

INTERVIEW

# Airtel zooms in on rural Bangladesh

Managing director of mobile giant speaks to The Daily Star

MD HASAN

It is "logical" for Bharti Airtel to make a move to enter the low mobile penetrated market of Bangladesh.

"I call it logical as Bangladesh's present mobile penetration is under 40 percent, which clearly means there is headroom to grow," says Chris Tobit, managing director and chief executive officer for Bharti Airtel's Bangladesh operations.

Drawing from his knowledge of India's telecom market, he differs on the notion that six operators are crowding the market here. In India, more than 10 operators are running operations in the same demographic characteristics.

In an interview with The Daily Star, Tobit aims to make the brand in Bangladesh an "optimal cost producer" of airtime minutes. "We are always trying to value our customers."

After acquiring a 70 percent stake in Warid Telecom, the Abu Dhabi Group's mobile operations in Bangladesh, the

Indian telecom giant is now getting ready to launch its services in Bangladesh.

Without revealing all that Bharti is about to introduce to Bangladesh, Tobit says: "Once a customer experiences the Airtel network quality and its value added services, I believe a lot of customers will move from their existing network to us."

The untapped rural areas and tech-savvy youth are the major target groups for the Indian airtime producer.

Bharti's focus to capitalise on the untapped rural market seems slightly offbeat from the workings of Bangladesh market dominated by urban customers. As most telecom operators have already showed their unwillingness to go to rural areas, assuming 'no business returns', Bharti is not ready to go with the divide.

"Every customer is valuable to us," Tobit says. "Our cost model is all about leveraging economies of scale."

Bharti has 121.71 million mobile customers in India, of which, more than



Chris Tobit

60 percent come from the rural areas.

"The rural parts of India have some disposal income and they surprised us with their ability to adopt telecom product and give us good returns," says Tobit.

The three top players -- Grameenphone, Banglalink and Aktel -- are dominating the six-operator Bangladesh mobile market with more than 90 percent share. Just after Bharti's official debut in Bangladesh,

the three operators tied up for infrastructure sharing to expand their network to the rural areas at low costs.

With a seven percent market share, Bharti is set to compete with the giants. Tobit says his company will not focus on the challenges. "We focus on opportunities."

The telecom market in Bangladesh has so many advantages. The median age of the population of the country is about 23 years. The youth will be the focus segment for Airtel in Bangladesh.

Tobit indicates at price and service segmentation for different customer levels.

"What will work for the urban youth will be very different from what will work for the rural farmers," says the Airtel chief in Bangladesh.

Bharti's marketing strategy in Sri Lanka to acquire customers at lower tariff already made other operators contemplate another price war in the market.

"Our efforts as an organisation are on reducing cost per minute at a scale that we can pass benefits to custom-

ers." Because of an extremely effective business model and Bharti's ability to manage costs allows the company to provide value at affordable costs to the customers, he says.

"We are a financially strong company and money for initial investment is already available in Bangladesh."

However, he says Bharti is not a price leader in any market and rather, it focuses on value. "So we like to see ourselves as an optimal cost producer of airtime minutes and certainly we are always trying to value our customers."

On the possible timeframe to commercially launch Airtel in Bangladesh, Tobit says: "We are now only focusing on network expansion, product innovation and market research to find out the needs of customers."

In efforts to launch extraordinary services in Bangladesh, Tobit says, "We are not here to focus on urban Bangladesh alone. We are here to bring life changing products." hasan@thedailystar.net



Prime Minister Sheikh Hasina and Commerce Minister Faruk Khan are seen with the recipients of the National Export Trophy at a ceremony at Osmani Memorial Auditorium in Dhaka on Thursday.

## Accolades for exporters



STAR BUSINESS REPORT

The government has given away national export trophies -- 33 gold, 15 silver and 11 bronze -- to exporters for their outstanding performances in fiscal years 2005-06, 2006-07 and 2007-08.

Prime Minister Sheikh Hasina handed over the trophies among the winners at a function in Dhaka on Thursday.

The gold trophies went to readymade garment (RMG), knitwear, frozen foods, jute goods, leather (crust/finished), leather goods, footwear, tea, melamine/plastic product, ceramic, other industrial products, and pharmaceutical sectors.

Nine companies clinched gold for 2007-08 and 2006-07 each, while 12 companies in 2005-06.

Silver trophies went to four companies for 2007-08, six companies for 2006-07 and five companies for 2005-06.

Three companies bagged bronze trophies for 2007-08 and 2006-07 each, while five for 2005-06. Zaber and Zobair Fabrics Ltd won gold trophies for two times in 2006-07 and 2007-08 for earning the highest amount from exports in the two years, while Opex Industries Ltd for 2005-06.

Opex earned \$38.28 million by exporting 6.37 lakh dozens of readymade garments. A total of 117 companies contested for the export trophies in 2005-06, while 123 companies in 2006-07 and 148 in 2007-08.

GOLD RUSH FOR ACHIEVERS			
<b>Akij Jute Mills Ltd</b> Product: Jute goods Exports: 21,836 tonnes Earnings: \$17.84 million Export earnings growth: 45.04 percent Location: Dhaka	<b>Clifton Textile and Apparels Limited</b> Products: Knitwear Exports: 14.52 lakh dozen Earnings: \$19.43 million Export earnings growth: 169.11 percent Location: Chittagong	<b>JH Brothers Ltd</b> Products: Nonferrous metal scrap Exports: 2,710 tonnes Earnings: \$12.50 million Export earnings growth: 95.92 percent Location: Chittagong	<b>Picard Bangladesh Ltd</b> Product: Leather goods Exports: 2.99 lakh pieces Earnings: \$4.57 million Export earnings growth: 13.68 percent Location: Dhaka
<b>Picard Bangladesh Ltd</b> Product: Leather goods Exports: 3.37 lakh pieces Earnings: \$6.75 million Export earnings growth: 11.75 percent Location: Dhaka	<b>Zaber and Zobair Fabrics Limited</b> Product: Home and specialised textile Exports: 82.50 lakh pieces/sets Earnings: \$96.11 million Export earnings growth: 59.66 percent Location: Dhaka	<b>2005-06 EXPORT GOLD TROPHY WINNERS</b>	
<b>Lalmi Footwear Ltd</b> Product: Footwear Exports: 14.25 lakh pairs Earnings: \$6.78 million Export earnings growth: 27.92 percent Location: Dhaka	<b>Seamark (BD) Limited</b> Product: Frozen foods Exports: 44.30 lakh kg Earnings: \$40.21 million Export earnings growth: 13.17 percent Location: Chittagong	<b>Asha Fashions Ltd</b> Product: Garments Exports: 3.07 lakh dozen Earnings: \$22.26 million Export earnings growth: 218 percent Location: Dhaka	<b>HRC Syndicate Ltd</b> Product: Tea Exports: 26.74 lakh kgs Earnings: \$3.35 million Export earnings growth: 1.42 percent (compared to national growth) Location: Dhaka
<b>MBM Garments Ltd</b> Product: Garments Exports: 2.44 lakh dozen Earnings: \$16.14 million Export earnings growth: 33.80 percent Location: Dhaka	<b>HRC Syndicate Ltd</b> Product: Tea Exports: 41.74 lakh kgs Earnings: \$5.28 million Export earnings growth: 203.45 percent Location: Dhaka	<b>Eastern Traders</b> Products: Jute (raw) Exports: 1 lakh bales Earnings: \$4.74 million Export earnings growth: 121.50 percent Location: Khulna	<b>Four H Fashions Ltd</b> Product: Melamine/plastic Exports: 17.59 lakh dozen Earnings: \$12.10 million Export earnings growth: 263.36 percent Location: Chittagong
<b>Keya Knit Composite Ltd</b> Product: Knitwear Exports: 36.20 lakh dozen Earnings: \$39.48 million Export earnings growth: 188.60 percent Location: Gazipur	<b>Pran Agro Ltd</b> Product: Agro-processed foods Exports: 39.62 lakh kgs Earnings: \$2.62 million Export earnings growth: 1,090.91 percent Location: Dhaka	<b>Janata Jute Mills Limited</b> Product: Jute products Exports: 30,395 tonnes Earnings: \$25.24 million Export earnings growth: 10.62 percent Location: Dhaka	<b>Rupsha Fish and Allied Industries Ltd</b> Product: Frozen foods Exports: 15.31 lakh kgs Earnings: \$15.12 million Export earnings growth: 158.03 percent Location: Khulna
<b>Fresh Foods Ltd</b> Product: Frozen Foods Exports: 35.97 lakh kgs Earnings: \$26 million Export earnings growth: 111.38 percent Location: Khulna	<b>2006-07 EXPORT GOLD TROPHY WINNERS</b>		<b>Janata Jute Mills Ltd</b> Product: Jute goods Exports: 31,470 tonnes Earnings: \$23.72 million Export earnings growth: 34.47 percent Location: Dhaka
<b>Eastern Trades</b> Product: Raw Jute Exports: 1.07 lakh bales Earnings: \$5.95 million Export earnings growth: 25.53 percent Location: Khulna	<b>That's It Sportswear Ltd</b> Product: Garments Exports: 9.43 lakh dozen Earnings: \$58.96 million Export earnings growth: 629.70 percent Location: Dhaka	<b>Bengal Plastic Limited</b> Product: Melamine/plastic Exports: (not available) Earnings: \$18.18 million Export earnings growth: 91.77 percent Location: Dhaka	<b>Novartis (Bangladesh) Ltd</b> Product: Pharmaceutical products Exports: (Not available) Earnings: \$18.97 million Export earnings growth: 36.77 percent Location: Dhaka
<b>2007-08 EXPORT GOLD TROPHY WINNERS</b>			

<b>SILVER TROPHY WINNERS</b>	<b>YEAR: 2007-08</b> RMG: Manta Apparels Ltd, Dhaka Knitwear: Mondol Fabrics Ltd, Dhaka Frozen foods: Minhar Seafoods Ltd, Chittagong Jute goods: Janata Jute Mills, Dhaka	<b>YEAR: 2006-07</b> RMG: Sinha Fashions, Dhaka Knitwear: Four H Fashions, Chittagong Frozen foods: Minhar Seafoods Ltd, Chittagong Raw jute: AK Jute Trading Co, Khulna Jute goods: Nawapara Jute Mills Ltd, Dhaka Leather (crust/finished): Bay Tanneries Ltd, Dhaka	<b>YEAR: 2005-06</b> RMG: Opex Industries Ltd, Dhaka Knitwear: Young Ones Fashions Ltd, Gazipur Frozen Foods: Seamark (BD) Ltd, Chittagong Jute goods: Jem Jute Ltd, Dhaka Leather (crust/finished): Apex Tannery Ltd, Dhaka
<b>BRONZE TROPHY WINNERS</b>	<b>YEAR: 2007-08</b> RMG: Aba Fashions Ltd, Gazipur Knitwear: Interstoffs Apparels Ltd, Dhaka Jute goods: Jem Jute Ltd, Dhaka	<b>YEAR: 2006-07</b> RMG: Standard Group, Dhaka Knitwear: Fakir Knitweaves Ltd, Dhaka Jute goods: Akij Jute Mills, Dhaka	<b>YEAR: 2005-06</b> RMG: Amex Ltd, Dhaka Knitwear: KDS High-Tech Garments, Chittagong Frozen Foods: Saint Martin Seafood Ltd, Dhaka Jute goods: Akij Jute Mills, Dhaka Leather (crust/finished): Dhaka Hide and Skins, Dhaka

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