

সমৃদ্ধির খোঁসো **দ্বিগুণ আয়ের শ্রেষ্ঠ উপায়**

মুদারাবা দ্বিগুণ বৃদ্ধি ডিপোজিট স্কিম

সর্বাধুনিক প্রযুক্তি ও সমৃদ্ধ ব্যাংকিং সেবায় আমানত দ্বিগুণ করুন স্বল্পসময়ে



ইসলামী শরী'আহ মুদারাবা নীতির ভিত্তিতে পরিচালিত

বে কোন প্রয়োজনে ০৯৬১ ২০০১১২২

Star BUSINESS

DHAKA FRIDAY MARCH 6, 2015, e-mail:business@thedailystar.net

Major telcos may shun spectrum auction

STAR BUSINESS REPORT

Four top mobile phone operators may not take part in the forthcoming spectrum auction as some of the key issues that the government promised to sort out during the last bidding remain unresolved.

In a joint letter, Grameenphone, Banglalink, Robi and Airtel drew Finance Minister AMA Muhith's attention to their "investors' inability to recommend participation" in the auction for 1,800 MHz and 2,100 MHz bands, due to be held on April 30.

The auction gives operators an opportunity to acquire more bandwidth, needed to maintain service quality to their fast expanding customer base.

Furthermore, the 1,800MHz spectrum is the international standard band for the fourth-generation wireless broadband service that provides fast internet.

But in Bangladesh, operators are using some of the 1,800MHz spectrum to provide 2G service and some for 3G service, so more bandwidth is needed in preparation for the eventual roll-out of 4G service.

In the letter on March 1, the opera-

tors said their participation in the 2,100MHz auction in 2013 was on the basis that certain tax disputes, including those on SIM replacement and VAT on spectrum, would be resolved within a framework agreed with the government.

It was also agreed that the telecom policy would be updated and improvements made to the investment framework including the introduction of technology neutrality for spectrum and development of a spectrum roadmap to improve predictability.

"We regret that we have yet to see resolution of the outstanding taxation issues," said the letter, adding that a positive revision of the telecom policy and improvements in the investment framework would further enable growth for the sector to the benefit of consumers.

A progressive tax policy and a more predictable regulatory environment are necessary to sustain investor confidence, according to the letter.

"We hope immediate concrete steps will be taken to address our concerns. This is required to support operators in making individual decisions on participation in the planned auction."

The letter was signed by Jamaludin Ibrahim, president and group chief executive officer of Axiata Group, which owns Robi; Jon Fredrik Baksaas, president and group CEO of Telenor Group, which owns the majority of Grameenphone; Jo Lunder, CEO of VimpleCom, the owning company of Banglalink; and Sunil Mittal, chairman of Bharti Airtel, which owns Airtel.

Grameenphone, Banglalink, Robi and Airtel together control 95.75 percent of the country's 12.18 crore mobile phone subscribers market, according to Bangladesh Telecommunication Regulatory Commission.

The government plans to update the National Telecommunication Policy and Bangladesh Telecommunication Regulatory Act, make a spectrum roadmap and draft licensing guidelines, according to a draft of reform measures it submitted to the World Bank recently.

The government's planned spectrum auction and guideline have already created a lot of debates.

Last month, the GSMA, the global association of mobile operators, urged Bangladesh to seek public consultation before the auction.

Trade deficit widens after racing imports

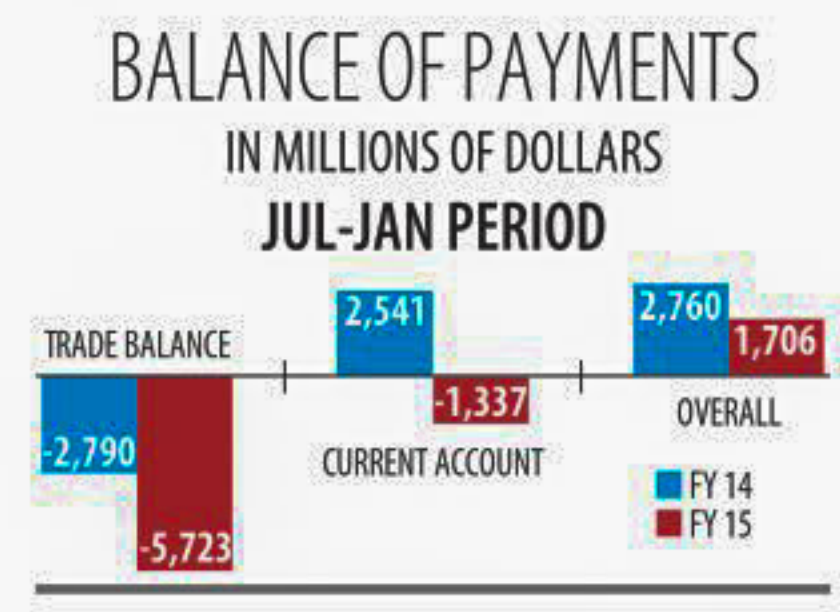
REJAUL KARIM BYRON

Trade deficit more than doubled in the first seven months of the fiscal year from a year ago on the back of high import growth.

At the end of January, the trade deficit stood at \$5.72 billion, up from \$2.79 billion recorded a year ago, according to central bank statistics.

During the period, imports soared 16.43 percent, while exports crept up 2.07 percent.

However, capital machinery imports, a barometer for investment activities brewing in a country, accounted for a major portion of the import growth between July last year and January this year, suggesting



resulted in an abrupt drop in imports, which will go on to ease pressure on trade balance.

The central bank yesterday released the data on January's LC openings and settlement, which showed that imports dropped 7 percent year-on-year in January and in the first two weeks of February, it declined 6.94 percent.

Meanwhile, the overall balance at the end of the first seven months of the fiscal year stood at \$1.7 billion in the surplus, on the back of an increase in disbursement of foreign direct investment, medium- and long-term loans.

During the period, net FDI rose 5 percent to \$850 million and medium- and long-term loans 12 percent to \$1.4 billion.

Accord, Alliance shy away from remediation commitment

REFAJET ULLAH MIRDHA

The disbursement of remediation money for garment factories flagged by Accord and Alliance remains very low, as retailers shy away from contributing to the pooled fund, industry insiders said.

Both the garment makers and retailers will be benefitted if the funds are released soon, as the remediation work is going on in full swing at the factories, said Atiqul Islam, president of Bangladesh Garment Manufacturers and Exporters Association.

"We have established transparency in our supply chain and now the time has come for both the Accord and

Alliance to prove theirs. They should uphold their commitment."

So far, only three factories -- all of whom supply to one of the Alliance members, a platform of 26 North American retailers -- have received funds for corrective actions.

In December last year, US-based VF Corporation disbursed a total of \$1.2 million among them.

The record of disbursement of remediation funds by Accord, a platform of 190 retailers predominantly based in Europe, is also not good.

One or two factories might have received the remediation fund from Accord, Rob Wayss, Accord's executive

director for Bangladesh operations, told The Daily Star by phone.

"But, we have received a lot of requests from the garment makers to get the fund," he said, adding that the retailers will lend financial support to the factory owners should they need it.

Wayss, however, declined to mention the names of the retailers that have already given financial support to factories for remediation.

Meanwhile, factory owners are not much interested in receiving remediation funds from retailers either, as they are not fully aware of the repayment terms and rate of interest, said an official of Alliance, seeking anonymity.

US pledges to help achieve \$50b apparel export target



US Ambassador Marcia Stephens Bloom Bernicat visits Bangladesh Garment Manufacturers and Exporters Association in Dhaka yesterday. Atiqul Islam, president of BGMEA, is also seen.

STAR BUSINESS REPORT

The US will assist Bangladesh in achieving its \$50 billion apparel export target by the end of 2021, US Ambassador in Bangladesh Marcia Stephens Bloom Bernicat said yesterday.

With higher prospects, the Bangladesh government and garment exporters set a target to export apparel items worth \$50 billion in the next seven years, at the first Dhaka Apparel Summit held in December last year.

Bangladesh that accounts for 5

percent of the \$450 billion global garment trade will need at least 15 percent year-on-year growth in exports to reach the target.

"We will continue to work with BGMEA to help achieve the target," Bernicat said at a press meet at the office of Bangladesh Garment Manufacturers and Exporters Association (BGMEA), after a meeting with the association leaders.

"Good things have already taken place in Bangladesh after the Rana Plaza building collapse. More than 200 trade

unions have been allowed in the factories, dangerous factories have been closed, new inspectors have been hired, remediation of the factories is underway and transparency has been established in the business," Bernicat said.

"The most important thing I learnt about RMG is that Bangladesh is unparalleled anywhere in the world," she said. Bangladesh has taken a serious challenge over tragic events and is showing the world how a proper response can be mobilised, she added.

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Energy efficiency key to future growth

Analysts say

STAR BUSINESS REPORT

Bangladesh must focus on energy efficiency and its conservation in a bid to ensure environmentally sustainable economic growth, analysts said yesterday.


Up to 20 percent additional electricity can be generated if emphasis is put on the efficient use of technology in power production, transmission, distribution and consumption, they said.

At present, the installed power generation capacity is hovering around 13,000 megawatts, while the real production is about 7,700MW, said Rajarshi Banerjee, country manager of ABB, one of the world's leading power and automation technology companies.

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