

Orange ramps up European telecom turf war with \$4.4b bid

AFP, Madrid

French group Orange launched Tuesday a bid to extend its reach in a Europe-wide telecom turf war with an offer for Spanish fixed-line operator Jazztel.

Orange, formerly known as France Telecom, announced late on Monday the offer worth a total of 3.4 billion euros (\$4.4 billion) when stock options held by some Jazztel managers are included.

The offer, which will be formally presented to Jazztel shareholders later on Tuesday, offers 13 euros per share, 34 percent above the average closing price of the last 30 trading days.

Shares in the company, which had been rising sharply since the end of last week, gained 6 percent on Tuesday to trade at 12.77 euros.

The deal is subject to regulatory approval as well as to winning the backing of at least 50.01 percent of shareholders.

If successful, it would create Spain's second-biggest fixed broadband carrier and third-biggest mobile network operator.

Buying Jazztel would give Orange about 1.5 million broad-

band subscribers to help bolster offers of combined broadband, TV and wireless packages.

"We are doing this deal to accelerate our growth in Spain, particularly in fixed-mobile convergent offers," Orange Chief Executive Stephane Richard said in a statement.

Consolidation of the crowded and deeply fragmented European telecom market has intensified over the past year as small players have fallen prey to bigger rivals, reducing the number of operators in each market.

Analysts say a reduction in the number of large operators could help boost profit margins in the industry after years of fierce competition during an economic downturn.

In April, European cable group Altice won a bidding contest for France's second-biggest telecom operator SFR, beating a government-backed offer from Bouygues by agreeing to a deal valued at over 17 billion euros.

Earlier this year, Vodafone in Spain purchased Ono, a mid-sized cable operator for 7.2 billion euros.

The European Commission gave

that acquisition the green light in July, judging that Vodafone's mobile telecoms activities were largely complementary to Ono's fixed-line services.

The commission also paved the way that month for the creation of Germany's biggest mobile company when it cleared the acquisition of E-plus in Germany, a unit of Dutch KPN, by Spain's Telefonica.

The cash and stock deal, estimated at 8.5 billion euros, merges Germany's third and fourth-biggest operators, leaving only Deutsche Telekom and Vodafone as similar-sized rivals.

Spanish Industry Ministry Jose Manuel Soria welcomed the trend.

"It should go further. I think this process of consolidation has to keep advancing, not only in Spain but also in Europe," he said during an interview with Spanish public radio.

Asked if the trend would lead to lower consumer prices, he said: "I can't say for certain, but if the process of consolidation works as it should, that should happen."

Orange expects to save 1.3 billion euros by merging with Jazztel,

mostly through network efficiencies.

The company said Jazztel's chairman Leopoldo Fernandez Pujals, who owns a 14.5-percent stake in the company, would accept its offer.

Spain is Orange's second-biggest market, accounting for about 10 percent of the group's revenue.

The deal would "solidify" Orange's position as Spain's second-largest broadband operator, said IHS telecoms analyst James Allison.

"The acquisition is in part a response to Vodafone's increased scale in Spain with its acquisition of cable operator Ono," he added.

Jazztel has 11.8 percent of the Spanish broadband market and 2.3 percent of the mobile-phone segment, according to data from Spain's telecom watchdog, CNMC.

A takeover would give Orange 26.2 percent of the broadband segment, compared with Vodafone's 21 percent share.

Orange would have 25.1 percent of the mobile market, behind Vodafone's 26.7 percent.

Former state monopoly Telefonica controls a third of the market in both segments.



Rumee A Hossain, chairman of the executive committee of Bank Asia, inaugurates the bank's agent banking booth at Birahimpur Bazar of Senbag in Noakhali on Monday. M Irfan Syeed, a director, was also present.



Abhijit Gupta, managing director of CASE Constructions of India, and M Anis Ud Dowla, chairman of ACI Group, attend the launch of CASE Construction Equipment in Bangladesh on Monday. Pankaj Saran, Indian high commissioner, was also present.



Shafiul Islam, chairman of Navana Group, opens an after-sales service centre of Mahindra Two Wheelers Ltd with Aftab Automobiles Ltd in Tejgaon, Dhaka recently. Soumya Chatterjee, country manager for Mahindra, was also present.

Trade confidence rises sharply

FROM PAGE B1

The survey report said shipments from Bangladesh rose 11.9 percent year-on-year in 2013 and went up at a similar pace in the first five months of 2014.

More than 70 percent of the survey respondents said the outlook for trade volumes will improve over the next six months, with almost 80 percent expecting the currency to have a favourable impact on business growth over this period.

About 40 percent of the respondents said that Europe, Bangladesh's biggest trading partner, offers the best opportunity for business growth over the next six months, while one-third point to Asia and 17 percent to North America.

More than a third of the respondents expect demand in key markets to be higher over the next six months, while more than 16 percent generally feel more confident about the coming months.

The US dollar is the currency of choice for more than 85 percent of the survey respondents. Nearly 80 percent see currency movements having a positive impact on trade over the next six months, while more than two thirds see trade agreements as favourable for international business.

But around a quarter of the respondents cited high costs of logistics, shipping and storage as potential constraints on business growth.

On the longer term outlook on Bangladesh, HSBC expects the country to grow rapidly over the remainder of the current decade, and investment, particularly in infrastructure, will continue to rise strongly to support this.

It said industrial machinery is the second largest import sector behind textiles and will continue out to 2030 with the sector contributing almost 20 percent to Bangladesh's import growth.

China, India, Korea and Indonesia will be Bangladesh's fastest growing import partners, taking advantage of geographical proximity, the survey report said. The US, Germany and the UK are Bangladesh's top export partners and this will remain unchanged out to 2030, thanks to strong demand from the West for garments.

GP, Symphony launch Mozilla's low-cost smartphone

FROM PAGE B1

All they have to do is visit the phone's marketplace and the WowBox awards them with 20 MB of free data per day.

In a statement released by Telenor, Andreas Gal, chief technology officer in Mozilla, said his company is happy to partner with GP to bring Firefox OS phones to more users in Asia. The handset will be available from September 28. Bookings will start on September 17 and can be placed through GP's website www.grameenphone.com.

BB's dollar loan for plastic exporters doubles

FROM PAGE B1

AD banks can borrow US dollar funds from the EDF against their foreign currency loans to manufacturer-exporters for input procurements.

The size and coverage of the fund increased substantially from the initial allocation of \$300 million in 2009 to \$1.2 billion now, according to the central bank.

Two trade shows on engineering, electrical products begin Thursday

FROM PAGE B1

The sector is flourishing on the back of growing demand from different sectors such as textiles, steel, railway, shipping, food processing, agriculture and pharmaceuticals, he said.

"We want industrial loans at a single digit interest rate and lands with adequate power and gas supply to expand our business further," Razzaque said.

The light engineering sector meets 75 percent of the local demands and helps save huge foreign currencies, he said.

"We are organising the trade shows every year to promote the light engineering sector and bring global technologies to our country."

BIET 2014 aims to introduce emerging

technologies, innovative concepts and technical expertise, Razzaque said.

A total of 75 companies, including 20 from India, will participate in the fairs to exhibit a wide range of engineering products such as laboratory materials, and foundry equipment, copper testing machine and spares.

Engineering Export Promotion Council of India will also open a stall.

"Our members are focusing on product diversification," said Enayet Hossain Chowdhury, president of Bangladesh Electrical Merchandise Manufacturers Association.

Around 40,000 electrical merchandise manufacturers have created more than eight lakh jobs so far, he said.

Top taxpayers likely to receive CIP status

FROM PAGE B1

To encourage tax compliance, NBR introduced tax cards for companies and individuals for paying the highest taxes to the state coffers in a year in addition to honouring long-time and highest taxpayers at the district and city corporation levels.

The tax card provides some privileges such as invitation to government programmes, opportunity to use CIP lounge at airports and priority in booking tickets with the state carrier, trains and water transports.

But CIPs get many more benefits such as access to the Bangladesh Secretariat for a year, government assistance to get visas for other countries, special treatment while meeting high officials at home and abroad and the scope to use VIP lounges at the airports.

Ahmed said the percentage of regular taxpayers is insignificant considering the population of the country. The number of taxpayers should be increased by encouraging people to pay taxes, he said.

"Be careful that nobody gets hurt and frightened when you are collecting taxes. Give them the confidence and trust, so that they feel inspired," he told taxmen.

Md Ghulam Hussain, chairman of NBR, said top taxpayers demanded the CIP status. On the basis of their plea, AMA Muhith, finance minister, asked NBR to take steps.

The NBR rakes in a growing amount of taxes from the annual event; it bagged Tk 1,117 crore in revenue in 2013, up from Tk 831 crore in 2012. Some 1.32 lakh taxpayers submitted returns at the fair last year. In 2012, the number was 97,867.

Chevron pledges \$10m for CSR projects

FROM PAGE B1

"The goal of the initiative will be to measurably improve the economic outlook in the communities where we operate over the next five years and into the future."

To coordinate projects under the BPI with regional economic development efforts, Chevron will seek to work with government and private sector enterprises that share a commitment to economic development in the region.

Chevron is the single largest producer of natural gas in Bangladesh, supplying

approximately 50 percent of the country's natural gas consumption. The company has increased natural gas production from 300 million cubic feet of gas per day in 2005 to 1.1 billion cubic feet currently to meet the country's growing demand for energy.

Chevron Bangladesh is the country's largest foreign investor, and provides jobs to more than 4,000 Bangladeshis. The company has also been the highest corporate tax payer in the country for the past three consecutive fiscal years.



Md Aminul Islam, country human resource business partner of Syngenta Bangladesh, presents a cheque for Bangladesh Sramik Kallyan Foundation to Mikail Shipar, labour and employment secretary, at a programme yesterday.



Md Abdul Hakim Khan, founder of Myone Group, inaugurates the company's second showroom at New Market in Chuadanga on Saturday.