

Telecom looks to tax cuts

MD HASAN

The finance minister's assurance to revise the tax structure for telecom industry has given it a new ray of hope to roll out in the mostly untapped rural areas.

"We understand there is scope for Bangladesh's tele-density to grow. We will consider revising the tax structure for the sector within the next six months," said Finance Minister AMA Muhith in his final budget speech in parliament on Wednesday.

He also said the government is flexible to revise the taxes for the sectors that are crucial for economic development.

Telecom industry insiders welcomed the minister's assurance and said it will be a win-win situation for the operators and the government, as reduced taxes will ultimately help the government's vision for building a 'digital Bangladesh' by 2021.

The sector people were repeatedly demanding a waiver of Tk 800 tax on SIM (subscriber identity module) card and a reduction in the existing 65 percent tax on the imports of telecom equipment.

The handset importers also demanded a fixed Tk 100 tax on each handset import instead of the existing 12 percent duty on value.

The final budget for fiscal 2010-11, however, got through as it was proposed for the telecom industry -- without any tax cut.

Since the imposition of Tk 900 tax on SIM in the 2005-06 budget, the mobile operators have been taking all the burden of this taxation and anticipated that the government would eventually withdraw the tax. But the government never withdrew the tax. All it did was a reduction to Tk 800.



"We welcome the finance minister's assurance. If it happens, the operators can go rural at an affordable cost," said Mahmud Hossain, head of corporate affairs of Grameenphone, the leading mobile operator.

Six mobile operators now serve 5.6 crore customers, while eleven landline operators have so far brought 12 lakh users under their network. All these operators pay Tk 800 as connection tax, on behalf of their customers, due to a stiff competition.

On an average, the telecom sector pays Tk 5,000 crore in taxes a year. The government earns the revenues from SIM tax, equipment import tax, yearly revenue sharing

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Amran Hossain

and VAT (value added tax).

The SIM tax accounts for 20 percent of the government's total earnings from the sector.

Bangladesh's telecom penetration rate is 38 percent, according to the finance minister's budget speech, meaning that 62 percent people are still untapped.

The fast-growing mobile market requires 7.5 lakh handsets a month, according to Bangladesh Mobile Phone Importers' Association.

The industry insiders said the telecom penetration rate is slowing down eventually, as the operators are not willing to roll out products in the rural areas due to their poor business returns.

Bangladesh has the potential for acquiring more than 55 percent penetration rate in the next five years. A high tax on the telecom industry is barring the development, said the operators.

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The annual earning from the broadband internet is expected to reach Tk 12,800 crore by 2020 if the country ensures a rule-based policy regime, according to a study conducted by Boston Consulting Group USA.

Bangladesh's internet penetration rate may grow to 32 percent at household level and 66 percent at business level by 2020 from the existing average of four percent.

Of the expected income, 90 percent will be generated only through the internet-based business. Mobile broadband will play a crucial role in reaching the internet to the mass, said the study conducted on behalf of Telenor Group, the majority shareholder in Grameenphone.

Referring to the findings of the study, Mahmud Hossain said any tax cut will surely help achieve the income target. "And the growth of internet penetration through handy mobile will be the most popular way to reach technology to the mass."

hasan@thedailystar.net

Cisco unveils tablet aimed at businesses

REUTERS, San Francisco

Cisco Systems Inc is launching a tablet computing device aimed at business customers, becoming the latest company to wade into the red-hot tablet market.

The networking equipment maker unveiled the Cius on Tuesday, a lightweight, 7-inch tablet based on Google Inc's Android operating system.

Cisco is pitching the Cius, which will work over both short-range WiFi and high-speed mobile wireless networks, as a collaboration and communication device for enterprises.

The Cius offers portable video conferencing, access to a users' desktop computer, email messaging and



Web browsing, along with applications designed for the Android platform.

Apple Inc essentially created the tablet market with the successful launch of the iPad in April and a slew of tablet devices are hitting the market this year from companies such as Dell Inc and Toshiba Corp.

Unlike Cisco's offering, most tablets have so far been aimed at consumers.

The shares of San Jose, California-based Cisco were down 3.4 percent at \$21.65 in afternoon trading on the Nasdaq.

AOC launches new products

IT/TELECOM REPORT

Back in 1947, right after the devastation of the World War II and The Great Depression, a small company named Admiral from Chicago made its debut being one of the

pioneer marketers of a significant invention of history, John Baird's Television.

On June 24, that company, now largely known as AOC (Admiral Overseas Corporation)

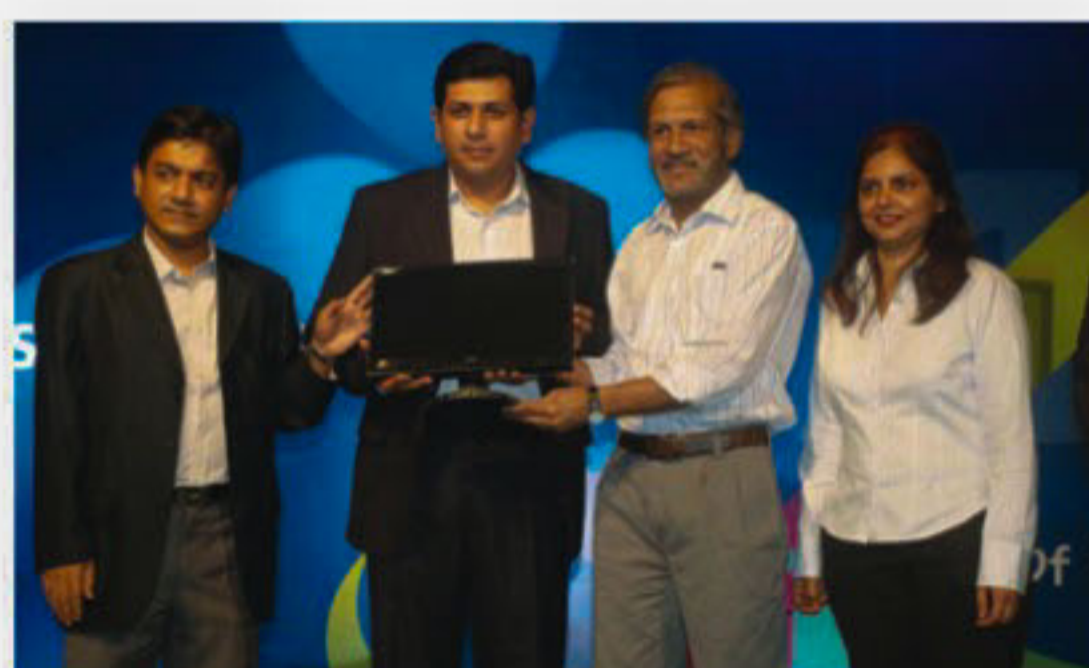
International and one of the largest manufacturers of the display products, launched three of their latest products in Bangladesh market-- AOC LCD Monitor, AOC TV and

AOC All-in-One PC.

At a gala launching event at a city hotel, Mukesh Gupta, senior director of AOC also signed a deal with EZY Infotech Pvt Ltd, which appoints EZY as the local distributor of the AOC products.

Mukesh in his speech at the ceremony said that AOC is going to launch more products very soon in the local market. He also said the launched products were top of the line

with state-of-the-art technological features. Organisers of the event made special display booths so that interested guests could learn about the features of the products more closely.



Chrome unseats Safari as 3rd popular Internet browser

AFP, San Francisco

Google Chrome last week unseated Apple Safari for the first time as the third most used Internet browser in the United States, according to figures released by StatCounter.

"This is quite a coup for Google as they have gone from zero to almost 10 percent of the US market in under two years," StatCounter chief executive Aodhan Cullen said in a



release.

"There is a battle royal going on between Google and Apple in the Internet browser space (Chrome vs. Safari) as well as in the mobile market (Android vs. iPhone)."

Chrome had 8.97 percent of the US browser market in the week that ended Sunday, topping Safari's 8.88 percent, StatCounter reported.

Safari lost an approximately 1.5 percent lead it had on Chrome two months earlier.

Firefox remained the second most popular with 28.48 percent of people using the free, open-source browser. Microsoft Internet Explorer (IE) reigned supreme with 52 percent of US Internet users surfing with the software.

Globally, Chrome remained in a solid third place with 9.44 percent of the browser market and slowly closing the gaps with second-place Firefox, which had slightly more than 31 percent, and IE with 52.78 percent.



Football lags other sports on technology

AFP, Cape Town

High profile sports like rugby, tennis, cricket and basketball have seamlessly embraced technology to aid referees and linesmen, so why doesn't football?

The short answer is that Sepp Blatter and the FIFA hierarchy are from the old school and reluctant to dilute the human factor that has governed the game for so long.

UEFA president Michel Platini is in complete agreement, arguing that video replays would interrupt the flow of the game.

Their defiant stance is in sharp contrast to many other sports that have adapted to the modern age. For example, basketball referees use replay systems to make sure players are shooting within the time allotted by the shot clock, while in cricket, a third umpire, with access to TV replays, has been successfully adopted.

FIFA's position has again been brought into focus at the World Cup with a series of bad decisions sparking renewed calls for change.

Blatter awoke to headlines Monday like, "Soccer must leave the Stone Age" and "FIFA fossil Blatter needs to be buried" after Frank Lampard's perfectly good goal was ruled out in England's 4-1 mauling by Germany.

Replays showed the ball was clearly

over the line.

Just hours later, Argentina's opening goal in their last 16 clash with Mexico was allowed to stand despite Carlos Tevez being in an offside position.

England coach Fabio Capello made clear how he felt.

"It's incredible that in a time of technology, the referees aren't capable of deciding if there has been a goal or not," said the Italian.

England captain Steven Gerrard also called on FIFA to look at goal-line technology.

"FIFA will have to look at that because I looked across at the linesman and he was by the edge of the area so how can he see if that's over the line or not."

While many of the referees and linesmen at the World Cup have been praised for their fitness and keeping their cards in their pockets, Sunday's howlers were just the latest in a string of questionable calls.

One of the most high-profile came when Mali's Koman Coulibaly disallowed Maurice Edu's goal for the United States in the 85th minute of their 2-2 draw with Slovenia, denying them a vital win.

French referee Stephane Lannoy also came under fire for sending off Brazil's Kaka against the Ivory Coast, while he allowed Luis Fabiano's second goal to stand despite a clear double handball.

Supporters of technology will say this

mistakes could have been avoided.

Football authorities have trialled goal-line technology before, but the International Football Association Board ruled it out in March.

It followed cameras being placed on goal posts and electronic chips inserted in the ball to determine if it had crossed the goal line, similar to the HawkEye technology used in tennis and cricket.

They have also tested using two additional referees, in the Europa League, to prevent mistakes, with that experiment is still being analysed.

How long they can keep football as one of the last sports to adopt the latest technology remains to be seen.

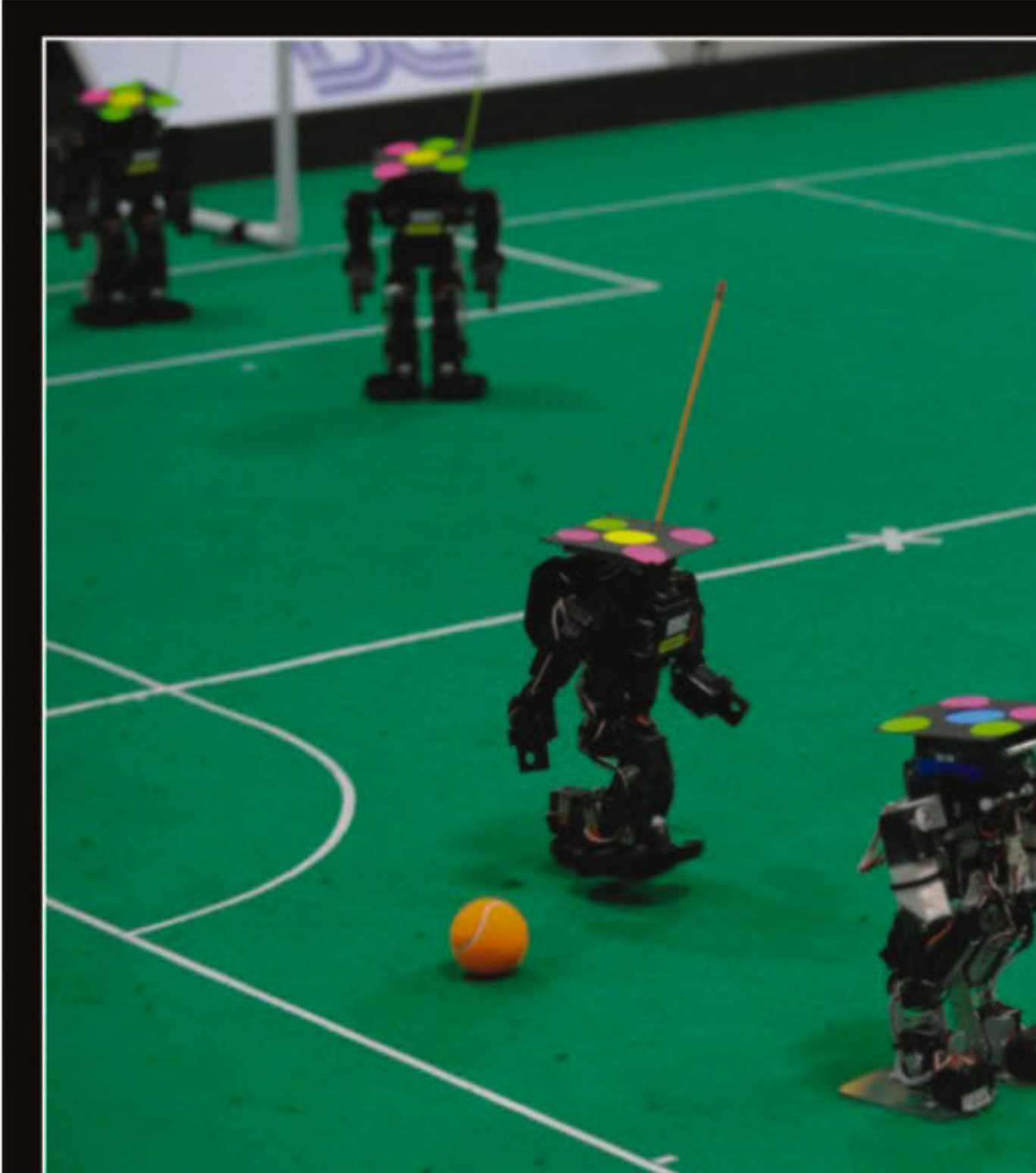
But the ageing Blatter appears to be in no hurry to change.

"No matter which technology is applied, at the end of the day a decision will have to be taken by a human being," he said recently.

"This being the case, why remove the responsibility from the referee to give it to someone else?"

FIFA's official spokesman Nicolas Maingot reiterated the stance on Monday.

"We will not open any debate on refereeing decisions at the daily media briefing, this is not the place for this and you will appreciate that I am not competent to do that," Maingot told reporters.



TECHPHOTO

RoboCup 2010

A team of robots practice playing football at the RoboCup 2010 championship in Singapore on June 24, 2010. RoboCup 2010, the world's largest robotics event came to Southeast Asia for the first time with close to 4,000 competitors from over 40 countries pit their brains and skills against each other during the competitions.

PHOTO: AFP

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