

Cellphone industry gets high returns on investment

Four operators remitted \$90m against investment of \$152.4m in four years

JASIM UDDIN KHAN

Mobile phone is the most attractive industry in the country when it comes to returns on investment, reveals a recent National Board of Revenue study.

The NBR study found the four private mobile phone operators remitted around US\$90 million against their local investment of \$152.4 million during the period between 2001 and 2004.

"Cellphone operation is the most attractive industry in the country for

quick returns on investment. Inspired with the high returns, more international mobile phone operators are seeking permission to launch their operations here," a high official of NBR said yesterday.

Meanwhile, the government is planning to allow two more private operators to start their operations.

Two foreign companies -- Reliance of India and Warid Telecom of Middle East -- have already applied for licenses in the country.

Bangladesh Telecommunication Regulatory Commission (BTRC) is contemplating to introduce auction system instead of existing licensing system to award fresh permission for cellphone operations.

Leading operator GrameenPhone alone remitted around US\$80.6 million against its investment of \$112.2 million in the country between 2001 and 2004, the study said.

The Norway-based Telenor is the major stakeholder in GrameenPhone,

which started operation in March 1997 reaching the three-million customer base this year.

Followed by GP, another private mobile phone operator, CityCell, invested \$20 million and remitted around \$0.07 million during the same period. The company started operation in the country in 1989.

AKTEL remitted \$7.9 million and Sheba (Banglalink) remitted \$0.04 million against their investment of \$17 million and \$3.2 million respectively during the same period.

Dell eyes corporate clients, offers low-cost IT services

Top company official talks to *The Daily Star*

NAFID IMRAN AHMED

Dell, a leading products and services provider for information technology, zeroes in on corporate customers in Bangladesh, which is a key market for the company, said a top Dell official.

"We are mainly focusing on corporate clients with big demand for IT and computing requirements," Mike Tan, country manager of Dell Developing Markets Group, said in an interview with *The Daily Star* during his three-day visit to Dhaka on Tuesday.

"Over the years, we found that the big companies here install systems on an ad hoc basis. Moving forward, we have formed a strategy for customers to deploy IT in a systematic way, which is much more cost effective," Tan added.

Tan also said Dell is still evaluating the need for a regional office in Bangladesh. "Bangladesh is one of the three key markets among the 14 developing markets," Tan said. The other two are Pakistan and Sri Lanka.

Dell products and solutions are available in Bangladesh through local distributors -- Information Solution Limited and Leads Corporation. These two companies have slightly



Mike Tan

different market coverage and customers segments.

The US-based company now has a parts exchange centre in Dhaka, which is managed by

its logistic partner Excel, a pure logistics provider, which is paid to stock up critical system parts, such as servers, storage products and notebooks.

"We want to make technology more accessible to the people of this country and as a technology vendor we are sharing knowledge and technology trends with the local IT players," Tan said mentioning that Dell is offering training for its partners.

Oracle, the global leader in database technology, is a key technology partner for Dell to help customers adopt a 'scale-out' or cost effective approach, which they are trying to implement in the country.

Dell and Oracle have worked together to make it easy to acquire, deploy and manage Oracle 9i on clustered PowerEdge servers running Linux.

About the role of the government here, the Dell official said the government should put right policies in place and encourage use of technology for a developing IT infrastructure.

The government should also make sure that the local companies are able to adopt the latest technologies to make them globally competitive, he said.

Oil above \$60

REUTERS, London

Oil prices broke back above \$60 a barrel on Wednesday, with a tropical storm in the oil-producing U.S. Gulf of Mexico compounding worries over refiners' ability to bolster pre-winter fuel supplies.

U.S. crude oil futures rose to a session high of \$60.13 a barrel before easing by 0.945 GMT to \$59.90, up 31 cents. London Brent crude rose 38 cents to \$58.67 a barrel.

"The hurricane threat has certainly raised people's fears of refiners struggling to produce enough products, particularly at a time when demand for gasoline is high," said Daniel Hynes, resource analyst at ANZ Institutional Banking.

Hedge fund investors are betting peak winter demand will stretch supplies, particularly of heating oil and other high-demand distillate fuels.

Tropical storm Cindy is posing a threat to oil infrastructure in the Gulf of Mexico, home to a quarter of U.S. oil and gas output. Tropical storm Dennis is also gathering strength in the Caribbean Sea.

Asian goods clog Canada's Pacific port

AFP, Vancouver, Canada

One of North America's most important gateways to Asia is struggling to keep up with an explosion in imports from China.

A 56 percent rise in two-way traffic at the Port of Vancouver in 2004 created shipping congestion at its main terminals, which currently handle over 29 billion dollars (23.5 billion US dollars) worth of goods per year. And import-export levels look set to grow at an equally stunning pace in 2005.

Months of rail congestion which, at the height of the problem a year ago, doubled the 26 days it took for goods to reach Toronto from Hong Kong, led several shipping lines, including China Shipping and Hapag-Lloyd, to divert a small number of shipments to Halifax on the east coast via the Suez Canal.

Cut in corruption key to economic development

Biiss seminar observes

STAR BUSINESS REPORT

Cut in corruption and establishment of good governance are key to achieving the goals of economic development envisaged in the budget for the year 2005-06, speakers observed at a seminar yesterday in Dhaka.

They also put emphasis on reducing disparity in distribution of resources among the people to achieve the aim of Millennium Development Goal (MDG) and poverty reduction strategy paper (PRSP).

They were speaking at a seminar titled "Budget 2005-06 and Economic Security of Bangladesh" organised by Bangladesh Institute of International and Strategic Studies (Biiss).

Qazi Kholiqzaman Ahmed, chairman of Bangladesh Unnyan Parishad, and Dhaka University Prof. Abu Ahmed presented keynote papers on 'Budget and Economic Security: MDG Perspectives' and 'Budget and Economic Security: The PRSP Perspective' respectively.

Kholiqzaman said at present 50 percent people are under poverty line. The MDG has targeted to reduce half of this poverty by 2015.

"Every year we need a 3.8 percent poverty reduction growth but unfortunately the present growth rate is only 1.5 percent," he said. "In this situation, how will be the MDG achieved?" the economist questioned.

Although primary literacy rate is 45 percent, 98 percent of it is of poor

standard, he added.

In Bangladesh, \$12 is spent every year for healthcare services of an individual where a person spends \$8 and the government provides \$4. For standard healthcare services, according to World Health Organisation (WHO), the expense should be \$34, he said.

Kholiqzaman said, "To solve all these problems, revenue collection can be an effective tool. But corruption is there. All these problems are known, but no action is taken to solve them."

Regarding PRSP, Abu Ahmad said unsteady price of essential commodities is another problem in poverty alleviation. To maintain the price hike, it should be added to the PRSP, he added.

Prime Bank to introduce core banking software

STAR BUSINESS REPORT

In a bid to implement a full-fledged online banking system, Prime Bank Limited is going to introduce a core banking software for its overall banking operations.

Temenos, a Switzerland-based banking software provider firm, will install the software, Temenos T24.

An agreement to this effect was signed between the two organisations at a function in Dhaka yesterday.

M Shahjahan Bhuiyan, managing director of Prime Bank, and Tony Mahony, client service director (Asia Pacific) of Temenos, signed the accord on behalf of their companies.

Speaking at the function, Deputy Managing Director of the bank Kazi Mashirur Rahman said in two and a half years the bank will implement the full-fledged online banking services.

"With the introduction of the new software, the bank will now be able to provide 24-hour non-stop banking services," he said.

Chairman of the bank Qazi Saleemul Huq MP said the implementation of the software with a cost of Tk 30 crore will help the bank provide better and smooth services to its customers.

Presently more than 300 banks over 140 countries are using the software for their banking operations, Mahony said.

RMG SECTOR

Nat'l body soon to ensure social compliance

BDNEWS, Dhaka

A six-member national committee headed by the commerce minister will be formed soon to look into the matter of social compliance by the country's garment industry.

The decision was taken yesterday in a special meeting of "Bangladesh Round Table" held in Dhaka office of BKMEA, organised by Germany-based donor agency GTZ and Lift Standards.

The National Committee of Social Compliance will take an action plan in this regard soon.

The committee will include representatives of Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), Bangladesh Garment Manufacturers and Exporters Association (BGMEA), buyers, donors and workers.

BKMEA President Fazlul Hoque, First Secretary to the EC Delegation Anne Marchal, Director of BGMEA Haroon Ar Rashid, representatives from workers union, donor agencies and foreign buyers participated in the meeting.

"The committee will look after different agendas relating to social compliance, and keep buyers updated about its ground work through a website," Fazlul Hoque said.

Social compliance features include fabric quality, safety and security, working hours, wages, weekly holiday and workers welfare, said an industry insider.

"We have in principle agreed about the body, who will be the members of the committee. Name of the members will be finalised by the next week," said Hoque emerging from the meeting.

He said following the disaster of Spectrum Sweater factory in April, local RMG sector came under heavy pressures from international buyers and donor agencies to ensure social compliance. The committee is the outcome of that pressure, he added.

Last month, the European Union warned local RMG producers to ensure the social compliance within six months.

"It is not ethical and realistic," Hoque said about the deadline.

Foreign investment in ROK slumps

AFP, Seoul

Foreign investment in South Korea plunged 25 percent in the second quarter, partly reflecting a growing perception that Asia's third largest economy is unfriendly to foreign capital, officials said Wednesday.

Dhaka Bank celebrates 10th anniversary

STAR BUSINESS REPORT

Dhaka Bank Limited on Tuesday celebrated its 10th founding anniversary at Dhaka Sheraton Hotel where directors, shareholders, sponsors, clients and officials of the bank were present.

To mark the occasion, Dhaka Bank Foundation donated Tk1 crore to Centre for Woman and Child Health (CWCH) for setting up a modern pathological laboratory and imaging unit.

Professor MQK Talukder, chairman of CWCH, received amount from Rokshana Zaman, chairperson of Dhaka Bank.

Dhaka Bank Managing Director Shahed Noman said starting its journey with only three branches the bank has now 23 branches across the country dealing with more than 70,000 customers.

"We hope to open four or five more branches this year," he said.

Housing and Public Works Minister Mirza Abbas, Dhaka Bank Vice Chairperson Shahnaz Naznin and founder chairman Abdul Hai Sarker, among others, were present at the function.



PHOTO: AMCHAM

Kamal Uddin Siddiqui (3-L), principal secretary to the prime minister, speaks at the monthly luncheon meeting of the American Chamber of Commerce in Bangladesh (AmCham) yesterday in Dhaka. AmCham President Aftab ul Islam (3-R), Charge d' Affaires of American Embassy Judith A Chammas (2-L), among others, were present at the meet.