

Peg growth to youth

Ericsson's Bangladesh chief shares his take on 3G technology

STAR BUSINESS REPORT

The introduction of 3G technology could create a huge job for Bangladesh's vast population of talented youth and give a noble experience to its growing mobile users, said a top official of a leading telecom European vendor yesterday.

"One-third of the country's 16 crore population is less than 30 years old. This segment of population can help the government achieve its Digital Bangladesh vision," said Per-Henrik Nielsen, managing director of Ericsson Bangladesh Ltd.

"But we need broadband connection for all industries," Nielsen told reporters in Dhaka at a briefing on the country's growing ICT market and its potential.

He said Bangladesh can look to manage network monitoring centres (NMC) of overseas telecom operators, but it only requires uninterrupted power supplies and a steady high-speed internet connection."

"Bangladesh has a huge population of talented youth capable of managing networks of overseas operators, who are willing to outsource this kind of 24/7 jobs to a secure and cheaper market like Bangladesh."

"It will start to happen as soon as the country is ready with 3G/HSPA (high speed packet data) access and I hope this will happen by the first or second quarter of next year," he adds.

The Danish official identified power shortages and an absence of steady and high-speed internet connections as two major impediments that are holding back the country. "As a result, Bangladesh is failing to tap the huge potential to earn foreign currency to help boost its economy."

"There are companies ready to offer hundreds of similar jobs to the talented Bangladeshi youths," he said, adding that Ericsson plans plan to set up NMC to offer 500 to 1,000 jobs, once the power situation improves.

He said Bangladesh also needs redundancy of its internet bandwidth. "It should look for terrestrial connectivity and other means to reduce pressures on its lone undersea cable."

Nielsen also foresees potential for cloud computing, especially the personal computer as a service (PCS), which offers a netbook with minimum software, for example, only hardware and net connectivity.

"People can subscribe to a service with minimum start-up costs and pay for the software they



Per-Henrik Nielsen

use," said the Ericsson Bangladesh boss, who joined office in August last year.

"The service, PCS, that we are now talking about in Bangladesh is a reality in many countries. In India, Ericsson is collaborating with service providers," Nielsen added.

"People will pay for the products they use. Through this, the cheapest means of communications will be widely affordable for the people. It will connect all schools, hospitals and offices in the country."

He said the longer Bangladesh would take to join the 3G technology regime, the more difficult it will be for the government to achieve its Digital Bangladesh vision. "The regulator should move fast in introducing the technology."

The Danish telecom official also urged the telecom regulator to create a win-win environment for both the telecom operators and customers, and dispel any confusion that envelops the industry.

He was referring to the 2G renewal fee and

spectrum charges that Bangladesh Telecommunication Regulatory Commission (BTRC) has fixed. Four telecom operators, Grameenphone, Banglalink, Robi and Citycell, whose 2G licence expires this November, have said the charges are too high.

Neilsen said Bangladesh emerged as the advanced nation when it awarded free spectrum to telecom operators 15 years ago, paving the way to create one of the most successful stories of the global telecom industry.

"That was a very smart move. Thanks to that timely and witty decision, the country can now boast about having 7 crore mobile subscribers. Their numbers are also increasing very fast. Now the rickshaw-pullers even have phones."

"But we cannot forget that even if the mobile operators got free spectrum 15 years back, they have paid huge taxes to the government coffers."

"So, the regulator should find a win-win situation for the sake of the industry."

Telecom companies have invested Tk 30,000 crore between 1997 and 2009, and now contribute 10 percent to the national budget.

He said Bangladesh is already behind in getting a connection to the 3G world. "India is fantastically connected with the outside world. Why will Bangladesh then remain isolated?"

"The 3G can give Bangladeshis a new experience."

Estimates suggest 10 percent growth in broadband connection adds 1 percent to gross domestic product of a country, while every 10,000 broadband users can create 80 new jobs.

"The impact will however depend on market adaptability to the new technology," said Neilsen.

With more than 7-crore active mobile subscribers, Bangladesh is one of the fastest growing markets in the world. Neilsen said these customers are ready to join the next stage of mobile technology.

Six mobile operators cover more than 90 percent of the geographic territory and 99 percent of the population in Bangladesh. Last year, the sector made up of over 60 percent of total foreign direct investment flown into the country.

The sector has created jobs for 15 lakh people, directly and indirectly, according to government estimates.

Neilsen said Ericsson, the world's fifth largest software producer, is also carrying out a study to get to know about the behaviour of the users in Bangladesh.

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Ctrip surfs China's homegrown travel wave

AFP, Shanghai

A crescendo of voices builds on a typically bustling day in the Shanghai headquarters of Ctrip.com as staff put together hundreds of tourist trips. It is the sound of China's travel boom.

Call after call comes in to Asia's largest travel call centre from mainly Chinese consumers, but also international travellers booking flights, hotels and tour packages for anywhere from Hong Kong to Havana.

"You're getting calls from everywhere and they're going everywhere. If you listen in, you'll hear accents from anywhere from Hunan, Heilongjiang to India," Ctrip senior business development manager Coley Dale said.

Travel has become a booming business in China as its economic growth has lifted incomes and given people more opportunities for leisure activities.

China recorded more than 1.9 billion domestic tourist trips in 2009, up from 280 million in 1990, with increasing numbers booking online in a country with a world-leading 457 million internet users.

Few companies tell the story of the country's travel surge better than Ctrip, China's biggest online travel company.

The company booked 100,000 hotel room nights in one month for the first time in March 2002. It took another 21 months to sell 100,000 air tickets in a month.

But in 2010, it had booked an average of about 1.7 million room nights and 2.5 million plane tickets a month. Its net profit for the year was one billion yuan (US\$159 million), up

59 percent on-year.

About 40 percent of bookings through the company are made via the internet.

That number is constantly rising, though a lingering Chinese discomfort with Web transactions drives most Ctrip customers to make their final bookings with the company by phone.

Either way, business is surging. Ctrip joined the NASDAQ-100 -- the index of the New York exchange's largest listed non-financial companies -- along-

side rival internet travel giant Expedia.

Its 7,000 employees at the Shanghai call centre have outgrown the site and Ctrip is moving staff to a new facility north of the city, Dale said.

With room for 12,000-15,000 employees, the new facility has been described as the world's biggest travel call centre by San Jose, California-based Force10, which supplied the site's switches and data network.

Ctrip was established in 1999 -- at a time when the number of

domestic Chinese trips was growing by more than 20 million a year -- by a group of China travel industry veterans and Silicon Valley executives.

The firm has been a key driver of industry growth by reaching out to hotels across the country and adding them to its database. Its network has grown to 17,000 hotels from 9,800 at the end of 2009.

The good times are expected to keep rolling. China's latest five-year economic plan calls for tourism revenues to rise 10

percent annually to 2.3 trillion yuan by 2015, up from 1.44 trillion yuan last year.

"Such an increase will assure a golden age for the travel industry," Ctrip chairman James Liang, who left Oracle Corporation to co-found the company, said last month.

And the selection of Chinese travel destinations is seen growing as the country expands its infrastructure to make remote spots easier to reach, Liang said.

Projects like Shanghai's

planned Disney theme park, expected to be completed in 2015, also promise a travel bonanza, Ctrip says.

In January, Ctrip launched Lvping.com, a hotel review and travel forum site similar to Expedia's TripAdvisor.com.

Last year it invested in Dining Secretary China, a free Shanghai-based online restaurant booking service that has more than 10,000 daily customers.

Yet Ctrip has only scratched the market's surface so far, analysts say.

It now accounts for nine to ten percent of air ticket distribution in China, up from about half of that amount just three years ago, according to Morgan Stanley."

Fewer than eight percent of China's internet users have booked travel services, and despite its dominance, less than three percent of internet users have used Ctrip, it added.

But Ctrip also faces tough competition from Expedia, which operates Chinese booking site eLong.com. Chief executive Dara Khosrowshahi said he wants China to be the "anchor" for Expedia's Asian strategy.

The competition does not faze Ctrip Chief Executive Min Fan, who headed the Shanghai Travel Service Company, a leading domestic travel agency, before co-founding Ctrip.

Customer service -- such as providing the option of booking over the phone -- is the key to holding onto Ctrip's lead and finding new categories of consumers, he told analysts last month.

"We will try to double or even triple the major growth of the industry," he said.



The photo shows employees at China-based company Ctrip in the call center of their headquarters in Shanghai. The one-stop China travel service Ctrip.com specialises in discount hotel reservations, cheap airline tickets and package tours.