STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES (STANDARD CHARTERED BANK)				
DSEX	CSCX	Gold ▲	Oil ▼	MUMBAI	TOKYO	SINGAPORE	SHANGHAI		USD	EUR	GBP	JPY
▼ 0.43%	▼ 0.27%	$1,190.00 (per ounce)	$33.51 (per barrel)	▼ 1.34%	▲ 1.10%	▲ 2.53%	▼ 0.61%	BUY TK	78.15	86.24	112.88	0.65
4,560.76	8,536.03			24,287.42	17,004.30	2,623.21	2,763.95	SELL TK	79.14	89.63	116.26	0.68

Star BUSINESS

DHAKA TUESDAY FEBRUARY 9, 2016

GP's net profit falls

STAR BUSINESS REPORT

Grameenphone logged in Tk 1,970 crore in net profit in 2015, a decline of 0.51 percent from a year earlier.

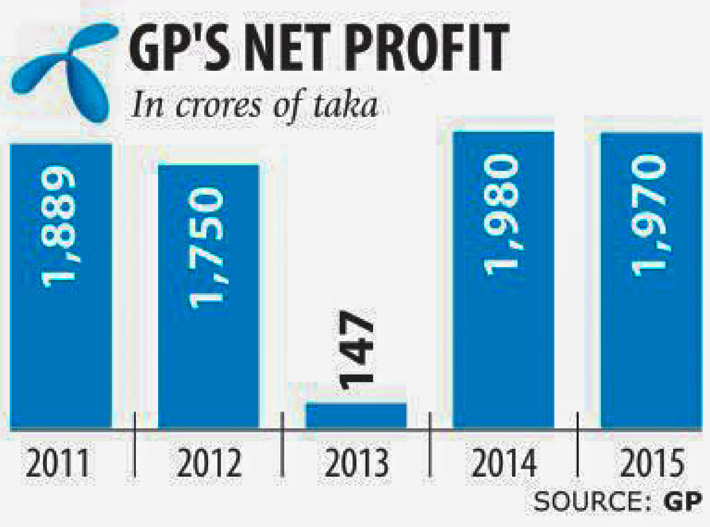
The operator's net profit would have crossed the Tk 2,000-crore mark for the first time had it not needed to deposit Tk 100 crore to the National Board of Revenue as application fee to resolve the SIM replacement tax issue.

Depositing the flat amount was part of the appeal procedure for the SIM replacement tax dispute involving about Tk 1,000 crore with the NBR. In 2012, the NBR claimed about Tk 3,000 crore from four mobile operators, arguing that they had resold SIM (subscriber identification module) cards and dodged taxes between July 2009 and December 2011.

Refuting the claim, all four operators went to court, which returned the issue to the NBR for settlement. Rajeev Sethi, chief executive officer of Grameenphone, said the company continued with the performance momentum after the challenging start to the year.

Data went on to be the primary growth driver, while voice was under stress from competitive offers, he said, adding that the momentum will continue in the coming years.

"Going forward, we have to set out an ambition of growth and value creation by taking the position of our customers' favourite partner in



digital life," he said at a press conference at Lakeshore Hotel in Dhaka.

"Earnings were stable despite higher depreciation and amortisation as well as the one-time appeal payment related to the SIM replacement tax dispute," said Dilip Pal, chief financial officer of Grameenphone.

As net profit declined slightly, earnings per share also came down to Tk 14.59 from Tk 14.67 in 2014.

Grameenphone also declared 60 percent final cash dividend to take the total dividend to 140 percent for the year. After the second quarter, the operator distributed 80 percent interim cash dividend.

With a 2 percent year-on-year growth, Grameenphone's revenue stood at Tk 10,480 crore in 2015.

Revenue from data, however, rose 66 percent to Tk 850 crore in 2015, and revenue from value added services increased 31 percent -- which were the main contributors to the total revenue, Sethi said.

Data subscribers grew 45 percent to 1.57 crore and data volume almost grew three times.

Referring to the 22-day closure of Facebook and other social media platforms during the last quarter of 2015, he said: "At that time we lost around Tk 9 crore to Tk 10 crore."

With a 10 percent year-on-year growth, Grameenphone acquired 52 lakh new subscriptions last year to take its total subscriber base to 5.67 crore at the end of December.

The operator holds a 42.5 percent share of the SIM market.

"We found significant growth last year and especially last quarter was tremendous to us," Sethi said.

Grameenphone invested Tk 1,930 crore during the year to expand its coverage of both 3G and 2G networks, enhance capacity for catering to higher volumes of data and voice as well as enhance IT infrastructure.

The country's lone listed mobile phone operator, Grameenphone paid Tk 5,110 crore to the national exchequer, making it the largest contributor during the year.

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Exports keep momentum in January

REFAYET ULLAH MIRDHA

Exports raked in $3.19 billion in January, the second highest in the country's history, on the back of a surge in garment shipments.

The amount is an increase of 10.38 percent year-on-year but a slight drop of 0.63 percent from the previous month, which saw a record sum.

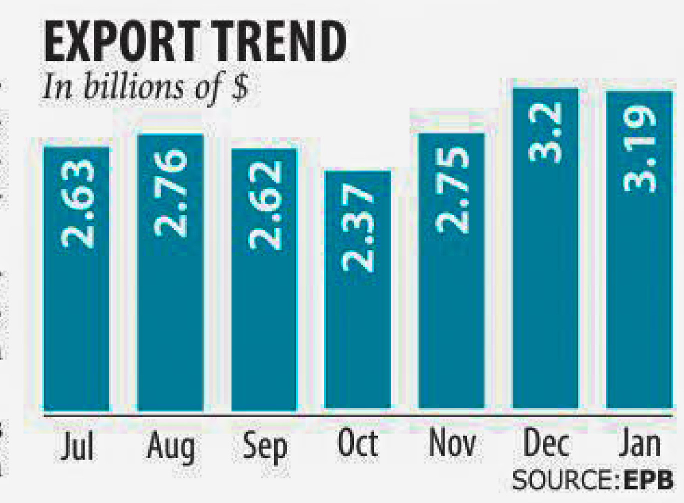
In December 2015, $3.20 billion was received in export earnings, the highest in the nation's history.

January's earnings were also 5.17 percent higher than the month's target of $3.02 billion, according to Export Promotion Bureau.

Garment exports raked in $2.63 billion last month, up 3.95 percent year-on-year but down 1.5 percent month-on-month.

"We hope garment exports will continue to grow at a higher rate seeing the pick-up in the economies of the major export destinations and the stable political situation in the country," said Siddiqur Rahman, president of Bangladesh Garment Manufacturers and Exporters Association.

With the improvement in factory safety



in Bangladesh, international retailers have been placing higher volumes of work orders now, he said.

"The market trend is good now although we have some strong competitors on the global front such as India and Vietnam, whose exports are also increasing fast."

In future, there will be stiffer competition from Vietnam, specifically when the mega trade deal, Trans-Pacific Partnership, will come into force, he said.

The deal will give Vietnam duty-free access for all products to the US market, Bangladesh's single largest export destination.

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Telcos welcome Robi-Airtel merger

Concern surfaces over spectrum, telecom numbering schemes

STAR BUSINESS REPORT

Four telecom operators yesterday welcomed the proposed merger between Robi and Airtel, but two of them expressed concern over spectrum use at the same time.

The two top operators – Grameenphone and Banglalink – raised concerns over spectrum holding, technology neutrality for spectrum and the numbering schemes of the merged entity, while state-run Teletalk and Citycell unconditionally welcomed the initiative.

Bangladesh Telecommunication Regulatory Commission took the opinions of the competitors at a meeting yesterday. BTRC will organise a public hearing on February 17, said Md Sarwar Alam, the regulator's spokesman.

Grameenphone and Banglalink stressed ensuring a level-playing field and an opportunity to acquire more spectrums, according to officials present at the meeting.

One of Banglalink's top executives said they are supportive of the merger, but a level-playing field needs to be ensured in spectrum acquisition, according to an official who was present at the meeting.

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Proposed industrial policy brings in reforms

REJAUL KARIM BYRON

Two new sectors -- high-priority industry and creative industry -- will be included in the proposed industrial policy, for which the government will provide financial and policy support.

The industries ministry has drafted the five-year Industrial Policy 2016 and will soon place it at a meeting of the cabinet committee on economic affairs for approval. It will replace the Industrial Policy 2010.

In the existing policy, there is a list of priority industries but the proposed industrial policy contains a list of high-priority industries.

The industrial policy, in its definition, said the high priority industries are those sectors that create large-scale employment through quick expansion and earn substantial amounts of export revenue.

These industries will get priority in receiving government incentives for rapid development.

Six industries have been included in the high priority category: agriculture and food processing, garment, ICT and software, pharmaceuticals, leather and leather products, and jute and jute goods.

Creative industries have been defined as the sectors producing aesthetic and creative products by using artistic and innovative thinking and techniques or modern technology. These include architecture, art and antique, design, fashion design, film and video, interactive laser software, software, and computer and media programmes.

A plan is underway to map out the creative industries across the country, according to the proposed policy. The government will provide policy and institutional support for the expansion of these industries.

In the industrial policy of 2010, specific tax benefits for under-developed and priority sectors were mentioned but the proposed policy said the tax facility will be given as per the existing customs, VAT and income tax laws.

The priority sectors and sub-sectors will get timely and separate investment incentives, according to the new policy. Bangladesh Bank, National Board of Revenue, Board of Investment and other related agencies will take the necessary steps.

Specific investment incentives, including subsidies, tax and duty rebate, have been proposed for the areas falling behind economically and in industrialisation.

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StanChart, Brac stand by former enclave people

They launch initiatives on livelihood improvement, and financial literacy of adolescents

STAR BUSINESS REPORT

Standard Chartered Bangladesh and Brac yesterday launched two separate initiatives to improve livelihoods of the people of former enclaves, and to provide financial literacy to adolescents.

The livelihood empowerment scheme will be carried out among the former enclave people in Patgram of Lalmonirhat, a bordering district in the northwest.

Under the second initiative, adolescents, especially girls and secondary school students in Chittagong, will be trained on financial literacy so that they can manage money properly and improve their habit of saving.

Training will be given to 775 people in former enclaves on income generating activities such as livestock and poultry farming and vegetable cultivation. Some 400 sanitary latrines will also be built under the initiative.

"Through these initiatives the overall living standards of the people of former enclave areas will improve, and so will their health and hygiene factors," Abrar A Anwar, chief executive of Standard Chartered Bangladesh, said at a press briefing at Sonargaon Hotel yesterday.

Brac Executive Director Muhammad Musa was also present at the briefing organised to launch the initiatives.

STANCHART

Abrar A Anwar, chief executive of Standard Chartered Bangladesh, and Muhammad Musa, executive director of Brac, attend a press briefing to launch livelihood improvement and financial literacy initiatives, at the Pan Pacific Sonargaon in Dhaka yesterday.

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