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10 GP high-ups sued for VoIP involvement

Local AccessTel, Malaysia's DiGi Tel also stand accused

Md HASAN

The telecoms watchdog has filed a case against 10 former and in service high officials including two former CEOs at the country's top mobile phone operator Grameenphone, accusing their involvement in illegal international call termination or VoIP.

Grameenphone, AccessTel, a local internet service provider, and Malaysia-based international call carrier DiGi Telecommunications are also on the accused list.

Bangladesh Telecommunication and Regulatory Commission (BTRC) filed the case at Gulshan police station on January 16.

According to the FIR, the accused former Grameenphone officials are Erik Aas and Ola Ree, chief executive officers, Thor Randhaug, technical director, Yogesh Sanjeev Malik, chief technical officer, and Mehboob Chowdhury, director, sales and marketing.

The sitting accused Grameen officials are Khalid Hasan, director (regulatory and corporate affairs), Md Shafiqul Islam, chief technical officer, Kafil HS Mueed, director (new business), Md Arif Al Islam, director finance, and Espen Wiig Warendorph, head of revenue assurance.

The two former CEOs left the company in December 2004 and January 2007 respectively.



Erik Aas (left) and Ola Ree, former chief executive officers of Grameenphone, are among the 10 individuals who stand accused of being involved in illegal VoIP use.



Fines imposed for illegal VoIP use

Mobile Phone Operators	Amount of Fine
Grameenphone	Tk 168.4 crore
CityCell	Tk 150 crore
AKTEL	Tk 145 crore
Banglalink	Tk 125 crore

In the FIR, the telecoms regulatory body said these three companies and individuals were involved in providing international call termination facility or VoIP (Voice over Internet Protocol).

"As the case is under investigation, we'll not comment on this. We're fully cooperating with the

investigators in this regard," a GP spokesperson told The Daily Star yesterday over phone.

The January 16 case is a follow-up of an 8-day long RAB (Rapid Action Battalion) raid starting from December 6, 2007 on the GP head office at Gulshan. The raid found huge equipment of illegal VoIP.

During the raid the RAB officials claimed that they had evidences that GP provided VoIP equipment to AccessTel to run illegal call termination business. The law enforcers found four circuits of E1 technology that connected the GP line with the AccessTel's.

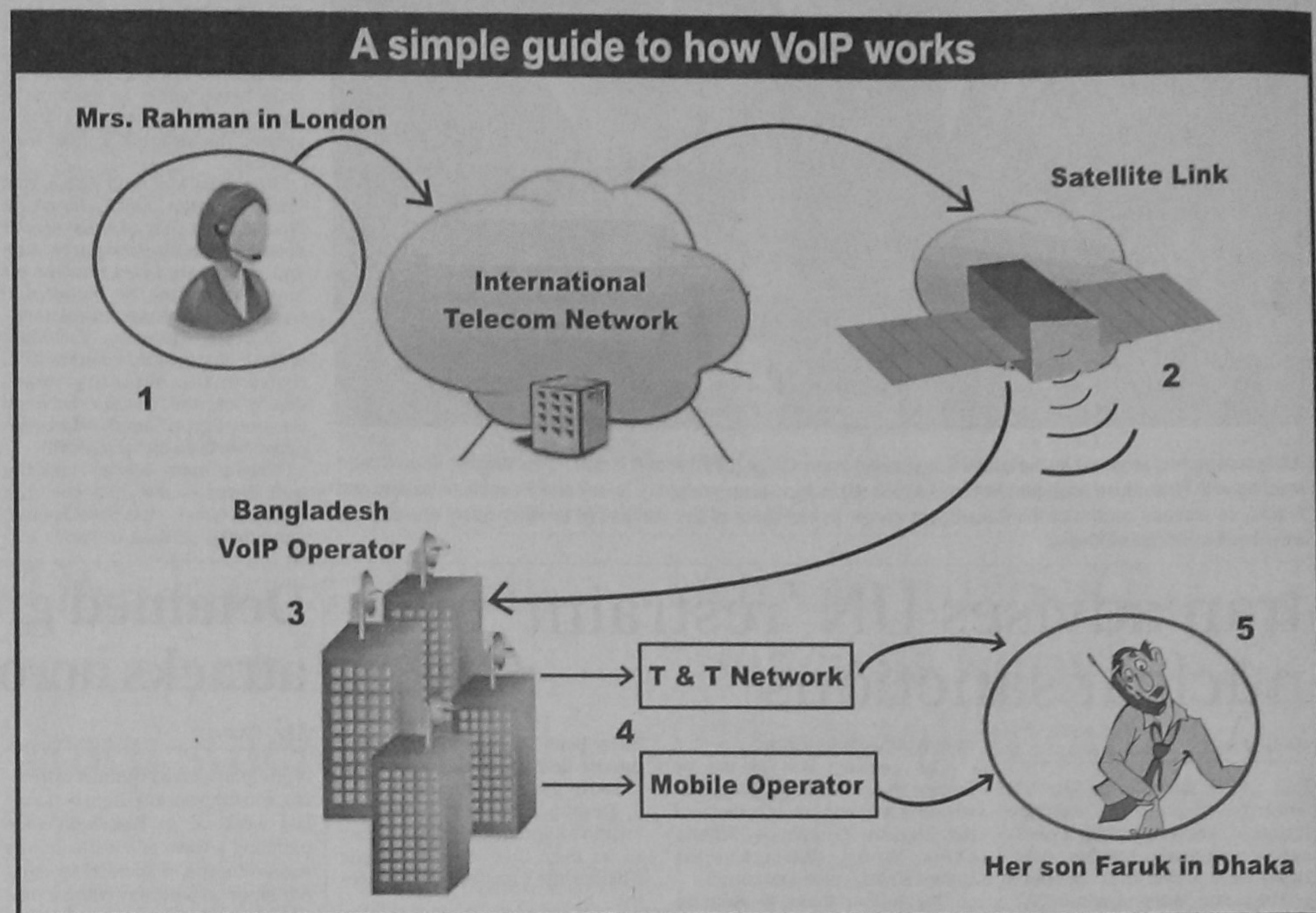
The DiGi Telecommunications has been accused as it has a bilateral deal with the GP to terminate the latter's international call. Norway-based Telenor, the major stakeholder of Grameenphone, is also a shareholder of DiGi Telecommunication.

BTRC sources said GP terminated international calls through DiGi. The GP's earnings from international calls are deposited with Webstein Bank, Singapore. But a considerable amount of money might be siphoned off from the bank instead of its dispatch to Bangladesh, apprehends BTRC.

"On examining some phone email documents and phone tapping of GP high officials, we can clearly say that the high-ups of the company were involved in the malpractice," said a BTRC high official.

He said the matter is now under investigation and everything will be decided in the court.

The law enforcers tapped GP's calls and found that AccessTel was being used in terminating calls through E1 technology. E1 is an all-digital communications line that



(1) Mrs Rahman makes a local phone call to an international telecom network using a calling card she has purchased. (2) The call is then transferred to a satellite and sent to Bangladesh where it is received by VSATS (3) Small satellite dishes run by illegal VoIP operators. (4) The call is then transferred either to the fixed line or mobile network. This transfer is illegal and is done either by disguising the origin of the call or allegedly in collusion with staff at a legal operator. (5) Finally, the call is transferred to Faruk, her son, in Dhaka.

allows the transmission of voice, data, video, and graphics at very high speeds over standard communication lines.

The law enforcers also seized some internal emails and records that proved GP high officials' involvement in illegal VoIP.

In February 2007, BTRC filed another case against the

Grameenphone accusing it of having involvement in VoIP. BTRC fined Grameenphone Tk168 crore for its involvement in illegal VoIP.

The BTRC also fined CityCell Tk150 crore, AKTEL Tk 145 crore, and Banglalink Tk 125 crore for illegal VoIP trade.

VoIP is a technology that allows someone to make voice calls using

a broadband internet connection instead of a regular (or analog) phone line.

Some VoIP services may only allow calling other people using the same service, but others may allow calling anyone who has a telephone number - including local, long distance, mobile and international ones.

Bangladesh's GrameenTelecom holds GP's 38percent shares and Norway's Telenor the remaining 62 percent. The company with an over 16million subscription base is preparing to offload its shares in the capital market by the third quarter of the current calendar year.

Huawei fetches \$7b from mobile network sector in 2007

STAR BUSINESS REPORT

Huawei's global revenue topped US\$16 billion in 2007, with the revenue in the mobile network sector reaching US\$7.0 billion to make it the tenth consecutive year of fast growth, according to a press release.

The company's contract sales was \$0.2 billion in 2006 in Bangladesh. Local clients of the company include Citycell, banglalink, AKTEL, Teletalk and RanksTel.

In 2008, scale extension and technological upgradation of the global mobile communications network will display a clearer trend and operators need to merge, regroup, and adopt cost-saving strategies to maintain their competitive positions, the release added.

In 2007, the mobile communications industry underwent a sea change in which a plurality of manufacturers were trapped through "integration", "profit", and "crisis". Huawei, however, stepped forward and entered the core market of high-end operators, and thus became the largest winner in 2007.

Yu Chengdong, the CEO of Huawei wireless product line, said, "Huawei focuses on the challenges and pressure of global operators as always. We will provide competitive solutions and services through continuous innovations to maximise our customers' profits."

In 2008, Huawei will follow the purpose of "customer-oriented innovations, realizing customer values" to bring more exciting surprises and changes to the mobile communications industry.

Huawei is a pioneer in realising the concept of "green, convergence, broadband and evolution".

The "Green Station" solution, a leading concept in the industry put forward by Huawei, applies innovative technologies of highly efficient power amplifiers, multi-carrier, distributed, and intelligent temperature control.

India may ease lending rates

AFP, Mumbai

India's central bank may lower its key lending rate this week following the substantial cut in US interest rates and end a monetary tightening cycle that began in 2004, economists say.

Analysts had expected the central bank -- wary about the impact of sharp rises in global oil and commodity prices -- to keep rates on hold in 2008.

Delhi may okay import of 8m RMG pieces from Bangladesh

Envoy tells Ficci meet

STAR BUSINESS REPORT

The Indian government is expected to approve the importation of up to eight million pieces of apparel from Bangladesh at its next cabinet meeting, the Indian High Commissioner in Dhaka Pinak Ranjan Chakravarty said yesterday.

However the diplomat said the Bangladeshi government needed to be more serious in its attempts to sign a Free Trade Agreement (FTA) with India, a move that would help narrow the trade gap between the two countries.

Chakravarty made his comments at the Ficci's (Foreign Investors' Chamber of Commerce and Industry) regular monthly luncheon meeting at a city hotel as the guest of honour.

He said although this import from Bangladesh was scheduled earlier, there had been bureaucratic delays.

India is ready to sign an FTA with Bangladesh in view of the positive outcome of a Delhi-Colombo FTA, the envoy said, adding that a sense of mistrust still remains an obstacle to inking such a pact between Bangladesh and India.

He lamented that there had

been no progress after the latest negotiations on FTA between the two countries in 2002.

Chaired by Ficci's newly elected President Waliur Rahman Bhuiyan, also the managing director of Bangladesh Oxygen Company, the monthly meeting was attended among others by foreign business personalities, CEOs of multinational companies operating in Bangladesh and different chamber body leaders.

Brushing aside a wrong concept about the usage of Indian land as a transit route by Bangladesh and Nepal, the Indian envoy told the audience in the Ficci meeting, "Both Bangladesh and Nepal are now enjoying such a facility."

On the Indo-Bangla widening trade gap, Chakravarty stressed the need for re-opening of the closed land ports on Bangladesh side in order to accelerate trade activities between the two countries.

He said the two-way trade has been growing fast and has crossed US\$2.5 billion this year against \$2.1 billion the previous year, marking around 21 percent growth.

India is presently Bangladesh's largest export destination in the developing world, with exports

worth over \$290 million in FY 2006-07.

Chakravarty said Bangladesh's exports to India grew more than 480 percent to reach \$290 million in FY 2006-07 from \$62 million in FY 2000-01, while its global exports grew by only 104 percent in the 5-year period.

He suggested that both Bangladesh and India should move forward with proposals for improving road, rail, air, shipping and inland water links.

"Mizoram has a 318 km long border with Bangladesh without any trade opening. We have been requesting Bangladesh for opening the Demagiri-Thegamikh as well as Sabroom-Ramgarh routes for some time," Chakravarty said.

He hoped that construction of Agartala-Akhaura rail link and access to New Mooring Terminal at Chittagong Port would be useful in providing additional capacity for transportation of goods and linking Chittagong with the north-eastern states of India.

Replying to a query regarding investment by Indian industrial giant TATA in Bangladesh, he said he was not officially informed of the latest situation.

Malaysia struggles to curb addiction to foreign labour

AFP, Undated

Malaysia is attempting to curb its addiction to foreign labour, which has brought 2.3 million workers to its shores, but critics say the campaign is causing havoc at home and abroad.

The relatively prosperous Southeast Asian nation relies heavily on men and women from Indonesia, Bangladesh, India and elsewhere to clean homes, construct buildings and gather crops.

But as one of Asia's largest importers of labour, the government has become increasingly alarmed over the ramifications of having such a big foreign presence in a population of just 27 million.

Bangladesh has some 300,000 citizens working here, but a ban

was imposed in October after a series of cases of poor treatment including one when employers abandoned 2,000 workers at Kuala Lumpur's airport.

Migrant workers have been accused of everything from depressing wages to causing crime waves. Plantation Industries Minister Peter Chin said recently they were "colonising" Malaysia's vast agricultural estates.

"People do tend to take the easy option because you have a large reservoir of foreign workers. They might even dump local workers in favour of foreign workers. And that's not good for us," said deputy prime minister Najib Razak.

"You're attracting industries that depend on low wages. So we are reviewing that, we are reducing

the number of foreign workers," he told AFP in a recent interview.

The government has already announced a ban on foreigners working in "frontline" roles in hotels and airports, and now reportedly plans to cut the migrant workforce to 1.8 million by next year, and 1.5 million by 2015.

However, the campaign to reduce imported labour has been criticised as unplanned, disastrous for industries that depend on it, and insulting to the countries where the workers come from.

The deputy premier said Malaysia was in a "transition period" as it tried to shift from a low-wage model aimed at being competitive against regional neighbours, to a high-wage, knowledge-based economy.

CONSTRUCTION CONTEST Submissions in Holcim Awards to close Feb 29

Submissions in the US\$ 2 million Holcim Awards competition to promote sustainable construction will close on February 29, says a press release.

The competition encourages building solutions that go beyond convention to address the challenges of sustainability.

The Holcim Awards are open to anyone involved with sustainable construction projects - architects, planners, engineers, or project owners. All building projects are eligible for the competition if construction had not started before June 1, 2007. Entries are submitted using a web-based form at www.holcimawards.org.

Swiss Federal Institute of Technology (ETH Zurich) professor of engineering and head of the competition's Technical Committee Dr Hans-Rudolf Schalcher explained that sustainable construction is a critical part of addressing climate change. "Building and construction is at the heart of achieving a more sustainable future since they determine environmental, economic and social capacities for communities, cities and cultures," he said.

Submissions in the awards competition are evaluated by independent juries in five regions of the world including Asia Pacific, using a five-point definition of sustainable construction. The 'target issues' serve to compare each submission and cover environmental, social, and economic performance. One target issue applies specifically to building and a further target issue recognizes the need for quantum change and transferable approaches.

S Korea mulls tax cuts

AFP, Seoul

South Korea may cut taxes to strengthen its economy amid worries about the impact of the US subprime mortgage crisis, Yonhap news agency said Sunday.

Yonhap quoted officials as saying the government could cut taxes, front-load fiscal spending and remove corporate regulations.

"The downside risk of the global economy is greater than expected and has come earlier, so the government is considering a range of countermeasures, including a tax cut," a finance ministry official was quoted as saying.

Janata Bank asked to go for out of court settlement of bad loans

UNB, Dhaka

Finance Adviser Dr Mirza Azizul Islam yesterday advised Janata Bank Limited (JBL) to go for out of court settlement for the recovery of overdue loans that increased gradually to 16 percent of the total loans and advances.

"It'll help increase bank's cash inflow as well as save legal expenditure and time to do other jobs," he told the inaugural session of the bank's Annual Conference 2008 at Purbani Hotel.

Aziz said there might be many good borrowers who have become loan defaulters because of "rational reasons" and they might be interested to settle their loans outside the court.

Bangladesh Bank Governor Dr Salehuddin Ahmed and Finance Secretary Dr Mohammed Tareq also spoke at the session chaired by the bank chairman Suhel Ahmed Chowdhury.

The finance adviser said the government would gradually solve the lending problems of the bank with other government agencies as

it had done for Bangladesh Petroleum Corporation (BPC) through the issuance of bonds.

He appreciated the bank's performance in respect to some indicators like deposit and remittance collection, but criticised its poor performance in recovering classified loans, and lower import financing despite 17 percent growth in overall imports.

About shortage of human resources in the newly transformed nationalised commercial banks (NCBs) into limited companies, Aziz suggested re-deployment of bank executives from a less busy section to another busy section.

He also suggested the bank to be more inclined to adopting modern technology and innovative products, and to improve client services to make the bank more service-oriented.

"The bank must implement its commitment properly to improve client services through a new 15-year work plan," he said, assuring the government support to implement the plan.

The finance adviser, however,

pointed out a challenge to be faced by Sonali, Janata and Agrani banks after having their new identity - on one hand they have social responsibility and on the other, they will have to earn profit for the government. "I hope, the bank will be able to face the challenge," he said.

Bangladesh Bank Governor Dr Salehuddin criticised that the bank's performance in import financing particularly in industrial raw material and capital machinery declined last year while the extent of classified loans increased to about 16 percent, gradually rising from 12.0-12.5 percent in 2006 and 10.0-10.5 percent in 2005.

He advised the bank to improve efficiency of its human resources, adopt information technology widely, impose method of operation and introduce innovative products to bring qualitative change in client services.

Bank chairman Suhel Ahmed apprised the meeting of the 15-year work plan of the bank and sought cooperation of the government to implement the plan to take the bank much ahead of its present condition.

Market turmoil fuels new gold rush

AFP, Sydney

Turbulence on world stock markets has fuelled a new gold rush, sending high-tech traders in search of the same "barbaric" treasure mankind has lusted after for millennia.

It was British economist John Maynard Keynes who called gold a "barbaric relic" early last century, but modern investors are showing the same enthusiasm for the precious metal as the grizzled prospectors of legend.

"We have to put gold into perspective right now with the meltdown in the financial system," Warwick Grigor, chairman of Far East Capital, told AFP. "There's great fear out there, and gold stands out as a safe haven."

"When there's fear of inflation gold is something investors want to purchase because there is a very limited supply -- you can't flood the market with gold."

"Governments can print money -- that creates inflation. Paper

money is just a promise and that promise gets abused constantly by governments."

Gold hit an all-time peak of 923.73 dollars an ounce on the London Bullion Market on Friday after a week in which global stock markets plunged on fears of a recession in the United States.

To staunch the bloodbath on the markets, the US Federal

Reserve intervened with a surprise 75 basis points cut in interest rates, a move Grigor described as a short term fix which would push up inflation.

While gold's rarity is cited as the main reason it will maintain its value in volatile times for stocks and paper money it also seems to wield a primitive fascination beyond its worth.



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