More than a vision: a digital future for Bangladesh

Jon Fredrik Baksaas, president and CEO of Telenor Group, sheds light on Bangladesh's prospects in ICT, as Digital Investment Summit kicks off in Dhaka today

JON FREDRIK BAKSAAS

DIGITALISATION and improved connectivity are among the strongest forces that can push Bangladesh towards middle-income status. Future-oriented policies, predictable frameworks and transparent processes can make it happen.

Leaders from the country's digital and ICT environment gather today for the first Bangladesh Digital Investment Summit. Top representatives from the government, multinational companies and the local ICT industry, as well as a host of ICT entrepreneurs, will gather to discuss how the vision of a Digital Bangladesh can become a reality.

Telenor Group is proud to be part of the conversation, together with international heavyweights like Accenture and Huawei, local associations like BASIS and the Bangladeshi government through its ICT division and the A2I initiative.

Bangladesh is in many respects ahead of its peers in terms of socio-economic development. The country has been able to lift millions out of poverty, dramatically reduce child mortality, increase life expectancy, and significantly improve primary education enrolment.

A densely populated country of relatively limited size, Bangladesh lends itself well to projects that aim to improve lives for the many. While there is still much to be done, Bangladesh' development indicators are pointing upwards.

Strong domestic industries with global reach have the biggest potential to further accelerate this development, both in terms of value creation and employment for its youth.

Bangladesh has a strong growth engine in garments and manufacturing, but so far has not been able to fully take advantage of its potential in the ICT space.

So how can we unlock the potential of Bangladesh? First, Bangladesh needs to make its ambitions known -- as it has done in its vision 2021 for a Digital Bangladesh. Secondly, it needs to put actions behind its words.

Jon Fredrik Baksaas

A bold vision: Digital Bangladesh

The government has laid out a vision of a Digital Bangladesh aiming to utilise the significant potential of digitalisation and connectivity to bring benefits and opportunities to the country's masses.

As Telenor Group is a long-term investor in Bangladesh, it welcomes the vision and ambitious thinking behind it. Together with Grameenphone, our domestic and international partners and the rest of the local ICT industry, we want to contribute positively to realise a Digital Bangladesh.

The foundation: Internet for All

To do so, job number one is to bring connectivity. We have stepped up the roll-out speed of Grameenphone's new 3G network to meet demand, aiming to bring internet to 50 million customers within the next 3-4 years.

But it does not stop there: digital inclusion for everyone -- regardless of age, gender or geography -- is essential to realise the full societal benefits of mobile connectivity. With 'Internet for All', mobile devices can become your bank, your government disbursement unit, your school and your doctor. Above all, it can become your livelihood.

Bangladesh is already a leading country on the freelance software development platform oDesk, just trailing India and the Philippines. Without any marketing or corporate backing, over 300,000 freelancers are reported to have billed over $21 million in 2013 from two such platforms.

ICT is already a significant employer, but the potential is much bigger: in its vision for 2021, the government aims for 45 percent service sector jobs. ICT companies: multinationals and start-ups, IT-enabled services and business process outsourcing (BPO) companies have the potential to absorb a vast pool of skilled young people and create significant value.

Building capabilities and skills among the youth, stimulating domestic entrepreneurship and welcoming foreign investors are all important stepping stones towards realising the vision.

The global focal point of the mobile and ICT industries is pivoting towards Asia. This is where the most new internet users will come from. GSMA projects that the mobile industry will need to invest in excess of $730 billion over the next 5 years in Asia to meet connectivity demand.

Asia is already a frontrunner in adopting new technologies and a manufacturing hub for the world's mobile devices. We firmly believe that Asia will be increasingly important in fuelling the world's mobile and digital innovation, and the potential is the greatest in developing services tailored to the needs of mass market customers.

Bangladeshi entrepreneurs and companies are well positioned to develop relevant services that respond to local and regional customer needs.

The need: frameworks and policies for a digital future

The future of mobile and digital innovation and growth belong to Asia, and Bangladesh can take more than its fair share of this potential. Reaping the full benefits of modern technology requires an equally modern policy framework focused on facilitating innovation, healthy competition and removing barriers to efficient delivery of service to customers.

To attract foreign investors, predictable frameworks are a decisive success factor. A progressive tax and regulatory environment is necessary to sustain investor confidence over time.

Finally, transparent processes, fair practices and a level playing field are needed to ensure that the money invested is most efficiently allocated to the benefit of customers and society at large. In 2016, Telenor celebrates 20 years as a foreign investor in Bangladesh. We came and stayed because we believed in Bangladesh and Grameenphone. We still do.

We assisted to bring mobile connectivity to this country, and now we are helping bring Internet for All. With that foundation, there is almost no limit to what Digital Bangladesh can become.

REUTERS/FILE

An African immigrant tries to jump a fence into a ferry terminal in the western Greek town of Patras on April 28.

At Greek port, migrants dream and despair in abandoned factories

REUTERS, *Patras, Greece*

Rapper Mahdi Babika Mohamed's journey to a better life in Europe started in his native Sudan and passed through Libya and Turkey before abruptly ending in a squalid abandoned factory at Greece's western port of Patras.

There, the 37-year-old is one of hundreds of migrants making desperate attempts to board ferries to Italy by hanging on to the underside of cargo trucks - usually unsuccessfully.

"We come from a country in war to another war here in Patras," said Mohamed. "Every day I try to get on the ferry and it's dangerous hiding under the trucks, I could die any minute."

Patras is no longer on the frontline of Greece's migrant crisis as it was six years ago when authorities shut down a makeshift camp in the port where hundreds of migrants had lived in squalid conditions.

Focus has since shifted to the thousands of Syrian and other migrants now breaking through Greece's eastern sea border, but the refugee problem in Patras is far from over.

Today, about 100 Afghan, Iranian and Sudanese migrants live in two deserted textile and wood factories opposite the main ferry terminal, living off food scraps and without electricity. Some arrived recently, others have lived there for as long as two years.

Each day, some try to jump over a high fence into the terminal in the hope of sneaking onto a ferry set for Italy, where they dream of a better life than in crisis-hit Greece, where jobs are scarce and sympathy even harder to find.

Others hide by the roadside, dashing to scramble underneath trucks waiting at traffic lights before entering the ferry terminal.

One of those is Azam, a 26-year-old from South Sudan who says he boarded a small fishing boat in Egypt with 175 other immigrants earlier this year. He says he paid around $3,000 to go to Italy but the boat took them to Crete instead.

Despite several attempts, he has yet to make it on to a ferry to Italy. But he refuses to abandon his dream.

"I want to go to northern Europe and find a decent job and live a good life I will try until I make it," Azam said. "I'll never give up."

HSBC bank logs higher profits amid probes

AFP, *London*

Scandal-hit global bank HSBC on Tuesday posted rising quarterly profits, but added regulators have requested more information about its controversial Swiss division.

Earnings after tax climbed to $5.26 billion (4.75 billion euros) in the three months to the end of March, compared with $5.21 billion a year earlier, the Asia-focused bank reported in a results statement.

Pretax profits advanced 4.4 percent to $7.1 billion in the same period. That sent HSBC's share price racing higher in morning trading because it easily beat market expectations of $5.8 billion.

"Our business recovered well in the first quarter following a difficult fourth quarter," said chief executive Stuart Gulliver in the statement.

"Global Banking & Markets had its usual strong start to the year, with a notable increase in year-on-year revenue in our markets businesses."

However, striking a negative tone, the bank also disclosed a new twist in the so-called SwissLeaks scandal.

"In the UK, the Financial Conduct Authority (FCA) issued a request for information to HSBC Bank plc and HSBC Holdings plc in relation to HSBC Swiss Private Bank," the bank announced in earnings release.

The FCA had previously said in February that it was "working closely with the firm". A request for information by the watchdog however falls short of launching a formal investigation.

During the quarter, HSBC was forced to apologise for "unacceptable" failings at its Swiss division.

China pulls out stops to avoid lay-offs as economy cools

REUTERS

People line up to apply for teaching jobs at the local education bureau, in Lianyungang, China yesterday.

REUTERS, *Beijing*

AS growth in China's sagging economy looks on the verge of spilling below 7 percent, officials worried about a spike in unemployment are pulling out all the stops to avoid mass lay-offs.

State firms are encouraged to keep idle workers employed, subsidies and tax breaks are given to companies that do not fire their workers, and some businesses are even enticed into hiring despite the slackening economic growth.

The measures appear to be working for now, said a senior economist at the Development Research Centre, a think-tank affiliated to China's cabinet.

"There is no big problem in employment. They (top leaders) are more worried about financial risks and debt risks," said the economist, who declined to be named.

But things could change quickly.

In one of the first signs of distress in China's labour market, the Liaoning government said in April it had slashed its 2015 job creation target to 400,000 from 700,000, to reflect a "severe" employment trend.

That came in the wake of data that showed Liaoning, one of three rustbelt provinces in northeastern China, grew just 1.9 percent in the first three months of the year, the slowest of China's 31 provinces and regions.

Disappearing job opportunities or a spike in unemployment are always a concern for China's stability-obsessed government, especially with 7.5 million university graduates estimated to join the labour market this year.

A rise in the jobless rate could spur government to stronger policy action to cushion the world's second-largest economy from what will this year be its slowest growth in a quarter of a century.

"As long as we can prevent people from losing their jobs and prevent social unrest, we should raise salaries and provide social security and pensions," said a researcher at China's powerful economic planner, the National Development and Reform Commission.

In the first quarter, when growth slipped to 7 percent, the official unemployment rate barely budged.

It stood at 4.05 percent at the end of March, compared with 4.1 percent at the end of 2014.

But the official figure is widely recognised as a flawed measure since it does not properly account for China's 274 million rural migrant workers, those most vulnerable to job losses in a cooldown.

Indeed, a handful of indicators already suggest mounting pressure. A private survey of China's factory sector showed factories have cut jobs for 18 months, while official data showed job creation across the country slowed in the first quarter to 3.24 million, from 3.44 million a year ago.

Worse, a range of disappointing economic data in March stoked worries that annual growth may fall below 7 percent in the coming months, retreating further from the 7.2 percent growth that Premier Li Keqiang said was needed in 2014 to create 10 million new jobs.

To keep employees in their jobs, local governments are doing what they can.

Authorities in Shaanxi in central China are giving companies that do not dismiss workers, or dismiss the bare minimum, subsidies worth half the employment insurance that they pay, according to Chinese media reports.

But Julia Wang, an economist at HSBC in Hong Kong, doubts China can avoid a rising unemployment rate for long and could struggle to hit its 10 million new jobs goal this year.

"Employment is fundamentally related to economic growth," she said. "This year's job creation target will be in danger. It will not be as easy for the target to be exceeded as in previous years."