

Robi posts 31pc revenue growth

Operator disappointed by high licence-renewal fees

STAR BUSINESS REPORT

Mobile operator Robi recorded 31 percent revenue growth in 2010 along with double-digit hikes in all other financial indicators, the company said yesterday.

Robi Axiata's total revenue stood at Tk 2,603.4 crore at the end of December 2010, officials said in a press briefing in Dhaka yesterday. In the fourth quarter alone, the company recorded its highest quarterly revenue of Tk 693.7 crore.

Despite strong competition, the ascending revenue growth trend continued through all four consecutive quarters of 2010 compared to 2009. It was primarily boosted by prepaid voice, prepaid VAS (value-added service) and IDD (international direct dialling) revenue shares from IGWs (international gateway), they said.

"Strong subscriber growth of 33 percent in 2010 was paramount to the resulting revenue growth," the company said in a statement.

The EBITDA (earnings before interest, taxes, depreciation, and amortisation) was up 25 percent, compared to 2009, reflecting an incremental absolute EBITDA of Tk 166.8 crore in 2010.

Robi Axiata Ltd subsequently contributed Tk 1,047.2 crore to the national exchequer in 2010, showing an increase of 31 percent over 2009 (excluding one-off fees for additional spectrum).

On renewal of its licence, the operator said its licence tenure is going to be over in November, and the government proposed a 15-year draft renewal guideline. The post and telecoms ministry published the guideline on its website, seeking comments.

According to the draft licence renewal guideline, the unit (per MHz) spectrum acquisition fee was fixed at \$4.285 crore and \$2.143 crore respectively for 900MHz



Michael Kuehner, middle, managing director of mobile operator Robi, speaks on his company's financial performance during a press briefing in Dhaka yesterday.

and 1,800MHz band costing Robi \$41.2 crore.

"Robi is legitimately disappointed that the regulator, in this licensing renewal draft, has chosen to maximise immediate (up front) revenue and ignored maximising the societal value," the company said.

"We believe such unprecedented high

renewal fees, unfair taxation and unparalleled revenue sharing would lead to reduction of investments, degradation of service quality, reduction in expansion of services and higher tariffs for the subscribers, and will portray the country negatively to the foreign investors," it said.

"We propose that the government

should check with international experts to review the licence framework and have a more transparent process of timelines."

Michael Kuehner, managing director, Mahtabuddin Ahmed, chief financial officer, and Bidyut Kumar Basu, chief marketing officer, were present at the press briefing.



Mustafa Anwar, acting chairman of Islami Bank Bangladesh, inaugurates a month-long 'service programme' on the occasion of the bank's 28th founding anniversary, at Islami Bank Tower in Dhaka yesterday. Mohammad Abdul Mannan, managing director, was also present.

New general manager for the Westin Dhaka

STAR BUSINESS DESK

Azeem Shah has been appointed general manager of the Westin Dhaka, said a statement yesterday.

Prior to the appointment, Shah was the hotel manager, added the statement.

He has over 30 years experience of working in the hospitality industry and has also served different international five star hotels in three continents as general manager.



Workers damage garment factories for a rate hike

STAR BUSINESS REPORT

A group of angry workers yesterday damaged three garment factories of Givency Group of Industries in Gazipur demanding a hike in the rate for making per piece of sweater, police said.

SM Kamruzzaman, officer-in-charge of Joydebpur Police Station, said at least 800 contract workers damaged the factories in the morning at Hotapara under Gazipur district.

The affected factories are Givency Accessories, Givency Garment and Zahaentex Limited, he said over telephone.

The management of the group shut down the factories immediately to avoid further unrest, he added.

However, Khatib Abdul Zahid Mukul, managing director of Givency Group of Industries, said the contract workers were demanding salary for the whole month of February although they worked for only 16 days.

They could not work for the whole month as production in the factories remained suspended for some days due to the delayed arrival of yarn from port, he said.

The police said a group of workers came to Zahaentex Factory at 8am, but instead of joining their work, they started vandalising the factories.

Later, the workers put a barricade on Dhaka-Mymensingh highway from 9am to 9:30am and damaged some vehicles, the police said. "The police rushed to the spot and brought the situation under control. Nobody was injured during the incident," Kamruzzaman said.

The managing director of the group said he held talks with the workers and reached a consensus to open two affected factories today. The management gave the last month's salary on Thursday, he said.

"I will open Zahaentex the day after tomorrow (tomorrow)," Mukul said over phone.

At least 12,000 workers are employed in the three factories, he said, adding that some of them work on contract, and get payment depending on how many



Rushanara Ali, member of the parliament of House of Commons, London, visits the stall of Prime Bank Investment in Bangladesh Capital Market Fair, held from March 5-7, at London, UK. Isbahul Bar Chowdhury, deputy managing director of Prime Bank, was also present.

Moriarty stresses ethical business to fight corruption

STAR BUSINESS REPORT

Business leaders of Bangladesh should fight against corruption by promoting principles of transparency, accountability and integrity to attract foreign investment and develop the national economy, said a senior US official.

"It's not a secret that corruption is a two-way street -- there are a demand side and a supply side. As business leaders, you have an important role to play in the fight against corruption by promoting principles of transparency, accountability and integrity," said James Moriarty, US ambassador.

Such transparency and accountability are required in the government and the private sectors alike, he added.

Moriarty's remarks came while he was speaking on the role of private sector in fighting corruption in Bangladesh at the annual general meeting of International Business Forum of Bangladesh (IBFB) at Dhaka Sheraton Hotel yesterday.

The event was supported by USAID, the US government's premier development agency, as part of its Promoting Governance, Accountability, Transparency and Integrity (PROGATI) project.

The ambassador noted the negative effect of pervasive corruption on private sector. "In every area where the private sector is challenged by corruption, the cost of doing business increases. Foreign investment slows down; markets are disrupted.

And, the Bangladesh economy suffers."

He said the private sector actors are both the victim of corruption as well as contributors to systems that promote corruption. Business people often pay bribes to speed up necessary transactions, do not pay required taxes, and seek preferential treatment in business transactions, he added.

Speaking as a special guest, Amjad Khan Chowdhury, president of Metropolitan Chamber of Commerce and Industry, stressed the need for regional connectivity because that will boost trade in the long term perspective by opening up new avenues for trade.

Mohammed Farashuddin, former governor of Bangladesh Bank, said the country should focus on employment-oriented growth models, human resource development and trade diversification.

"We have to modify the traditional growth model because it does not deliver in full," said Farashuddin.

Bangladesh should now look for setting up new industries to compensate for the foreseeable fall in economic growth as an alternative to the RMG sector, said Mahmudul Islam Chowdhury, IBFB president.

Speaking as a special guest, AK Azad, president of the Federation of Bangladesh Chambers of Commerce and Industry, urged the government to go for coal-based power generation and also probe the recent stock market volatility with the help of the Anti Corruption Commission.



From left, Mizanur Rahman Khan, managing director of Dhanmondi Securities; Ahsanul Islam Titu, chairman of Mona Financial and Securities; Azizur Rahman, managing director of Globe Securities, and Ahmed Rashid Lali, former DSE vice-president and managing director of Rashid Investment Service, pose for photographs after being elected as directors of Dhaka Stock Exchange, in the capital yesterday.

Four directors elected to DSE

STAR BUSINESS REPORT

Four directors were elected to the Dhaka Stock Exchange (DSE) yesterday for three years.

The directors Ahmed Rashid Lali, former DSE vice-president and managing director of Rashid Investment Service, Ahsanul Islam Titu, chairman of Mona Financial and Securities, Azizur Rahman, managing director of Globe Securities, and Mizanur Rahman Khan, managing director of Dhanmondi Securities.

A four-member commission headed by Rafiqueul Islam presided over the polls. The other commission members were MA Hosen and M Kamaluddin.

Ahmed Rashid bagged 158 votes, Ahsanul Islam 141 votes, and Azizur

Rahman and Mizanur Rahman 115 votes each. The DSE has 229 voters, but 194 went to the polls, each voting for four.

The seven candidates vied for the DSE directorship. Three candidates who have lost the election are Shahudul Haque Bulbul, managing director of Bulbul Securities, Manjuruddin Ahmed, managing director of M and Z Securities and Kader Choudhury of Phoenix Securities.

The elected directors will elect a president, a senior vice-president and a vice-president for one-year tenure.

Of the 24 members of the DSE's managing committee, 12 will be elected through direct voting and the rest will be selected by the elected members. The new committee will take over the charge at the annual general meeting on March 16.



AB Bank Chairman M Wahidul Haque attends a daylong workshop on BASEL II perspectives at Lakeshore Hotel in Dhaka on Saturday. President and Managing Director Kaiser A Chowdhury was also present.

Govt launches e-monitoring of procurement

STAR BUSINESS REPORT

The government yesterday launched an electronic monitoring system to check any irregularities and corruption in public procurement.

The Central Procurement Technical Unit (CPTU) of the planning ministry will monitor the procurement performances of four large government entities on the basis of 45 indicators.

The Procurement Management Information System (PROMIS), developed by local Dohatec New Media Ltd for the CPTU, will initially monitor the procurement performances of Local Government Engineering Department, Rural Electrification Board, Bangladesh Water Development Board and Roads and Highways Department.

Planning Minister AK Khandker inaugurated the system at a function at the NEC Conference Room at Sher-e-Bangla Nagar in the city.

The required internet connectivity, computer hardware and other materials for operating the PROMIS have already been provided by CPTU to the procuring offices of the four target agencies across the country.

The planning minister said the launch of the online monitoring of public procurement is a milestone, as it will help the government implement its vision for establishing a "Digital Bangladesh" by 2021.

Minister for Information and Cultural Affairs Abul Kalam Azad requested all concerned to implement the system to ensure transparency and accountability in the process of public pro-