Spectrum auction deferred again

MUHAMMAD ZAHIDUL ISLAM

The spectrum auction for both the 1,800 and 2,100 bands has been deferred for the third time now and the new date has been fixed for June 10, as the telecom regulator recommended amendments to the guideline yesterday. The final guideline will be made public once it receives approval.The auction was first scheduled for April 30 and rescheduled twice to May 20 and May 27.

The top mobile phone operators are not willing to participate in the upcoming spectrum auction before the SIM replacement tax issue, involving more than Tk 2,000 crore, is resolved. For this reason, Bangladesh Telecommunication Regulatory Commission (BTRC) has decided to make the auction open for all telecom operators, to make it more competitive.

Earlier, the regulator had formulated auction guidelines that only allowed existing mobile phone operators to participate.

"We sent the amended proposal to the telecom ministry today (yesterday)," said Md Abdus Samad, commissioner of the legal and licence wing of the BTRC.

Samad, also the chairman of the spectrum auction organising committee, said they rescheduled the dates for their convenience and to arrange a participatory and competitive bid. As per the proposed schedule, interested operators can submit auction applications till May 24, which was earlier scheduled for May 5, said Md Sarwar Alam, secretary of the BTRC.

According to the decision, the regulator will publish a list of the names of the qualified applicants on May 26 and June 4 will be the last date to submit the earnest money -- Tk 150 crore -- for attending the two auctions for both bands.

Operators welcomed the rescheduling of the auction, but doubted if 20 days would be enough to resolve the issues.

"We should request the relevant authorities, including the BTRC, to expedite the process," said a senior executive of a mobile phone operator, seeking anonymity.

The official is hopeful that the government will take the issues seriously to involve the mobile phone operators as important partners in building a 'Digital Bangladesh'.

Grameenphone, the market leader in the country, said they are interested in taking part in the auction but at the same time, they want the SIM replacement tax issue to be resolved before the auction.

"Without resolving the long pending SIM replacement tax issue, we can't take part in the spectrum auction," Rajeev Sethi, chief executive officer of Grameenphone, said in a press conference yesterday.

Through this auction, the telecom watchdog also plans to allocate 10.6 MHz spectrum in the 1,800 band and 15 MHz in the 2,100 band. The government will earn at least $650 million if all the spectrum blocks are sold.

Paper Studio announces design contest

STAR BUSINESS REPORT

Paper Studio, a leading distributor of premium fine paper in Bangladesh, yesterday announced the second Conqueror Corporate Identity Design Contest 2015 to promote creative communication.

The contest is a platform for design students and creative professionals to demonstrate their ingenuity and talent in corporate identity design.

Aspirants can submit design entries from today till May 24, and the jury will pick winners for three gold, two silver and one inspiration awards by the end of the month.

The winning entries of the contest will be put on exhibition and form part of a publication as well.

"The contest is an opportunity for designers and design students to challenge their own abilities," said Farzeen K Chowdhury, director of Paper Studio.

A seven-member jury panel of design communication industry luminaries will select the contest's winners.

This year's contest is themed at "Shashwata Bangla" or "Bengal Forever" and the contestants are asked to design a symbol reflecting or symbolising Bangladesh. The category is open to both students and professionals.

Other than the set theme, there is also a "free theme" only for the professionals and a new category called "Inspiration work".

The event will provide the designers in Bangladesh with the opportunity of winning a visit to the historic Arjowiggins Creative Paper Mill in Scotland.

The gold award in the student category will be an invitation to Seoul Design Week, 2016.

The jury council members for the contest are: Artist Khaled Mahmud, Architect Salauddin Ahmed, Graphic Designer Laura Bonapace, Creative Brand Communication Expert Yusuf Hassan, Brand Identity Visionary Iftekhar A Khan, Print Specialist Arifur Rahman Munir and Chairman and CEO of Asiatic Marketing Communications Ltd Aly Zaker.

Paper Studio also organised two seminars on corporate identity design at its office in Dhaka for a selected group of graphic designers, creative professionals and design students.

The seminars were organised to create an understanding of how corporate identity design works in harmony with quality communication material.

Christophe Balaresque, luxury brands and marketing director of Arjowiggins Creative Papers, spoke on the focus of luxury brands, while Khaled Mahmud, an artist and design thinker, spoke on mind, matter, and materialisation.

The Daily Star is a strategic partner of the event.

STAR

Christophe Balaresque, luxury brands and marketing director of Arjowiggins Creative Papers, speaks at a seminar on creative design and communication, organised by Paper Studio at its office in Dhaka yesterday. Farzeen K Chowdhury, a director of Paper Studio, is also seen.

RANKS PETROLEUM

Romo Rouf Chowdhury, vice chairman of Ranks Petroleum; Imran Zaman Khan, managing director; Sanjay Bakshi and Sumit Arora, officials of Shell Lubricants, pose at the launch of advance 4T motorbike engine oil, at Lakeshore Hotel in Dhaka recently.

GP

Rajeev Sethi, *left*, chief executive officer of Grameenphone, speaks while Dilip Pal, *centre*, chief financial officer, looks on at a programme to announce the company's first quarter financial results, at the Westin hotel in Dhaka yesterday. Story on B1

Stocks slip to 18-month low

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Investors were going through the earnings season and looking for companies that show some sort of good visibility, the stockbroker said.

Comparatively lower earning disclosures due to the aftereffects of political blockades during the first quarter of this year increased pessimism and brought another collapse across the market, IDLC Investments said.

During the trading session, the investors remained hooked to sell off their positions amid growing apprehension, the merchant bank said.

The day's turnover, another important indicator of the market, also dropped 13.56 percent to Tk 330.44 crore with 8.03 crore shares and mutual fund units changing hands.

United Power Generation and Distribution Company topped the turnover leaders' chart with transactions of 19.46 lakh shares worth Tk 34.97 crore, followed by ACI Formulations, ACI, Square Pharma and Lafarge Surma Cement.

Losers outnumbered the gainers, 218 to 68, while 19 securities remained unchanged on the DSE floor.

Among the major sectors, engineering took the highest hit with a 6.44 percent fall, followed by fuel and power 2.17 percent, non-banking financial institutions 1.86 percent, bank 1.09 percent and telecom 0.41 percent.

Intech Online was the day's best performer, advancing by 31.25 percent, while BSRM was the worst loser, slumping by 21.36 percent. Chittagong stocks also crashed yesterday with the bourse's benchmark index, CSCX, plunging by 115.16 points to 7,433.81.

Losers beat the gainers as 154 scrips declined and 44 advanced while 22 closed unchanged on the Chittagong Stock Exchange. The port city bourse traded 62.93 lakh shares and mutual fund units, generating a turnover of Tk 25.05 crore.

Print media calls for zero duty on newsprint import

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The removal of import duty will be of great support to us," Matiur Rahman, president of Newspaper Owners Association of Bangladesh (Noab), said at a meeting with the officials of National Board of Revenue.

The revenue authority organised the meeting at its headquarters as part of its preparations for the drafting of fiscal 2015-16 budget.

Noab said the newspaper industry deserves VAT exemption as newspaper plays the role of a service providing organisation, contributing to the welfare of people.

Rahman, also the editor of the Prothom Alo, the biggest Bangla daily, said the industry needs support as it has faced various challenges in the last few years due to volatile politics and other factors.

He also demanded the withdrawal of 15 percent VAT at import stage of newsprint, as the rebate against the paid VAT cannot be claimed after printing newspaper.

The newsprint is the basic raw material of newspaper. If the paper industry gets VAT waiver from pulp import, newspapers should also get the same benefit, he said, adding that newsprint and printing accounts for 70 percent of the basic cost for newspapers.

The industry enjoyed duty-free import benefit during fiscal years 2007-08 and 2008-09. The government discontinued the benefit in fiscal 2009-10 and slapped 5 percent duty on newsprint import.

Noab Vice-President AK Azad, also the publisher of Bangla daily Samakal, said newspapers have to import newsprint because of the low-quality of the locally produced alternatives. Newspapers have to pay a total of 22 percent duty and taxes for importing paper, he said.

"It is easy for big print media houses to afford the cost. But withdrawal is necessary to protect small and medium newspapers. Many houses are yet to implement the 8th wage board for journalists," he added.

Mahfuz Anam, editor and publisher of The Daily Star, said revenue collection from duty on newspaper import would be insignificant from the viewpoint of overall revenue collection and national budget of the state.

The society benefits much more from a free and vibrant media, Anam said. He said the media will be with the revenue authority with all its campaigns for reforms.

Noab Member AHM Moazzem Hossain, also the editor of the Financial Express, advised the NBR to widen its tax net to augment revenue collection, instead of imposing a high tax burden on the existing taxpayers.

The association also sought withdrwal of the provision from obtaining advance tax payement certificatates or vouchers that advertising agencies deduct from the advertisement bills and deposit to the exchequer.

But non-availibility and difficulty to obtain the certificates or vouchers force newspapers to pay double taxes on advertisement bills. "Such a condition should be scrapped in the upcoming budget," said Reazuddin Ahmed, editor of the News Today.

It is a big problem to arrange chalan from the advertsing agencies as they are scattered in diffrent areas, he said, adding that there is a commitment from the finance minister with regards to scrapping the rules. Noab Treasurer Matiur Rahman Chowdhury, members Tasmima Hossain and Altamas Kabir also spoke at the event, which was chaired by NBR Chairman Md Nojibur Rahman.

Banks join hands with ADB for infrastructure funds

FROM PAGE B1

ADB and the commercial banks will advise the Asian governments on how to best structure the PPP projects, make them attractive to the private sector and manage the bidding process. The governments will, however, make the final choice of PPP winning bidders.

Asia's developing nations need to spend $8 trillion until 2020 on infrastructure projects, mainly on energy, roads, railways, ports, airports and water, to keep up economic growth momentum. Growth in Asia and the Pacific remains strong, as ADB expects the region to maintain a growth rate of 6.3 percent this year.

Infrastructure such as transport, energy and water accounts for about 80 percent of ADB's operations.

Infrastructure is not only the basis for economic and industrial development, but also indispensable for human development, raising standards of living and reducing poverty, ADB President Takehiko Nakao said in a statement.

"The public sector alone cannot bridge the region's huge infrastructure financing gaps. Much larger investments from the private sector are needed. We must use public-private partnerships more effectively," he said.

The region has a remarkable record of fighting poverty. But as recently as 2011, 544 million people were still living under the traditional poverty threshold of $1.25 a day. Last year, ADB developed a new poverty measure taking into account the consumption basket specific to Asia's poor, food costs that rise faster than the general price levels, and vulnerability to economic shocks and natural disasters. If the new poverty measure is applied, the number of absolute poor rises to 1.4 billion, or about 40 percent of the region's total population. "Such high poverty is unacceptable. Poverty must be defeated decisively, and soon," Nakao said.

In an effort to eliminate poverty and achieve sustainable development in Asia, ADB found Japan, Canada and Australia as early partners in the PPP initiative.

The three countries are providing a total of $64 million to finance preparatory work for the PPP effort, while ADB will contribute $10 million. The combined outlay may climb up to $150 million, with more partners joining in. "Given their huge infrastructure needs, governments in Asia and the Pacific need more options for funding and operational efficiency in infrastructure projects," Kaga said.

Although there is keen interest to attract private investment into infrastructure, many countries in the region struggle to prepare, structure and place the projects in the market in line with international best practices, Kaga told reporters. The eight banks that will work closely with the ADB are Bank of Tokyo-Mitsubishi UFJ, BNP Paribas, Crédit Agricole, HSBC, Mizuho Bank, Macquarie Capital, Societe Generale and Sumitomo Mitsui Banking Corporation.

ADB, with its co-advisors, will help clients assess the future income flows of projects, bring international best practices to PPPs, and develop PPP capacity in the region to deliver bankable transactions.

Summit, GE open 240MW power plant this month

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The $310 million project will raise Summit's electricity output to 1,200MW, which is almost 16 percent of the country's total power generation.

This will take the group's total investment in the power sector to $1.2 billion.

Summit Group is set to supply another 165MW of electricity to the national grid from later this year.

The electricity will be supplied from a 110MW power plant in Barisal and another 55MW one in Narayanganj -- the construction work for which is going on in full steam.

The company has also applied to the government seeking an approval for setting up another 350MW power plant in Meghnaghat.

It is also in discussions with the government to set up a joint venture with Power Development Board to establish a 660MW coal-based power plant in Maheshkhali, Khan said.

Bangladesh's current average production capacity of 7,000MW falls far short of its demand for 10,000MW.

About 65 percent of the country's population has access to the national grid, although it produced a record 7,521MW of electricity last month.

GP sees slight profit rise

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The sum though is the lowest in the last four quarters, he added.

The operator reported revenues of Tk 2,620 crore in the second quarter of last year, Tk 2,560 core in the third quarter and Tk 2,590 crore in the last quarter.

While political turmoil and heavy competition piled on pressure, the cricket World Cup provided some relief, he said.

During the quarter, Grameenphone acquired five lakh new subscribers, taking the subscription base to 5.2 crore. Service revenue grew by 0.8 percent year-on-year, while customer equipment and other revenues increased 5.2 percent year-on-year.

Growth in service revenue was mainly driven by data and value added service: data revenue rose 67.9 percent year-on-year and VAS 37.2 percent.

The operator invested Tk 370 crore during the quarter for further rollout of 3G sites, 2G coverage and capacity enhancement for catering higher volume of data and voice as well as flexibility of IT infrastructure for better product and service offerings.

It paid Tk 1,210 crore to the national exchequer during the period. Grameenphone share prices closed 0.70 percent lower at Tk 322.6 yesterday.

EMAMI

Mohsin Ahmed, president for Saarc region at Emami Group, speaks at the annual sales conference of Emami Bangladesh, in the capital yesterday. Hamid Khan, national sales manager of Emami Bangladesh, was also present.

JAMUNA BANK

Md Sirajul Islam Varosha, chairman of Jamuna Bank, and Shafiqul Alam, managing director, attend the bank's 14th annual general meeting, at Police Convention Hall in Dhaka yesterday. The bank announced 19 percent bonus share for 2014.