

BTRC hands over fixed phone licence to Bashundhara

Bangladesh Telecommunication Regulatory Commission (BTRC) has formally handed over licence to Bashundhara Communication and Networks Limited (BCNL), an enterprise of Bashundhara Group, for operation of fixed phones.

BTRC Chairman Syed Marghub Morshed handed over the licence to Sayem Sobhan, managing director of BCNL, on Thursday in Dhaka, says a press release.

The licence will be valid for 20 years and can be renewed.

United Ins declares 25pc dividend

United Insurance Company Limited has declared a 25 percent dividend for its shareholders for the year 2003.

The declaration was made at the company's 19th annual general meeting (AGM) on Tuesday at a hotel in Dhaka, says a press release.

The meeting presided over by M Moeedul Islam, chairman of the company, was informed that during 2003 the company earned a gross premium of Tk 125.61 million.

Corruption may have cost \$100b to WB projects: US senator

AFP, Washington

Corruption may have sapped as much as 100 billion US dollars from World Bank lending projects to help poor countries, a key US senator said Thursday.

Senate Foreign Relations Committee chairman Richard Lugar said if the figure presented to his panel by one university professor were accurate, it would seriously undermine the organization's efforts to fight global poverty.

The World Bank hotly disputed the figure of 100 billion dollars, adding that there was no basis for that estimate, but said the organization was working to stem corruption.

Lugar, who chaired a hearing on corruption involving multilateral lending agencies, cited an estimate by Jeffrey Winters of Northwestern University that the World Bank had participated "mostly passively in the corruption of roughly 100 billion dollars of its loan funds intended for development."

Lugar said, "Other experts estimate that between five percent and 25 percent of the 525 billion dollars that the World Bank has lent since 1946 has been misused. This is equivalent to between 26 billion and 130 billion dollars."

"We completely reject the figure offered by one of the panelists," said World Bank spokesman Damian Milverton. "It has no basis in fact."

E-government can cut graft, up investment

Bangladesh Enterprise Institute study observes

STAR BUSINESS REPORT

E-government can promote greater transparency in government activities, reduce the scope for corruption and attract investment, according to a study.

As combating corruption is a top priority for all political parties, e-government can provide an effective tool in reducing corruption, the study said.

And improved transparency in government actions raises investors' confidence, which in turn contributes to increased foreign direct and domestic investment, added the study. Bangladesh Enterprise Institute (BEI) conducted the 'Study of eGovernment in Bangladesh'.

E-government helps make the procedures of government internal processes more efficient, save time and resources, the study said. It can also help boost private sector per-

formance and efficiency by reducing the time and expenses required for businesses to interact with the government.

Common applications of e-government include online delivery of government information and services, computerised licensing and registration, web-based tender notification and procurement, web-enabled complaints submission and online public comment for draft legislation.

E-government aims to streamline relationship between government, business and people through effective use of information and communication technology (ICT).

"The simplification of government processes and services such as online procurement helps reduce barriers to entry for new businesses and increase competition."

Online procurement system is one of the most popular e-government initiatives in neighbouring countries to

address corruption and lack of transparency, the study added.

The government should take similar steps to establish an e-procurement system to increase transparency, reduce corruption, and minimise the time and cost of processing tenders, the study recommended.

As the scope of e-government services expands, the enactment of cyber laws is becoming increasingly important, it observed. Some of the issues to be included in the legal framework are laws to protect intellectual property; laws for acceptance of documents in electronic format (such as downloaded documents); cyber-terrorism laws that protect against unauthorised hacking; and laws to enable electronic authentication, the study added.

The government should take steps to set up an e-government resource centre that would serve as a think tank and policy research organisation on e-government, the study said.

The Public Administration Training Centre (PATC) should take steps to prepare a full-fledged curriculum to introduce government officials to the major policy issues of e-government in a systematic way, it said.

As e-government allows digital storage and retrieval of data, all relevant government offices can share these, the study observed.

The government, through the Bangladesh Telecommunication Regulatory Commission, should also take steps to ensure that the cost of ICT is reduced to make it affordable for a wider section of the population, it said.

At the same time, it should be recognised that having widespread internet access is not an essential precondition in the initial stages of e-government. If services and information are made available through the internet information middlemen will play a role in disseminating information, the BEI study recommended.



PHOTO: BASHUNDHARA GROUP
Bangladesh Telecommunication Regulatory Commission (BTRC) Chairman Syed Marghub Morshed (4th from left) hands over the licence for fixed phone operation to Managing Director of Bashundhara Communication and Networks Limited (BCNL) Sayem Sobhan (3rd from right) on Thursday in Dhaka.

India reforms may see shift if left influences new govt

AFP, Mumbai

Indian shares tumbled Friday, led by state-run firms, as economists said such key reforms as further privatisation might be put on the back burner under a new Congress-led government backed by leftist parties.

A nearly five percent fall in the market was a sign of investor jitters about the future of key reforms economists said are vital to keep growth of Asia's third largest economy on the fast track, analysts said. India's economy expanded 10.4 percent in the three months to December.

In early afternoon, the BSE 30-share benchmark Sensex index was down 4.90 percent or 264.58 points at 5,134.89 amid heavy selling of state-owned companies, especially those on the outgoing government's privatisation list.

"Our target is achieving 100 percent efficiency but 99.98 percent is not bad," said a happy President and Managing Director of Unocal Bangladesh, Andrew L Fawthrop.

The Jalalabad plant, situated near Sylhet town, now supplies over 15 percent of the country's total gas consumption and this weekend marked 1,141 days of 'no lost time accident'.

Since beginning production, the plant witnessed suspension of production only twice due to technical reasons - one hour on early February 21 this year and also for an hour in 2003.

In the meantime, Unocal took the production capacity of Jalalabad from 120 million cubic feet per day (MMCFD) to 212 MMCFD.

However, some officials of Petrobangla, the state-run oil, gas and minerals corporation, complained of presence of water in Jalalabad gas following the production raise.

The Unocal President denied the allegation and said: "We took production up very slowly and we are very careful. Right at the moment, there is very little water and we ensure quality gas after proper monitoring."

The Communist Party of India-Marxist, expected to back Congress, reiterated Friday there

should be no more sales of profit-making state-run firms.

Reacting to the Sensex fall, Congress spokeswoman Ambika Soni noted that it was former Congress premier Rajiv Gandhi, assassinated in 1991, who had begun the reform process.

"The market or any other section (of the country) should not feel insecure under Congress (but) there will be no compromise with the interests of the people," she said. "The benefits (of reform) should reach the common people."

Ganguly said she did not expect the new government to stall vital tax reforms but it would oppose selling off profitable state-run companies such as Hindustan Petroleum (HPCL) or Bharat Petroleum.

Confederation of Indian Industry director general designate N. Srinivas said the group was confident economic reforms would be "the priority of the next government as the election manifestos of both the BJP and the Congress were indistinguishable."

Share trading of four more cos thru' CDS begins tomorrow

STAR BUSINESS REPORT

The electronic settlement for share transactions through the central depository system (CDS) of four more companies begins tomorrow.

The companies are Dhaka Bank Ltd, Southeast Bank Ltd, Pragati Insurance Company Ltd and Pioneer Insurance Company Ltd.

With the four, the number of companies joining the CDS will rise to eight. Square Pharmaceuticals Ltd was first company to adopt the electronic trade settlement system on January 24.

Sources said five more companies will start trading through the CDS from next month. Though four companies are joining the CDS, only a few number of paper shares has so far been converted into electronic ones which may cause crisis of tradable shares, sources

said.

Though Square Pharmaceuticals witnessed poor response in initial stages, the company overcame the dull trading after investors put their confidence in the system, which helped the company to hit the top trading list within a month.

Inspired by the responses from investors and market players, the capital market regulators took steps to consolidate the CDS by allowing more companies to join the paperless trading system.

Accordingly, three companies - Industrial Development Leasing Company (IDLC) Bangladesh Ltd, Square Textile Mills Ltd and Sandhani Life Insurance Company Ltd - made their debut in the scrippless trading on April 27.

Earlier, the SEC selected 13 companies for CDS and fixed May 2

for their joining of scrippless trading but many of the companies opted for delaying the joining due to annual general meetings. This postponement forced the SEC to select Square Textile and Sandhani Life Insurance for the CDS. Sources said SEC will soon take fresh initiatives to start scrippless trading of those selected companies.

The capital market watchdog has also primarily selected 43 A category companies and securities and asked them to get ready for the scrippless trading.

Sources said SEC wants to ask all the 127 A category companies and securities to develop required infrastructure and sign agreements with Central Depository Bangladesh Ltd (CDBL), the service provider of CDS, in the run-up to joining CDS by year-end.

Unocal sets record of uninterrupted production from Jalalabad field

UNB, Dhaka

Unocal, which is going to develop major Bibiyana gas field without export option, has set a record of making uninterrupted production and supply from Jalalabad field, said Petrobangla officials.

The Jalalabad gas processing plant has been running with an uninterrupted efficiency of 99.98 percent since 2001, they said. It is an outstanding performance by world standard, they added.

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Mobile phone licensing in Pakistan



ABU SAEED KHAN

cellular phone users among its 150 million people. Early this year the government had planned to attract \$1.5 billion in investment and to expand the number of mobile users up to 15 million by 2006. This is the background of two mobile licenses.

On April 14, 2003 the Pakistan Telecommunications Authority (PTA) had organised the bid opening in a hotel at Islamabad. First round of this bidding was held among nine pre-qualified bidders

bidding. They were Space Telecom, WorldCall, Warid and Fauji from Pakistan. The second round bidding was basically the open auctioning among these five contenders for the two licenses.

The bidders were charged with tension and it was equally exciting for the audience. WorldCall retreated once the offer crossed the \$165 mark followed by Fauji Foundation when the bidding touched \$220 million. The remaining three

was closed. The bidding started at 11 am and concluded at 3 pm after numerous short breaks of 10 minutes, allowing the bidders to recess and revise their offers to keep the competition alive.

Now PTA would collect \$291 million fee from each of these two bidders to issue the fifth and sixth mobile phone operating licenses in Pakistan. "It has been a good price and a good competition," said PTA Chairman Shahzada Alam Malik to Reuters. It also exceeded the analysts' forecasts. "We were expecting \$150 million to \$170 million for each license," said Arshad Arif, head of research at KASB brokerage.

Each licence is valid for 15 years and renewable thereafter. Number portability is the cornerstone of these nationwide operating licenses. This very first feature in the South Asian mobile market will allow the Pakistani mobile users changing service provider without changing the phone number of old connection. Such stipulation of the licensing condition makes the cellular mobile operators worshipping the customers, which has been historically other way around.

This is a good example of pro-people regulation, derived from the government's progressive policy. The entire licensing process had been also very transparent and the unsuccessful bidders have no discontent. There was no room for horse trading or obnoxious phone calls from the so called "Higher authority" did not disrupt the bidding process. Pakistan Telecommunications Authority has lots of reasons to be proud of.

The writer is a telecoms analyst

PASSWORD

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comprising five Pakistani and four foreign companies.

They are: Space Telecom, Fauji Foundation, Rupali Polyester, Warid Telecom, and WorldCall Communications of Pakistan. Al Jawaher Trading Group of UAE, Investcom Holding of Luxembourg, Sabafon of Yemen and Telenor Mobile Communications of Norway were the others.

Telenor's sealed bid revealed the highest offering with \$161 million. Other four bidders quoting subsequently descending amounts were selected for the second round of this

bidders kept the ball rolling until the offer had crossed the psychological barrier of \$250 million.

Norwegian Telenor became very aggressive at this stage. They started calling by the blocks of \$5 million and sometimes even \$10 million to feel its other two rivals' heartbeat. But Pakistani Space Telecom's strategy of increasing the offer by one million each time worked well.

Warid Telecom had decided to bow out when Space Telecom threw \$291 million on the board followed by Telenor's \$290 million. The deal

Oil prices reach 21-year high

REUTERS, London

Oil prices vaulted to a 21-year high on Friday for fear that supplies already stretched by world economic expansion could be hit by an attack on Middle East oil facilities.

US light crude touched \$41.45 a barrel, an all-time high in the 21-year history of the New York Mercantile Exchange contract. By 1300 GMT US crude was up 26 cents at \$41.34 and London Brent stood 19 cents higher at \$38.68 a barrel.

Warnings from a senior Russian official that deliveries from the world's second biggest oil exporter have hit a ceiling after many years of growth underlined the strain on global supply.

"Realistically, the capacity of suppliers does not today meet growing demand in places such as China or India. And you have to take into account the state of affairs in Iraq," Semyon Vainshtok, head of Russia's oil pipeline monopoly told Reuters.

Economic expansion in China, bolstered by renewed US growth, has placed world supplies under increasing strain, leaving the Organisation of the Petroleum Exporting Countries, bar top producer Saudi Arabia, pumping almost flat out to meet demand.