

Nortel's 1.16 lakh phone expansion programme Delay leaves BTTB project in gully

ABU SAEED KHAN

Despite laying necessary cables and installing transmission resources, the Bangladesh Telegraph and Telephone Board (BTTB) and the Ministry of Posts and Telecommunications (MOP) have been deferring setting up of a 116,000-phoneline exchange without any valid reason.

Nortel Networks of Canada was selected by the BTTB to supply a 50,000-line exchange. Accordingly the BTTB issued a work order to the company. After a month-long negotiation, the BTTB comprehensively managed to pursue Nortel to supply additional 66,000 lines without increasing the quoted price for 50,000 phones. Nortel would therefore install 116,000 phones at its original price of US\$ 15 million. It would enable the BTTB to replace all the analogue telephones in the metropolis of Dhaka and Chittagong.

Such conversion will digitise 9500 analogue phones in

Moghbazar, 9000 phones in Gulshan and 3400 in Sher-e-Bangla Nagar exchanges of Dhaka. Another 1250 analogue phones of Agrabad exchange in Chittagong will also become digital. Altogether 73,100 new telephones will be installed in Motijheel (17,000 lines), Moghbazar (4500 lines), Khilgaon (4000 lines), Sher-e-Bangla Nagar (6600 lines), Mirpur (10,000 lines), Gulshan (3000 lines), Cantonment (5000 lines), Uttara (14,000 lines) and Tongi (3000 lines) exchanges.

Additional 25,600 new telephones will be installed in Chittagong (6500 lines), Khulna (7300 lines), Sylhet (7300 lines) and Rajshahi (4500 lines). BTTB will collect Tk 134.50 crore as connection fee for 73,100 new telephones. An annual earning of more than Tk 320 crore is also expected from the 160,000 telephones.

This Tk 84.25 crore project was supposed to be completed by mid-1997.

But political interference delayed the project and caused the BTTB to

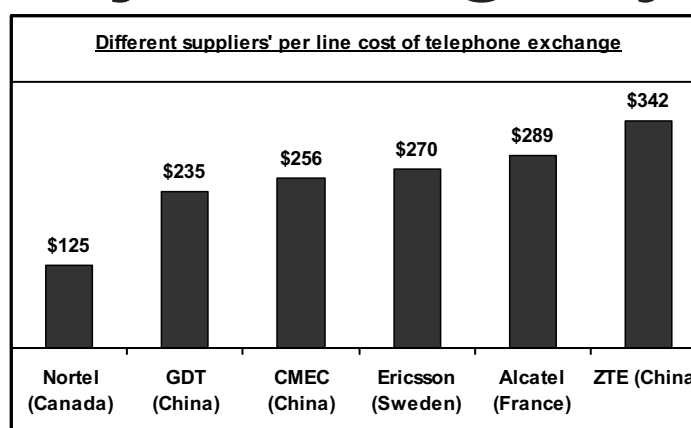
lose revenue in excess of Tk 620 crore during the last five years.

The BTTB has also been paying Tk 31 crore annual interest of the fund it raised by selling treasury bonds for this self-financed project.

Finally the cabinet purchase committee of the caretaker government salvaged the BTTB by endorsing Nortel Networks as the winning bidder for the exchange equipment and ordered expeditious completion of this abnormally overdue project.

Accordingly the BTTB formed a committee to finalise the deal with Nortel Networks. This committee stretched the 50,000 lines to 116,000 lines without increasing the Canadian vendor's originally quoted price. On November 1, 2001, both the parties officially agreed the expanded scope of work and they were about to sign the agreement.

But suddenly the BTTB took a mysterious step. Despite having the cabinet's approval for signing the contract with Nortel, the BTTB



again sought endorsement of the MOP on November 6. The ministry has been silent since then. However this has apparently disappointed Nortel Networks.

It notified the BTTB that all the concessions regarding the extra phone lines would be withdrawn unless the agreement was signed by November 11.

The BTTB has neither signed the

agreement nor communicated with the vendor since then.

The BTTB officials are speculating that Nortel may not provide the extra 66,000 lines due to the unnecessary delay and would fulfil its contractual obligation by installing only 50,000 phones. When contacted, AFMNH Chowdhury, Chairman of the BTTB, refused to comment on this issue.

SEC directs bourses to change index calculation criteria Adopt weighted average method, exclude 'Z Group' shares

M SHAMSUR RAHMAN

The Securities and Exchange Commission (SEC) yesterday directed both the bourses to change their index calculation criteria by adopting weighted average method and excluding the 'Z Group' shares.

Both the bourses have been asked to make changes effective from next Saturday and arrange online display of the new index by December 1, 2001.

Sources said the DSE index will reach well over 800-point mark once the new changes are made.

The index will give a much clearer picture of the market if the Z Group companies are excluded. The group consists of around 92 companies with weak fundamentals and poor performance records.

One senior SEC official said the total paid-up capital of these Z Group companies was around Tk 2000 crore while their market capitalisation stands at around Tk 1000 crore.

"So having these issues in the index gave a negative impression to the small investors which would not

be the case when the changes are made," the official said, justifying the need for the changes.

"If the stock exchanges feel it expedient, the general index (for A&B categories only) as per existing method may also be shown along side the new index," the SEC said in its letter to the bourses, asking them to report compliance of the new directive.

Under the weighted average method, the index will be calculated on the basis of price changes of the numbers of shares traded on the day.

The market capitalisation of non-traded shares would remain constant while those of the traded scrips would be considered to derive the market capitalisation of the entire issue, said one official of SEC.

He said that with the new index calculation method, any bid to bring down or push share prices up by trading a small number of shares would not be effective as it would contribute very little to the overall change in market capitalisation.

Earlier, SEC had changed the method of index calculation after it

sensed some foul play by a few brokers with some heavy-weight companies.

The SEC had barred the stock exchanges from taking any transaction of British American Tobacco Bangladesh Co Ltd (BATBC) into consideration if shares of the company are traded one hour before close of trading session and if the number of such traded shares is less than 10,000.

SEC officials say that the order has been issued in public interest as facts indicate that certain brokerage firms are bringing down the market by trading a small number of BATBC shares at lower prices.

The SEC surveillance department had detected that these brokers were trading one or two market lots of BATBC shares at very low prices just minutes before the close of trading sessions to pull down the price index.

BATBC stocks constitute 6.54 per cent of the total market capital and even slight price drops of its share resulted in overall slide in the market.



PHOTO: BTI
Building Technology and Ideas Ltd (BTI), an ISO 9001 certified real estate developer in the country, recently launched a new project, Sierra View, at Uttara in the city. Deputy Managing Director of BTI Engineer F R Khan and other senior officials of the company were present at the launching ceremony.

Arabs urged to close 'digital gap' with rich nations

AFP, Dubai

Arab officials and experts meeting in the Gulf "e-capital" of Dubai this week underlined the urgency of "closing the digital gap" separating Arab nations from their industrialised counterparts.

Egyptian Supply and Internal Trade Minister Hasan Kheider sounded the alarm at the opening of an Arab businessmen's conference which focused on investment in information technology.

"The digital gap separating us from industrial nations is huge and keeps widening to the detriment of developing countries. It must be narrowed," he said.

His remarks were echoed by Raafat Radwan, who chairs the Egyptian Council of Ministers' Information and Decision Support Center.

The Arabs must take "a techno-

logical leap" if they are to catch up with the IT advances of industrial nations, he said. "There's no time to lose."

Speaker after speaker voiced the same argument, citing persuasive statistics to substantiate their case.

"There are only 3.5 million Internet users in the Arab world out of a total population of some 275 million. This compares with 94.2 million Internet users in the United States and 23.1 million in Western Europe," said Fuad Shaker, secretary general of the Union of Arab Banks.

"E-commerce in the Arab world amounts to around 40 million dollars, that is just 0.01 per cent of the world total," noted Khaled Abu Ismail, head of the General Union of Arab Chambers of Commerce, Industry and Agriculture.

Ihsan Bu-Hulaliga, a member of Saudi Arabia's Shura (Consultative)

Council, said Arab nations should "take a strategic view of IT".

"Israel has made significant progress in IT thanks to its (close) ties with the United States and to Russian immigrants," the Saudi economist warned.

Elias Ghantous, secretary general of the General Union of Arab Chambers of Commerce, noted however that the Arab world "would not be starting from scratch".

"Most Arab countries have become aware of the importance of a digital economy," he told the gathering.

Several speakers applauded the creation, on October 30 in Tunis, of the Tunisian-inspired Arab Communication Technology Organization, whose task will be to "energize the role of communication and information technology in economic development".

Russia undecided on strategy to avoid oil price war

AFP, Moscow

While Russia insists it will not give in to OPEC's demands for drastic oil exports cuts, it might seek a compromise that will allow the cartel to save face without harming Moscow's interests, analysts here said.

The world's second-largest oil exporter, after Saudi Arabia, mullied its oil strategy after OPEC Secretary General Ali Rodriguez, speaking after the organization's energy ministers met in Vienna Wednesday, called on Russia to make a "sacrifice" to help revive sluggish global prices.

Prime Minister Mikhail Kasyanov replied swiftly that Russia "will not make a large reduction" in oil production as this would contradict aspects of Russian oil policy.

And he added Friday that no one had the right to tell Russia how much oil it should export, and that the drop in world oil prices "should be taken calmly" because it is not a trend but part of "market fluctuations".

But at the same time, deputy Prime Minister Alexei Kudrin insisted Thursday that talks with OPEC were ongoing and said that he thought that "a solution is possible after all".

Meanwhile, the price of oil sank below 17 dollars a barrel in London on Thursday for the first time in over two

years, although it recovered slightly on Friday.

The fact that Russian government officials seemed to contradict themselves so blatantly, may simply be because they have not yet fixed on a strategy, analysts said.

"The government seems to be undecided on its plan of action and is able at this stage to make only vague and often contradictory statements," said Dmitry Avdeyev, an analyst with UFG investment bank.

Some observers argue that Russia's economy would benefit from relatively low oil prices.

"Russia is better served by oil prices at 18 dollars per barrel than at 28 dollars per barrel," said Roland Nash, analyst with Renaissance Capital investment bank.

The reason for this, Nash explained, was that exceedingly high oil prices would bring Russia large incomes and strengthen the ruble against other currencies.

That, in turn, would make importing foreign consumer and industrial goods cheaper and thus harm most Russian producers who do not belong to the oil sector.

"It would make no sense for the government to commit itself to any production cuts at this stage," Avdeyev agreed.

Prime Bank cuts charges, interest rates for RMG sector

Prime Bank has reduced its charges by 20 per cent for opening of back to back L/Cs, says a press release.

The charges have been reduced in order to support the RMG sector which faces stiff competition due to drop in export orders.

The bank has also cut interest rates on lease finance by three per cent, other project/terms loan by 1.5 per cent, packing credit by three per cent, cash credit (hypo/working capital) by one per cent and bill purchases by two per cent for financing the RMG sector.

The bank stated that the reduction in bank charges and interest rate has been made to encourage more exports.



New chairman of Agrani Bank

M Ahsanul Haque has joined Agrani Bank as its Chairman, says a press release.

He was Managing Director of three nationalised commercial banks - Sonali, Janata and Rupali for 12 years in his 39-year banking career.

Ahsanul Haque started his career as an officer in the erstwhile Habib Bank Ltd in 1957.

He held different important positions before his appointment as General Manager of Sonali Bank in 1979. He was General Manager of the UK branches of Sonali Bank from 1982 to 1984.

He was Director of ICB, Eastern Bank, BRDB, Chairman of Bangladesh Foreign Exchange Dealers Association, Vice President and Honorary Fellow of the Institute of Bankers, Bangladesh, Member of Pay Commission in 1988 and 1991 and BIBM.

EU will help Egypt handle economic crisis

AFP, Cairo

The president of the European Commission Romano Prodi said Saturday in Cairo that the European Union planned to help Egypt deal with the economic consequences of the global crisis sparked by the September 11 attacks in the United States.

US may help ease Filipino debt burden

AFP, Manila

The United States may help ease the massive debt burden of the Philippines as part of a reward aid package for its swift response to the call for a campaign against terrorism.

James Kelly, US assistant secretary of state for East Asian and Pacific affairs, indicated Washington would consider helping the Philippines reschedule its more than 50 billion dollars debt.

He was speaking on a video link with Manila-based journalists from Washington late Friday ahead of US President George W. Bush's meeting with Philippine leader Gloria Arroyo at the White House on Tuesday.

Arroyo was among the first leaders to declare support to the US-led

campaign against suspected terrorist mastermind Osama bin Laden and his Taliban hosts in Afghanistan following the September 11 attacks in New York and Washington.

Arroyo, who is in the United States on her first visit since becoming president in January, had allowed US military vessels and aircraft to transit through the Philippines on their way to Afghanistan.

Kelly was asked whether the Philippines could expect debt relief and concessions similar to the ones given to Pakistan, on which the US-led coalition counted heavily in toppling the Afghan Taliban regime.

Indian IT panel sets ambitious hardware export target

AFP, New Delhi

A government panel has set an ambitious 10 billion dollar target for hardware exports from India by the year 2008, a report published in the Hindustan Times said Saturday.

According to estimates projected by a working group on information technology set up by India's Planning Commission, hardware exports from India will grow at a compound annual growth rate of over 50 per cent between now and 2008.

The report said the working group has projected a domestic requirement of 160 billion dollars worth of equipment and 60 billion dollars of components and was likely to generate 4.8 million jobs during the same period, the report said.

However, the sector needed an investment of 16 billion dollars to achieve that growth, the panel pointed out.

Indian hardware exports in fiscal 2000-2001 amounted to a mere 0.5 billion dollars.

The government panel acknowledged that the hardware manufacturing sector was plagued by problems like poor infrastructure, high cost of finance and a distorted tariff structure, the report said.

This was diverting investments and industry initia-

tives to countries like Taiwan, China, Brazil and Malaysia, it added.

Analysts said the slump in the Indian software industry was now forcing the federal and state governments to turn their attention to improving the hardware sector.

Earlier this month, the government in the southern state of Karnataka -- home to software hub Bangalore -- announced a slew of incentives to shore up the slumping IT industry.

Chief Minister S.M. Krishna said the state was abolishing a luxury tax slapped on computer goods. He announced that the government would also set up a new hardware park as a special economic zone in Bangalore.

Both announcements came close on the heels of India's premier software body scaling down the software industry's export growth forecast as a result of the September 11 terrorist attacks in New York and Washington.

The software industry was now expected to experience growth of 30 to 35 per cent -- less than an earlier projection of 40 to 45 per cent -- in the year to March 2002.

The United States is India's largest market for software, accounting for more than 70 per cent of six billion dollars worth of exports in the last fiscal year.

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Teamwork

Q: As students, we have to submit term papers, usually in groups. But my problem is that I can't work in a group. I arrange the organization, do research and finally compose the report. The reason why I don't share my work is that I have confidence in what I'm doing and I know I'm going to try my best to get good grades. However, I cannot entrust any of my group members with the work.

I talked to my lecturer about this and was advised to adjust and work as a team since that is what every business graduate will have to do when he joins an organization. I find it difficult to work in a team. What is your suggestion?

A: You are a loner and a perfectionist -- neither of which will do you good in the business world. You can afford to be a loner once you are at the top of the organization, perhaps loneliness is an automatic privilege at those heights. Until you reach there, you will need to work in a team very often, especially when you join an organization, be it within your department or without.

Working in teams is a must otherwise you will land up with a set of taxed nerves and health as it is, we are taxed enough by the government and else wise. No matter how agonizing it may be for you, you must 'learn' to work in a team, even if things don't turn up to hundred percent of your perfectionist taste. I can readily relate to you as I was similarly inclined in my early years. Experience and age has taught me that I would have been better off not to be so demanding of myself.

How do you work in a team? To function, a team needs a leader usually this leadership evolves naturally in a group to a member who stands out. What I can see from your profile, you seem to be such a person. So what should you do?

First get your entire group together. Invite them for a cup of tea and then decide together of the group task. Your job is to make sure the conversation is positive and task oriented. Agree on the common objectives of the task at hand. And by the way, scribble away these thoughts on paper use the computer later to summarize the discussions.

Then set time lines who will do when, what, where. And top it off with a feedback / review meeting once / twice a week, depending on the task at hand, so that you can monitor progress. Make these meetings compulsory and the better if you hold it in each group member's place, each time. This builds group cohesiveness, people are made responsible and tasks get done.

Do not fall into the temptation of doing things for others because you know you can do better. You can do better we know, however, this is also a lesson in delegation where you let people do their stuff which may not be fully up to your standards or liking. Grit your teeth, but don't do it. Let people learn. And as you 'learn' to let go, life will become a lot easier for you as well.

Of course there will be points of discontent sit together and discuss until you find an acceptable solution. Many a times, I have had this situation, and I was always surprised at the new angles of thoughts and solutions that have come to fore from these discussions. Your term papers will be a lot more creative in content and style if you involve your team.

Head your teacher teamwork is it and you must learn now to work in a team.

US consumer prices drop

AFP, Washington

The US Consumer Price Index (CPI) fell 0.3 per cent in October from the previous month but the core rate which excludes food and energy rose 0.2 per cent, the Labour Department said Friday.

The consensus forecast of Wall Street analysts was for a 0.2 per cent drop in the CPI and a rise of 0.1 per cent in the core index.

On a year-on-year basis, the CPI rose 2.1 per cent and the core rate rose 2.6 per cent, but the month-to-month decline from September -- up 0.4 per cent over August -- was mainly due to a drop in energy prices.

In October, energy prices fell 6.3 per cent, marking the most significant fall in energy prices on a monthly basis since March 1986.

The complex was led down by gasoline, natural gas, and fuel oil price declines.

Gasoline prices fell 10.7 per cent, while natural gas prices fell 6.8 per cent and fuel oil prices fell 5.2 per cent.

The fall in natural gas prices is the largest since records began in 1952 while fuel oil prices fell by the largest level since April 2000.

Oil price rebounds

AFP, London

The price of oil gained some respite Friday after two days of heavy losses brought on by fears of a price war between major world crude producers.

The price of a barrel of Brent North Sea crude for January delivery regained 53 cents to 17.86 dollars a barrel, a day after slumping to low points not seen for more than two years.

In New York overnight, December-dated light sweet crude fell to 17.45 dollars a barrel, down 2.29 dollars on the day.

Oil prices have fallen dramatically this week amid signs of a dangerous game of dare between world oil producers at a time when a supply glut is swamping a market undermined by falling demand.