

Telenor, GP look to create local contents for growth

Telenor Digital CEO says the company is interested in mobile financial service

MD FAZLUR RAHMAN

TELENOR Digital and Grameenphone are looking to create appropriate local contents to spur digital growth in the country and also their own, a top official said yesterday.

"In Bangladesh, what we are lacking is an understanding of the opportunities that are available," Rolv-Erik Spilling, chief executive officer of Telenor Digital, a subsidiary of Telenor Group, told The Daily Star in an interview in Dhaka.

Telenor Digital and GP would facilitate innovation in the country, he said, adding that it can be start-ups or a single person making applications.

As the home of the Norwegian telecommunication giant's high-tech development house, Telenor Digital creates globally scalable solutions within the next-generation communication services, cloud computing, e-commerce and the Internet of Things.

The company also enables global distribution of its own as well as third-party services and support new ventures within digital entrepreneurship.

Spilling said GP is doing fantastic work in Bangladesh and Telenor Digital wants to take it forward.

"That is why the initiative with Firefox is important for us. It is open -- it is the right way to go, at least for us."

GP in association with local handset maker Symphony introduced a smartphone running

Mozilla's Firefox operating system on Tuesday. The Norwegian was in the country to launch the smartphone, which is priced at Tk 4,650.

He tipped the price of smartphones to drop in the country, as early as next year, as their sales volume is increasing sharply.

The core of GP's "Internet for All" initiative is to give users affordable phones and make products and services relevant for them, he said.

Spilling, who spent the past 20 years working with some of the industry's most important players which includes Alcatel, said Telenor Digital plans to venture into messaging services like WhatsApp, an instant messaging subscription service for smartphones and selected feature phones.

The messaging service would allow users to reach others regardless of whether the receivers have the application installed on their phones or not.

Spilling said the problem with the existing mobile messaging services is that one cannot reach those who do not have the application installed on their phones.

Telenor Digital also has its eyes on mobile financial services, which it has already introduced in Pakistan and Norway.

"Financial service is one of those areas that we are considering. We have a very good platform in Bangladesh and we will see if it is possible to launch it here."

However, it looks unlikely in Bangladesh at present, as the coun-



Rolv-Erik Spilling

try follows a banking sector-led mobile financial services model and a number of banks have already rolled out the services.

About Bangladesh's digital market, he said mobile internet penetration is still very low and the country cannot be termed a mature digital market.

"But emerging markets grow much, much faster. If we can make the phones more affordable and maybe combine it with more valuable local services, then this will really take off."

He envisages a bright future for Bangladesh when it comes to digitalisation as majority of the

population will be connected to internet within the next one decade.

"From music and videos, everything will be streamed in the coming years. User-generated contents will be very, very important."

As mobile internet penetration grows, users will also do their financial transactions through the phone, even though emerging markets such as Bangladesh have a cash-oriented approach.

"We believe that when we get that penetration on mobile internet, we can play a role in that journey."

Telenor plans to walk the road of Google in order to become global in the true sense.

"Telenor is very local, but we have the capabilities to become global in a sense that we can take good ideas and make it into global solutions."

He said with GP, Telenor is exploring new areas where it can make investment.

Telenor Digital has already developed some services, many of which are relevant for GP subscribers and will be launched by next year.

He also added that GP should be able to work with any global partner if it wants to bring value to its subscribers.

Telenor Digital also plans to launch a competition among start-up companies in Bangladesh and provide them the platform to take part in international competition and grow further.

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Trade views in advanced, developing economies differ greatly: study

AFP, Washington

DEVELOPING countries and advanced economies differ greatly in their level of "skepticism" towards international trade and foreign investment, a study of people across 44 countries revealed Tuesday.

A median of 81 percent of those surveyed believed that international trade and global business ties were good things, according to a study by the US-based Pew Research Center.

However, views on trade, jobs and wages varied greatly between nations, with people from advanced economies, in particular France, Italy, Japan and the United States, having a high degree of skepticism.

"That undercurrent of skepticism could complicate current government efforts to further deepen and broaden global markets," the survey said, with particular emphasis on US and EU trade agreements being negotiated.

While a median of 66 percent of people in developing economies believe trade increases jobs, only 20 percent of Americans agree, making them the least likely group to concur.

Tunisians, Ugandans and Vietnamese, on the other hand, responded the most enthusiastically.

And while 45 percent of the entire global sample believed that foreign-led mergers and acquisitions were a good thing, only 31 percent of advanced-economy respondents and 28 percent of Americans agreed.

A median of 87 percent of people in developing countries believed that trade was good, while 84 percent of people in advanced economies held the same opinion.

A median of 78 percent of those in emerging markets meanwhile see trade as beneficial, while 52 percent say that trade creates jobs.

"Such emerging market sentiment may reflect the experience in China and elsewhere, where growing international business ties have been associated with more employment opportunities and higher incomes," Pew said.

A total of 48,643 people were interviewed in the survey conducted from March 17 to June 5.

Xi sees factory China and back office India as global engine

REUTERS, Ahmedabad

A combination of the "world's factory" and the "world's back office" will drive global economic growth, Chinese President Xi Jinping said ahead of a rare visit to India on Wednesday, playing down mistrust that has kept the Asian giants apart.

Prime Minister Narendra Modi is determined to build closer relations with the world's second-largest economy, whose leader arrived on Modi's 64th birthday armed with pledges to invest billions of dollars in railways, industrial parks and roads.

"As the two engines of the Asian economy, we need to become cooperation partners spearheading growth," Xi wrote in a column in The Hindu newspaper.

He said China's strong manufacturing base and India's software and scientific skills had massive potential both as a production base and for creating a consumer market.

Xi flew straight to Ahmedabad, in Modi's home state of Gujarat, where

the prime minister gave him a bouquet of lilies.

The visit coincides with a slowdown in China's economy, with Chinese companies looking abroad for growth opportunities.

A deal worth \$6.8 billion to set up two industrial parks for Chinese investment in India was on the cards, a senior Chinese official said in New Delhi at a separate business event where another \$3.4 billion worth of agreements was signed between Chinese and Indian firms.

Further deals worth tens of billions of dollars were expected to be announced on the three-day visit, dwarfing the \$400 million invested by China in India over the past 14 years.

Modi is keen on Chinese investment to help balance \$65 billion in annual trade that is heavily tilted in China's favour. He is also seeking more access for India's IT services and pharmaceuticals to China.

The leaders may also discuss working together on civilian nuclear programmes and seek a solution for a long-running travel visa row,

Indian officials said.

Modi hopes the leaders of the world's two most populous nations will establish a personal rapport to match the warmth he shares with Japanese Prime Minister Shinzo Abe, who wished him happy returns in a phone call on Wednesday morning, Indian media reported.

But beyond the smiles and the commercial embrace, ties between nuclear-armed India and China are marked by competition for energy and regional clout as well as a festering border dispute that led to a brief war 52 years ago.

Days before the two leaders shook hands and smiled in Ahmedabad, friction emerged over an alleged Himalayan border incursion by China and over a pact between India and Vietnam to explore for oil and gas in parts of the South China Sea claimed by Beijing.

In his column, Xi said the "Chinese Dragon" and the "Indian Elephant" both cherished peace and shared one of the most dynamic and promising bilateral relations of the 21st century.

Sony warns of \$2.14b annual loss, blames mobile unit

AFP, Tokyo

SONY on Wednesday said it would lose \$2.14 billion this fiscal year, more than four times its earlier forecast as the Japanese electronics giant blamed a downturn in its mobile phone business.

The company also said it would cut the smartphone unit's global staff by 15 percent -- about 1,000 jobs -- and not pay dividends for the first time since its shares started trading in Tokyo in 1958.

The surprise announcement that Sony was heading for 230 billion yen net loss in the fiscal year to March 2015 comes only months after it tipped a loss of just 50 billion yen, citing a turnaround in its hard-hit television unit.

Sony has cut expectations for sales in the money-losing smartphone business, which has been hit by weaker-than-expected results in emerging markets, as it faces off against global rivals including Samsung and Apple.



Japan's electronics giant Sony president Kazuo Hirai (R) and CFO Kenichiro Yoshida announce the company will slash the company's staff count by 15 percent at a news conference at Sony's headquarters in Tokyo yesterday.

The US tech giant is releasing its newest iPhone in Japan this week, which was likely to boost Apple's soaring presence in the Japanese market and heap more pressure on sales of Sony's rival Xperia offering.

"Other firms are also offering new products with innovative technology -- this business experiences dramatic changes in products and services," Sony chief Kazuo Hirai told reporters in Tokyo.



India's Prime Minister Narendra Modi points to a photograph as Chinese President Xi Jinping and his wife Peng Liyuan (R) look on at a hotel in Ahmedabad yesterday. China and India will sign a \$6.8 billion deal to establish two industrial parks aimed at reducing trade imbalances, Wang Hejun, economic and commercial counselor of the Chinese embassy in India said. The Chinese president is in India for a three-day visit as the two Asian giants take steps to boost commercial ties.

Cambodia deploys troops as garment workers renew wage campaign

REUTERS, Phnom Penh

CAMBODIA deployed armed troops in its capital on Wednesday as garment workers held rallies to revive a campaign for higher wages that had helped to stoke a year-long political crisis.

About 500 textile workers rallied in an industrial suburb of Phnom Penh, demanding a sharp hike in the monthly minimum wage to \$177 from \$100, as dozens of soldiers armed with assault rifles watched. Witnesses said army helicopters flew over the factories earlier.

About 100 police were also deployed at economic zones in Svay Rieng province, bordering Vietnam, where garment workers also gathered, Pav Sina, president of the Collective Union Movement of Workers, told Reuters.

"Why is our government so afraid of its own people, especially people who are only protesting to earn a basic salary?" said Naly Pilorge, director of rights group Licadho.

Licardo said two union leaders were arrested by police. But no incidents of violence were reported.

The growth of the garment sector has become a vital but troublesome issue for the government of long-serving Prime Minister Hun Sen.

It has been a boon for the fledgling economy, providing as many as half a million jobs and generating \$5 billion annually, but frequent protests by increasingly assertive unions have tested the government's patience.

At stake if the campaign leads to prolonged strikes is the possibility of reduced orders from firms that outsource to Cambodian factories, such as Gap, Nike, H & M Hennes & Mauritz and Zara, owned by Inditex.

"We want to send a message to all buyers that they must provide a basic wage," Ath Thon, president of the biggest independent union, the Coalition of Cambodian Apparel Workers Democratic Union, told reporters at the rally.

Cambodia's garment sector is dwarfed by those in China and Vietnam, but lower wages have lured brands to the country. However, complaints about "sweat shop" working conditions and a crackdown by security forces in January, which killed at least five people, could damage the reputations of the brands.

Instability in Cambodia comes as Myanmar offers generous tax breaks to manufacturers and Vietnam, which exported \$18 billion worth of textiles last year, negotiates a raft of global trade deals to slash tariffs.

Ath Thon said an alliance of union activists was also lending support for Wednesday's campaign in numerous capital cities by delivering petitions to Cambodian embassies and high street stores selling garments made in Cambodia.

IndustriALL, which represents 50 million workers in 140 countries, said campaign activities had taken place in Australia, Belgium and Switzerland.