

Uneven competition exacts toll on Internet growth

Legalisation of VoIP demanded

MUSTAK HOSSAIN

Private sector Internet service providers (ISPs) are faced with uneven competition with the state-owned Bangladesh Telegraph and Telephone Board (BTTB), stalling Internet growth in the country.

The private operators say they are subject to a number of taxes, which are not applicable for the state-owned company.

The BTTB is exempted from licence fees, tax and VAT, but private ISPs are paying all the taxes, private operators say. Besides, the BTTB runs business without own investments, they added.

"Such discriminatory policies forced us into uneven competition," said President of ISPA, an association of the ISPs, Akhteruzzaman Manju.

He said private sector ISPs have to pay an annual licence fees of Tk 20 lakh per year, bandwidth fees ranging between Tk 30,000 for 64 Kbps (kilobytes per second) and Tk

400,000 for two Mbps (megabytes per second) or more. They also have to pay an initial Tk 5,000 evaluation fee.

Besides, they have to pay 'demand note' fee of Tk 18,400 for each telephone connection, monthly line rent and value added tax (VAT) on line rent. "Worst even, they need to pay separate licence fee to launch Internet service in each additional district," the president said.

He said the private operators need level playing field for expansion of the Internet service outside the capital.

He said despite the hurdles, the ISPs could have made good business if the government had allowed Voice over Internet Protocol (VoIP), a value added service to the clients.

He said in the absence of such service, the government is losing several crores taka a month due to shady telecom business mostly carried out illegally.

"VoIP is a legitimate and genuine

Internet service and BTRC should allow ISPs to launch the service," the ISPA president said.

The ISPA president said there are at least 25 ISPs who are willing to expand service to different districts but due to the discriminate policy they just cannot do it.

The number of Internet users stands at Tk one lakh in the capital, there are at least two lakh prospective Internet subscribers outside Dhaka including greater Sylhet, Chittagong, Comilla, Shariatpur, Chandpur, Noakhali and other districts, where there are many people whose relatives live outside the country, he said.

"There are very bright prospect of Internet service outside the capital in such areas," said Manju.

He said expatriated people always remain eager to communicate with their family members and the frequency of communications would increase with cheaper rates possible through VoIP.

BTTB, which has emerged as an ISP lately, is now offering Internet service in 50 districts from its remote access servers located in six major cities -- Dhaka, Chittagong, Khulna, Rajshahi, Bogra and Sylhet.

Even the users outside these six areas can access to Dhaka server at the expense of one local telephone call. "It was because of BTTB's monopoly in fixed line phone," an ISPA leader said seeking anonymity.

BTTB officials said the state-owned operator is working to extend its dial up Internet service in all 64 districts of the country.

When contacted, officials of the Bangladesh Telecommunication Regulatory Commission (BTRC) said the BTTB has been given a type of indemnity exempting it from licence fees and other taxes for four years as per the country's telecom act.

Ranks-ITT to provide Internet service in Ctg

Ranks-ITT Ltd, a member of Rangs Group, has signed a franchise agreement with Southnet Online Ltd of Chittagong as part of its programme to provide countrywide Internet access, says a press release.

Managing Director of Southnet Ltd and Assistant General Manager of Ranks-ITT Ltd signed the accord on behalf of their respective organisations at Rangs Building in the city recently.

Using the fibre optics network of GrameenPhone Ltd. -- leased from Bangladesh Railway -- Ranks-ITT is now capable of providing access virtually to any part of the country. Southnet Ltd under the agreement took dedicated bandwidth from R-ITT.

Previously, Ranks-ITT provided similar service in Mymensingh, Jessore, and Comilla.

Besides providing countrywide internet access, R-ITT is also a licensed Domestic Data Communication Service Provider offering network connectivity solution throughout the country using the same fibre optics network.

Bill Gates on 4-day tour of India

AFP, New Delhi

Bill Gates, the head of US computer software giant Microsoft, arrived here yesterday at the start of a four-day visit during which he is due to meet the doyens of India's booming IT industry, AIDS activists and political leaders.

His visit is the third to the country, which usually accords him a reception equal to those given to heads of states.

He was to meet Indian Prime Minister Atal Behari Vajpayee and President A.P.J. Abdul Kalam, who is a technologist and the architect of India's missile programme.

Gates will devote a large part of his visit to a health care programme being supported by the Bill and Melinda Gates Foundation which is addressing children's vaccination and AIDS prevention.

The foundation, along with the World Bank and Rockefeller Foundation, is supporting the development of an India-specific anti-AIDS vaccine.

Industry officials said Gates is likely to make new announcements relating to investments in the Indian arm of Microsoft, although company officials have not stated that this is on the cards.

Gates will be also visiting India's information technology capital Bangalore, a Microsoft development centre in Hyderabad and address businessmen in the country's commercial hub Bombay.

Microsoft has had a presence in India since 1987, with offices in five Indian cities including Bangalore.

Consumers hold up Japan economy: Economists

AFP, Tokyo

Resilient spending by consumers offset a decline in exports to nudge the Japanese economy forwards in the third quarter, but the outlook is bleak, economists said Monday.

Gross domestic product (GDP) figures for the three months to September due out Wednesday are expected to show quarter-on-quarter growth of 0.5 per cent, following a 0.6 per cent expansion in the previous three months, according to the market consensus.

Japan's exports -- the driver of recovery earlier this year after last year's recession -- ran out of steam in the September quarter. But consumer spending and capital investment took up the slack, economists said.

But this spending is likely to wane due to weak jobs and wage prospects. Slowing demand overseas and prolonged deflation at home are likely to force companies to further cut jobs and wages, they added.

Further fueling concern is the expected negative impact of a government drive to force banks to halve the ratio of bad loans by 2005, a move likely to lead to increased corporate collapses.

"Net exports will have a negative contribution... as exports have been in decline but imports have been slightly on the increase," said Frank Benzimra, an economist at Societe General.

Asia-Pacific telecom seen consolidating further

AFP, Singapore

The Asia-Pacific's telecoms industry is to further consolidate, with an average of three players seen emerging in each country, research firm Frost and Sullivan said Monday.

The rapid pace of deregulation since 1999 has impacted on profitability and could hasten more mergers among the region's telecoms firms, said Frost and Sullivan director for technology practice Manoj Menon.

"We think that consolidation will continue in the marketplace as most regional Asia Pacific countries cannot really accommodate more than three players in the overall market," he said in a teleconference monitored here.

Only China, a market of 1.2 billion people, is likely to sustain more than three telecoms players.

"We saw an accelerated pace of deregulation of the telecom market in 1999-2000 and today, the regulators have begun to realise that the

accelerated pace of deregulation has (affected) the profitability of the operators and their ability to continue and sustain their business," Manoj said.

"As a result, we believe now regulators are looking at a more balanced approach of deregulation in the marketplace," he said.

He noted regulators in many Asia-Pacific markets have limited the issuance of third generation telecoms licences to only three operators.



Officials of Ranks-ITT Ltd and Southnet Online Ltd recently exchange documents after signing a franchise agreement on providing Internet service in Chittagong.

Thai port authority delays privatisation plan

AFP, Bangkok

The Port Authority of Thailand (PAT) has delayed its planned privatisation due to a backlash from unionists worried that a sell-off would jeopardise jobs and pensions, reports said Monday.

"We have to put a brake on the plan to list the PAT on the Stock Exchange of Thailand, initially scheduled for next March," the authority's director general Mana Patram said in the Bangkok Post.

The suspension was mostly due to aggressive anti-privatisation tactics by the port's union, whose protesters threatened to force PAT's financial advisers off the docks, the English-language daily said.

Union president Somkiart Rodcharoen was quoted as saying the plan to "sell national assets" should not be allowed to go ahead as the ports were gateways for some 94 per cent of the country's trade and should not be controlled by the private sector or foreigners.

The paper cited industry sources as saying they believed the protesters were actually concerned a sell-off would put jobs and benefits such as pensions at risk.

The Nation newspaper quoted Mana as saying the privatisation experts were "mobbed away" by union members on October 4.

Mana said the privatization would proceed, but with a delay as long as a year or more.

PAT was now looking at adopting a phased privatisation of ports similar to the route taken by neighbouring Malaysia, where 12 ports have been sold off.

Mana said the new plan would entail first privatising Laem Chabang, Thailand's largest commercial port, followed by a sell-off of Bangkok Port.

Thailand's port plan is part of a broader scheme to privatise the country's state enterprises by 2006.

The scheme was part of the kingdom's 17.2 billion-dollar bailout package by the International Monetary Fund and other global agencies in the wake of the 1997 financial crisis.

Car finance sends middle class into a luxury ride

ANN, Delhi

Luxury cars are moving ahead in the car finance market in the city. Trends in car financing in the city clearly shows that even the middle and upper middle class people prefer comfort and status when it comes to buying cars with the help of finance companies or car loans from their employers.

Even the middle level executives, working primarily in the corporate sector, prefer luxury cars to the ordinary ones. Sandeep Kumar had an ordinary Maruti 800, but he bought a luxury model of another company for about Rs 5 lakh. "I wanted to change my car and I

thought that, if I had to change it, why not move into the luxury segment. Either way I had to get the car finance from one of the companies in the market," said Kumar.

Different persons have different reasons for going for a luxury car. Now cars are like mobile phones. They have to be changed every year, and by that you make a status statement, says Mukul, a college student and a part-time disc jockey. With almost 100 per cent car finance available even for the luxury cars, which are priced at Rs 5 lakh plus, middle class customers are keen on them, said a senior executive at one of the Hundayi showrooms. One of the prime reasons for this

recent interest of the middle class in the luxury cars is the car finance offered by several companies. In fact, most of the corporate houses provide car loans, which cover 75 to 90 per cent of the market price. Then some of the employers also provide car loans to employees on attractive terms.

"My company has provided me a car loan that has to be paid back in five years at an interest rate which is one third of the market rate. The maximum loan limit is Rs 4 lakh. I availed myself of it and bought a luxury car," says Puneet Kumar, an assistant territory manager with one of the US-based pharmaceutical companies.

Dutch-Bangla Bank opts for GP corporate package

Dutch-Bangla Bank Limited (DBBL), a leading joint-venture commercial bank of the country, has signed an agreement with GrameenPhone Limited under its Corporate Sales Package initiative, says a press release.

Abul Hashem Khan, managing director in charge of Dutch-Bangla Bank, and Mehboob Chowdhury, director of Sales and Marketing Division of GrameenPhone, signed the agreement on behalf of their respective organisations in the city recently.

Under the agreement, Dutch-Bangla Bank has been provided with GP mobile phone connections. Dutch-Bangla Bank is now using these mobiles to transmit remittance and other banking information among its different branches located around the country.

This has enabled the bank to provide speedy and efficient services to its clients. Subscription to the GP Corporate Package will also significantly reduce Dutch-Bangla Bank's inter-district communication cost and many of its services will become more efficient.

Sree Prakash Chowdhury, senior vice-president Md Korshed Alam, first assistant vice president of Dutch-Bangla Bank, Kafil H. S. Mueyed, general manager of Sales and Marketing Division and Hasan Mohammad Zahid, head of Corporate Sales of GrameenPhone, were present at the signing ceremony.

Other senior officials of both organizations were also present on the occasion.

Many multinational companies working in Bangladesh and local conglomerates have already subscribed to GrameenPhone's Corporate Package to avail its unique facilities.

GMG appoints Focus Air Ltd as GSA for HK

GMG Airlines, country's leading private domestic airline, has appointed Hong Kong based Focus Air Ltd as its GSA for Hong Kong, Macau and Greater China, says a press release.

Under this agreement, Focus Air Ltd will be responsible for generating sales, both for passenger services as well as cargo originating out of these areas to Bangladesh.

In addition, they would also offer to the tourist's packages to visit various popular destinations within Bangladesh thereby promoting both business and tourism to Bangladesh.

Focus Air Ltd is an established and reputed agency is known as the market specialist for this sub-continent in the local and mainland China market. Apart from wholesale products and commercial ticketing, it organises incentive travel and offer various packages for major organisations including multi-national companies, associations, schools and clubs.



Abul Hashem Khan of Dutch-Bangla Bank Limited and Mehboob Chowdhury, director of Sales and Marketing Division of GrameenPhone, pen accord on using GP mobile phone connections on behalf of their respective organisations in the city recently. GP and Dutch-Bangla Bank officials were present at the signing ceremony.

US, India to hold talks on high technology transfer

AFP, New Delhi

US undersecretary of commerce for exports Kenneth Juster will hold talks here with Foreign Minister Yashwant Sinha and others on the transfer of sophisticated technology to India, officials said Tuesday.

"He is here for a high technology dialogue. It is talks on transfer of high technology between India and US," US embassy spokesman Gordon K. Duguid told AFP.

He did not elaborate on the kind of technology which will figure in the

discussions with top Indian officials spread out over two days from Tuesday.

Juster is due to hold talks with Sinha, National Security Advisor Brajesh Mishra and his counterparts in India's commerce and industry ministry.

The United States has long prohibited the export to India of any sensitive high technology that could have military applications.

Indian hopes for such technology were further set back when India carried out shock nuclear

tests in 1998, prompting US sanctions.

But relations between the two largest democracies warmed following then president Bill Clinton's visit to India in 2000. All remaining sanctions were lifted last year after New Delhi joined the US-led coalition against terrorism following the September 11 attacks.

India and the United States had strained relations during the Cold War, when officially non-aligned New Delhi tilted towards the Soviet Union.

Singapore may slip back into recession: Minister

AFP, Singapore

Singapore may slip into a double-dip recession barely after emerging from its worst ever slump last year, Trade and Industry Minister George

Yeo said Monday.

Speaking to the American Chamber of Commerce, Yeo did not rule out the possibility the trade-dependent city-state could run into a another downturn given the

gloomy outlook facing the United States, its biggest export market.

"What happens in Singapore will depend a lot on what happens outside Singapore particularly the US economy which doesn't look very good right now," said Yeo.

"So our strategy is yes, there may be a double dip. If it's a double dip, then we got to do something... if there is no double dip, that's very good," he said.

Singapore's economic fortunes hinges heavily on external demand and given the volatile global environment, including the prospects of a Middle East war.

The island sank into its deepest recession in nearly 40 years in 2001 after gross domestic product shrank 2.0 per cent. It only emerged from the downturn in the second quarter.

Government officials recently said the economy is likely to miss the growth target of 3.0-4.0 per cent for 2002 due to the volatile external environment and weak domestic demand.

The Ministry of Trade and Industry will give an update to the 2002 growth forecast when it releases the island's economic performance in the third quarter to September on Monday.



Photo shows (from L to R) Jimmy Lee, director of Focus Air Ltd, Erfan Haque, DGM (BD) of GMG Airlines Ltd, Lincon Linn, chairman and CEO of Focus Air Ltd, and Fazle Rabee Chowdhury, DGM (Int'l Sales) of GMG Airlines Ltd, at the GSA agreement signing ceremony.