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SOURCE: APP



Vietnamese firm plans \$2.5b telecom investment

STAR BUSINESS REPORT

Viettel, a Vietnamese state-owned telecom company, is likely to invest \$2.5 billion to develop telecom infrastructure for Bangladesh's state-run operators.

"Viettel sent a investment proposal to us," said Telecommunication Minister Rajiuddin Ahmed Raju, who returned home Tuesday after a weeklong visit to Vietnam.

The finalisation of the investment package is likely in next week, telecom ministry officials said. The plan will be executed through the state landline company, Bangladesh Telecommunications Company Ltd (BTCL).

TeleTalk, the state mobile operator, will also come under the investment package after it merges with BTCL. The ministry sources said if the deal is signed next week, Viettel will commence its infrastructure development project from November.

Internet network expansion and TeleTalk's mobile service development will be prioritised as per the plan.

Viettel eyes the return of its investment in a span of 20 years. In the first five years, the company will not get any investment return. In the next 15 years revenue earnings will be shared between Viettel and BTCL.

However, the proportion of revenue earnings is yet to be decided.

Contact Us

If you have views on Star Business or news about business in Bangladesh, please email us at business@thecurrentstar.net

BTRC to take tough line on mobile licence renewal

MD HASAN

The telecom watchdog will take a tough stance on renewing mobile phone operating licences as it will assess all the past illegal activities of the operators.

Bangladesh Telecommunication Regulatory Commission (BTRC) briefed four operators -- Grameenphone, Banglalink, AKTEL and Citycell -- about their licence renewal process at a recent meeting.

All the operators are likely to get their licences renewed in 2011.

However the four operators sought final guidelines soon from the BTRC for licence renewal, as it is now the crucial time for the companies to take decision about their future investment.

"The past business activities will be the main parameters in renewing their licences," said BTRC Chairman Zia Ahmed, adding: "Unless the companies ensure not to earn revenues through illegal ways like they did in the past, BTRC will not be convinced."

Among the six mobile operators, except Warid, five were fined by BTRC for their involvement in illegal international call termination through VoIP (voice over internet protocol).

As all of them were fined and admitted to their involvement, BTRC has to be more careful about their licence renewal, Ahmed said.

However the illegal call termination business is still on.

The licence renewal issue has become crucial now for the operators, as their future investment for adopting new communication technology like 3G must be ensured soon from their parent companies.

Leaders of Association of Mobile Telecom Operators in Bangladesh said the operators' investment inflow will be hampered if the BTRC does not set soon the guidelines for renewing their licences.

"No company will come up with new investment for the next year unless it knows whether its licence will get go-ahead for renewal," said a leader of the

association.

An operator must know beforehand under which conditions its licence would be renewed, the association leader said.

There are also talks in the telecom market about convergence licensing, as the mobile operators will go for licence renewal in 2011. Under the convergence licence system, both mobile and PSTN (public switched telephone network) operators can offer any services they want -- mobile or landline or both.

BTRC officials said the convergence licence would increase the number of telecom services.

As the market is already rattled by some unethical business practices of the operators, the BTRC will naturally go for tough regulations, the officials said.

The telecom law, now under review, will amend the fine provision from maximum Tk 10 lakh to Tk 300 crore for doing any offences in the telecom market like illegal VoIP, said the officials.

"Renewal of the licence should be granted as a principle, refusal of the licence should be an exception," said Oddvar Hesjedal, chief executive officer of Grameenphone Ltd, the market's top player.

"If any operator is refused licence renewal, it should be for exceptional reasons. However, in our minds, none of the operators warrant licence refusal for business practices past or present," he said.

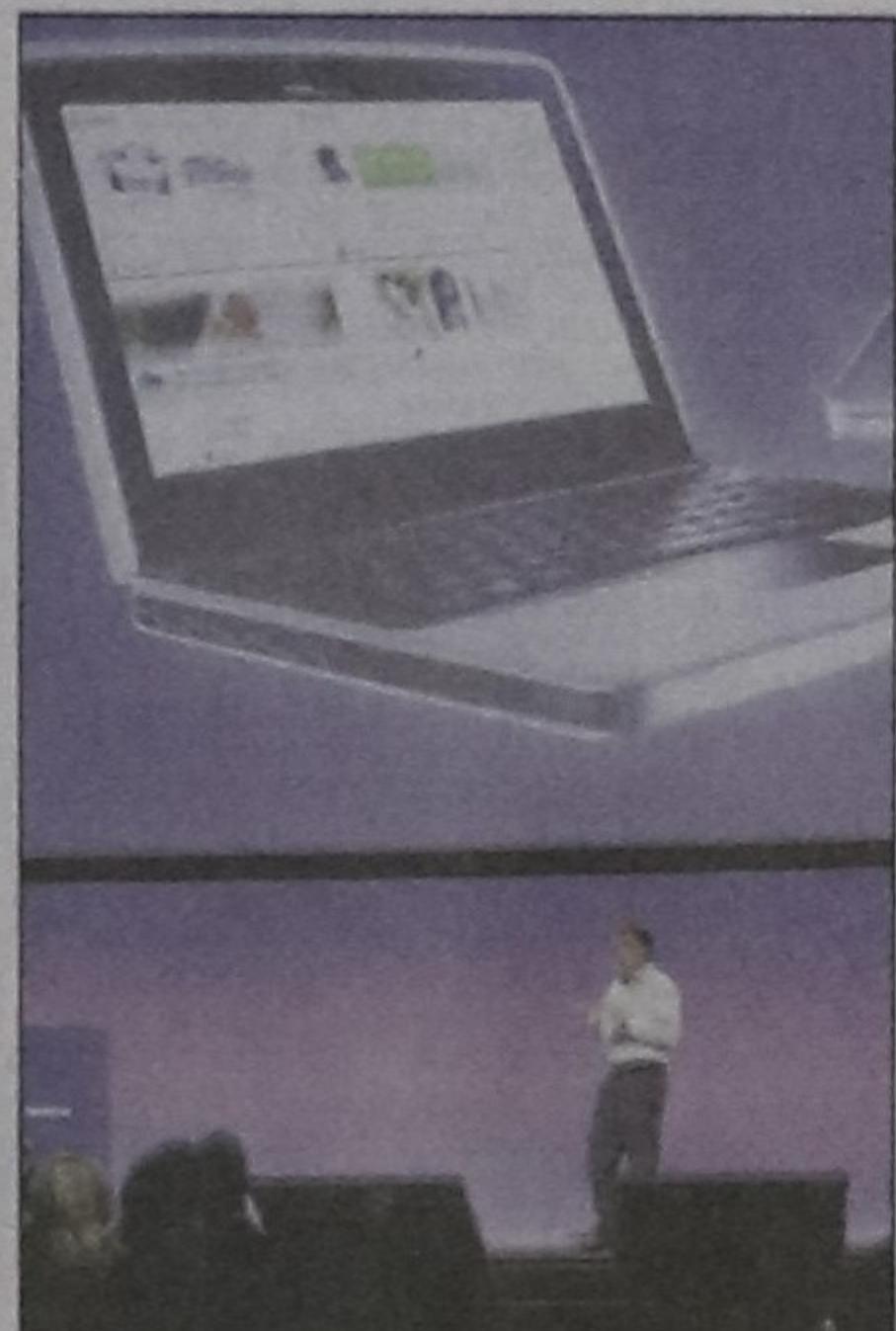
Hesjedal said the BTRC should come up with the licence renewal frameworks as soon as possible, but no later than the issuance of the 3G (third generation) frameworks.

"Otherwise operators will not be able to commit to further investment in the industry without knowledge of the fate of their existing licences," he said.

As the first operator, Citycell launched its operation in 1993 through CDMA technology. Then in 1997 Grameenphone made debut as the first GSM operator. AKTEL came in 1997, while Banglalink took over licence from Sheba Telecom in 2004.

hasan@thecurrentstar.net

Nokia's phone lineup gets momentum



Nokia President Olli-Pekka Kallasvuo presents his company's first notebook, the "Booklet 3G" at the Nokia World 2009 in the German city of Stuttgart yesterday.

REZAUL KARIM, from Stuttgart, Germany

Nokia yesterday bolstered its smartphone lineup to compete better with Apple and made its foray into the highly-competitive notebook market.

At 'Nokia World 2009' in Stuttgart, Germany, the Finnish firm unveiled two music-centric phones, the X6 and the X3, as well as a slimmer version of the N97.

Nokia also announced a long-awaited deal with social networking website Facebook that will link Nokia Maps to Facebook, and allow people to update their location and status directly through a Nokia Ovi account.

Top Nokia officials, including President and CEO Olli-Pekka Kallasvuo and New Markets Executive Vice President Anssi Vanjoki, made the announcement at the inaugural session of the event.

The N97 Mini, priced at 450 euros (\$640), offers updated home screen widgets, 8GB storage, a 3.2-inch touch screen and full QWERTY keyboard. It is also the first Nokia device to sport the Facebook-Nokia service.

The 3.2-inch touch screen X6, aimed at music lovers and retailing for 459 euros (\$650) when it will be shipped in the fourth quarter of 2009, provides 35 hours of music playback and is optimised for photos and videos. The X3, which will

share some of X6's design cues, will also be available at the same time and retail for 115 euros (\$163).

Top officials of Nokia said the company would launch its N97 mini handset in October at an estimated price before taxes and subsidies of 450 euros. It will come with features such as a QWERTY keyboard and a fully customisable home screen.

The company launched services like the Ovi application download store and said it will establish a new solutions unit that will integrate its offerings of consumer services and mobile phones.

Maps and navigation will be at the heart of the company's connection solutions and its Ovi store is building a momentum.

Last month, it also announced an alliance with Microsoft under which it will develop a mobile version of the Microsoft Office software suit for its handsets and unveiled the Nokia Booklet 3G, a fully functional personal computer with high-speed mobile internet access capability.

Nokia's broad focus on both high-end smartphones and cheaper handsets has to some extent helped it retain decent sales and earnings during global recession. But down trading among some consumers has hit the average selling price of its phones, which in the second quarter fell 16 percent year-on-year to 62 euros.

Vanjoki said Nokia has recently been pushing into the PC business and strengthening its focus on the service segment to bolster earnings in the face of falling revenues from mobile phones.

The Booklet 3G mini-laptop and N900 phone are natural steps for Nokia as the company strives to create the world's largest mobile service delivery platform, the company CEO said.

Nokia shares were slightly down in the wake of the announcements at the "Nokia World" event in Stuttgart, having fallen 0.9 percent at 9.34 euros at 1406 GMT but outpacing a 1.2 percent weaker Dow Jones Stoxx Technology index.

Nokia also announced the winners of its 'Forum Nokia 2009 Calling All Innovators' contest on Tuesday.

The competition is designed to generate applications and solutions that enhance the use of Nokia mobile devices in real-world scenarios.

Category winners were recognised at the 'Calling All Innovators' Awards Reception held in Stuttgart on the eve of Nokia World. The total cash and prizes for contest exceeded \$250,000.



A customer browses silk saris at a shop in Dhaka. The silk industry exported products worth \$4 million last fiscal year with a 15 percent annual growth in shipment.

STAR

Silk winning back shine

KAWSAR KHAN

Silk industry is poised to restore its past glory as silk products edge forward feeling for a foothold in both the domestic and export markets.

Domestic consumption of silk yarn was around 100 tonnes in 2000 and now has reached around 300 tonnes since people prefer wearing silk clothes more than before, especially during such festivals as Eid, said sector people.

At the same time, production of silk yarn also increased from 30 tonnes in 2000 to 50 tonnes in 2008, while the rest 250 tonnes are imported, mainly from China.

Silk products such as curtain, cushion cover, shoes, veil and scarf are in the export basket now.

"The country exported silk products worth \$4 million last fiscal year with a 15 percent annual growth in shipment," said Alauddin Ahmed, president of Silk Manufacturers' and Exporters' Association of Bangladesh.

Exports of silk products generally do not appear in the government statistics as silk exporters usually send their products with garment shipments, as it is not viable to open separate letters of

credit for exporting a small amount of silk goods, he added.

That wearing silk apparels is a symbol of social stature, men and women now opt for more silk panjabi and sari with their increased purchasing capacity, traders said.

The sector is growing, but it would perform much better if there were right government policies, said former president of Bangladesh Resham Shilpa Malik Samiullah.

The government withdrew duty on silk yarn import in 1992 that led to a downturn in silk cultivation in the country, he pointed out.

Silk yarn production slipped to around 20 tonnes in 2000 from around 100 tonnes in 1992 because of this wrong government decision, Alauddin said.

Duty on yarn import was imposed again in 2000 but by that time thousands of silk farmers had quit production. "Though yarn production had gradually increased in the following years, it could never reach its previous level," Alauddin added.

Presently the country produces silk fabrics worth Tk 1,500 crore per year, he said.

"Every year we import around 250 tonnes of silk yarn, meaning we can

grab this already-available market for 250 tonnes by increasing our production, but we need more government support," said Monzur Faruk Choudhury, president of Resham Shilpa Malik Samiullah.

Although the silk sector has already been incorporated into agriculture, it does not get credit at reduced rate as the farm sector gets, industry people said.

Now per kilogramme of imported silk yarn costs around Tk 2,850, while local yarn price ranges from Tk 1,600 to Tk 1,800. Local yarn costs low because of poor finishing.

Presently around 1,500 farmers, mainly in Rajshahi, are involved directly in producing silk yarn.

In the global market, China is the main supplier of silk yarn with an annual production of around 1.2 lakh tonnes.

This year the use of silk increased since the United Nations has announced the year 2009 as International Year for Natural Fibres to promote the use of 15 natural fibres.

Among the fibres, Bangladesh produces jute, silk, cotton and coir.

The UN moved to raise environment awareness across the world.

kawsar@thecurrentstar.net

Migrants doubly denied



The file photo shows migrant returnees displaying their passports upon arrival in Dhaka. The workers have criticised the expatriates' welfare ministry for not taking proper actions to compensate them.

PORIMOL PALMA

Migrant returnees have complained that the expatriates' welfare ministry is not doing enough to compensate them for being cheated and abused abroad.

The workers said they had been forced to wait for months in the name of arbitration to settle complaints.

The aggrieved workers can complain to the Bureau of Manpower Employment and Training (BMET), which then assigns officials to hear the complainants and the accused.

If the complaint is proved worthy, BMET directs the accused to compensate. The disposal of a complaint should not require more than three to four months, but it is taking too long for the already abused workers, adding insult to injury.

The victims allege officials concerned are not sympathetic enough towards the workers that leads to prolonged delays in case disposal, while BMET said they have a shortage of manpower to deal with so many cases.

Mohammad Azgar approached BMET on August 6 last year, stating he had spent Tk 2.20 lakh to go to Malaysia in February 2008 but returned home empty-handed, as his employer did not provide a job. He demanded compensation from the recruiting agency -- Al Selim Overseas.

In response, BMET conducted a hearing five times, where Azgar was present every time but officials from Al Selim were present only three times.

After investigation, BMET decided that Azgar must be compensated, but as the agency refused to pay, it referred the case to the expatriates' welfare ministry.

The ministry directed the agency on May 25 to compensate Azgar with Tk 2.2 lakh. Instead of collecting the compensation money and handing it over to Azgar, the ministry conducted hearings three more times and asked the accused and the complainant to be present on August 3 at the ministry, saying the compensation money would be paid on that day.

"As I went that day, the official offered me only Tk 70,000. I said I would not accept it," said Azgar. "Later, the concerned ministry official gave me several dates to visit again. But everytime I called, he would either not answer or say that he could not convince the agency people yet."

Another victim, Mohammad Bhutto of Naogaon, said following his complaints to BMET in March last year, he attended seven hearings at BMET and five at the ministry.

"On August 23, four migrants and I were given compensation worth Tk 50,000, even though we spent Tk 2 lakh each. We accepted the sum because the high official also claims, 'The complainants also do not appear.' But that was not true for Azgar, Bhutto or Sarwar."