

## Operators protest BTRC order to stop free-call offers

### STAR BUSINESS REPORT

Mobile phone operators have strongly criticised the recent order of the telecoms regulator that asked the cellphone companies to discontinue their free-call facilities late into the night.

The Bangladesh Telecommunications Regulatory Commission (BTRC) is actually interfering with the business plans of the cellphone operators, they said.

The mobile phone operators argued that these free-call facilities are offered in many countries around the world. This is probably for the first time that a regulator moves to stop the free-call facilities, they added.

"We are surprised to receive such a letter from the BTRC as customers benefit from increased competition in the market," said Syed Yamin Bakht, general manager (Information)

of the GrameenPhone, the leading cellphone operator in the country.

"The free night calls were not really meant for students. The offer was for providing additional benefits for all our Djuiice subscribers," he added.

Now five companies -- GrameenPhone (GP), AKTEL, Banglalink, CityCell and state-run Teletalk -- are in business with over nine million subscribers. Of them, GP, CityCell and AKTEL are offering facilities of free phone calls between 12am and 6am under special packages. GP with around one million Djuiice subscribers is offering late-night free call facility.

Warid Telecom will be the sixth mobile phone operator in the country as it got license from the BTRC recently.

"Mobile phone operators in Bangladesh battle to beat one another by offering the best possible features and the BTRC order

will definitely hamper the business of the mobile phone companies," said a top executive of another cellphone company that also offers this facility.

The BTRC on January 10 in a letter asked all the five operators to discontinue free-call facilities as the regulator had received numerous complaints from guardians and others that the facilities were causing moral degradation and change in lifestyle among young people.

According to report of intelligence agencies, a section of young people, taking advantage of this free-call service, indulge in different anti-social activities, the telecoms regulator in the letter said, urging the operators concerned to stop the service immediately.

The country witnessed a rapid surge in mobile phone subscriptions over the past three years with more than 100 percent growth.

## Call money rate still high

### STAR BUSINESS REPORT

Inter-bank call money rate still remained high yesterday with the rate ranging between 20 percent and 25 percent. The rate jumped to 52 percent on the last working day before the Eid vacation.

However, the rate hit highest 52 percent in one deal yesterday, market sources said.

After the five-day Eid vacation, customers' presence was very poor in Motijheel, the country's commercial hub. Bankers said most of the clients visited banks to deposit money.

Although both the public and private banks resumed banking, presence of staff was very thin.

## Japan plans to woo foreign investors

### AFP, Tokyo

Japan plans to step up measures to woo foreign firms to purchase companies or make other direct investment here in a bid to invigorate its economy, a report said Sunday.

The government wants to boost foreign direct investment in Japan to 26.4 trillion yen (232 billion dollars) by the end of 2011, double the level estimated for the end of this year, the Nihon Keizai Shimbun said.

Prime Minister Junichiro Koizumi will mention the plan in his policy speech on Friday when parliament convenes, the respected economic daily said, adding that a taskforce would draw up plans to achieve the target.

The government is hoping that foreign investors will introduce new technology and management systems into the country, it said.

However, foreign direct investment of 26 trillion yen would be only five percent of Japan's gross domestic product, far less than 20-40 percent seen in the United States and developed European nations, the paper noted.

## Gainers outnumber losers in thin trade

### Bourses resume trading after Eid break

### STAR BUSINESS REPORT

Following a five-day Eid hibernation, stock markets resumed trading yesterday with gainers outnumbering losers on both the bourses amid thin trading.

Some 13,59,964 shares and debentures worth Tk 12.89 crore changed hands on the Dhaka Stock Exchange (DSE) against 12,49,848 shares valued at Tk 16.38 crore on the last trading day. On the Chittagong bourse a total of 6,60,229 shares and debentures valued at Tk 2.86 crore were traded against 9,75,661 shares valued at Tk 4.38 crore.

Three debuting companies-- Sonar Bangla Insurance, Asia-

Pacific Insurance and Daffodil Computers -- also received poor response from investors.

The DSE General Index inched 4.46 points higher to close at 1712.48 points from 1708.01 points. The All Share Price Index marked 4.11 points increase to close at 1305.84 points from 1301.73 points. The DSE-20 Index also gained 1.26 points rise closing at 1603.64 points from 1602.37 points on Monday.

A total of 95 issues were traded. Of which 55 gained, 29 declined and prices of 11 remained unchanged.

The Chittagong Stock Exchange (CSE) also closed higher with the gainers outnumbering losers. The

CSE All Shares Price Index increased by 5.87 points to close at 3408.24 points from 3402.37 points.

The CSE-30 Index also increased by 7.54 points to close at 3173.77 points from previous day's 3166.23 points.

CSE Selective Categories Index also marked 1.62 points rise to close at 2349.63 points yesterday from 2348.01 points on previous day.

A total of 72 issues were traded. Of which 43 gained, 27 declined and 2 remained unchanged.

Talking to the Daily Star, DSE Chief Executive Officer Salahuddin Ahmed said although the trading was thin, the gainers outnumbered the losers. "But, companies with big capital base could not gain."

## Chidambaram finance minister of 2005 for Asia: Banker

### PTI, New Delhi

Indian Finance Minister P Chidambaram has been named the finance minister of the year 2005 for Asia by 'Banker' magazine for pushing reforms and reining in fiscal deficit.

The Financial Times' group magazine applauded him for his determined pursuit of reforms, but said it is not just that which earned him the award.

The ruling coalition in India, an unwieldy alliance between the Congress Party and a constellation of communist and Left-leaning parties, keeps his reformist designs firmly in check, Bankers said.

Privatisation and labour reforms have already been thwarted, limits on FDI are popular, the magazine said, adding that in many ways, Chidambaram is acknowledged not so much for fresh reform momentum but more for holding on to past progress.

"But that understates the minister of finance's ongoing efforts to liberalise investment laws, cut bureaucracy and improve the business environment," the magazine said.

"As if his campaign for reform was not a full-time preoccupation, his plate is already full reining in the country's ominous fiscal deficit, which is likely to end the fiscal year on target at 4.5 percent of GDP," the magazine said in its January issue.

Given the coalition government's left-leaning outlook, limiting scope for any cuts to social welfare spending, Chidambaram is to be applauded for tightening controls on spending under the circumstances, promising to close the deficit in five years, the magazine said.



Amer Ahmed, executive director of Etcetera Bangladesh Pvt Ltd, inaugurates the first outlet of Coffee World, an international coffee chain, at ETC Dhanmondi in Dhaka recently. Other senior officials of Etcetera Bangladesh were also present at the inauguration.

## Jet Airways, Air Sahara in talks for strategic alliance

### PALLAB BHATTACHARYA, New Delhi

In what could signal the start of consolidation in the increasingly competitive civil aviation sector in India, two leading private carriers Jet Airways and Air Sahara are in talks for a strategic alliance.

Both Naresh Goyal-promoted Jet Airways, the biggest private airline in India, and Air Sahara have denied media reports that a \$560 million deal has been struck between them for Jet Airways to buy out Air Sahara promoted by Subroto Roy, a Bengali settled in Lucknow since long.

Air Sahara Executive Vice President Alok Sharma said last week "We realise that it is time for consolidation in the Indian airlines industry. So, we are talking to Jet for a strategic relationship to work towards a better tomorrow."

According to Jet Airways spokesperson Nandini Verma, negotiations were on for an alliance. She declined to give out details of the talks.

Air Sahara had first thought of selling 25 percent equity in the company but later decided to exit from the business after suffering losses, industry sources said.

The talks between Jet and Air Sahara came after liquor baron Vijay Malya had said last week that he was withdrawing from the race to buy Air Sahara as his own Kingfisher Airlines is doing well.

There are reports that Malya's bid had fallen through because he was offering just \$200 million in hard cash and the rest through debt and equity sale while Jet Airways was reportedly willing to pay the entire price in one go.

If Jet Airways and Air Sahara indeed merge, they will capture more than 50 percent of the Indian civil aviation market, more than Indian's (formerly Indian Airlines) 30 percent or so, one estimate says.

Civil aviation sector has been abuzz with speculation about Air Sahara's takeover by Jet Airways for quite some now given the growing competition set off by the entry of eight domestic low-cost airlines and half a dozen others waiting to take off this year.

## Norway govt decries male-dominated Telenor management

### ABU SAEED KHAN

Telenor, the 62 percent owner of GrameenPhone, announced a major restructure on Tuesday but the Norwegian government has sharply criticised the male-dominated hierarchical composition of its state-owned telecoms entity's new top management.

Having overseas investments in Malaysia, Thailand, Bangladesh, Pakistan, Montenegro, Austria, Hungary, Ukraine, Russia, Denmark, Sweden and Finland, Telenor is one of the most widely spread telecoms groups in the world.

Telenor has separated its European and Asian units followed by appointment of Jan Edvard Thygesen and Arve Johansen as respective heads. In addition to these appointments, Thygesen and Johansen have joined the Telenor's group management team. Therefore, Telenor's eight-member group management became entirely male dominated.

Norwegian government has sharply reacted to this issue. On

January 1 Norway enforced the first of its kind law in the world, which mandates all public limited companies' boards are to be composed of at least 40 percent of women within the next two years, or face closure.

54 percent state-owned Telenor, which reports to trade and industry ministry, evidently showed no respect to this law that has been enacted less than a fortnight before restructuring the board.

"It is clear that neither the board nor management (of Telenor) have received the signals that it is time to strive to achieve gender balance in management," said Norway's Minister of Trade and Industry Odd Eriksen Eriksen. He also called Telenor decision unwise while talking to Norwegian financial daily Dagens Næringsliv on January 11.

"We have concentrated on creating the best management team possible. Its current structure reflects this need," defended Telenor's spokesman Scott Engebretsen.

## China's forex reserves up to \$818.9b in 2005

### AFP, Beijing

China's foreign exchange reserves reached 818.9 billion dollars at the end of 2005, up 34.3 percent year-on-year, state press announced Sunday, citing central bank figures.

China's foreign exchange reserves, second largest in the world after Japan, have grown remarkably in recent years thanks to strong fund inflows and a burgeoning trade surplus.

Forex reserves hit a record 609.9 billion dollars in 2004, up from 403.3 billion dollars in 2003.

Thanks to its booming exports, China's 2005 trade surplus tripled to a record 101.9 billion dollars in 2005.

In an effort to play down jitters on international currency markets, China's central bank Friday reiterated it has no plan to sell down its US dollar holdings or use them to buy other assets such as oil.

China "has no plan to sell off its dollar assets, neither (have I) heard of a plan to buy oil using the foreign exchange reserves," the Shanghai Securities News quoted central bank chief Zhou Xiaochuan as saying.

On Wednesday, a central bank spokesman issued a similar statement as the dollar came under pressure following speculation that China might diversify its holdings to ensure their more effective management.

## China reports surge in home-made vehicle sales in 2005

### PTI, Beijing

China, the world's second biggest auto market, witnessed a surge in output and sales of home-made vehicles in 2005, both surpassing 5.7 million units.

Last year, China's vehicle output grew 12.56 percent to 5.71 million units over the previous year, and sales of domestically made vehicles grew 13.54 percent to 5.76 million units, according to statistics from the China Association of Automobile Manufacturers.

However, the growth rates of output and sales in 2005 dropped by 14.11 percent and 15.5 percent respectively compared to the previous period, the state-run 'China Daily' reported Saturday.

Last year, output and sales of passenger vehicles, including cars, sport utility vehicles, multi-purpose vehicles and minivans, increased more rapidly than the overall output and sales growth rates.

Among them, car output and sales posted the fastest growth of over 24 percent. The 2005 car sales and output reached 2.77 million units and 2.79 million units.

## Prudente to take part in Asian Aerospace 2006 Exhibition

Prudente Aviation Consultancy Ltd, a local aviation-solution providing company, will take part in the Asian Aerospace 2006 Exhibition to be held from February 21 to 26 in Singapore.

Prudente will represent its three international partners -- Lufthansa Technik from Germany, Aeronavali from Italy and United Services from the US -- at the aerospace and defence technology exhibition in the Asia-Pacific, says a press release.

As the leading technology trend-setting aviation event, the show will expand its profile to incorporate the latest in the civil and military sectors of the aerospace industry.

## Emir's death won't affect oil output: Kuwait

### AFP, Kuwait City

Kuwait's top oil executives said Sunday that the death of Emir Sheikh Jaber al-Ahmad al-Sabah will not affect oil production in the emirate, which pumps some 2.6 million barrels per day (bpd).

"Projects in the oil sector are progressing normally without being affected by the calamity that

hit Kuwait and its people," Hani Hussein, chief executive at national oil conglomerate Kuwait Petroleum Corp told the state KUNA news agency.

Sami al-Rasheed, managing director of Kuwait National Petroleum Co which is in charge of refining and exports said that "refinery operations and exports are continuing at the same normal rates."

Kuwait has three refineries with a capacity of around 915,000 bpd.

Faruq al-Zanki, the chairman of Kuwait Oil Company which undertakes exploration and production, said the company will continue operating as usual without any change.

Most Kuwaiti crude and oil products are exported to south and southeast Asian countries.