

Mobile operators: Strict rules to bar stock listing

STAR BUSINESS REPORT

PART II

Mobile operators yesterday said unfriendly telecom regulations will restrict them to go public.

Senior officials of leading mobile operators said their plan to be listed on the stock market will be uncertain, if their growth is hindered due to unfriendly telecommunication rules.

"Nobody will buy our shares if we continue to incur losses," said Robi CEO Michael Kuehner at a press conference at Sonargaon Hotel in Dhaka.

Only Grameenphone is currently listed on the stockmarket.

The Robi CEO said the operators and the government have jointly created a success story for Bangladesh and its people due to the development of the telecommunication sector.

"We rolled out world-class infrastructure. We also offer the lowest tariff in the world."

The Robi CEO also said the mobile operators have created more than one million jobs and contributed over 10 percent to



From right, Banglalink CEO Ahmed Abou Doma, Grameenphone CEO Oddvar Hesjedal, Robi CEO Michael Kuehner and Mahfuzur Rahman, acting CEO of Citycell, attend a press conference on 2G-licence renewal and spectrum acquisition fees at Sonargaon Hotel in Dhaka yesterday.

the national budget, helping Bangladesh continuously achieve about 6 percent economic growth annually.

"We are now investing in new

technology and high broadband connection. In these circumstances, the telecom regulations will not help us," said Kuehner.

Mahfuzur Rahman, acting CEO

of Citycell, said the government should set rational fees to help the operators stay in business and continue the existing services.

Grameenphone Chief Execu-

tive Oddvar Hesjedal said Bangladesh had to offer free licence 14 years ago, as no foreign investors were interested in the market. "That was a good decision. But if now the government realises high fees then the society will lose further development. The country will lose more than it gets."

The operators also urged the telecom regulator to leave issues such as initial public offering or employment generation to the authorities concerned to make the guidelines easily understandable and focused.

They also expressed concern about clauses that empower the authorities to make changes to the guidelines, which the operators say will make the investors nervous about future investment.

The operators also called for a level-playing field, and that they should not be burdened with high fees.

Grameenphone is the leading mobile operator in the country with over 3 crore subscribers, followed by Banglalink with 1.9 crore clients, Robi 1.236 crore and

Roundtable puts telecoms in focus

STAR BUSINESS REPORT

Speakers at a roundtable have urged the government to reconsider the amount of license renewal fee for the telecom operators under new guidelines so that they can invest in building high-speed cellular data network infrastructure.

The discussion on 'implementing the vision of digital Bangladesh: role of telecoms and ICT industry' was organised by Bangladesh Enterprise Institute (BEI) in Dhaka yesterday.

Hasanul Haq Inu, chairman of the parliamentary standing committee on post and telecoms ministry, chaired the roundtable, while Farooq Sobhan, president of BEI, was the moderator.

The discussion aimed to accumulate the feedback of all stakeholders of the telecom and ICT industry about the present condition and growth of the sectors.

Speakers said with a supportive regulatory framework, crossing 100 million mobile phone subscribers by 2013 is achievable and the rapid growth has a transformative impact on the economy in terms of aggregate investment, foreign direct investment and productivity.

The stakeholders pointed out few solutions to improve the framework in the discussion. They were -- revision of financial conditions of the mobile phone operators, ensuring level-playing field, excluding conditions beyond scope of the licensee, incorporating international best practices in the framework, and formulate a predictable long-term policy for the sector.

They also said the recent amendments to the telecom law could increase the risks of arbitrary regulatory interventions as well.

According to new license renewal guidelines, the four operators, Grameenphone, Banglalink, Robi and Citycell, will have to pay a combined Tk 28,000 crore in frequency charge during license renewal for 15 years based on their revenue earnings.

Underscoring the necessity to provide proper incentives to both sectors, Inu said: "When more people come under the telecommunication service it will create a positive impact on economy. We would review the new regulation for the license renewal policy and existing tax structure to make the telecom and IT services affordable to all."

Inu said a lot of effort has already been put into developing digital Bangladesh, but people are unaware of the situation because of irregular developments and lack of information.

The government has identified ICT as one of the thrust sectors for rapid economic development, unemployment and poverty alleviation, said the chief of the JS body.

The speakers stressed the need for public and private partnership in service delivery across the areas of e-education, e-health and e-governance.

Other Key discussants at the roundtable were Zia Ahmed, chairman of Bangladesh Telecommunication Regulatory Commission, and Sunil Kanti Bose, telecoms secretary.

Business leaders, stakeholders of both ICT and telecoms sectors, experts, economists, policymakers, journalists, corporate executives, and representatives of donors, NGOs and civil society attended the four-hour discussion.

Senior StanChart official in town

STAR BUSINESS DESK

Jaspal Bindra, chief executive officer for Asia of Standard Chartered Bank, is in Dhaka now for a two-day official visit, StanChart said in a statement yesterday.

He will meet various stakeholder of the bank during his stay here. Neeraj Swaroop, regional chief executive for India and South Asia of the bank, will accompany him.

Bindra is responsible for developing strategy, driving stronger regulatory and government relations, addressing governance issues and monitoring performances across Asia.

A qualified chartered accountant and an MBA, Bindra has held senior positions in the Standard Chartered Group.



Jaspal Bindra

Anger simmers on Motijheel Street

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Fearing a steep slump in stock prices, retail investors started gathering in front of the premier bourse in Motijheel around 12:00pm yesterday to start a demonstration.

The aggrieved investors blocked the road from Shapla Square to Ittefaq crossing and engaged in chase and counter-chase with the police for hours.

They set fire to paper and wood, and chanted slogans demanding resignations of the finance minister, the central bank governor, market regulator's chairman and the presidents of two bourses.

They also smashed up a microbus of a television channel and a pickup van, harassed some newsmen, and broke windowpanes of some buildings adjacent to the DSE by throwing brickbats.

Being resisted by police, the demonstrators threw brick chips at them, prompting the law enforcers to charge batons and lob teargas shells.

A policeman, Rana Mia, was injured during the clash.

The police detained three persons from the area on charge of involvement in street vandalism.

At around 3:00pm police drove away

the demonstrators from the area and took control over the situation.

During the clash, a huge traffic jam was created in the busy financial district of Motijheel after a long stretch of the road was blocked.

In the meantime, five people were injured as police clubbed the protesting investors at Shaheb Bazar in Rajshahi yesterday.

Over 50 investors of Rajshahi stockmarket brought out a procession in the city protesting the fall in the price index at about 12:00pm.

They damaged flower-tubs on the road dividers and broke glasses of the building of the Investment Corporation of Bangladesh.

Police used batons on the violent protesters and took control of the situation by dispersing them after half an hour, said Shahadat Hossain, officer-in-charge of Boalia police station.

The demonstrators said most of them have lost their hope on positive changes in the market.

"The market is yet to get any positive message from the government high-ups, rather it is diverting the issue by saying that the main opposition BNP is responsible for the recent market crash," said Jewel, an investor.

"We lost our hopes and many of us are now desperate to quit the market."

Adfest kicks off tomorrow

STAR BUSINESS REPORT

A daylong advertising festival titled Third Dhaka Advertising Festival-2011 is set to start in Dhaka tomorrow to promote local advertising industry at Bangabandhu International Conference Centre.

The Advertisement Club, a platform of the sector professionals, is organising the show carrying the theme 'Advertising- Redefined', said a member of the club at a press meet in Dhaka Sheraton hotel yesterday.

Various events including seminars, exhibitions, creative competition and a gala award night will be held during the festival, as it aims to let people know about the changing nature of advertisements, said Apon Ahsan, head of festivals and awards.

Adfest, the largest advertising, marketing and communication and media festival in Bangladesh, is being held regularly

since 2003. With the ad market growing in the country, the festival will discover and encourage the ad talents, the organisers said.

It attracts over 1,000 advertising people of Bangladesh and gives numerous awards in different categories for advertising excellence, said Ahsan.

"We plan to encourage and award the creative faculty of the Bangladeshi agencies through recognising talents and their works accomplished within the time frame of January 1 to December 31, 2010 on five different media platforms and under 17 categories," said Sanaul Arefeen, secretary of the convening committee.

In each category, gold, silver and bronze mementos will be given in the gala evening. Individuals who have contributed to the industry will also be recognised specially, added Arefeen.

Anglo Irish Bank expects annual loss of 17.6b euros

AFP, Dublin

State-rescued Anglo Irish Bank said on Tuesday that it expects to report a loss of 17.6 billion euros (\$24 billion) for 2010.

The forecast follows "another exceptionally difficult twelve month period for both the Bank and the Irish economy," the nationalised lender said in a statement.

Anglo Irish said the loss included impairment charges of 7.8 billion euros and a loss of 11.5 billion euros from the sale of assets to the National Asset Management Agency (NAMA) -- a 'bad bank' set up by the Irish government to help stabilise the crippled banking system.

It said that "notwithstanding significant further losses in the year, the group remains in compliance with minimum regulatory capital requirements set by the central bank."

This position was as a result of additional capital support provided by the Irish government which bailed out the bank in early 2009 at the height of the global financial crisis.

The Irish government set up NAMA to buy soured property loans from banks at a discounted price in a bid to stabilise the sector and remove toxic assets from bal-

ance sheets.

Anglo Irish, which had already posted a record loss of 12.7 billion euros in 2009, has been ravaged by the global property market meltdown, resulting in billions of euros in bad debts -- or loans that have to be written off.

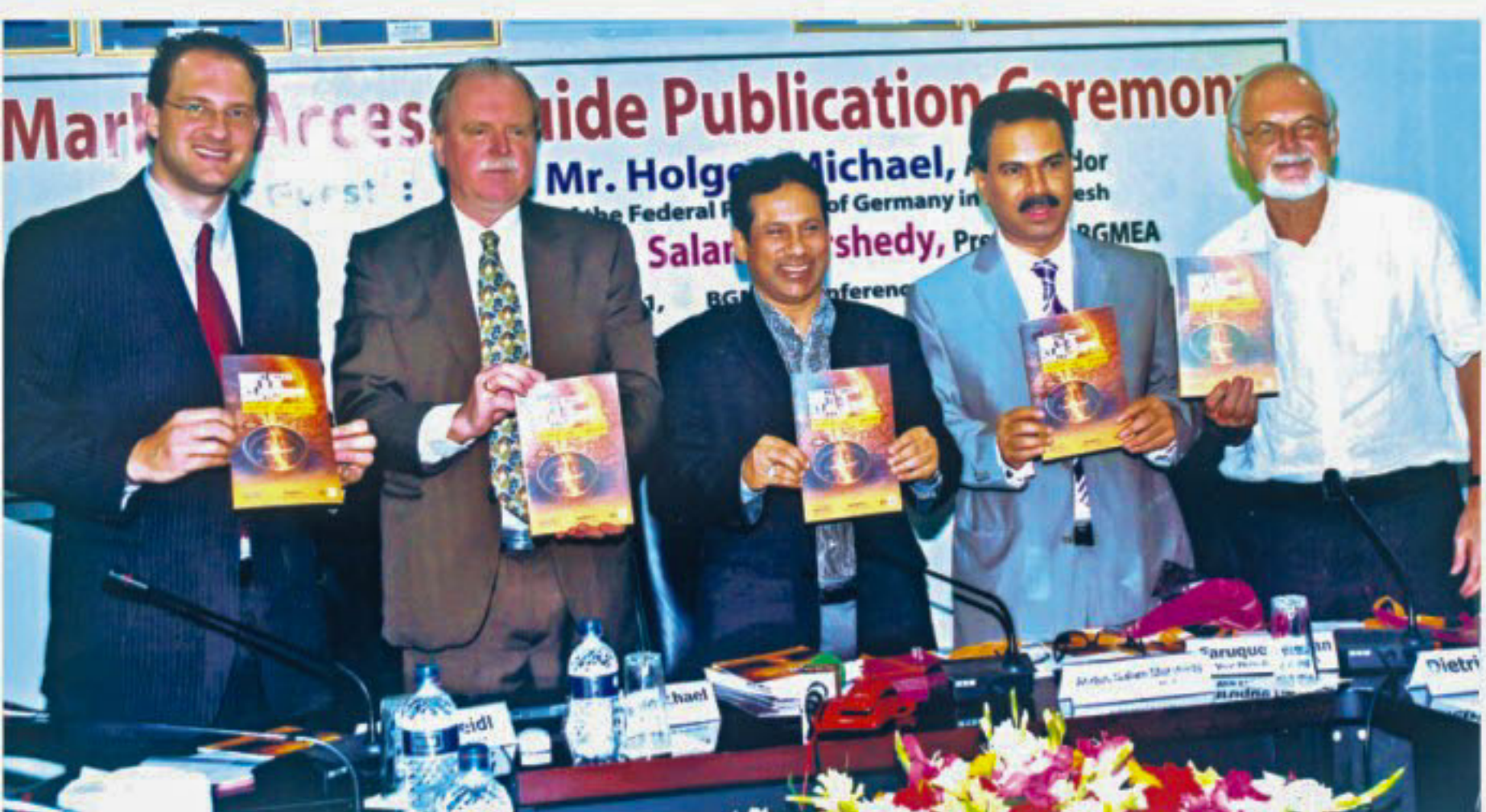
It has received 29.3 billion euros in state aid since the start of the financial crisis.

The bank's bleak forecast comes after Dublin was forced to agree a 67.5-billion-euro bailout with the European Union and International Monetary Fund late last year as the cost of supporting the banks overwhelmed the public finances.

Under mounting pressure, the embattled Irish government last week called a general election for February 25, which it is widely expected lose.

Ireland's main Fine Gael opposition party is on course to lead the country's new government, according to opinion polls, while Prime Minister Brian Cowen has stood down as head of the ruling Fianna Fail party ahead of the vote.

Ireland became the second member of the eurozone after Greece to seek a bailout and the government has rushed through a package of austerity measures as a pre-condition to receiving the loans.



Holger Michael, second from left, German ambassador to Bangladesh, and Abdus Salam Murshedy, centre, president of Bangladesh Garment Manufacturers and Exporters Association, pose with the trade body published book "Market Access Guide to the New and Emerging Markets" at its launch at BGMEA office in Dhaka yesterday.



From left, Yusuf Hassan, head of communications, publications and publicity of Adfest; Sanaul Arifin, committee secretary; Wazir Sattar, head of sponsors and finance, and Syed Apon Ahsan, head of festival and awards, join a press meet yesterday to announce the third Dhaka Advertising Festival in Dhaka.



Finance Minister AMA Muhith poses with the delegation of Bangladesh Tea Association (BTA) at his secretariat office in Dhaka yesterday. Mohd. Safwan Choudhury, chairman of BTA, and Hafiz Ahmed Mozumder, managing director, were also present.