

Star BUSINESS

E-mail: business@thedailystar.net

Govt to lose revenue if mobile operators get VoIP licences

Say internet service providers

STAR BUSINESS REPORT

The government will miss out on a huge source of revenue if it allows international mobile phone operators to provide voice over internet calls (VoIP), leaders of Internet Service Providers Association of Bangladesh (ISPAB) claimed yesterday.

Bangladesh Telegraph and Telephone Board has a monopoly on all international calls. However until recently illegal VoIP services were being used to bypass the monopoly, offering international calls at much lower costs.

During the past month a series of raids by the law enforcers has effectively closed down much of the VoIP industry making it difficult for Bangladeshis abroad and foreigners to ring to Bangladesh due to a lack of capacity in BTBB's system.

The government is now considering how to establish legal VoIP services and ensure that it does not miss out on license and tax revenues from the operators.

At a press conference in Dhaka yesterday Russell T Ahmed, secretary general of the ISPAB, warned

against granting international calling rights and VoIP licences to existing mobile telephone operators.

He said that by doing so the government would give the mobile operators control over both the domestic and international markets, something many countries had separated on grounds of competition.

Moreover, it would be very difficult for the government to monitor call volumes due to the mobile operators international networks. This would mean the government would have to rely on the operators to calculate revenues.

Instead, Russell Ahmed urged the government to award VoIP licenses only to local internet service providers. He said the ISPs would receive voice traffic from overseas and would terminate those calls to any mobile operator or Public Switched Telephone Network. This would allow much closer monitoring by government.

Phone operators would still benefit, as they would continue to charge their customers for the call. At the same time, the government

would have two sources of income, one from the VoIP license owner and another, VAT from the phone operator, he said.

Quoting media reports, he said, "Knowingly or unknowingly, the mobile phone operators have offered thousands of SIM cards, E1 circuits (each equipped with 30 lines) along with support to the illegal businesses as part of special packages and earned millions from the calls."

"The reason VoIP technology has been stalled is because of the government's concern regarding how to ensure their share of the revenue," he said.

By issuing VoIP licenses only to ISPs, three industries including mobile phone, fixed phone and ISPs will benefit, as ISPs must have the aid of a telephone service provider as they do not have a direct connection with the customers phone, he said.

Bangladesh Telecommunication Regulatory Commission (BTRC) is considering issuing VoIP licenses to mobile phone operators, PSTN operators and to ISPs.

"If licences are issued to phone

operators as well as ISPs, the ISPs will lose out as international carriers will find them the least attractive partners. As a result a fledgling industry will die, and an already strong industry, the mobile phone industry, will grow from strength to strength and have monopolistic power," said Mohammed Abdus Salam, president of ISPB.

He also said that capacity of BTTB's 'SEA-ME-WE-4' server, the country's major link with the internet, is limited and may not fulfill the bandwidth requirement once VoIP is legalised.

"In order to give the immediate benefit, we feel, VoIP through VSAT network (a satellite link) can be approved," ISPB president said.

Md Faizullah Khan, president of Bangladesh Computer Samity, officials of Bangladesh Association of Software and Information Services also expressed their solidarity on behalf of their respective organisations with the demand of ISPB.

StanChart arranges Tk125cr for Summit Power

Standard Chartered Bank (SCB) has arranged Tk125 crore for Summit Power Ltd (SPL) to finance a 33.75 MW expansion unit of SPL's Savar power plant, says a press release.

An agreement to this effect was signed between SPL, SCB, the mandated arranger of the facility, and the participating commercial banks and financial institutions.

The other participating banks and financial institutions include Brac Bank Ltd, IFIC Bank Ltd, Infrastructure Development Company Ltd, Mutual Trust Bank Ltd, National Bank Ltd, National Credit & Commerce Bank Ltd, One Bank Ltd, The Premier Bank Ltd, Saudi-Bangladesh Industrial & Agricultural Investment Company Ltd, State Bank of India and United Commercial Bank Ltd. SCB is the agent bank of the facility.

Osman Morad, CEO of SCB Bangladesh, Muhammed Aziz Khan, chairman and managing director of SPL, and senior officials of the banks and financial institutions were present at the signing ceremony.

UAE keen to help develop airports' ground handling

UNB, Dhaka

United Arab Emirates (UAE) is keen to provide necessary assistance in developing ground handling management of country's airports.

UAE Ambassador in Dhaka Khalifan Baital Ali Mansoori showed the interest during a meeting with Civil Aviation and Tourism Adviser Major General (ret'd) MA Matin here yesterday.

The envoy informed the adviser that the UAE ground handling operators are efficiently operating this service in some of the countries and they are interested to provide the service to Bangladesh too.

During the meeting, they also discussed the matters of bilateral issues.

Adviser MA Matin told the UAE ambassador that the government would do everything for the welfare of the country and its people protecting country's interest.

Civil Aviation and Tourism Secretary Shaheed Alam and Chairman of the Civil Aviation Authority Air Commodore Shabib Iqbal Khan Majlish were also present.

Automakers in China make \$10b in '06

ANN/ CHINA DAILY

China's automobile industry made a profit of 76.8 billion yuan (10 billion US dollars) in 2006, up 46 percent from the previous year, according to figures from the China Association of Automobile Manufacturers (CAAM).

A report by the CAAM said in 2006 China's auto industry sold 7.22 million auto vehicles, increasing 25 percent over 2005, and the country overtook Japan for the first time to become the world's second largest auto market.



New chairman of Parjatan Corporation

Md Hafizur Rahman Bhuiyan, an additional secretary to the government, has recently joined Bangladesh Parjatan Corporation as its new chairman, says a press release.

Prior to joining the corporation, he was a joint secretary to the Ministry of Civil Aviation & Tourism.

A post-graduate in zoology from the University of Dhaka, Bhuiyan joined Bangladesh Civil Service (Administration Cadre) in 1982.

BGMEA FEB 25 POLLS

Both panels promise use of Yunus' image to gain duty-free access to US

JASIM UDDIN KHAN

The two panels contesting the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) election this year are promising to voters that they would use Nobel Laureate Prof Dr Muhammad Yunus' image in achieving duty-free market access of apparels to the US.

One panel is Sammito Parishad, led by Tipu Munshi, and the other is Forum, led by Anwar-ul-Alam Chowdhury Parvez.

The ensuing contestants stressed improving port facilities by ensuring speedy and uninterrupted services at the Chittagong Port.

The BGMEA panels also concentrate on compliance issue promising that they would work on improving compliance at the small and medium factories.

The election manifestos that were distributed among the voters to woo their support highlighted these promises.

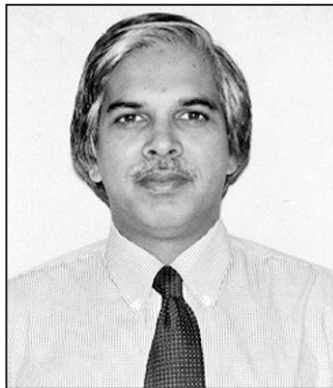
As many as 56 contestants are vying for the 28 posts of directors. The biennial election is scheduled for February 25.

"We must use Professor Yunus' image in achieving duty-free market access to the USA as the lone market can bolster our export volume by many times," Abdus Salam Murshedy, a leader of the Sammito Parishad, said.

He said his panel will also work on setting up a separate garments ministry, privatisation of operation of Inland Container Depot and establishing three more garment enclaves at Manikganj, Chittagong and Gazipur.



Tipu Munshi



Anwar-ul-Alam Chowdhury Parvez

and Gazipur.

The Parishad will also work on ensuring uninterrupted supply of electricity and other utility services for the RMG sector, and also explore new markets abroad.

Murshedy said they would also try to bring uniformity in lending rates both the private and public banks offer to the RMG sectors.

Forum Convener Anwar-ul-Alam Chowdhury Parvez said his team will lay emphasis on developing image of the Bangladeshi ready made garment sector abroad, which was badly damaged during the last couple of years.

"We must use Professor Yunus in developing country's image in the US market as he has a good relation with the US administration," Parvez said.

Forum will also work on achieving target of increasing export by US\$15 billion within the next three years through ensuring compli-

ance in more small and medium RMG units.

Parvez promised to work on getting Bangladeshi 97 percent duty free export opportunity under WTO regime, initiating steps to establish central bonded warehouse and legalise Saarc Cumulation for utilising GSP facilities.

Parvez also expressed his determination to work on making backward linkages of the industry more strong and self-sufficient.

Voters can franchise their votes from 8 am to 4 pm without break at the BGMEA complex, 3rd floor at Karwan Bazar and BGMEA regional office at Jiban Bima Bhaban, 56 Agrabad, Chittagong.

M Anisuzzaman will work as the chairman of the election board of BGMEA where ASM Nayeem and Abdul Haque will perform as members of the board.

PAY ORDERS FORGERY

BB asks banks to follow rules strictly

STAR BUSINESS REPORT

The central bank has directed all commercial banks to maintain banking norms strictly due to increase in forgery regarding issuance of pay orders and similar banking instruments.

In a circular issued yesterday, Bangladesh Bank (BB) asked all commercial banks to send information quarterly about issuance of inter-bank instruments such as pay orders.

The central bank has found that incidents of forgery in issuing credit instruments like pay order, telephonic transfer (TT) and demand draft (DD) have risen significantly.

The BB also said some of the branches of the commercial banks do not maintain properly the documentation process regarding issuance of TT, DD and pay order.

The central bank has instructed all chief executive officers of the commercial banks to take stern disciplinary and legal actions against the officers who have violated the inter-bank transaction rules.

An investigation of the central bank has revealed that crores of money have been misappropriated by some bank officials and clients through such kind of forgery.

Manufacturing sector in India clocks 13pc growth

ANN/ THE STATESMAN

Spurred by high growth rates of over 20 per cent in 65 segments, India's manufacturing sector has clocked a growth of 13 per cent from April to Dec 2006.

This was revealed by Ficci's Manufacturing Competitiveness Survey, covering 86 segments belonging to basic goods, intermediate goods, capital goods, consumer goods, both durables and non-durables including FMCG, food and beverage sectors. The sectors surveyed encompass over 70 per cent of the manufacturing sector.

The Ficci Manufacturing Competitiveness Survey is based on feedback provided by 450 different sector-specific industry associations, and companies from the private and public sector.

The survey observed that the spurt in the growth of Indian manufacturing industries started mainly during the last three to four years, particularly from 2003-04, before which a sizable segment of engineering based industries was reporting negative, stagnant and moderate growth. In addition to a host of liberal policy measures taken by the government since 1991, liberal import policy allowing cheaper import of machinery and equipment through gradual reduction in import tariffs has helped the industry to expedite modernization and restructuring process with access to technology.



PHOTO: STANDARD CHARTERED BANK

Osman Morad, CEO of Standard Chartered Bank (SCB) Bangladesh, and Muhammed Aziz Khan, chairman and managing director of Summit Power Ltd (SPL), pose for photographs with the senior officials of the participating banks and financial institutions at a syndicated loan agreement signing ceremony recently. Under the deal, SCB has arranged Tk125 crore for SPL to finance a 33.75 MW expansion unit of SPL's Savar power plant.

Stocks bounce back

STAR BUSINESS REPORT

Stocks bounced back yesterday following a sharp fall the previous day.

On Sunday, the price indices on both the Dhaka and Chittagong stock exchanges dipped amid a selling pressure from the investors following a rumour of crackdown on black-money holders, who have invested money in securities.

But refuting the rumour, Finance Adviser Mirza Azizul Islam on Sunday said there was no justification behind the panic rather there might be other reasons for fall of stocks.

The DSE General Index rose by 16.61 points, or 0.92 percent yesterday finishing the day at 1819.59 points while the CSE Selective Categories Index up by 36.92 points, or 1.38 percent, closing at 2696.33 points.

The DSE All Share Price Index

also increased by 21.51 points, or 1.45 percent, to close at 1497.58 points while the CSE All Share Price Index rose by 70.96 points, or 1.74 percent, to finish at 4143.50 points.

"It is true that the rumour of the crackdown caused a selling pressure. But the finance adviser's comment helped the stocks bounce back," said a stockbroker.

The turnover, however, came down to Tk 82.98 on the Dhaka Stock Exchange (DSE) and Tk 20.31 crore on the Chittagong Stock Exchange (CSE).

Of the 207 issues traded on the premier bourse, 107 gained, 82 declined and 18 remained unchanged while of the 93 issues traded on the port city bourse, 56 advanced, 24 made losses and 13 remained unchanged.

Meanwhile, on the DSE share price of Bangladesh Welding Electrodes Ltd went up by 56.21 percent closing the day at Tk 26.40 on a speculation that a

Saudi entrepreneur is going to buy the company.

In response to a DSE query, Bangladesh Welding said a Saudi investor is likely to visit the factory of the company at Chittagong on March 9.

On DSE, Power Grid Company of Bangladesh (PGCB) topped the turnover leaders followed by Grameen Mutual Fund One, Brac Bank, United Commercial Bank and Dhaka Electric Supply Company.

PGCB topped the list with 325200 shares worth Tk 15.27 crore.

On the CSE also, PGCB topped the turnover leaders with 81750 shares worth Tk 3.82 crore. The other turnover leaders were Eastern Cables, Rupali Bank, United Commercial Bank and Southeast Bank.

EU asks India to further open up its market

PTI, New Delhi

The European Union has asked India to be prepared for further opening up its market for industrial goods in return for a deal on agriculture in the WTO negotiations on Doha Round.

"We accept that it is a development round but developing countries too will have to make a contribution for the successful completion of the round. They will have to take cuts in import duties on industrial products," Director General of Trade for European Commission, the executive arm of EU, David O'Sullivan told PTI.

When asked whether the US and the EU would expect a trade-off between agriculture and industry

from India, he said, the give-and-take has to form the underlying principle of any deal between 150 WTO members. "In the end, everything is a trade-off in WTO," Sullivan added.

With the formal relaunch of negotiations in Geneva, the European Union and the US are within the striking distance of an agreement that will see US bringing down its trade distorting subsidies and EU its farm tariffs. The deal, if finalised, will also address the concerns of developing countries.

"We are close to an understanding with the US that might lead to subsidy and tariff cuts," Sullivan said.

This agreement would benefit developing countries as well give

them increased access to markets of the developed world.

India and other developing countries, especially of G-33 grouping, are strongly resisting opening up their markets for agriculture products for the rich nations. Moreover, India, Brazil and others in G-20 are seeking substantial cuts in farm subsidies in the developed world.

The EU also wants India to commit market access in services like retail, financial services and telecom that are of interest to developing countries. On its part, the EU is sympathetic to the movement of professionals from developing countries under Mode 4 of the General Agreement on Trade in Services.