Tech neutrality a must for better telecom services

Tore Johnsen of Telenor sheds light on spectrum issues

MUHAMMAD ZAHIDUL ISLAM, *back from Malaysia*

BANGLADESHI mobile operators need more freedom in using spectrum to offer more convenient internet services, said a senior official of Telenor.

Telenor wants tech neutrality in Bangladesh to increase its capacity to ensure better services, and it immediately needs more spectrum, said Tore Johnsen, who had been the CEO of Bangladesh's top mobile operator Grameenphone between 2011 and 2013. Telenor is the majority shareholder of Grameenphone.

Tech neutrality means the operators will have the choice to use any spectrum frequency for any purpose, a move that would bring down their production costs and enable them to offer better coverage.

Johnsen retired from Telenor Group and is now serving the group on a contract basis as the senior vice president for performance management in Asia region.

"Telenor would like to use the 700 band spectrum, which can ensure very good network coverage in Bangladesh," he told The Daily Star in an interview in Malaysia recently.

But when the 700 band would be available and what its price will be are the important issues, he said.

The telecom regulator in Bangladesh should draw a spectrum roadmap, which Johnsen thinks will help Telenor take decisions on new investments.

Johnsen said Grameenphone has no immediate plan to offer fourth generation (4G) mobile services with the 2100 band spectrum, by which the operator is now offering 3G services.

"We need tech neutrality and more spectrum to offer this modern service."

Tore Johnsen

Out of its six ventures in Asia, Telenor launched 4G only in Thailand and is waiting for government's approval to introduce it in Malaysia.

In principle, Grameenphone enjoys tech neutrality in Bangladesh in 2100 band spectrum and can offer 4G services anytime, he said.

But the operator has only 10 MHz spectrum in the band, which is not enough to offer 4G services of good quality after serving the 3G customers, he said.

"If all our customers in Bangladesh start taking 3G services, we will have no spectrum left for 4G services. That's why we will not launch 4G in the 2100 band."

Currently, 1.5 crore out of 5.5 crore active subscribers of Grameenphone are taking 3G services.

Johnsen suggested the telecom regulator in Bangladesh offer more spectrum through open auctions and allow tech neutrality in the 900 and 1800 bands.

Telenor wants the spectrum roadmap to be incorporated in the new telecom policy—on which the government is now working—to help the operators make future plans in a more effective way.

To increase internet penetration in Asia, especially in Bangladesh, Johnsen said Telenor wants to turn 80 percent of its existing customers into internet users in the next two years.

"We are working with suppliers and distribution channels to cut handset prices to increase internet penetration and the number of internet users."

In Bangladesh, mobile phone operators are not allowed to launch handsets with their brand name, which Telenor has already done in different markets.

Grameenphone now sells handsets of different brands, he added.

"We are hopeful that Grameenphone will be allowed to launch handsets with its own brand name. People will get smartphones at low prices if it happens."

Telenor is now working with suppliers to buy handsets in bulk for its Asian operations to help cut the prices of cellphones, said Johnsen, who also worked as CEO for Telenor's ventures in Thailand, Pakistan and Malaysia.

Telenor helps people develop local applications in Thailand and they want to do the same thing in Bangladesh, he said.

Johnsen said the proposed mobile banking guideline in Bangladesh does not make any sense to Telenor.

Neither a mobile operator nor a bank can own more than 15 percent of the consortium, which could be formed to offer mobile banking services in Bangladesh, according to the draft guideline prepared by Bangladesh Bank.

"The government should decide whether the consortium will be led by banks or mobile operators. Split ownership is not a good way."

Telenor welcomes mobile number portability (MNP) in Bangladesh as they have already introduced the service in Pakistan and Thailand. MNP is a technology that will allow a user to change his operator without changing the number.

Johnsen said Telenor will help the governments in its six Asian markets build digital economies.

Grameenphone is the first venture of Telenor in Asia, which was launched in 1996. Later, the group started operations in Thailand, Malaysia, Pakistan, India and Myanmar.

Gold at discount for fourth week in India, China goes on holiday

REUTERS, *Mumbai/Singapore*

GOLD prices in India continued to trade at a discount for a fourth straight week, while premiums in China fell before it went on a week-long national holiday, in signs of sluggish demand in top consuming region Asia.

Persistent weakness in India and China, which together account for about half of global demand, could add more pressure on gold prices, already reeling from a looming U.S. interest rate hike.

In India, retail demand dwindled due to the start of Shradh, a two-week period considered an inauspicious time to buy gold, property or any big purchases.

Demand was also reduced by a weak monsoon that has eroded farmers' income. Two-thirds of Indian gold demand comes from rural areas, where jewellery is a traditional store of wealth.

"Prices are attractive, but retail demand has moderated due to the start of Shradh," said Kumar Jain, vice-president of the Mumbai Jewellers Association.

Discounts remained steady from last week at $6-$8 an ounce to the global benchmark.

"Local refiners are aggressively selling due to duty advantage they are getting on dore import," said a Mumbai-based bullion dealer with a private bank.

A lower import duty of 8.24 percent on dore, versus the 10.30 percent on refined gold, is helping refiners offer a bigger discount than banks, he said.

In top consumer China, premiums slipped to $1-$2 an ounce this week, from around $5 early last week, before markets closed on Thursday for a week-long holiday.

Robust imports across the region since July, when gold price dropped to a 5-1/2-year low, was also adding to woes in the physical market.

"There is an oversupply in the precious space," said a dealer with a bullion bank in Hong Kong. "There was a lot of enthusiasm earlier with the price drop but now not so much." "Physical demand is subdued so we are in a situation where we are stuck with the metal," he said.

However, things could pick up as the fourth quarter is a seasonally strong period for gold demand in both the countries.

Chinese demand is expected to pick up from the ongoing Golden Week holiday, when millions of people travel and spend more than usual, boosting retail sales, and lasts until Lunar New Year early next year.

In India too, an auspicious period kicks off around mid-October.

"After Shradh, demand will improve significantly as festivals and wedding season are lined up," said Mumbai Jewellers Association's Jain.

TPP would include auto market opening for Japan

REUTERS, *Atlanta*

A US-Japan agreement on autos trade as part of a sweeping Pacific Rim trade deal would have its own dispute settlement mechanism, including penalties, if Japan does not open its market enough to US vehicles, a source close to the negotiations said on Friday.

Negotiators are working to finalise a trade deal which would stretch from Japan to Peru and autos trade has been one of a few remaining and politically charged sticking points.

A broader deal on autos trade between Japan, the United States, Mexico and Canada was nearly complete, two people close to the closed door talks said, requesting anonymity because of the sensitivity of the negotiations. "We are very close on cars," one of the people said near the end of the third day of ministerial level talks.

Remaining differences centred on "local content" thresholds for specific auto parts, a second person said.

The outline of the auto-related element of the Trans Pacific Partnership taking shape in negotiations in Atlanta would give Japan's automakers led by Toyota Motor Corp a freer hand to buy parts for vehicles sold in the United States from Asia.

But the deal would also contain a side agreement between the United States and Japan intended to open the Japanese market to American-made cars. It would also cut tariffs on Japanese vehicles exported to the United States, but over a period of time expected to be 20 years or more.

Although Japan does not impose tariffs on US-made vehicles, US automakers have complained for decades that the market is essentially shut to them because of barriers of other kinds, including difficulty in securing distribution networks and the need to meet separate safety certification.

The bilateral deal between the United States and Japan would include a first-of-its-kind dispute resolution mechanism that would impose penalties if Japan were judged to have fallen short of its commitments, the second person said.

At the same time, Japan's auto manufacturers would be given clearance to buy more parts for cars manufactured in North America without paying trade tariffs under the terms of the deal being discussed.

The North American Free Trade Agreement between Canada, the United States and Mexico mandates that vehicles have a local content of 62.5 percent. The way that rule is implemented means that just over half of a vehicle needs to be manufactured locally.

The set of rules under discussion in Atlanta would bring that to 45 percent, or about 55 percent under a separate calculation used by Japan's auto industry and regulators, people with knowledge of discussions have told Reuters.

Mexico is keen to maintain high thresholds to protect its booming auto and auto parts industry. Since 2009, seven auto production plants have been announced for North America and all of them are in Mexico.

Bolstered by its relatively cheap labour and proximity to the US market, Mexico is on track to overtake South Korea as the sixth-largest auto producer by 2020, according to IHS Automotive.

By accepting a lower local content threshold for autos, Mexican officials would be betting that it would be able to sustain its post NAFTA-boom and attract new investment even if some cheap and lower-margin parts are imported for assembly, people involved have said.

Bye bye Google, hello Alphabet

REUTERS

GOOGLE Inc has morphed into Alphabet Inc. After US markets closed on Friday, Alphabet replaced Google as the publicly traded company that will house Google's search and Web advertising businesses, maps, YouTube and its "moonshot" ventures such as driverless cars.

Google's class A shares and class C shares will automatically convert into the same number of Alphabet class A shares and class C shares and start trading on the Nasdaq from Monday. The ticker symbols will not change.

The structural overhaul, announced in August, is intended to separate the company's core businesses from ventures such as the driverless cars, glucose-monitoring contact lenses and Internet-connected high-altitude balloons.

Google's Sidewalk Labs, a company dedicated to coming up with technologies to improve urban city infrastructure such as a free WiFi programme, will also be a part of the Alphabet business.

The core businesses will be called Google and operate as a wholly-owned subsidiary of Alphabet. Sundar Pichai will head Google.

Alphabet will be run by Google co-founder Larry Page and each of its businesses will have its own chief executive.

Starting from the company's fourth quarter in January, Alphabet will have two reporting units - Google and all other Alphabet businesses taken as a whole.

Investors have cheered the move, saying it will give them greater visibility into the financial performance of Google's highly profitable core businesses.

Alphabet's businesses will also include connected home products maker Nest, venture capital arm Google Ventures, and Google Capital, which invests in larger tech companies.

Amazon pulling Chromecast, Apple TV from shelves

AFP, *San Francisco*

Amazon on Friday said it will stop selling Apple TV and Google Chromecast devices that compete with the online retail titan's own media-streaming hardware.

The reason given for the move was an intent to focus on devices that play well with Amazon Prime video service, which the Seattle-based company has been ramping up with original shows and content partnerships.

"Over the last three years, Prime Video has become an important part of (Amazon subscription service) Prime," an Amazon spokesperson said in an email response to an AFP inquiry.

"It's important that the streaming media players we sell interact well with Prime Video in order to avoid customer confusion."

Amazon will continue to sell Roku and the company's own Fire TV devices, along with Xbox and PlayStation consoles made by Microsoft and Sony respectively, according to the spokesperson, who referred to the selection as "excellent choices."

Wal-Mart banks on cavernous warehouses in e-commerce push

REUTERS, *Atlanta*

WAL-MART Stores' expanding network of large distribution centers will allow it to deliver packages throughout the United States in two days, setting it up to compete more efficiently in online holiday sales, a senior executive said on Thursday.

Competition with online rivals including Amazon.com, which recently surpassed it in market value, has heated up and Wal-Mart has committed as much as $1.5 billion this year to invest in e-commerce.

Much of that is going into large-scale warehouses dedicated to fulfilling online orders. It now has five such facilities, from which it says it will be able deliver to 95 percent of country in two days.

The facilities - some big enough to house two cruise liners - will enable it to receive, sort and ship packages faster and at a lower cost, Michael Bender, chief operating officer of global e-commerce, said in an interview.

Bender was speaking after an event to mark the opening of one of the new warehouses - a 1.2 million square foot facility outside Atlanta which cost about $100 million to build and will act as a hub for surrounding states.

"Christmas for us will be very different than Christmases of the past where we have had to work out of facilities that are not like this," Bender said, noting, among other changes, that it may no longer need to rent warehouse space to keep up with the influx of goods during the holiday as it previously did.

REUTERS/FILE

The Wal-Mart company logo is seen outside a Wal-Mart Stores Inc company distribution centre in Bentonville, Arkansas.

"We won't have to do that as much anymore, if at all."

In addition to scale, the Atlanta facility features a number of technological advances which Wal-Mart believes will help it to process packages more quickly and cut costs.

Algorithms help determine what products should be routed through the facility, while workers use mobile technology to store, scan and pick items, which are moved over a sophisticated maze of conveyor lines. Software automatically tells workers which cardboard box to use to best fit a multi-product order.

Bender said the new facilities will lead to more consolidated orders, meaning customers that order multiple items get them in one box at the same time, cutting down on instances when items are delivered separately from different hubs.

More big warehouses are in the offing, with Wal-Mart announcing plans to build two more new e-commerce facilities in Florida. In addition, it fulfills online orders from dozens of distribution centers and about 80 stores.

Whether Wal-Mart will keep spending at this pace will become clear this month when it unveils investment plans for the next fiscal year at an annual investor meeting. While declining to disclose specifics, Bender said the board and executives remained "focused on helping the e-commerce business grow."

EU growth too weak for Ukraine to join: economist Sachs

AFP, *Sopot, Poland*

ECONOMIC growth in the European Union is too weak to allow for Ukraine to join the 28-member bloc, according to leading US economist and reformer Jeffrey Sachs.

"In Europe, growth is not strong enough to pull Ukraine into the EU," he told AFP Friday on the margins of a regional business conference being held in the Polish Baltic Sea resort of Sopot.

The co-author of Poland's successful 1989 "shock therapy" free-market reforms also said that the violence triggered by Russia's 2014 annexation of Crimea and its backing of separatists in eastern Ukraine made Kiev's integration with the EU a far fetched idea."I don't believe the idea that Ukraine can be integrated into Europe in the hostile environment (created by Russia). It's unrealistic," Sachs said.

He sees reforms carried out by Kiev as too weak to attract foreign investment from the West, leaving Ukraine "much more tightly integrated in the Russian economy."

The EU is slated to see its economy expand by 2.1 percent this year, up from 1.8 percent growth in 2014, according to the European Commission's May forecast.