

STOCKS		COMMODITIES		ASIAN MARKETS				CURRENCIES			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI	USD	EUR	GBP	JPY
Closed	Closed	\$1,266.10 (per ounce)	\$41.06 (per barrel)	0.02%	0.22%	1.26%	1.22%	BUY TK 77.85	85.62	109.40	0.67
				24,677.37	16,936.38	2,880.17	2,905.54	SELL TK 78.84	89.01	112.79	0.70

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star BUSINESS

DHAKA FRIDAY MARCH 18, 2016

BTRC gives nod to Robi-Airtel merger

MUHAMMAD ZAHIDUL ISLAM

The landmark merger of Robi and Airtel is inching closer to fruition after the telecom regulator gave it the green light on Wednesday.

The merger proposal, which will make the combined entity the second largest mobile operator in Bangladesh, will be forwarded to the telecom division next week for final approval.

According to a court order, the telecom watchdog has to send in its recommendation on the merger proposal to the government by March 22, and the government will have to make its decision by April 10.

The approval from the Bangladesh Telecommunication Regulatory Commission comes with several conditions. Foremost among them is the issue of amalgamation of the two operators' spectrums.

Currently, Airtel has 20 MHz of spectrum and Robi 19.8 MHz. The two operators can merge their spectrums but Airtel cannot withdraw from the country before the expiry of its spectrum licences.

The tenure of Airtel's 2G licence will end in 2020 and 3G in 2028.

In the merged entity, Axiata, the parent company of Robi, will hold a controlling stake of 68.7 percent, Bharti Airtel 25 percent and NTT Docomo of Japan 6.3 percent.

The BTRC condition means Bharti Airtel cannot sell off its 25 percent stake and withdraw from Bangladesh before 2028, when its 3G licence expires.

Another condition is that the '016' prefix currently allocated to Airtel has to be retired within one year of the merger, Shahjahan Mahmood, chairman of the BTRC, said



yesterday.

The existing Airtel subscribers will be given Robi's current prefix of 018. As of February, there are 1.04 crore active numbers under the '016' series.

Robi, however, wants to continue the use of '016' prefix for longer, as it will be able to issue more SIMs with two number series.

As of February, Robi's total active connections stood at 2.76 crore.

The BTRC has also forbidden the merged entity from cutting any jobs, but it will be able to offer voluntary retirement.

READ MORE ON B3

India flags off 2,200 tonnes of diesel to Bangladesh

Shipment to reach Dinajpur by railway tomorrow

STAR BUSINESS REPORT

Bangladesh is set to receive 2,200 tonnes of diesel from India tomorrow, further deepening energy cooperation between the two countries.

Dharmendra Pradhan, petroleum and natural gas minister of India, yesterday flagged off a train carrying the diesel from Siliguri of West Bengal as a "goodwill gesture" to Bangladesh, the Indian High Commission in Dhaka said in a statement.

Fifty wagons of Indian Railways are transporting the shipment, which will reach Parbatipur oil depot in Dinajpur on March 19 via Malda in West Bengal, covering a distance of 150 kilometres, said the Telegraph of India.

Nasrul Hamid, state minister for power, energy and mineral resources of Bangladesh, and Harsh Vardhan Shringla, high commissioner of India to Bangladesh, will receive the consignment at Parbatipur, according to the Indian High Commission and the power ministry of Bangladesh.

Energy cooperation has been growing between the two countries as they adopted a joint declaration during the Indian prime minister's visit to Bangladesh in 2015.

Numaligarh Refinery Ltd (NRL) of India, a subsidiary of state-run Bharat Petroleum Corporation, is supplying the gasoil.



Dharmendra Pradhan, minister (independent charge) for petroleum and natural gas of India, flags off a train carrying 2,200 tonnes of gasoil to Bangladesh from Siliguri, West Bengal, yesterday. The consignment will be received at Parbatipur by Nasrul Hamid, state minister for petroleum and natural gas of Bangladesh, and Harsh Vardhan Shringla, Indian high commissioner to Bangladesh, tomorrow.

Bangladesh Petroleum Corporation or BPC will pay a premium of \$7 per barrel to Bharat Petroleum, whereas it pays \$4.5 to international suppliers, according to Mosleh Uddin, director of operations and planning at the BPC.

From this consideration, the price will be higher.

But international suppliers are only liable to bring the petroleum products up to Chittagong Port, leaving the BPC to bear transport costs to distribute it to different parts of the country. That overall transport cost will go down if a significant amount of diesel could be supplied from Parbatipur, said Mosleh Uddin.

In April last year, Bangladesh and India agreed to install a 135-kilometre cross-border pipeline to help Dhaka import 10 lakh tonnes of diesel from India a year.

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United Power eyes expansion

SARWAR A CHOWDHURY

United Power Generation and Distribution Company plans to expand its generation capacity to 100MW each in two of its units at the Dhaka and Chittagong export processing zones in the next five years.

There is no alternative to expansion in the power sector for industrialisation, economic development and an increase in per capita power consumption, said Moinuddin Hasan Rashid, managing director of the company.

"If the market supports, we will continue to invest in the power sector," he said in an interview with The Daily Star at his Gulshan office recently.

The existing power generation capacity of its plant in Dhaka Export Processing Zone is 88MW and that in Chittagong Export Processing Zone 72MW.

Both the plants have already received government permission to enhance their power generation capacities. "We have applied for gas for the expansion."

Industrial units within the Dhaka and Chittagong export processing zones, and Power Development Board and Rural Electrification Board are the major clients of United Power.

There are huge opportunities to supply the additional power to areas adjacent to the Dhaka export processing zone, Rashid said.

He said per capita power consumption in Bangladesh is only 279kw per hour, while the consumption is 744kw in India, 527kw in Sri Lanka, and 452kw in Pakistan.

Presently, the country generates around 7,000MW, and the government's plan is to produce 60,000MW by 2041.

"So, there is an investment opportunity for \$53 billion, as \$1 million of investment is required for every 1MW of power."

In line with its investment strategy, United Power recently acquired two of its power generating units for Tk 652 crore.

The company acquired United Ashuganj Power Ltd for Tk 556.8



Moinuddin Hasan Rashid

crore and Shajahanullah Power Generation Company for Tk 95.2 crore.

With the merger, United Power's total generation capacity increased about 50 percent to 240MW. Revenues are projected to rise about 25 percent.

Net profits will swell 23 percent and earnings-per share 22 percent due to the merger, while total assets of United Power

expanded 51 percent.

The merger will result in a reduction in the cost of capital and production per unit and ensure proper deployment of human resources leading to greater operational efficiency of the company, Rashid said.

"We want to make United Power the flagship company of our group," he said, adding that the United Group has a generation capacity of around 700MW across its eight power plants.

It has plans to merge all the eight units into one, but it depends on the success and response of the latest merger, he said.

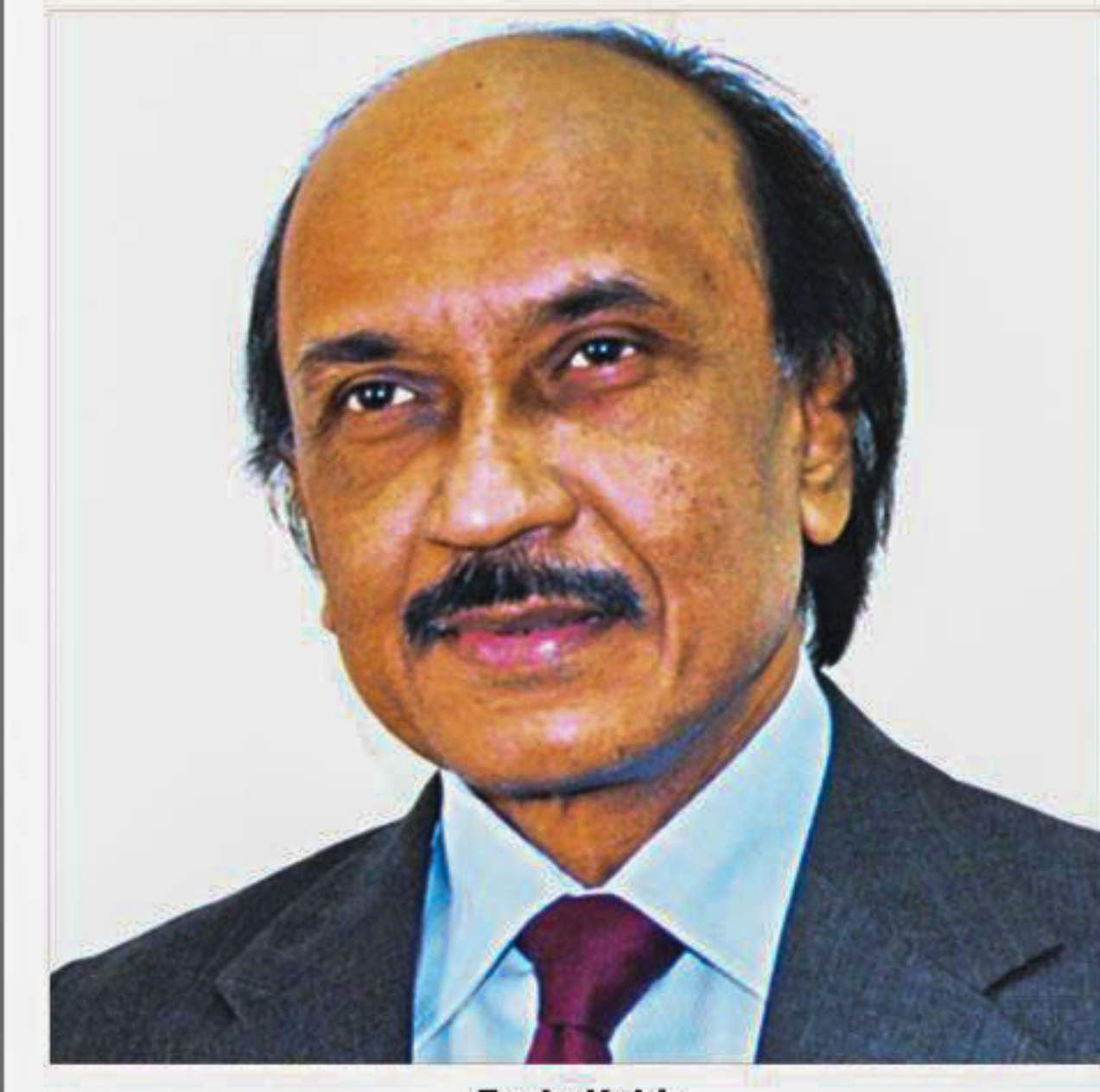
"We want to be the best company in the power sector in terms of quality, not in terms of quantity," Rashid said, adding that quality power means right voltage and frequency and it is their responsibility to ensure these.

United Power was listed on the stockmarket in 2015. At the end of 2014, its net profit stood at Tk 246.46 crore and basic EPS Tk 8.3, up from Tk 177.44 crore and Tk 5.98 respectively a year earlier.

On the Dhaka Stock Exchange on Wednesday, the last trading day of the week, each United Power share traded between Tk 162.4 and Tk 158 before closing at Tk 158.5.

Sponsors hold 90 percent stakes in United Power, while institutional investors own 5.5 percent and the public 4.5 percent, according to DSE data.

New governor vows to repair damage to BB



Fazle Kabir

STAR BUSINESS REPORT

New Bangladesh Bank Governor Fazle Kabir has said he will work with all concerned to prevent recurrence of the cyber heist that has rattled the country.

"All must remain alert so that such incident does not occur again," he told reporters upon his arrival yesterday morning at Hazrat Shahjalal International Airport in Dhaka from the US.

His first task would be to repair the damage caused by the heist, he said. On February 4, a band of hackers broke into the BB's systems and made off with \$101 million of its deposits with the Federal Reserve Bank of New York.

The episode, which was kept under wraps for almost a month by the central bank, has gone on to become a much talked-about topic at home and abroad, leading to the resignation of then BB governor Atiur Rahman, and termination of two deputy governors.

The banking division secretary too was made an official on special duty.

The government has formed a three-member committee led by former central bank governor Mohammed Farashuddin to investigate the heist.

The committee will start working from Sunday, after Farashuddin meets Finance Minister AMA Muhith.

Kabir said steps recommended by the committee to address the existing weaknesses will be taken.

A BB official said Kabir is likely to take up his new assignment on Sunday.

But before that, he will give up the post of Sonali Bank chairman and sign a contract with the government to serve as the BB governor.

After the new governor assumes his post, more actions will be taken against those found negligent in their duties, officials said.

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Epyllion Group, PHP Family awarded for CSR efforts

STAR BUSINESS DESK

Epyllion Group and PHP Family were recognised for their corporate social responsibility activities at the sixth Standard Chartered-Financial Express Corporate Social Responsibility Awards on Wednesday.

Finance Minister AMA Muhith handed over the awards to Reaz Uddin Al-Mamoon, managing director of Epyllion Group, and Sufi Mohamed Mizanur Rahman, chairman of PHP Family, at an event at the Westin hotel in Dhaka.

MA Mannan, state minister for finance and planning, was also present, the bank said in a statement yesterday.

"I strongly believe that CSR by profit-making institutions is an integral contributor to the sustainable development of Bangladesh,

and a great complement to all the work being done by the government and other development partners," said Abar A Anwar, chief executive of Standard Chartered Bangladesh.

"At Standard Chartered, we believe that we can make a positive impact on the communities we live in and in turn our business will grow with the people and communities."

"The Standard Chartered Bank-Financial Express CSR Awards honours such visionary actions, which are making a lasting difference to Bangladesh and its people."

Anwar also presented crests to the minister and the state minister on behalf of the Standard Chartered-Financial Express CSR Award Committee, according to the statement. Financial Express Editor Moazzem Hossain also spoke.



Finance Minister AMA Muhith poses with the winners of the sixth Standard Chartered-Financial Express CSR awards and the organisers of the event, at the Westin hotel in Dhaka on Wednesday.