



BUSINESS

DHAKA WEDNESDAY FEBRUARY 12, 2014, e-mail:business@thelaststar.net

GP's net profit slides for second year

Political unrest is partly to blame, the operator says

STAR BUSINESS REPORT

Grameenphone's net profit fell by 16 percent year-on-year in 2013, the second year of depressed business, after the operator paid higher corporate taxes along with 3G spectrum and 2G renewal fees, while political unrest came as a fresh blow.

The country's largest mobile phone operator saw a net profit of Tk 1,470 crore in 2013, against Tk 1,750 crore in the previous year, the company said at a press conference at Dhaka Westin yesterday. Last year's political unrest, especially in the fourth quarter, was a reason behind the downward trend, Vivek Sood, chief executive officer of GP, said.

"The country witnessed 79 hartal days last year that impacted the company's revenue," he said, adding that 2013 was a difficult year. He, however, said the situation will remain stable this year.

A hike in corporate taxes also impacted the company's profit in the last 18 months, Sood said.

He said Bangladesh has 45 percent telecom pen-

NET PROFITS IN CRORES OF TAKA



BY THE NUMBERS

- Gross revenue Tk 9,660 cr (5.1% up YOY in 2013)
- Investment in 2013 Tk 1,270 cr
- Final cash dividends 140%

tration and still there is scope for growth, especially in rural areas. "Also, a huge number of subscribers use multiple SIMs."

GP added 71 lakh new users, taking its subscriber base to 4.71 crore at the end of 2013 with a 41.4 percent marketshare.

With a 17.7 percent growth in subscriber against the industry average of 17.1 percent, GP managed to strengthen its leadership position further.

However, its revenue grew by 5.1 percent to Tk 9,660 crore last year, compared to that in the previous year. "This growth momentum has been achieved amid disruptions and lower economic activities in the run-up to national elections," GP said in a statement.

It said the growth is accredited by new customer acquisition, usage increase and competitive value for money market offerings. Higher device sales with the advent of the 3G era, rise in both local and international interconnection minutes, and wholesale and financial services also contributed to the growth.

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SIM TAX ROW

NBR claim unacceptable, GP boss says

ABDULLAH MAMUN

The chief executive of Grameenphone has said the final report prepared by the tax administrator on SIM replacement taxes, claiming Tk 3,010 crore from four mobile operators, is 'unacceptable' as it was prepared unilaterally.

The tax administrator has finalised the report, moving away from an agreement that bound all stakeholders, including mobile operators and telecom regulator, to participate in the process, said Vivek Sood, chief executive officer Grameenphone.

He said the National Board of Revenue prepared the terms of reference (TOR) last year, which was approved by the finance ministry before the 3G auction to quantify the resold SIMs. But the NBR has unilaterally revised the TOR after the operators participated in the 3G auction.

The CEO was speaking at the company's year-end financial disclosure at a city hotel yesterday.

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54 people get CIP status

STAR BUSINESS REPORT

The industries ministry yesterday conferred the status of 'Commercially Important Person' on 54 businesspersons in recognition of their contributions to the economy.

"The award is recognition and motivation for the entrepreneurs," said Kazi Akram Uddin Ahmed, president of the Federation of Bangladesh Chambers of Commerce and Industry, one of the recipients of the title.

Businesses have done very well amid the global financial crisis and repeated strikes and blockades at home.



Middle, Vandana Luthra, founder of VLCC Group, poses in front of a display of the company's products yesterday after inaugurating its outlet in Dhanmondi, Dhaka.

India's VLCC to invest Tk 140cr for beauty, healthcare in two years

SUMAN SAHA

VLCC, an Indian wellness brand, aims to invest about Tk 140 crore in Bangladesh by 2016 in a bid to grab the growing beauty and health care business.

The company wants to strengthen its footprint in every category of the wellness sector by opening more beauty and slimming centres and establishing vocational training institutes.

"We want to pour funds into the wellness sector to transform Bangladesh," Vandana Luthra, founder of VLCC, said in an interview with The Daily Star in Dhaka on Monday.

"Bangladesh is an interesting market for us as peoples here are becoming more conscious about healthcare with a rising per capita income," said the 55-year-old.

VLCC has already established a factory in

the BSCIC Industrial Area in Jamalpur with about Tk 61 crore—the company's first in South Asia, outside India.

The company has set aside about Tk 200 crore for investments since it launched its operations in Bangladesh in 2010.

"We have set up the manufacturing base here to produce skincare, hair care and sun-protection products locally," said Luthra, adding that the products would be affordable and tailored to local preferences.

The company that has been in Bangladesh since 2010 also plans to enhance its product distribution network to sell its personal care products in partnership with local distributors, said the Indian entrepreneur.

Luthra came to Dhaka to formally inaugurate the second VLCC wellness centre at Dhanmondi and launch the locally produced skin, hair and body-care products.



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