4 Falck A/S, and David I Hudson, group regional president (Middle East and South East Asia) of the security and safety company, will arrive in Dhaka tomorrow.

Born in Sweden in 1938, Sorensen has been leading the company for the last 40 years to help it emerge as a leading security service provider in the world.

Sorensen is the founder member of the British Security Industry Association and has recently been conferred with Order of the British Empire for his services to the private security industry.

David I Hudson, group regional president for Middle East and South East Asia of the company, also has reputation in security and safety industry and has been accorded with Member of the British Empire.

Dhaka Bank launches technology upgrade project

Dhaka Bank Ltd has launched a technology upgrade project aiming at introducing online banking services.

The upgrade programme, to be completed soon, will enable the bank to launch e-commerce, Internet banking, interactive telephony banking, says a press release.

Managing Director of the bank Shahed Noman inaugurated the project at central data centre at Motijheel in Dhaka.

As part of the project, a core banking software supported by sophisticated servers and communications network, will be installed which will enable the bank to provide modern-day banking service with greater efficiency.

Started its service 8 years ago, Dhaka Bank has 20 branches across the country. Its current services include co-branded credit card, shared ATM network and phone banking from selected branches.

S'pore economy rebounds

AFP, Singapore

Singapore's economy rebounded in the third quarter after a sharp SARS-led contraction in the second, the government said Friday, but analysts were cautious that the recovery is not yet broad-based.

Quarter-on-quarter growth of 15 per cent reversed an 11 per cent downturn in the second quarter, the Ministry of Trade and Industry (MTI) said, citing preliminary figures based on the economy's performance in July and August.

"This is the fastest quarter-on-quarter expansion since the second quarter of 1997," the MTI said.

Third quarter year-on-year growth of one per cent growth compared with a 4.1 per cent shrinkage in the June quarter.

The MTI said the city-state's trade-dependent economy, which was hit badly by the outbreak of Severe Acute Respiratory Syndrome (SARS), the war on Iraq and the economic woes of the United States, would continue its

rebound.

"The global economic recovery is gaining pace and an upturn in investment spending appears to be in progress," it said.

"Barring significant adverse developments, such as a second outbreak of SARS in Asia, Singapore's economic growth momentum is expected to continue into the final quarter of the year."

The figures cheered the stock market, where the benchmark index closed the morning session at 1,751.94 points, up 0.80 per cent.

In a separate release, the Monetary Authority of Singapore said the official forecast for annual growth this year would remain at zero to one per cent, a figure echoed by private sector economists.

Unemployment, however, will remain high at an average 4.5-5.0 per cent and accordingly the MAS said it maintained its neutral foreign exchange policy stance to support the fragile economic recovery and keep inflation low.

Weekly Currency Roundup

October 4-October 9, 2003

Local FX Market

Dollar rose slightly in the beginning of the week due to higher demand for USD for government loan payment. But the greenback then eased and ended stable as higher supply of US dollar through remittances offset the demand.

Money Market:

Bangladesh Bank borrowed BDT 5,261 million by the treasury bill auction held on Sunday, compared with BDT 5,108 million in the previous week's bid. The weighted average yield of 28-D T-bill was further down by 13 bps from the previous rate to 4.95 per cent. The yield 5-Y T-bills also continued to drop by 25 bps to 8.60 per cent.

The call money rate was a little volatile this week. In the beginning of the week, the rate was 5.50-6.00 per cent. Then it rose as high as 7.00 per cent before coming down to 5.00-6.00 per cent at the end.

International FX Market

In the beginning of the week, the dollar reached one-week high against the euro and held above recent three-year lows against the Japanese yen, due to a strong rise in US payrolls which was quite unexpected. This spurred hopes of a stronger economic recovery in USA. Dollar came under pressure briefly in Asian trading on news that China's Central Bank was considering revaluing the yuan by 30 per cent over the next five years.

In the middle of the week, the dollar fell within a cent of all-time lows against the euro on the growing belief that it would have to

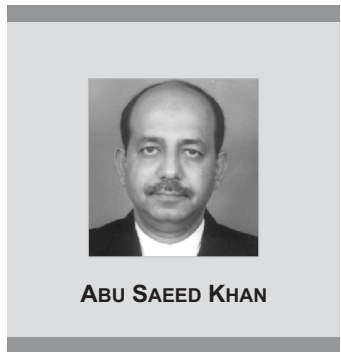
weaken to narrow the US current account deficit and that a fall had official sanction. Comments from European Central Bank President Wim Duisenberg this week, that a dollar fall was "unavoidable", had encouraged the view that U.S. and Euro zone policy makers would take a hands-off approach to an orderly decline in the dollar. The dollar hit its lowest levels since mid-June against the Swiss franc, while the greenback also teetered at three-year lows against the yen for the second day in a row. It was also at its lowest for around six years against the Australian dollar and seven years versus the Canadian dollar. Against a basket of currencies, it was at its weakest since January 1997. Traders were also nervously awaiting US Treasury Secretary John Snow's appearance at a Senate hearing on foreign exchange policies next week, and a summit meeting of Asia-Pacific Economic Co-operation Bangkok later this month.

Later in the week, US dollar remained at three-years low against the yen and 3-1/2 month lows versus the euro on view that the US and European authorities would let it weaken to correct a ballooning US current account deficit. Sterling however hovered below recent 3-month highs against the dollar.

At 1600 hours on Thursday, euro was at 1.1816/22, GBP at 1.6652/54 and yen at 109.10/12 against dollar.

-- Standard Chartered Bank

Bangladesh telecom profile



ABU SAEED KHAN

Bangladesh is the only Saarc country having less than one teledensity (telephone for every 100 citizens). Such lowest telephone penetration

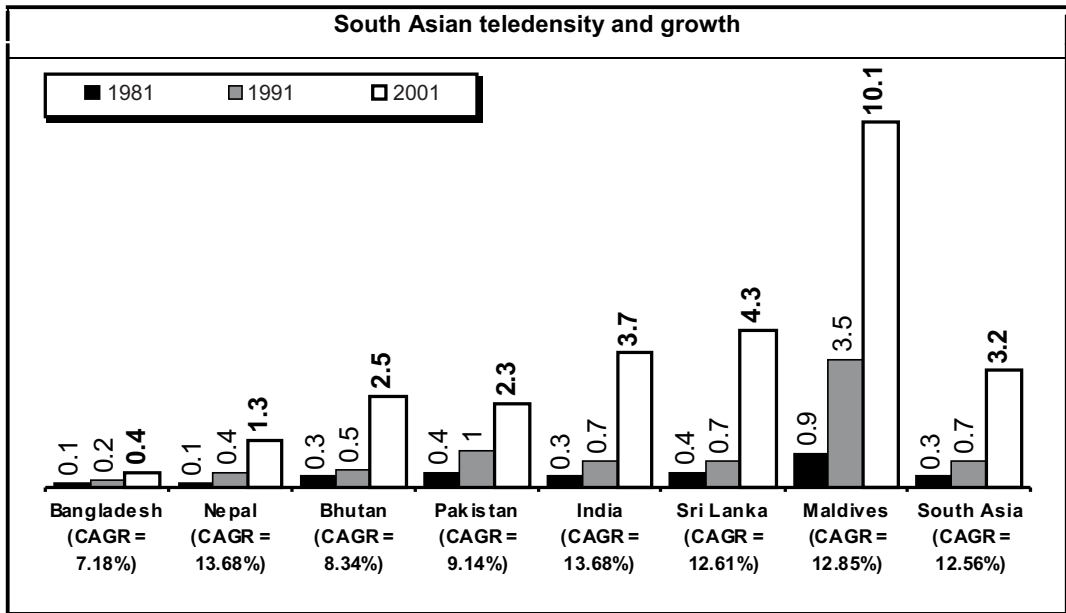
PASSWORD

Another ITU event, actually the biggest of all, Telecom World 2003 will be held in Geneva, Switzerland from October 12 through October 18. This quadrennial event is also known as Telecom Olympics. This year the ITU is assembling the male and female youths from all over the world to experience this telecom extravaganza. But our government has not nominated any youth this time either. Rather using the public funds, hoards of obsolete officials are going to Geneva. Bon voyage.

along with respective teledensity has been presented, as shown in the graph.

It is notable that Bangladesh and

merely doubled penetration at the dawn of this millennium. Teledensity wise, Bangladesh ranks 38th among the 40 countries of Asia



further disgraces our telecom profile with the slowest annual growth rate in this region.

The International Telecommunication Union (ITU) has published Asia Pacific Telecom Indicators 2002. From 1981 through 2001, the compound annual growth rate (CAGR) of each Saarc country

Nepal had same teledensity in 1981. But this Himalayan Kingdom quadrupled its teledensity by 1991 while we were happy with doubling ours at that time. Nepal achieved more than 300 per cent teledensity growth as well as exceeded the single digit mark by 2001.

We were still boasting with a

Pacific region. Afghanistan and Cambodia are fast chasing us. Remember the rabbit and turtle's story? All we need is a bit more sleep.

The ITU's quadrennial plenipotentiary conference elects the members of its Radio Regulations Board (RRB) for a four-year term.

RRB is a part-time body comprising 12 members from the Americas (2 members), Western Europe (2 members), Eastern Europe (2 members), Africa (3 members), Asia and Australasia (3 members).

Last plenipotentiary was held in Marrakech of Morocco from September 23 through October 18 of 2002. SATM Badrul Haque, BTTB's chairman, contested in the RRB election on behalf of Bangladesh. Ravindra Agarwal of India got 117 votes, the highest in this region. South Korean Ki-Soo Lee received 88 votes. Akhtar Ahmad Bajwa of Pakistan bagged 85 votes, narrowly defeating Bruce Emirali of New Zealand by only three votes! SATM Badrul Haque of BTTB managed only 36 votes in his favour.

Such humiliating defeat of Bangladesh is attributed to the inaction of our foreign ministry, which is duty bound to do necessary campaign for the candidate. Exactly that's what the foreign offices of India and Pakistan had been doing to promote their contestants in this prestigious global telecom body. It is more embarrassing for Bangladesh, as our foreign minister had been the chairman of country's first cellphone company, until he joined the public office. Ministers do not become forthcoming, unless there is something tangible.

Take the example of ITU's biennial Telecom Asia 2002. Nearly 100

male and female students from more than 40 countries of the Asia and Middle East attended this event. These university students have been nominated by their governments and the ITU have arranged their entire trip. These future science and engineering graduates had experienced the marvels of telecom industry in this dazzling telecom event.

Moe Moe Aye and Tay Zar Aung Lwin came from Yangon Technological University of Myanmar. Sangya Amatya and Shailendra Joshi came from Kathmandu University. Sonam Dem and Tsewang Dorji from Royal Bhutan Polytechnic attended this event. Theany Ngim and Sorphalla Sean came from the Institute of Technology of Cambodia. They are all bright, bubbling with ideas and hungry for knowledge.

Ayesha Khan Rouf and Qazi Rashid Hamid of Peshawar University were highly excited to meet me in Telecom Asia 2002. But both of them politely asked why the youths of Bangladesh were not attending this event. A fog of sadness crawled in my mind. But it turned in to anger when a competent source said that the telecom minister could not find any pro-government "scholar" to nominate for attending the ITU's event. Therefore, the government did not nominate any youth to attend Telecom Asia in December 2002.

Another ITU event, actually the biggest of all, Telecom World 2003 will be held in Geneva, Switzerland from October 12 through October 18. This quadrennial event is also known as Telecom Olympics. This year the ITU is assembling the male and female youths from all over the world to experience this telecom extravaganza. But our government has not nominated any youth this time either. Rather using the public funds, hoards of obsolete officials are going to Geneva. Bon voyage.

The writer is a telecom analyst