

# Robi IPO falters on licence renewal

STAR BUSINESS REPORT

Telecom operator Robi said yesterday it might have to backtrack on the plan of an initial public offering (IPO) in the near future if the company is to pay huge sums on licence renewal.

Robi has seen its revenue jump to record levels in the third quarter of 2010, but it fears a return to losses if it has to defray so much in the renewal of licences.

On the recent media reports that four telecom operators have to pay a combined Tk 14,000 crore for licence renewal next year, Robi CEO Michael Kuehner said yesterday: "We are quite concerned and unhappy with what we heard lately."

However, the telecom regulator is yet to inform the operators of the amount to be needed for licence renewal.

"Even from an IPO perspective, the move is quite discouraging," he said at a press conference on third quarter financial review of the operator, at Dhaka Sheraton Hotel.

"Defraying such a high amount could take us back to the loss making territory and no shareholder would be interested in investing in a loss making company."

According to the media reports published earlier this month, the four operators -- Grameenphone, Banglalink, Robi and Citycell -- will have to pay a combined Tk 28,000 crore in frequency charges over the next fifteen years, half of which would have to be paid during the licence renewal next year.



Michael Kuehner

As a result of the new directive, it is estimated that Grameenphone has to pay around Tk 7,000 crore during licence renewal, while Robi and Banglalink would each pay around Tk 3,000 crore and Citycell around Tk 1,000 crore.

The Robi CEO called the numbers "outrageous".

"With that sort of investment in licence renewal alone, it would be literally difficult for us to go very strong in 3G as well."

"With the amount being so high, we will also find difficulties in raising funds, given the limitations of the country's banks," Kuehner added.

The recently re-branded company generated revenues worth Tk 690 crore in the third quarter this year, rising from Tk 490 crore in the same period last year.

The company's average revenue per

user and minutes of use per user was also quite stable, while earnings before interest, taxes, depreciation and amortisation (EBITDA) was up by 41 percent from the same time in 2009, company statistics show.

"The revenue was primarily boosted by prepaid voice, prepaid VAS (value added services) and IDD (international direct dialling) revenue share from other operators and international gateways, while the strong subscriber growth of 41 percent in the meantime also helped maintain the momentum," said Robi Chief Financial Officer Mahtab Uddin Ahmed.

The most notable growth was in the profit-after-tax during the first nine months this year, which rose to Tk 80 crore from Tk 15 crore during the same period last year. The growth was attributed to EBITDA and efficient fund management.

The company is planning to invest around \$12.2 million this year and a significant focus for the telecom operator will be to invest more in data services, said the officials.

"Currently, 20 lakh subscribers are using our internet or data services and our target is to double the number in 2011," said Chief Marketing Officer Bidyut Kumar Basu.

The company invested \$40 million in modernising its network, including 1,033 base stations, the officials said.

It posted net profit after tax worth Tk 39.7 crore in the third quarter of 2010, compared to a loss of Tk 47.2 crore in the same period last year.



Industries Minister Dilip Barua hands the industrial policy for 2010 to Prime Minister Sheikh Hasina at the premier's office in Dhaka yesterday.

# Galaxy Tab hits market today

STAR BUSINESS REPORT

Samsung Electronics, a global leader in mobile technology, launched its latest smartphone Galaxy Tab in Bangladesh yesterday.

Galaxy Tab is the first of the company's tablet devices, combining smartphone and netbook packed with solid business features and vast multimedia potential.

"This device has been designed to enable consumers to maximise their online experience wherever they may be, because it will allow you to enjoy more possibilities on the go," said KM Lee, managing director of Samsung

Electronics for its Dhaka office.

The product is designed to cater for the needs of busy executives, said Hasan Mehdi, head of the Mobile Division of Samsung Electronics' Dhaka office.

The device enables users to experience PC-like web-browsing and enjoy all forms of multimedia content on the 7-inch display.

Moreover, users on the move can continuously communicate via e-mail, voice and video call, SMS/MMS or social network with the optimised user interface.

Other features include visually intuitive access to music, optimised e-mail viewing experience, Google Maps

and access to online reading material.

The company has already launched the product in Europe and other markets including the US and Asia and sold nearly one million pieces within two months of the global launch.

The product, priced at Tk 53,500, will be available in the market from today.

Sanghwa Song, Samsung Electronics' Dhaka Branch Office general manager; Anisul Huq, former president of the Federation of Bangladesh Chambers of Commerce and Industry; beauty expert and woman entrepreneur Kaniz Almas Khan and magician Jewel Aich were also present at the launch.



Jim McCabe, centre, chief executive officer of Standard Chartered Bank, Bangladesh, poses with the Banker Awards 2010 at a ceremony in London recently. The bank has won Bank of the Year award in five countries, including Hong Kong, Tanzania and Zambia.

## Kisan Corp teams up with Super Oil Refinery

STAR BUSINESS DESK

Kisan Corporation has recently signed a memorandum of understanding with Super Oil Refinery Ltd to market soybean oil SALWA in Bangladesh, says a statement.

Super Oil will give all technical and filling support to Kisan for marketing the 100 percent cooking oil in pet bottles, the statement added.

Md Aqeel Abbas, managing director of Kisan Corporation, and Rafiq Ahmad, executive director of TK Group, mother organisation of Super Oil, signed the deal at TK Bhaban in Dhaka.

## Gulshan Club president re-elected



STAR BUSINESS DESK

Rubel Aziz has been re-elected the president of Gulshan Club for 2010-11, says a statement.

Other members of the new executive committee include Md Adil Hossain, Rita Husain, Obed R Nizam and Kazi Enamul Hoque.

# Mihin Lanka starts flights to Dhaka

STAR BUSINESS DESK

Mihin Lanka, a low-cost airline of Sri Lanka, started direct flights to Dhaka yesterday with Airbus A320 aircraft, said a statement.

The flights will be operated on Tuesdays, Thursdays and Sundays, the statement added.

The inaugural flight departed Colombo at 7:30am with 150 passengers and arrived in Dhaka at 11:25am. Later it left Dhaka at 12:25pm with 103 passengers and reached back home at 3:05pm.

Sarath K Weragoda, Sri Lankan high commissioner, and Mizanur Rahman and Kazi Zahurul Qyuum, directors for Wings Aviation Ltd, general sales agent of Mihin Lanka in Bangladesh, welcomed the inaugural flight's passengers.

chancery of Sri Lankan high commission, was also present.

The Airbus A320 is configured with 177 all economy class seats.

To celebrate the launch, the airline offers a special fare for Dhaka-Colombo-Dhaka route of \$449 and Dhaka-Colombo-Male-Colombo-Dhaka of \$506, inclusive of all taxes.

Mihin Lanka is the second airline owned by the government of Sri Lanka besides SriLankan, the flagship carrier.

Though the airline operates on low-cost carrier concept with single configuration -- all economy class -- it also offers meals in flight. Duty-free items are also sold on board.

Mihin Lanka started operations on April 24, 2007 with a flight to Dubai in UAE. Its international flights start at Bandaranaike International Airport.



Officials show Samsung Galaxy Tab at its launch at Spectra Convention Centre in Dhaka yesterday. The device has been priced at Tk 53,500.

# SMS to inform citizens of rights

STAR BUSINESS REPORT

Mobile phone operators will help raise citizens' awareness by sending free text messages that explain the Right to Information Act (RTIA), they announced in Dhaka yesterday along with government representatives.

The information minister, officials of the information commission and CEOs of Grameenphone and Robi Axiata Ltd sat together to discuss how the vast clientele of mobile phones in the country will help make implementation of the act more meaningful.

Informative text messages -- and voice messages for those who cannot read -- will be sent to mobile users during a three-month campaign, starting with Victory Day celebrations, said

Chief Information Commissioner Muhammad Zamir.

Subsequent steps may include call centres that people can call for more information, he added.

Some TV channels will disseminate RTIA information during prime-time news through regularly updated scrolls sponsored by the mobile companies. The scrolls will be shown from 11am to midnight.

There are now about 65 million cell phone users in the country.

Grameenphone Chief Executive Officer Oddvar Hesjedal said the effort is part of the company's commitment to corporate social responsibility.

It is difficult to get a new law work, but first people should know that they are allowed to ask questions and expect

answers, he added.

Information Minister Abul Kalam Azad said government officials should improve their attitude on providing information on issues that concern people.

He said the free flow of information would help empower people, establish good governance by reducing corruption, and ensure transparency and accountability.

He noted that the AL government passed the RTIA in the first session of parliament as a priority and said that the government is keen on its implementation.

Per Erik Hylland, CEO of Telenor; Micheal Kuehner, CEO of Robi; Prof Sadeka Halim, information commissioner, and Hedayetullah Al-Mamun, information secretary, also spoke.



Arterza Reza Chowdhury, senior executive vice president of Bank Asia, poses with the recipients of the bank's scholarships for higher studies at its Tarail branch on Saturday.

# Chinese business in Africa breaking free of Beijing

AFP, Johannesburg

Chinese businesses are enjoying increased autonomy and economic freedom to invest in Africa, analysts say, challenging diplomatic perceptions that Beijing is playing puppet master on the continent.

With China's role in Africa the subject of considerable tension with the United States, the reality, according to financial experts, is that the sheer scale of Chinese interests makes overarching control impossible.

"To assume that everyone in Beijing is on the same page is incorrect," said Martyn Davies, chief executive of Frontier Advisory in Johannesburg, an investment firm specialising in emerging markets.

"That somehow there's this grand strategic plan and everyone is directed like pieces on a chessboard, as is often characterised, is not entirely the case."



Md Abdul Jalil MP, chairman of Mercantile Bank, inaugurates the bank's 62nd branch on Jhilim Road in Chapainawabganj recently.