

10 cos submit proposals to be 6th cellphone operator

More firms likely to join fray

JASIM UDDIN KHAN

Some ten local and international companies have so far participated in the open bidding to become the sixth cellphone operator in Bangladesh, a lucrative mobile business hub in South Asia.

The identity of the bidders and various other issues of the open licencing criteria, which include financial, technical and general conditions, were disclosed yesterday at a pre-bid meeting of the BTRC (Bangladesh Telecommunication Regulatory Commission).

BTRC, the country's telecoms watchdog, floated invitation early this month to award a GSM (globalised system for mobile com-

munication) operating licence to a private operator.

Warid Telecom, a venture of the United Arab Emirates-based Dhahi Group, has submitted two offers. The other companies which have submitted offers include MB Telecom Limited, Ericsson, National Telecom Consortium Ltd, Dominox Technologies, Ranks Telecom Ltd, Global Suppliers Ltd, TM International (Bangladesh) and the Civil Engineers Ltd.

Besides, local leading business group Basundhara and telecom companies from Jordan and Kuwait are likely to join the fray.

The last date for submitting offer is November 17.

Besides the licence acquisition fee worth \$50 million, the country's next private operator has to spend nearly Tk 300 million on various charges such as application fee and bank guarantee.

The Dhahi Group signed an expression of interest with Board of Investment a couple of months ago to invest over \$1 billion in cellphone and hospitality industries.

According to BTRC invitation of proposal, only one company either local or foreign with 100 percent own investment or a joint venture with Bangladeshi partners having experience in telecommunication for GSM technology will receive the licence.

According to the BTRC, the licence will be awarded for an initial

period of fifteen years covering the whole Bangladesh.

BTRC sources said the telecoms watchdog is issuing only one licence because of shortage of adequate frequencies.

The BTRC invitation of proposal said the existing GSM and CDMA (Code Division Multiple Access) cellular mobile licensee or their shareholders in Bangladesh, either in own name or in association with any other operator, will not be eligible to apply for the new GSM licence.

At present, four private -- three GSM and one CDMA -- and one state-run operators are offering mobile telecommunication services.

Saifur off to S'pore

UNB, Dhaka

Finance and Planning Minister M Saifur Rahman left for Singapore Monday midnight both for medical checkup and official purposes.

During his visit, Saifur will hold meetings with the expatriate Bangladeshis to know the hazards they are facing in sending remittances back home from Singapore.

He will also review the activities of Agrani Exchange House in Singapore through which the expatriates send their remittances.

The finance minister will also see for himself the necessity of setting up another exchange house so that the Bangladeshi nationals living in Singapore could send remittances in an easier way, ministry sources said.

The minister is expected to return home on October 29.

India to import onions from China, Pakistan

AFP, New Delhi

India will import onions, a key ingredient in its food, from China and Pakistan to tide over a domestic shortage caused by a poor crop yield due to heavy rains and floods, officials said Tuesday.

"We have contracted the import of 2,000 tonnes of onions from China and 650 tonnes from Pakistan and the overall prices of the commodity will stabilise soon," said Alok Ranjan, a senior official of the National Agricultural Cooperative Marketing Federation of India (NAFED).

The first consignment of 30 tonnes of onions from Pakistan came via the Wagah border -- the land crossing between the two South Asian rivals in the northern state of Punjab -- on Saturday and fresh consignments are due in the coming days, importers said.

Prices of onions -- which add the tang to Indian food -- have soared in the past two weeks with consumers being asked to pay 30 rupees (60 cents) a kilogram (2.2 pounds) compared to eight rupees (17 cents) a kilogram a year ago.

The short supply across India has been attributed to heavy rains which flooded parts of the western state of Maharashtra in July and August, a government statement said.

"Also, high humidity conditions have led to spoilage in stored onions, thereby impacting the availability in the market," the statement said.

"With the increase in the consumer price of onions in some cities, the government has decided to import onions through NAFED to protect consumer interest," it added.

The price of onions is a sensitive political issue in India with voters in 1998 throwing out the Hindu nationalist Bharatiya Janata Party in Delhi's provincial elections due to its inability to control soaring prices of the vegetable.

India's ruling Congress party too had a few anxious moments two years ago when prices of onions jumped just ahead of polls in Delhi but managed to romp home after prices later steadied.



As Eid shopping gains momentum, a salesman shows off a lehenga, a popular ladies garment, to customers at Gausia mall in Dhaka.

Banks asked to attain IT security standards by May 2006

STAR BUSINESS REPORT

Bangladesh Bank (BB) has asked all commercial banks to maintain security standards with regards to their adoption of information technology in banking by May 15, 2006 to check frauds in e-banking.

A BB circular sent to banks yesterday also said the recent introduction of IT in banking requires safety measures in IT set up.

The BB has also said it will monitor if the banks are maintaining safety measures.

A BB source said many banks are moving towards electronic banking regarding customer service, but the banks' IT set up is still at a premature state.

By 2006 the commercial banks are expected to offer facilities such as depositing and withdrawal of money and fund transfer.

Oil holds over \$60

REUTERS, Singapore

Oil steadied above \$60 a barrel Tuesday, with traders shifting their attention to the next set of clues about US oil demand after hurricane Wilma bypassed oil and gas fields in the Gulf of Mexico.

US light crude traded 3 cents lower to \$60.29 a barrel, following a loss of 31 cents on Monday and extending a steep slide from their \$70.85-a-barrel record-high in late August.

Govt urged to review cash incentive policy on farm product export

STAR BUSINESS REPORT

Speakers at a workshop yesterday urged the government to review the policy of offering cash incentive to agri-product exporters, as farmers are not benefited from the incentive.

They said instead of giving cash incentive to the exporters the government should offer the incentive to the farmers as they contribute most in growing agricultural products.

The speakers also observed the government can improve export infrastructure facilities and develop air cargo facilities with the money, which is given to the exporters as cash incentive.

They were addressing the work-

shop on 'Analysis of Export Policy 2003-2006 and Import Policy Order 2003-2006' at the Export Promotion Bureau (EPB) office in Dhaka organised by ATDP (Agro-based Industries and Technology Development Project), a joint project of Ministry of Agriculture and USAID.

Chairing the workshop Commerce Secretary Faruk Ahmed Siddiqui said subsidy is not a long-term solution. "It is not free and we provide subsidy for a particular sector depriving others as we have limitations of resources," he said.

Under the existing structure, the commerce secretary said, the cash incentive does not go to the right

people.

As the country has a limited export destinations for agro-based products, Siddiqui also underscored the need for diversifying products.

Ron D Gillespie of ATDP said for an agro-based economy like Bangladesh biotechnology is much needed for rapid economic development.

Presenting the keynote papers, Abu Naser Wahid, director of Transnational Consultants Limited, said high tariff protection needs to be time-bound.

"Experiences show that an item enjoying high tariff protection cannot achieve competitiveness even in its own market," he said.

India's central bank tightens policy, raises growth forecast

AFP, Mumbai

The Reserve Bank of India tightened a key money market interest rate Tuesday in an effort to head off inflation driven by soaring oil prices while also raising its growth forecast for the current year.

The central bank said it was increasing its short-term reverse repurchase rate -- the rate it pays on overnight deposits by the commercial

banks -- by 25 basis points to 5.25 percent, the second such hike this year.

"Given the outlook for inflation, primarily in the context of the oil economy in India, it may be difficult to contain inflation in the range of 5.0-5.5 percent projected earlier without an appropriate policy response," central bank governor Y.V. Reddy said in the RBI's mid-term economic review.

Analysts had widely expected the move given sustained high global oil

prices and after domestic gasoline and diesel prices were raised some seven percent in September.

Just as following the April reverse repo hike, the RBI again left its long-term bank rate, at which it lends to commercial banks, at a three-decade low of six percent.

It also left the cash reserve ratio, the amount of cash banks have to keep on reserve with the central bank, unchanged at five percent.

Ericsson acquires Marconi for \$2.1b

ABU SAEED KHAN

Swedish Ericsson acquired most of the business units of British Marconi Corporation plc yesterday. Ericsson has paid \$2.1 billion and swallowed Marconi's optical networks, broadband, fixed radio access network, softswitch, data networking equipment and services businesses, telecommunications services activities along with Marconi trademark, associated brand names and intellectual property rights.

Marconi was established in the aftermath of the disintegrating GEC, an icon of British electronics and defence industry. Marconi's heritage was, however, wasted when the company's defence interests were sold to British Aerospace. Furthermore, the company's senior management made over-priced US acquisitions to make quick bucks from the telecoms boom.

It was suicidal. Marconi's original investors left with nothing in 2003. The company's shares were eventually re-listed on the Stock Exchange as the Marconi Corporation. Its new stock price slowly climbed to £7 but was halved overnight in April of this year when British Telecom stunned the industry by precluding Marconi as one of the suppliers of its £10 billion 21st Century Network project.

Marconi had to go for sale and Chinese vendor Huawei

Technologies wanted to buy this ailing British competitor. Silent objections from the NATO members regarding Huawei's appetite for Marconi had, however, blocked that deal. French vendor Alcatel and Swedish Ericsson emerged as the potential buyers and Marconi was finally sold to the Scandinavian company yesterday.

"The acquisition of the Marconi businesses has a compelling strategic logic and is a robust financial case," said Carl-Henric Svanberg, President and CEO of Ericsson. "As fixed and mobile services converge, our customers will substantially benefit from this powerful combination."

Both companies have a rich history of innovation that has brought many of the technologies to market that are commonplace in our lives today. Swedish Lars Magnus Ericsson began an electro-mechanical repair shop in 1876 and from there he created today's Ericsson. Italian Guglielmo Marconi sent the first wireless message over 100 years ago, starting an industrial era with the first wireless telegraph and signal company in 1897.

Ericsson's takeover has wiped out Great Britain from the global map of telecoms equipment making business and added more muscle to the world's largest telecoms equipment manufacturer from Sweden.

Indian Oil team visits Dhaka next month

Diesel trade, revamping Ctg refinery high on agenda

PALLAB BHATTACHARYA, New Delhi

A team of officials of state-owned Indian Oil Corporation will travel to Dhaka next month to discuss expansion of diesel trade between the two countries, co-operation in revamp of Chittagong refinery and construction of a coastal fuel import and handling facilities at Mongla, leading newspaper The Times of India reported yesterday.

The IOC team is going at the invitation of Bangladesh government to hold talks with officials including those of Petrobangla.

The agenda includes discussion on pricing of diesel India is exporting to Bangladesh, revamping of the two million tonne Chittagong refinery and construction of the diesel/petrol import terminal at Mongla, said the daily.

IOC supplies 200,000 tonnes of diesel to Bangladesh which is cheaper than the 1.6 million tones of petroleum products Bangladesh imports every year, mainly from Kuwait which offers them special discount.

The talks would also include setting up of a crude/fuel import and handling facility at Chittagong where the port lacks the water depth to have

large vessels forcing supply ships to anchor in high sea from where the products are moved in by smaller ships, thereby increasing handling costs.

IOC is already revamping Sri Lanka's tankage facilities in Trincomalee and exports 30,000 tonnes of diesel and 10,000 tonnes of jet fuel to the island nation besides running 300 retail outlets.

IOC officials are likely to persuade Bangladesh to import more diesel from India.

Transportation costs also impact the price of Chittagong refinery's output because both imported as also domestic products are moved in barges to Khulna from where these are again loaded on train tankers for distribution in other parts of the country.

IOC has proposed exporting diesel from Haldia refinery in West Bengal in barges to Khulna, which will help Bangladesh cut transportation costs.

Another option could be tankers mounted on trains to ensure supply from Malda in West Bengal to Rajshahi.

HK denies WTO meeting cancellation fears

AFP, Hong Kong

Hong Kong dismissed Tuesday suggestions that a crucial World Trade Organisation (WTO) summit scheduled here for December could be cancelled or delayed, saying such reports were "purely speculation".

Media reports say a row over the European Union's refusal to reduce agricultural subsidies to its member countries' farmers could scupper the ministerial meeting in the southern Chinese territory.

Hong Kong's Commerce Secretary John Tsang, who will chair the five-day meet, said preparations are continuing and that he does not see "any reason how this meeting could be postponed or delayed".

"This is purely speculation," he told reporters.

The summit is hoped to strike deals to lower tariffs that obstruct global free trade and to use trade to ease poverty.

Tsang said consensus would be needed from the 148 members of the WTO to postpone the meeting.

"There is no possibility of any delay... Nobody has ever spoken about that to me formally or informally, not to mention that any such thing has been raised in the General Council (of the organisation) in Geneva," he said.