Roll-out of 4G unlikely this year

Tech chief of Grameenphone speaks on telecom prospects, regulatory environment

SUMAN SAHA

MOBILE operators may not be able to roll out 4G services in Bangladesh this year due to the absence of the necessary telecom ecosystem, a top official of Grameenphone said.

"4G or LTE (long-term evolution) services cannot be rolled out alone, as it depends on penetration and market price of handsets and spectrum regulation," said Medhat El Husseiny, chief technology officer of GP.

Bangladesh is not ready yet for the new technology, as most users do not have 4G-enabled handsets, he told a group of journalists at the company's headquarters in Dhaka on Thursday.

"It is hard to tell when the market for 4G will be ready," said Husseiny, who joined Grameenphone in October 2014.

But he is optimistic on introducing the service in one to two years, as GP has already upgraded its network capacity for 3G and 4G services.

Handset prices are another factor that influences 4G technology dispersion in any country, as there is a correlation between handset prices and adoption of new technology, Husseiny said.

Prices of most 4G-enabled devices range between $100 and $150 per handset, he said. "If handset prices fall in the coming days, it will facilitate 4G adoption in the country," he said.

"We have reached half of the population with 3G coverage. Full coverage may need another 5-6 years, subject to technology evolution and market dynamics."

This year, GP will expand networks and 3G coverage capacity, focus on customer insight, data network analytics, better understanding of customer behaviour and providing better services altogether, Husseiny said.

The operator also plans to increase the number of its data users from around 11 million now to 50 million in the next five years, he said.

GP's average call drop rate is less than 1 percent, which is one of the lowest in developing countries, said Husseiny.

Medhat El Husseiny

"Telecommunication empowers society by connecting people, so we want to increase our internet coverage."

On average, 72-80 gigabytes of data are carried over GP networks a day, he said.

The government should allow GP to participate in the upcoming auction for 1,800 MHz spectrum, said Husseiny.

He made the appeal at a time when the government plans to release more spectrums through an auction in March.

The 1,800 MHz is a business-friendly band for 4G or LTE services and very efficient to provide voice services in urban areas, according to industry people.

It would be discriminatory if the government does not allow GP to take part in the first round of the bidding, he said, adding that the mobile operator is now the most efficient user of the spectrum.

The spectrum allocation should be calculated based on the number of subscribers, said Husseiny, an Egyptian national with over 20 years of experience in telecom.

GP has almost double subscribers compared to its nearest competitor, he said, "So we should have more spectrums."

At the time of renewing 2G licence over three years ago, the government sold 1,800 MHz band to Grameenphone at a rate of $28.2 million per MHz.

The auction may be held in three rounds -- two in the 1,800 MHz band and one in 2,100 MHz.

The government has 10.6 MHz spectrum in the 1,800 band for sale. The spectrum has been divided into two blocks: 5 MHz and 5.6 MHz.

An operator will be allowed to purchase only one block in the 1,800 band, and two blocks—each block having 5 MHz—in the 2,100 MHz band.

Any operator that has more than 20 MHz spectrum in the 900 MHz and 1,800 MHz bands will not be able to bid in the first round of the auction for 5 MHz in the 1,800 band. Grameenphone has 22 MHz in the two bands.

If Grameenphone can buy more than 10.6 MHz spectrum in the auction, it will have a monopoly on the market, a BTRC official earlier said, seeking anonymity.

As of December, GP has 51.5 million mobile phone subscribers or 42.79 percent of the country's total subscriber base of 120.35 million, according to Bangladesh Telecommunication Regulatory Commission.

India raises over $4b in Coal India stake sale

AFP, *Mumbai*

INDIA'S government raised over $4 billion Friday by selling 10 percent of its stake in mining giant Coal India as it looks to raise funds through asset sales to keep its fiscal deficit in check, an official said.

Investors bid for 675.24 million Coal India shares against more than 631 million shares on offer that were priced at a minimum of 358 rupees each, preliminary data from the Bombay Stock Exchange showed.

"Strong interest was expected. Sentiment about India has changed, and this government is market savvy. They also priced the share quite well and left little time for speculation," said Alok Churiwala of Churiwala Securities.

New Delhi aims to raise nearly $10 billion from disinvestment during the current financial year which ends in March 31 to meet its fiscal deficit of 4.1 percent.

"We have approximately raised 254.00 billion rupees ($4.1 billion). And this amount speaks volumes about the investment climate in India," Aradhana Johri, disinvestment secretary told business channel CNBC-TV18.

"So we are building a pipeline (of likely stake sales) so that we can move fast when market conditions are right," Johri added.

The government went ahead with the stake sale despite opposition from some of the labour unions at the state controlled miner, who have already threatened to go on strike again, the Press Trust of India agency said Thursday.

Just a few weeks back, all Coal India workers went on strike on the same issue and relented only after government assured them there were no plans to privatise the firm that employs 3.4 million people.

Analysts say fears of privatisation are exaggerated as the government's stake in Coal India is still nearly 80 percent.

Prime Minister Narendra Modi and the right-wing Bharatiya Janata Party came to power last May, promising reforms to boost economic growth and improve business conditions.

In October, the government approved an ordinance to allow coal mines to be sold to private companies for their own use, as well as permitting commercial mining at some point in the future.

The executive order on coal came after India's top court threw the sector into turmoil in September by cancelled more than 200 permits for coal mines, after declaring the process of awarding them illegal.

REUTERS

Employees jump to celebrate during the opening of a new Apple Store in Chongqing municipality yesterday. The store is the second in the city and the 15th in mainland China. Apple is steering clear of Chinese rival Xiaomi Inc's low-price online strategy, ramping up store openings in China to harness its premium edge and fend off the fast-growing No. 3 global smartphone maker.

US economic growth in 2014 fastest in four years

AFP, *Washington*

THE US economy grew at its fastest pace in four years in 2014, outpacing all of the other major developed countries as consumers gained confidence helped by sinking oil prices.

But a slowdown in the fourth quarter bared some of the persistent challenges -- like the strong dollar -- to locking the world's largest economy into higher gear.

While the halving of fuel prices clearly gave American consumers the power to spend more at the end of the year, businesses slowed investment and the government cut back on spending, especially for defense, dragging down momentum.

The Commerce Department reported Friday that US gross domestic product grew at an annual 2.4 percent pace last year, up from 2.2 percent in 2013, as the United States distanced itself from the sagging economies of Europe and Japan.

The firming recovery from the Great Recession of 2008-2009 was marked by improved consumer confidence, the best year of job creation since 1999, and a surge in business profits.

By comparison, Japan and the eurozone continue to battle with recessionary pressures; China -- the other key motor of global growth -- is slowing more than expected; and other emerging economies are also struggling with slumping activity, partly because of the crash in commodity prices.

That has put the US on a divergent policy course with the others: while their central banks are implementing measures to stimulate demand and head off deflation, the US Federal Reserve is moving to tighten monetary policy and raise interest rates in the coming months.

Even so, the Commerce Department's first estimate of fourth-quarter activity showed the United States is not completely in the clear.

Following a bristling 5.0 percent pace of expansion in the third quarter, GDP grew at a 2.6 percent rate in the October-December period, slower than the 3.2 percent expected by economists. On the positive side, consumer spending accelerated as shoppers took advantage of the savings on cheaper gasoline to spend elsewhere.

On the other hand, businesses -- likely including companies in the oilfield -- pulled back in the October-December period and government spending contracted, especially on defense.

Under fire, Germany suspends minimum wage for transit truckers

AFP, *Berlin*

GERMANY slammed the brakes Friday on applying its new minimum wage to foreign truck drivers transiting the country in a move welcomed by Poland which vigorously opposed the system.

Just weeks after the minimum wage took effect, German Labour Minister Andrea Nahles said after talks with her Polish counterpart in Berlin that the suspension was decided "out of consideration for (Germany's) neighbours".

It will be kept on ice until European rules on the issue have been clarified, she told reporters.

Polish transport companies and the government in Warsaw raised objections after neighbouring Germany introduced a national minimum wage of 8.50 euros ($9.60) an hour on January 1, including for lorry drivers passing through the country even just for a few hours.

Germany is the only European country not to exclude transit workers from the minimum wage which it has argued was needed to stave off wage dumping.

An association of Polish transporters last week slammed the German measure as "discriminatory and disproportionate" for requiring Polish-based firms to pay their drivers the German minimum wage for the period they are on the country's soil, or face a fine.

The Polish government had urged Berlin to change the system and complained to Brussels, where the European Commission last week opened a preliminary case to look into whether it complied with European law.

Polish trade unions however had written to Nahles to appeal to her to stand firm.

Labour Minister Wladyslaw Kosiniak-Kamysz called Berlin's suspension "a good decision" and urged Brussels to clarify the legal situation "as quickly as possible".

The Czech Republic and Hungary had also complained. The minimum wage in the three eastern European countries is around a quarter of Germany's.

Germany's new measure had required a Polish truck driver who is heading to Spain to be paid an hourly 8.50 euros from this year from the moment the driver crosses the German border, before reverting to the wage paid in the driver's home country on leaving German soil.

The driver's employer also faced administrative paperwork under the measure, and a fine if the driver were not paid accordingly.

Russia's economy to shrink by 3pc in 2015: minister

AFP, *Moscow*

Russia's economy minister Alexei Ulyukayev on Saturday forecast GDP to fall by three percent in 2015 on the back of a collapse in oil prices and a massive capital flight.

"We have issued a forecast for 2015 which uses the current prices, that is $50 dollars a barrel for the entire year," Ulyukayev was quoted by Russian news agencies as saying.

Ulyukayev emphasized that his prediction of a three-percent contraction was "conservative" given that most analysts forecast oil prices to recover later this year.

The economy ministry had previously forecast a 0.8-percent fall in output, but some economists had said that the contraction could be as big as five percent, depending on the price of Russia's main export commodity.

Russia's central bank has forecast a 4.8-percent shrinkage.

Japan's biggest airlines foresee smooth annual earnings

AFP, *Tokyo*

JAPAN'S two biggest airlines on Friday projected smooth full-year earnings, with All Nippon Airways (ANA) placing a $2.2 billion order for Boeing and Airbus planes, while rival Japan Airlines (JAL) raised its full-year profit forecast.

ANA said its April-December net profit soared 57.2 percent to 52.36 billion yen ($443 million) from a year ago, as an expansion at Tokyo's downtown Haneda airport increased landing slots for international flights.

Sales in the latest period rose 9.1 percent to 1.3 trillion yen, while ANA left unchanged its annual net profit forecast of 35 billion yen for the fiscal year to March.

The company "moved to strengthen its overseas networks by taking advantage of the increase in takeoff and landing slots for international routes at Haneda Airport", it said in a statement.

Revenue from international passenger flights jumped 19.1 percent on-year, while revenue in its domestic passenger flight business inched up 1.0 percent.

AFP

Japan's All Nippon Airways planes are seen on the tarmac at Tokyo's Haneda airport.

ANA added seven new routes at the airport with flights bound for London, Paris, Munich, Hanoi, Jakarta, Manila and Vancouver.

Also Friday, the carrier said it has placed a $2.2 billion order for a total of 15 planes from Boeing and Airbus.

The deal would see it acquire eight planes from US-based Boeing and seven from European planemaker Airbus, with delivery from later this year until 2022. The deal's size is based on list prices, but manufacturers usually give airlines a discount from that rate.

Despite a fall in nine-month profit, JAL raised its full-year earnings forecast owing to falling fuel costs and stronger revenue in its cargo business.