

Telecom complaints double, one-third solved

STAR BUSINESS REPORT

The Bangladesh Telecommunication Regulatory Commission received more than 14,000 complaints last year, almost double from a year ago, because of the inclusion of new options to lodge grumbles.

However, only 37 percent of the complaints were resolved in 2019, way lower than 93.44 percent a year ago.

Most of the complaints were about bar on mobile connection, network problem, quality of service, tariff issues and mobile number portability, according to a report of the commission. The report was released yesterday.

The flow of grievances started piling up after May 16, when the telecom watchdog began keeping a call centre open round the clock along with the regular process of receiving objections during office hours.

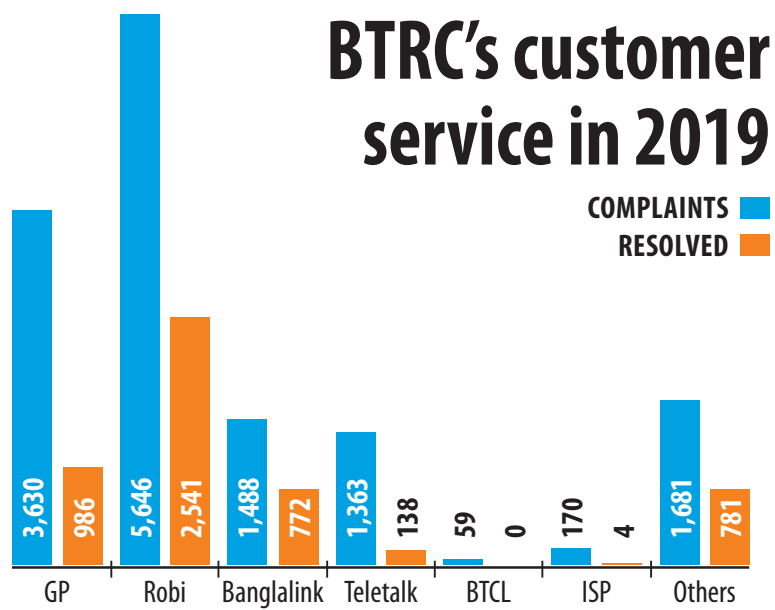
A good number of complaints remained pending, while more than half did not get any response.

From May 2018 to April 2019, the commission received 7,908 complaints and resolved 7,390.

However, the mobile operators explained the situation from a different point of view.

The restrictions on top two players on network expansion have impacted the overall service quality, which fuelled the number of complaints, they said.

Over 40 percent of the



complaints, or 5,646, were lodged against Robi, the second largest mobile phone operator with 4.87 crore active connections as of November. The BTRC resolved 45 percent of them.

Robi topped the list in the previous year too, when 3,427 complaints were placed between May 2018 and April 2019.

Robi has always taken pleasure in addressing complaints of its customers, said Shahed Alam, chief corporate and regulatory officer of the company.

"Each complaint gives Robi

an opportunity to forge a deeper relationship with its customers," he told The Daily Star.

The firm commitment to ensuring good quality service has convinced nearly five crore customers to remain with Robi network, Alam said.

"In this context, we need to keep in mind that the reported number of complaints is only 0.008 percent of our customer base. Although few in numbers, we look forward to addressing them with utmost pleasure."

Last year, 3,630 complaints,

down from 2,413 in the previous year, were submitted against Grameenphone, the market leader with about 7.61 crore active connections as of November.

However, the operator resolved only 27.16 percent, or 986 complaints. Grameenphone resolved almost 99 percent of customer complaints lodged through the BTRC hotline in 2019, the operator said in a statement.

"Our dedicated team interacts with our customers daily and serves the best to solve problems and technical issues. Moreover, our user-friendly digital touchpoints have become a useful tool to meet customers' needs in this digital era."

Banglalink customers sent 1,488 complaints, down from 1,157 from May 2018 to April 2019.

The third biggest operator resolved about half of the complaints, the BTRC report showed.

Teletalk faced 1,363 complaints and Bangladesh Telecommunications Company (BTCL) 59. The state-owned mobile operator sorted 138, while the state-run landphone operator did not respond to the objections at all.

Once the most dominant market player, BTCL is currently struggling to survive with about five lakh active connections. The telecom regulator also received 1,681 complaints in other segments, of which 46.46 percent—the highest—were resolved.

STOCKS BACK IN THE RED

The key index of the Dhaka bourse fell 2.11 percent, the biggest drop since February 1, 2018, as a confidence crisis persisted amid foreign selloffs and thin presence of institutional investors.

DSEX fell to **4,123.48** points (a drop by **88.96** points or **2.11%**)

Turnover Tk **286.77** crore (increased Tk **25.95** crore, or **9.98%**)

TOP NEGATIVE CONTRIBUTORS TO DSEX

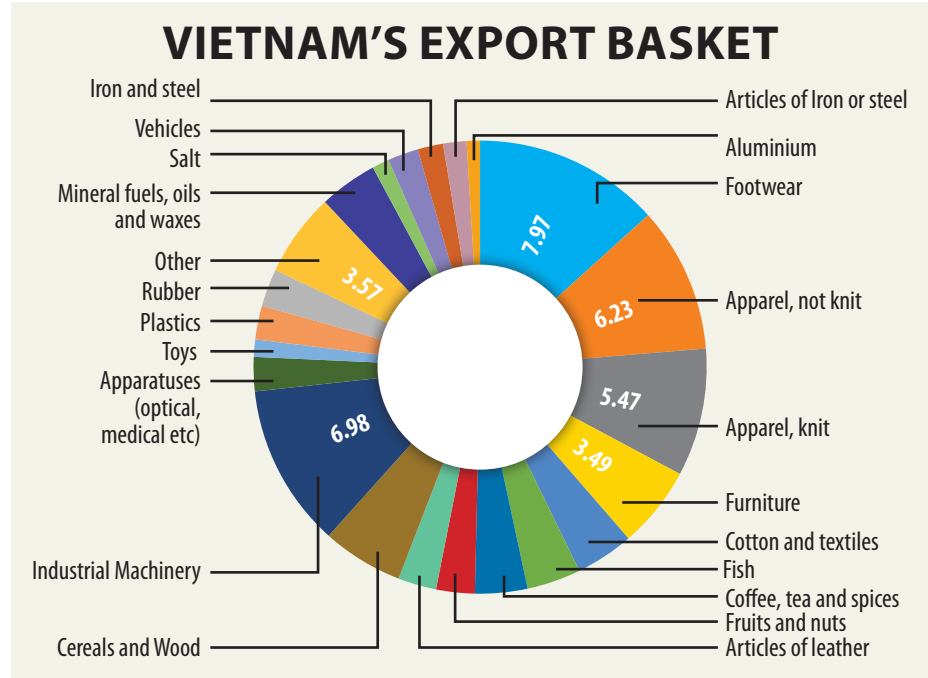
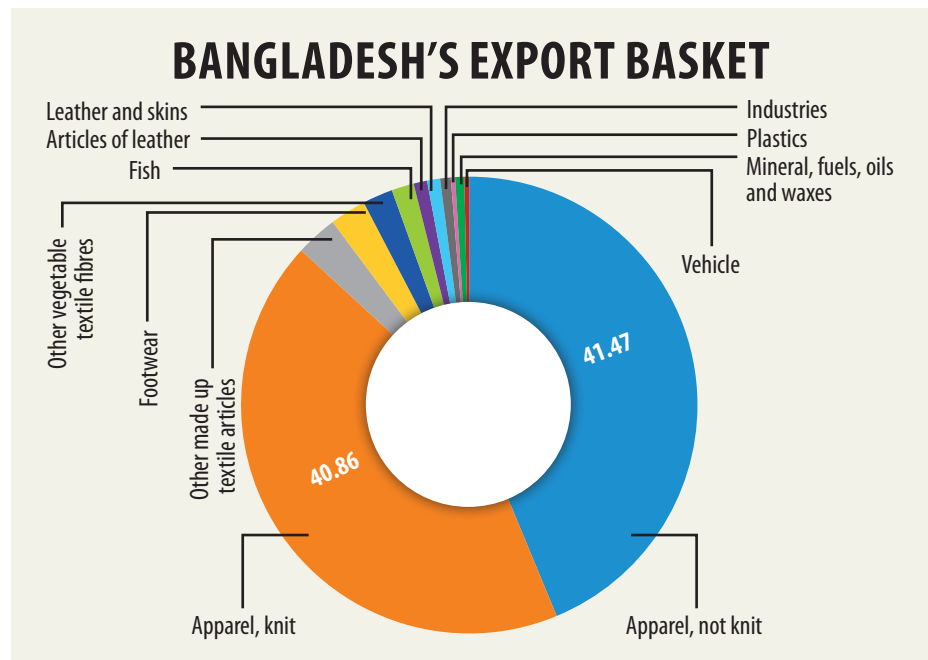
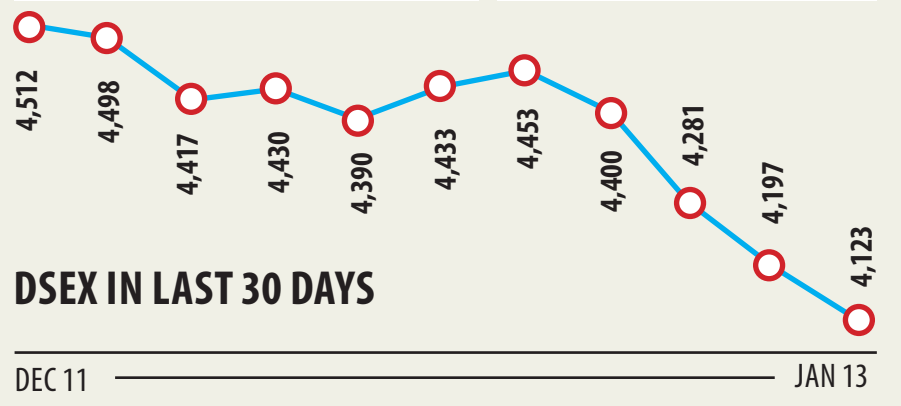
Company	Points lost
Grameenphone	25.11
BATBC	8.34
Square Pharmaceuticals	4.78
ICB	2.66
Berger Paints	2.55

TOP FIVE GAINERS

Company	Gain (in %)
Information Services	8.35
United Airways	7.14
EBL NRB Mutual Fund	5
Phoenix Finance First Mutual Fund	4.08
Safko Spinning	3.79

TOP FIVE LOSERS

Company	Loss (in %)
SS Steel	9.90
Emerald Oil	9.35
Meghna Condensed Milk	9.21
Tung Hai	9.09
Ring Shine	8.98



US provides silver lining for garment exporters

REFAYET ULLAH MIRDHA

Bangladesh's apparel shipments to the US, its main export destination, edged up in the first 11 months of 2019 -- a heartening development given the inclement condition on the export front.

Between the months of July and December last year, Bangladesh's apparel shipments fell 6.21 percent to \$16.02 billion, according to data from the Export Promotion Bureau.

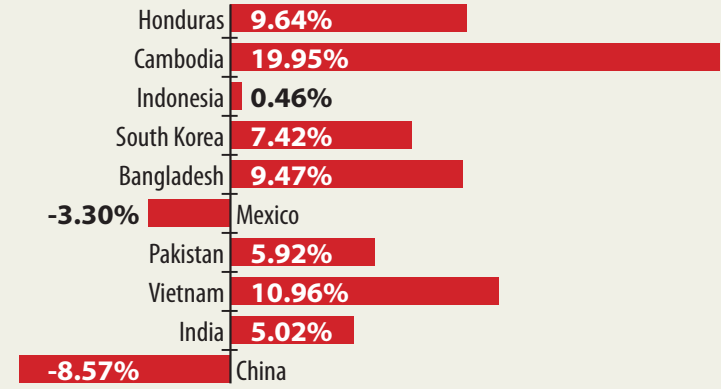
But exports to the US fetched \$5.69 billion, up 9.47 percent from a year earlier, according to data from the Office of Textiles and Apparel (OTEXA).

"Primarily, the tariff war between the US and China played a vital role in raising the shipments to the US," said Rubana Huq, president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA).

Furthermore, China, the largest apparel supplier to the US, saw its shipments slump during the period, in what can be viewed as a direct impact of the 25 percent tariff slapped by the Trump administration in May last year.

However, garment shipments from India and Vietnam, both Bangladesh's competitor in global apparel trade, grew to \$7.43 billion

HOW TOP 10 APPAREL EXPORTERS TO US FARED IN 2019



SOURCE: OTEXA

and \$13.35 billion respectively.

"The US's total imports from the world is declining since September, whereas it is increasing from Bangladesh. Vietnam's export growth to the US is faltering. That's the only piece of good news," Huq said.

The first half was positive, but the second half saw a collapse.

"We can't predict any increase based on previous growth. The current trend should be taken into consideration."

And shipments to the US increased just nominally in the first two weeks of 2020, according to the BGMEA president.

The average price of Bangladeshi garment products though decreased 4.50 percent: it was \$13.74, down from \$14.39 a year earlier.

Earnings from garment exports is on the slow lane for appreciation of taka against the dollar, lack of diversified products and rise of other competing countries, particularly of Vietnam and Cambodia.

British economy stalls

AFP, London

Britain's economy has stalled, official data showed Monday, as Brexit and political uncertainty contributed to slashing manufacturing output, heaping pressure on the Bank of England to cut interest rates.

Gross domestic product contracted 0.3 percent in November, the Office for National Statistics said in a statement. It grew only 0.1 percent in the three months to the end of November, the ONS added.

Manufacturing meanwhile slumped 1.7 percent in November. Speaking ahead of the data a Bank of England policymaker, Gertjan Vlieghe, hinted at a potential vote in favour of a January cut to the BoE's main interest rate, weighing on the pound Monday.

It followed comments Friday by fellow policymaker Silvana Tenreiro, who said she could support a rate cut from the current 0.75-percent level, if the economy did not strengthen.

And on Thursday, the bank's outgoing governor, Mark Carney, said the monetary policy committee was looking at the merits of near-term stimulus.

As for the latest GDP data, "a poor performance in November was always on the cards given that the uncertainties facing the economy were at a peak with the general election looming and doubts over what would happen on the Brexit front after it had been delayed again from 31 October", noted Howard Archer, chief economic advisor to financial researchers EY ITEM Club.

Revisiting the devaluation debate



ZAHID HUSSAIN

THE debate on taka devaluation is a debate on whether the exchange rate is currently overvalued. How do we know?

There are three common reference exchange rates often considered. The exchange rate may be overvalued with respect to purchasing power parity (PPP) or relative to the rate assumed needed to balance the current account (CA). The third is the persistent excess of the informal market rate over the interbank market rate.

Overvaluation of an exchange rate for any of the three reasons (PPP or

current account balance or informal market premium) is something that happens. The key question is what it means when such overvaluation happens.

The PPP exchange rate is the rate that equalises the cost of a market basket of goods between two countries. For instance, if the cost of a representative basket of tradable goods is \$50 in the US and Tk 4,700 in Bangladesh, then the PPP exchange rate is Tk 94 per dollar.

The taka is overvalued with respect to the US dollar if the exchange rate is below the PPP exchange rate.

The second way to gauge overvaluation is in comparison to an exchange rate presumed necessary to induce balanced trade or the current account. Since such an exchange is not even indirectly observable, persistent trade deficit at the prevailing exchange rate is assumed to indicate overvaluation.

In a floating exchange rate system where the market is allowed complete free play, it is hard to argue that the exchange rate has the "wrong" value since competition in the market will always equalise supply and demand. The "correct" value for the

exchange rate is not the one that satisfy PPP or generate trade balance but rather whatever rate currently prevails without any central bank intervention.

De jure, we have a floating exchange rate but de facto it is managed by the Bangladesh Bank through directives as well as buying and selling the dollar.

Under such a regime, overvaluation occurs when the exchange rate is lower than the rate such that the BB either has to sell dollar or direct the authorised dealers to keep the rate at a prescribed level.

Is taka currently overvalued according to these metrics? According to the BB's Real Effective Exchange Rate (REER) -- a measure of the value of taka against a trade weighted average of currencies of our key trading partners adjusted for differences in inflation -- the level of the nominal taka-dollar rate consistent with keeping the REER constant at its 2015/16 level has varied between Tk 93-94 of late, compared with the interbank average rate of Tk 84.9/dollar.

This suggests an overvaluation of about Tk 10 per dollar owing to the

failure of the nominal taka-dollar rate to rise in line with the differential between inflation in Bangladesh with inflation in our trading partners since 2015/16.

As a result, the prices of all identical goods in Bangladesh relative to their prices in our trading partners has increased by Tk 10 on average since 2015/16.

The trade deficit has risen from \$7 billion in fiscal 2012-13 to \$15.5

billion in fiscal 2018-19. Deficit in the services account during the same period increased from \$3.1 billion to \$3.7 billion.

Thanks to remittances, the current account was in surplus until fiscal 2015-16. But it turned into deficit, reaching as high as \$9.6 billion in fiscal 2017-18, because of a sharp drop in remittances and declined to \$5.2 billion in fiscal 2018-19 as remittances recovered considerably.

Surplus in the financial account reinforced the current account surplus to produce large surpluses in the overall balance of payments until fiscal 2016-17.

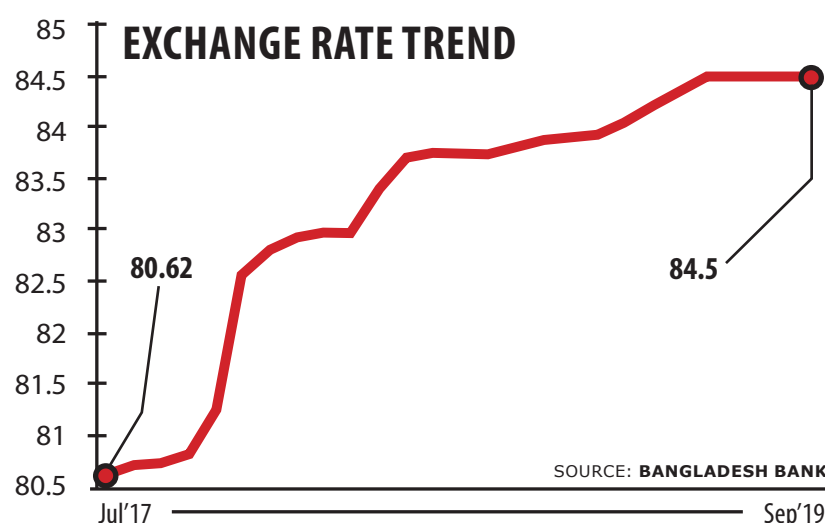
The BB accumulated foreign exchange reserves rapidly, suggesting undervaluation until fiscal 2016-17 despite an imbalance in merchandise and services trade.

Remittances, aid flows and private foreign borrowing augmented the supply of foreign exchange to create an excess supply that needed to be siphoned off to prevent taka appreciation. This changed since fiscal 2016-17.

BB sold more than \$4.6 billion in fiscal 2017-18 and fiscal 2018-19 and another \$423 million so far in fiscal 2019-20 to keep the exchange rate from depreciating too much.

Gross official reserves in months of import cover has declined from its peak of 8 in fiscal 2016-17 to 6 in fiscal 2018-19.

The central bank limits the rates at which authorised dealers can sell foreign exchange and attempts to ensure compliance by imposing penalties.



SOURCE: BANGLADESH BANK

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