

DHAKA THURSDAY MAY 16, 2002

Move to cut long distance phone call costs drastically

VoIP legalisation on cards

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Bangladesh Telecommunication Regulatory Commission (BTRC) is seriously considering to approve phone calls through the Internet.

The technology, generally known as voice over Internet protocol (VoIP), would significantly reduce the costs of long distance calls.

"Proliferation of VoIP has become a reality and this is the high time to legitimise this technology in Bangladesh," said Syed Marghub Morshed, chairman of the BTRC, in an interview with The Daily Star.

He said the International Telecommunication Union (ITU) has approved the technical standards of VoIP and Bangladesh, being a member of this United Nations body, should implement it.

Morshed said neither the national telecom policy nor the telecom law but an executive order of the telecom ministry has prohibited use of the VoIP in the country. "But it is being widely used to send

and receive international calls, which has been draining the telecom earnings," commented the chairman of telecom regulator.

Quoting a study of the UK-based consultancy Tekplus, Morshed said the global market of the VoIP is predicted to grow by 67 per cent a year, and from \$790 million in 2000 to \$3.7 billion in 2003. In Latin

America and Asia, the growth rate is expected to be much higher.

Developed in the mid-1990s, the VoIP has become a popular mode of telecommunication. It enables a caller from one phone to place a call on another phone almost anywhere in the world at a price much lower than that of conventional international telephony.

However, it is still illegal in many countries including Bangladesh.

The BTRC chairman said the Indian government legalised the VoIP from April 1. Referring to Satyam Infoway, one of the Indian VoIP providers, Morshed said, "They are charging eight rupees (US\$0.16) per minute during peak hours for a call over the Internet to the United States, a good 80 per cent lower than the regular peak time phone tariff of 39.60 rupees (US\$0.80) per minute."

He said legalising the Internet telephony has also reduced the illegal calls being made, estimated at some 800 million minutes, during 2001 in India.

Morshed said inhibition towards a new technology is a general ailment in any developing economy and Bangladesh is not an exception. He said instead of eroding the revenue, VoIP would rather boost the telecom income. Referring to the early days of fax machines in Bangladesh during the mid 1980s

he said, "People were financially punished with license fees and harassed with procedural maze to use a fax."

He said it was done in order to protect the BTTB's obsolete and expensive telex service. "Proliferation of fax has increased the BTTB's revenue and reduced the cost of cross-border data communications," said the BTRC's chairman.

Morshed said both the consumers and the government would be mutually benefited if the VoIP was legalised. "Relevant ministries, trade bodies, the telecom industry and the consumers would be consulted before necessary steps are taken to this end."

He said a dialogue has been initiated with the Infrastructure Investment Facilitation Company (IIFC) to conduct a study on introducing VoIP in Bangladesh. The Canadian government has reportedly shown interest to finance this project.

VoIP earning compared to the total Telecom revenue by region (%)						
	1998	1999	2000	2001	2002	2003
North America	45	43.5	42.6	40.2	38.2	37.7
Europe	38	37.2	36.6	36.3	35.4	34.7
Asia Pacific	9	11.2	12.1	14.5	15.2	15.9
Asia	2	2	2.3	1.7	2.8	3
Middle East	2	1.9	1.8	1.4	1.6	1.6
South America	3	3.1	3.4	4.5	5.3	5.5
Rest of world	1	1.1	1.2	1.4	1.5	1.6
Total	100	100	100	100	100	100

Source: Tekplus

IDLC approves 30 pc cash dividend

Industrial Development Leasing Company of Bangladesh Ltd (IDLC) has approved a 30 per cent cash dividend for the year 2001, says a press release.

The approval came at the 17th annual general meeting (AGM) of the company held on Tuesday at Sonargaon Hotel in the city.

Anwarul Huq, chairman of the Board of Directors of the company, presided over the meeting.

It was also attended by Director Abbas Uddin Ahmed, Khan Tariqul Islam, Ahmed Rajeeb Samdani and Yangbok Jo.

M Aminul Islam, Managing Director of the company, presented the directors' report and financial statements for the year 2001 before the shareholders.

The short term finance and house finance units of the company disbursed Tk 1,780 million and Tk 209 million respectively, posting growths of 41.9 per cent and 32.3 per cent respectively over the previous year, the AGM was told.

During the year, the profit before tax and after tax stood at Tk 180 million and Tk 90.00 million respectively.

The after tax net profit recorded a growth of 28.3 per cent over the previous year and total assets of the company stood at Tk 4.6 billion at the end of the year.

Workshop for Al-Arafah Bank executives held

A workshop on banking based on shariah was held at training Department of Al-Arafah Islami Bank Ltd on Sunday, says a press release.

The workshop was jointly organised by Shariah Council and Training Department of the bank for executives, branch managers and second officers of Al-Arafah Islami Bank Ltd.

Moulana Mohiuddin Khan, member of the Shariah Council of the bank and editor of the monthly Madina, inaugurated the workshop.

AZM Shamsul Alam, chairman of the bank, and Moulana Ruhul Amin Khan, member of the Shariah Council of the bank also attended the meeting.

Qazi Abdur Razzaque, executive vice president of the bank, presided over the workshop.

Thai firm to supply IT to Myanmar

AFP, Bangkok

Thailand's Shin Satellite Company Tuesday signed an agreement to provide information technology to a Myanmar military-run computer firm, Radio Myanmar said.

The accord was signed in Yangon by Shin Satellite's executive chairman Dumrong Kasemset and Colonel Thein Swe, director of the Pagan Cyber Tech Co. Ltd., the radio said in a broadcast monitored here.

It gave no further details of the deal.

Present at the signing ceremony was the chairman of Myanmar Computer and Information Technology Development Committee, Lieutenant General Khin Nyunt.

Khin Nyunt is also secretary general of Myanmar's junta and heads the military intelligence unit.

Govt shortlists 14 products for GSP in US market

UNB, Dhaka

Export Promotion Bureau (EPB) has sought detailed business information of products under 14 categories as the government is planning to seek GSP facilities for those items in the US market.

Official sources said the Commerce Ministry has finally short-listed 14 items to name in a review petition urging US Trade Representative for granting generalised system of preferences (GSP) eligibility.

The prayer has to reach the Chairman, GSP Subcommittee, USTR by June 1 and US administration would notify Bangladesh authority by July 15 whether the petition is accepted or not.

To meet the deadline, EPB requested the manufacturers and exporters of the related fields to

furnish detailed information of their production strength by today afternoon.

"The queries are huge and it'll take at least one month to collect those. That's why we requested the concerned private sector people to reply those shortly," an EPB executive said.

The items have been cautiously selected keeping in view the TCF (textile, clothing and footwear), export of which is very sensitive in American market.

Bangladesh's readymade garments, which have around US\$ 2 billion market in US, also do not get GSP facilities there.

The petition, if accepted for review, will go through a public hearing in September-October. And the decision on the fate of the petition will be conveyed to Bangladesh authority by April next year, the EPB official said.

These items will also have to qualify under GSP's 35 per cent value added requirements.

The items, for which Bangladesh

will seek GSP, are small leather articles carried in pockets or handbags, carpet and textile coverings made of jute or others, jute sacks, knives with stainless steel handles, spoons with stainless steel handles valued below 25 cents each.

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Malaysia likely to meet 3.5pc growth forecast for 2002

AFP, Kuala Lumpur

Malaysia's economy is on track to meet a 3.5 percent growth forecast for this year despite strong exports posted for March, a top economic official said Tuesday.

"(There's) no change in our official forecast," said Mustapa Mohamed, executive director of the National Economic Action Council, which was established to steer the economy into recovery.

Prime Minister Mahathir Mohamad recently said strong exports posted for March would enhance Malaysia's growth and that the upturn in global demand suggested the US and world economies are recovering.

These hints came from a consultation on import policy between Commerce Minister Amir Khosru Mahmud Chowdhury and business leaders here yesterday.

Meeting sources said local importers and assemblers of vehicles had varying views on car-import policy — one side wants ban on the import of old vehicles and the other further relaxation of the rules.

Bangladesh Reconditioned

A continued strong export performance from the Chinese economy is a positive signal for the rest of the region still struggling to recover from the global slowdown, a report received Wednesday said.

The latest figures from Chinese authorities showed April exports grew 17.3 percent from a year ago, outstripping market expectations, investment bank Barclays Capital said.

"While the strength of Chinese exports may ultimately tell us more about that country's underlying competitiveness than it does about pan-Asian export prospects, the sharp rise in overseas sales does suggest that the pan-regional export recovery is set to gather pace in the coming months."

Asian economies, highly dependent on external trade for growth, now see China as an increasing threat to their traditional export markets, in particular the United States.

They should be brought to the surface and not pushed underground, which is not in the interests of the world economy," Qorschi said, warning that hawala was here to stay.

The hawala system is used by thousands of mostly Asian Gulf-based low-income workers to remit money to their home countries with no records of transactions. Hawala "doesn't help in deepening the financial system and results in the loss of international reserves because foreign currency won't come through the central banks, and there's also a loss of government revenue on the fiscal side," Qorschi said.

Hawala has come under the spotlight since US charges that chief terror suspect Osama bin Laden's al-Qaeda network funnelled funds through the system.

"Countries should find a way to legitimise and supervise hawala operators and offer them an opportunity to carry on," IMF senior economist Mohammad el-Qorschi told a two-day international conference on hawala in Abu Dhabi.

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IMF calls for 'hawala' transfer regulations

AFP, Abu Dhabi

The International Monetary Fund (IMF) on Wednesday called on the informal system of overseas money transfers, known as "hawala" to be regulated in the interests of the world economy.

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