An award that bridges gap

STAR BUSINESS REPORT

The society usually does not acknowledge any contribution of women, no matter what they do, but the "Bangladesh Business Awards" gives the much-needed recognition they deserve, said a past winner.

Hasina Newaz, proprietor of Orchid Printers, a leading printing house, won the "Outstanding Woman in Business 2005" award. She said the award recognised women's achievement in the society.

"The society does not want to easily acknowledge any contribution of a woman. This award has given that recognition. I think this is the most important part of the award," Hasina said yesterday.

"There are many other awards in the country, but I think The Daily Star-DHL award is the best," she said.

"This is not because I have won it, but because the jury board analyses every application strictly and goes through every single detail. The process is transparent."

Hasina said her business is quite good and she is planning to export products. "Recently, in a meeting with the prime minister, I have told her that the printing sector can be the second foreign currency earning industry after garments."

Set up in 1982, Orchid Printers now employs over a hundred permanent workers.

Her comments came days before The Daily Star and DHL Express jointly organise the eleventh edition of the award ceremony at Hotel Sonargaon in Dhaka on Saturday.

Md Saiful Islam, chairman of Western Marine Shipyard, who won the "Business Person of the Year" award last year, said: "It is a big achievement and great recognition."

"Even if it is not at the state level, people not only in Bangladesh but also foreigners who have trade relations with Bangladesh value The Daily Star in a different way."

"As a result, this broadens exposure of the awardees. It also acknowledges our sincerity and honesty," he said yesterday.

Islam won the award due to his outstanding contribution to the growth of the company that now employs 4,200 people and generates over $70 million in annual turnover.

The award is recognition of his leadership that turned Western Marine into one of the biggest shipbuilding companies. The company that started as a small shipbuilder in 2000 has now over 66 vessels, including six that were exported, to its name. It exports to Germany, the Netherlands, Finland and Denmark.

Islam said: "The award also encourages us in personal life. When someone bags recognition of this stature, the awardees try to bring in more accuracy and perfection to their work."

"From that sense, the responsibility of the awardees to the society and clients grows further. This award is given not only because you have performed well, but also because you have to keep up the momentum."

The noted businessman said the award has also increased their social responsibility.

"We will definitely enjoy the recognition. But we have to perform better to prove that The Daily Star and DHL Express made the right judgment."

He said the award has also boosted his exposure. "It will not only help me in direct sales, but also will help in social life."

As the exposure grows, his comfort level also rises, said Islam.

"The most important aspect of the award is that the awardees are chosen not on the basis of the recommendations of The Daily Star or DHL Express, but it is done through an independent evaluation agency. It shows that it is a neutral process." he said.

On his shipbuilding business, Islam said: "The business is good but moving a bit slowly as the recovery from the global economic crisis is not that faster in the sector compared to the pace in other sectors."

"But I think there is no need for us to worry as we make small and medium vessels, and the demand for this type of ship is still encouraging."

Western Marine is now in negotiation with different parties for offers worth $120 million. The company hopes to bag at least 80 percent of the offers.

S Koreans wary over plans to work less, play more

AFP, *Seoul*

AFP

Office workers walk after work in Seoul.

South Korea is considering shifting office hours and school holidays to encourage its hard-working citizens to spend more, but the initiative to boost domestic demand has met with a wary response.

While exports are booming and growth figures are healthy, analysts agree that the general public doesn't feel better off -- a potential problem ahead of parliamentary and presidential elections next year.

A recent meeting of the cabinet and other top officials suggested some ways to decrease the economy's dependence on exports by stimulating domestic spending which will help small businesses and lower-income earners.

One idea is to advance the work day for civil servants and other public-sector workers by one hour to 8:00 am to 5:00 pm from the current 9:00 am to 6:00 pm, so they have more time with families and -- hopefully -- spend more.

Also being considered is the break-up of the long school winter holiday to create spring and autumn breaks, and encouraging public-sector workers to take more leaves of absence.

Korea's bitterly cold winters discourage domestic family tourism.

Substitute holidays may also be allowed during the week when public holidays fall on weekends.

Officials also considered regulating the opening hours of large discount stores to help mom-and-pop outlets and traditional markets. Specific policies will be announced later this month.

"Regardless of statistical proof of the (economic) recovery, many people aren't feeling it," the Korea JoongAng Daily said Tuesday in an editorial. But it decried the "trivial solutions" put forward.

"If the administration hopes to rekindle frozen demand, it must get rid of the biggest obstacle of all: numerous regulations of service industries," the paper said.

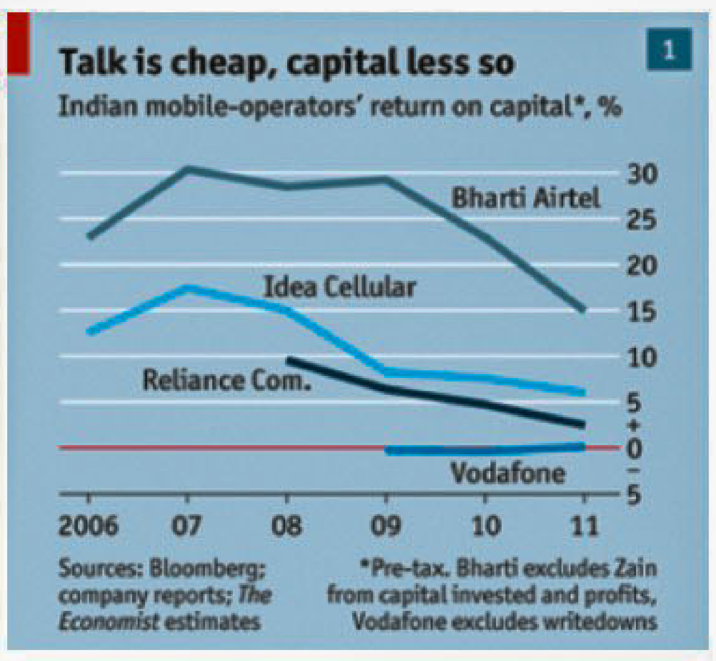
"Only when quality service jobs are created will people feel the trickle-down."

Kim Chang-Bae, of the Korea Economic Research Institute, also had his doubts about the proposals.

INDIAN MOBILE TELECOMS

Happy customers, no profits

India's mobile industry is magnificent but also a mess



THE ECONOMIST

In a Vodafone shop in Mumbai earlier this year, you might have been forgiven for thinking that one of the great clichés about India wasn't true. The national cricket team was playing Pakistan; the biggest grudge match in any sport, anywhere. Yet the mobile-phone store was still bustling, with customers debating calling plans, not leg-before-wicket decisions.

A visit the next day corrected the impression that Indians have lost interest in cricket. Without a match, the shop's tempo had roared back to its normal level: that of a siege, with a mob baying for itemised billing and BlackBerrys.

India has almost 600 million active mobile-phone subscribers -- about one for every two people, including babies. It also has among the lowest prices anywhere, and a home-grown, world-class operator, Bharti Airtel. India's mobile-phone industry inspires great hopes. Many see it as vital to the nation's development: a way of bypassing obstructive bureaucrats and bringing services to the masses, from mobile banking to accurate crop prices. Already a third of subscribers are in rural areas. Mobiles bring the whole world to villages in Uttar Pradesh.

Related topics

Yet frustration grips many mobile executives. After new 2G licence awards by the government in 2008 (now the subject of a huge corruption probe), India has more than 10 operators in most of its 22 geographical licence areas. Most countries have only three to six. Indian firms must typically make do with slugs of spectrum half the size of those issued to peers in less crowded countries. As a result, claim executives and investors, returns on capital stink like the drains in Kolkata.

Hyper-competition is good for natterers, of course: prices have fallen to a level the poor can afford. Firms have become leaner, too. Bharti outsources furiously. Most companies share radio towers and have learned how to compress traffic.

Yet the industry is right to fret about returns. Only one of the big four firms was close to recouping its cost of capital last year (see chart 1), as the price war hit margins and an expensive 3G spectrum auction in 2010 bloated balance-sheets. Vodafone has a rich parent company but the others are now uncomfortably indebted. Middle-sized operators, meanwhile, are thought to be bleeding badly. Of the small fry, only two disclose figures: Uninor, run by Telenor, a Norwegian firm; and Russian-backed Sistema. Together they lost almost $2 billion of cashflow last year. Both say they are in India for the long haul.

Weak returns are bearable if the market grows and the rules are clear. Long-term growth seems certain, but India's spectrum regime, once admired, is now an embarrassment. A roundtable with the new telecoms minister and mobile-phone executives in March revealed a fog of confusion about vital issues: the fees on existing spectrum, the terms on which old licences are renewed and corruptly awarded ones relinquished (if at all), new spectrum grants and the rules on mergers and acquisitions. It is also unclear whether non-voice 4G licences, originally intended for data only, some of which are in the hands of Mukesh Ambani, India's richest man, will have their terms tweaked to allow voice services, creating even more new entrants into the mobile market.

The way India divvies up spectrum is unfair and erratic, which deters investment. It is also wasteful. About 30 percent of India's granted spectrum used for GSM (the main flavour of 2G) is in the hands of operators with a collective market share (by revenue) of about 3 percent, reckons Deepti Chaturvedi of CLSA, a broker. With spectrum tight, big operators say they must build denser networks than they might otherwise. One boss thinks the extra cost for the industry is billions of dollars a year.

The auction of spectrum for 3G services in 2010 was clean and cleverly designed. However, it produced a stupid outcome. Four or five slots were sold in each geographic area -- far fewer than the number of existing players. Only about 60 percent of existing 2G customers will be able to get 3G from their existing provider. If they want a fast data connection, they will have to dump their current operator or hope it can piggyback off a rival's network. In short, India has encouraged lots of firms to enter the voice market and then ensured that many of them cannot offer the latest technology. At the same time, it makes it hard for the losers to sell up and get out.

If the market is too fragmented, consolidation is the only plausible cure. From Brazil to America, places with mosaics of technologies, operators and regional licences have cleaned themselves up. In India this process may not correct past injustices, but by allowing unviable firms and their spectrum to be acquired, a scarce resource could be allocated more efficiently and customers could be saved the annoyance of having their carrier go bust. Most executives expect a cull. After the scandal erupted last year, says one boss, banks cut off credit to the industry, making life hardest for the small firms that have yet to break even. The big operators have stepped back from price cuts, allowing industry revenues, which had stalled despite the boom in customers, to grow again.

But the industry cannot rationalise by itself: the state controls the supply of licences and spectrum. Will it enact sensible changes? Some worry that the 2G scandal could tar more executives and politicians, paralysing reform. That could damage the Indian economy. Still, the noises from Delhi are mildly encouraging. As the telecoms minister put it recently, using another cliché that happens to be true, "we cannot kill the goose that laid the golden egg."

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