Ericsson brings solution to poor telecom network coverage

MD FAZLUR RAHMAN

THE dropping of mobile phone signals in office buildings is an everyday reality in Bangladesh in spite of the huge technological transformation in the country's fast-growing telecom sector in recent years.

But, respite might be on the way, if Swedish telecom-equipment giant Ericsson's tie-up with local mobile phone operators to deploy its Radio Dot System is anything to go by.

The set-up, which uses an innovative, high-performance radio system called radio dot, is said to improve indoor mobile network coverage and offer customers the best possible network experience.

"We will be deploying it in Dhaka within the next quarter," Raj J, managing director of Ericsson Bangladesh, said on Thursday.

He said his company is in discussion with mobile phone operators on how the radio can be integrated into their networks so they can reap benefits.

"It is a full-fledged 3G radio base station. There is no other product like this currently. In practice, it will ensure that customers have access to fast and reliable indoor mobile connectivity and enjoy the best possible network experience."

Launched in September 2013, the small, disc-shaped Radio Dot system integrates a dot antenna, which is linked to an indoor radio component through LAN cables and then to the neighbouring macro base station.

It consists of multiple disc-shaped radio broadcasters called Dots. Each Dot can provide high-quality access to mobile broadband and voice services for the surrounding area, and multiple Dots can be used together to broaden the coverage indoors.

The system enables mobile operators to deliver consistently high-performance voice and data coverage and capacity in the broadest range of enterprise buildings and public venues, including the underserved, high growth, medium-to-large building and venue category.

Raj J, managing director of Ericsson Bangladesh, *centre*, Abdus Salam, chief technology officer, and Mehnaz Kabir, head of communication, show Ericsson's Radio Dot System to reporters in Dhaka on Thursday.

Office buildings in Bangladesh would be the first to lay their hands on the new system, said the CEO of Ericsson Bangladesh.

"Most of the data users from 9-to-5 are coming from office spaces. So, the first port of call is to address the data density in a network. Offices are data hungry buildings."

"About 70 percent of the data is consumed indoor. Hence, you have to build capacity within the buildings," he said, adding that gradually it would be made available for single individual homes.

He said the current system is expensive and time-consuming too. The radio dot takes away the time and all the civil works and brings efficiency.

Raj said as the number of internet users is increasing tremendously, the current base stations are struggling to provide them quality service.

Abdus Salam, chief technology officer of Ericsson Bangladesh, said an operator's network performance determines its subscriber base and customer loyalty, while quoting the findings of the Ericsson ConsumerLab survey in Bangladesh.

The survey found that mobile subscribers give priority to overall network performance.

"The introduction of Radio Dot System could herald an end to any more new towers for capacity to reach building clients. However, we will need existing towers for macro coverage."

The Ericsson Bangladesh MD also touched upon the huge transformational changes the telecom industry is going through right now.

"Now, whatever you can imagine can be connected and sent through over the air. Overall, we are seeing huge transformation."

He said users are really dictating what kinds of content they want to consume and how. It is now very much a user-driven world.

Raj also said in the next three years six million mobile subscribers would join the country's industry per year.

"Subscription would depend on how soon machine-to-machine and connected device take off, which can pave the way for 10 million subscriptions per year. The growth for data or mobile internet will come from mobile phones."

He said there has been 500 percent increase in data usage in the last one year. "We see a similar trend moving forward. Data consumption will drive the growth of networks in Bangladesh."

About the competition in the telecommunication network business, he said: "Ericsson is on a growth path in the areas that we need to improve, and we will maintain our growth where we are already a leader."

He said Ericsson has the largest portfolio of tools and experience for optimising apps coverage.

While talking about the internet of things during a video conferencing from Australia, Warren Chaisatien, head of marketing for Ericsson Australia & New Zealand, said their conservative estimate is that 50 billion things or devices would be connected with the internet by 2020. "It could be even more."

He explained the broad set of new launches support operator needs across network evolution, IT transformation and opportunities for innovation and revenue growth.

Ericsson has identified a potential $14 trillion in efficiency and hidden value in the transport and healthcare sectors alone, he said, quoting Ericsson CEO Hans Vestberg.

Burcu Turel, head of external communications for South East Asia and Oceania Region, and Mehnaz Kabir, head of communications of Ericsson Bangladesh, also took part during the briefing.

Founded in 1876, the world's top network-equipment maker has its headquarters in Stockholm. Its net sales in 2014 were $33.1 billion. It supports networks that connect more than 2.5 billion subscribers; and 40 percent of the world's mobile traffic is carried over the Swedish company's networks.

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Swiss launch of Apple Watch hit by patent issue

REUTERS, *Zurich*

Apple is not able to launch its new smartwatch in Switzerland until at least the end of this year beause of an intellectual property rights issue, Swiss broadcaster RTS reported on its website.

The US tech giant cannot use the image of an apple nor the word "apple" to launch its watch within Switzerland, the home of luxury watches, because of a patent from 1985, RTS reported, citing a document from the Swiss Federal Institute of Intellectual Property.

The document, reprinted on the RTS website, was published by trade magazine Business Montres & Joaillerie, RTS said.

The patent is set to finish on Dec. 5 of this year. It currently belongs to William Longe, who owns watch brand Leonard that first filed the patent.

Apple did not immediately respond to a Reuters request for comment. The Swiss Federal Institute of Intellectual Property could not immediately be reached outside of normal business hours.

The Apple Watch, the firm's first new device since Tim Cook became CEO, will be available in stores in nine countries on April 24.

The world's largest watchmaker Swatch unveiled its riposte to Apple's smartwatch last month, announcing a plan to put cheap programmable chips in watches that will let wearers from China to Chicago make payments with a swipe of the wrist.

REUTERS/FILE

Apple watches are displayed following an Apple event in San Francisco, California.

Lafarge's Lafont favours cement insider as CEO in Holcim tie-up

REUTERS, *Paris*

Lafarge boss Bruno Lafont wants someone with experience of the cement industry to be chief executive in the French group's planned tie-up with Swiss peer Holcim, daily newspaper Le Monde said.

The choice of CEO for what would be the world's largest cement maker is still unresolved after revised merger terms last month gave Lafont the role of non-executive co-chairman instead of chief executive as initially planned.

Lafont is due to propose a CEO candidate within the next two weeks ahead of a special May 8 shareholder meeting to ratify the merger deal.

"For me, there should be a leader able to drive and unify the teams, a cement expert who already has good knowledge of the industry and the company, and with a true culture of value creation for shareholders," he told Le Monde in an interview published on Saturday.

The reworked merger proposals gave a more attractive share-swap ratio for Holcim shareholders but left the choice of CEO pending.

The revised terms have failed to satisfy Holcim's second-biggest shareholder, Russian businessman Filaret Galchev, and a source at his Eurocement holding firm said this week he wants to reopen the question of the exchange ratio.

Lafont ruled out changing again the deal terms.

"The financial parities are not going to change, nor will the governance," he said.

Toyota to build new plants in China, Mexico

AFP, *Tokyo*

Japanese auto giant Toyota plans to invest a combined $1.3 billion to build new plants in China and Mexico, its first major investment in five years, reports said Friday.

The cash is aimed at boosting its production capacity by some 300,000 units a year in a bid to better compete with global rivals, the Nikkei business daily said.

The world's largest automaker expects to spend about 150 billion yen ($1.3 billion) on the new facilities, opening them in 2018 in China and 2019 in Mexico, the newspaper added.

It will be Toyota's first major investment since it began operating a new Thai plant in 2013, when it halted plant construction to focus on honing profitability, the Nikkei and Japan's public broadcaster NHK said.

The Chinese factory will be built in the city of Guangzhou, where Toyota has a joint venture with Guangzhou Automobile Group, producing the Yaris subcompact, the Nikkei said.

US jobs machine stalls in March

AFP, *Washington*

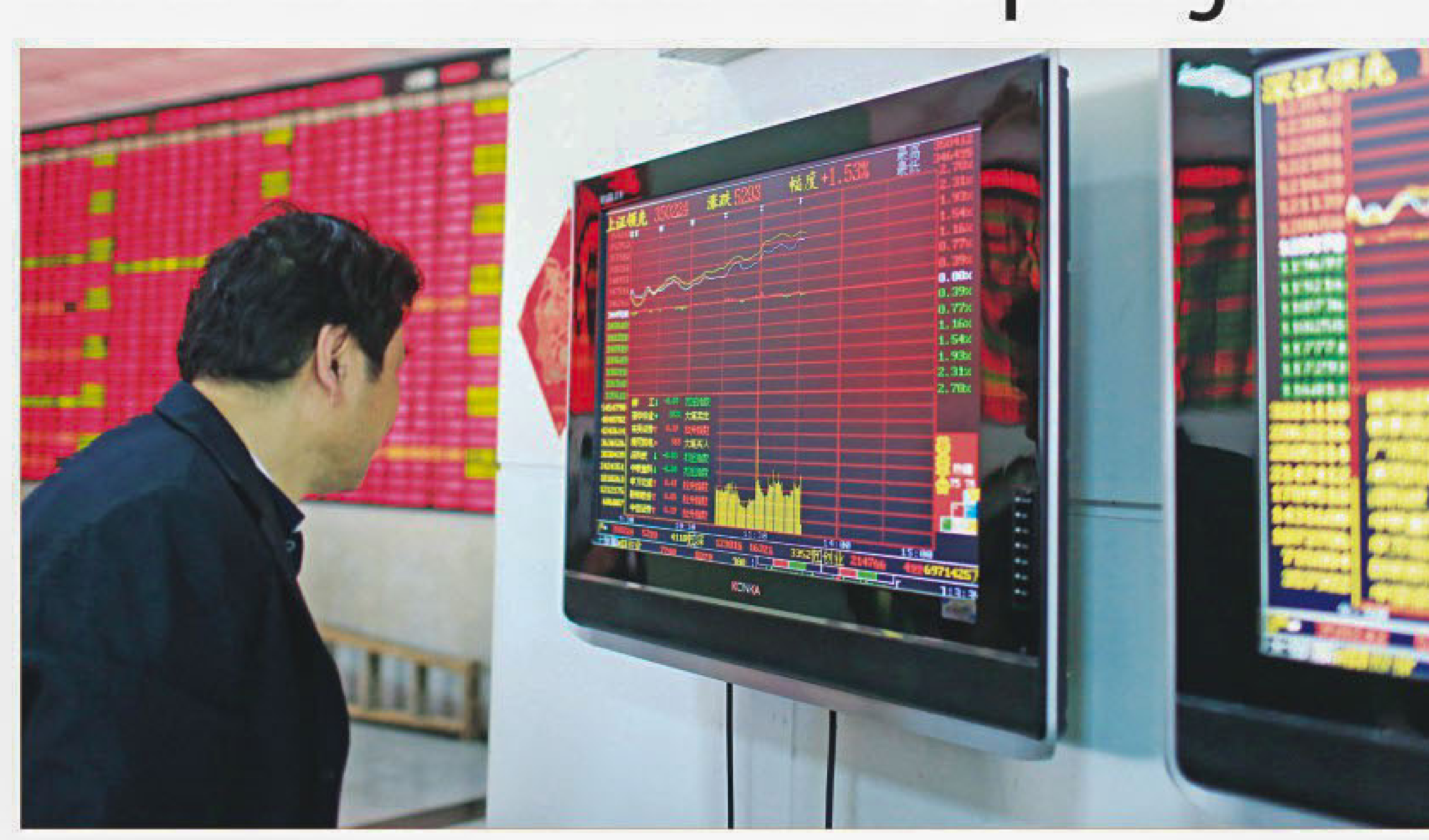
After a year of pumping up their payrolls, US employers sharply cut back hiring in March, in a fresh sign of a slowdown in the world's leading economy.

Labor Department data Friday showed the economy generated a disappointing 126,000 net new jobs in March, half of what was expected and the worst month since December 2013.

The department also trimmed 69,000 from the two previous months, dimming the picture for growth after a year that averaged 287,000 new hires a month across the country.

While the jobless rate held at 5.5 percent, the lowest level since May 2008, and wages showed more strength than in recent months, the March data had other worrisome signs: hours worked fell, unemployment among all adult men and among African Americans rose, and the participation rate in the jobs market fell.

China's thriving brokerage minnows set to come under M&A spotlight



REUTERS/FILE

An investor looks at a computer screen showing stock information at a brokerage house in Shanghai.

REUTERS, *Hong Kong*

IN the shoals of China's little-known stockbrokers, fast-growing firms like Southwest Securities Co may soon find themselves in the glare of a consolidation spree triggered by Beijing's drive to modernise the country's financial industry.

Nearly doubling profits last year on a stock market boom, Southwest is one of the more than 120 brokerages in China that will have to live with government plans to allow commercial banks and other finance firms to own a brokerage licence. The new rules are expected later in 2015, part of moves to open up capital markets and bolster China's sagging economic growth.

After a stellar 2014 - securities firms' profits more than doubled to $16 billion - Chinese brokerages are now bracing for the impact of newcomers by lining up to raise billions of dollars in funds to expand margin trading and other businesses. A series of takeovers is about to be unleashed, insiders say.

"Mergers between banks and securities companies, insurers and banks, or insurers and securities companies are all likely to show up," Wang Dongming, chairman of China's largest brokerage, CITIC Securities Co , said at a recent news conference. "The strong will become stronger, and the weak will become weaker."

Chinese securities firms had about 4.1 trillion yuan ($660 billion) of assets at the end of 2014, nearly double a year earlier, according to the Securities Association of China.

Brokers' assets and earnings were boosted by stock trading volumes rising to an all-time high in China last year as local investors flocked to equities after the central bank's surprise interest rate cut in November. Volumes have also been helped by the Stock Connect scheme, which opened the same month, allowing direct trading of Hong Kong and Shanghai stocks on each other's bourses.

While CITIC Securities and Haitong Securities Co are way out in front, with 192.9 billion yuan and 129 billion yuan of assets respectively, most of the industry consists of much smaller players. Ranked 19th, Southwest has assets of about 30 billion yuan.

Two sources of big brokerage business will be affected by the broadening of the licences: equity underwriting, a hugely profitable business that pays nearly double the fees in mainland China compared with Hong Kong, where fees are squeezed by stiff competition from global brokerages; and stock trading, where the entry of new players is expected to push very tight commissions even lower.

Banks with brokerage licences would present "huge risks" to brokerages because of their large retail customer base, Credit Suisse analysts wrote in a March research note. That would further pressure stock trading commissions that fell to about 7 basis points in the second half of 2014 from 7.6 basis points in 2013 amid competition from brokers for business from retail clients.

China's securities regulator has given no timetable for when new licences would be issued. Hong Kong-based advisory firm REORIENT Financial Markets expects the change could be as soon as the third quarter of 2015.

The Hang Seng China H-Financials index has surged 39 percent in the past year, pushing valuations too high, according to some investors, potentially building pressure on brokerages if competition cuts into profit.

"The environment for the brokerage business in China is definitely more negative versus other players and other sectors in the financial space, especially considering the current valuation level," said Francois Perrin, head of Greater China equities at BNP Paribas Investment Partners Asia.