

Banglalink plans to boost digital services

CEO Erik Aas says they want to help the society change through digitisation

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BANGLALINK has an eye on its vision -- to serve according to the likes and wishes of its customers and to help the society change through digitisation, said a top official.

Joining the second largest operator in Bangladesh in December last year as its managing director and chief executive officer, Erik Aas has set a target to become the largest digital service provider.

In an interview with The Daily Star, he said they want to serve customers with services that are two years ahead of time.

"Simply, our plan is to become a perfect digital company, and we want to serve our customers digitally"

Aas, a Norwegian, was in Bangladesh earlier as the CEO of Grameenphone from October 2004 to October 2007. He then left to join a mobile operator in Indonesia as its top executive.

A few months back, Banglalink announced its plans on 'Going Digital', while Aas said it is the path to the future.

A couple of years ago, operators were selling SIM cards saying that they give customers more minutes and SMSs at the cheapest rates. "But things have changed and now we are offering internet packages with free minutes, which is a big shift in the industry. Banglalink is also playing a lead role here," said Aas.

He said they have already flattened the organisational structure to bring employees closer together and closer to management as a way to generate fresh, innovative ideas from all corners of the organisation. With a leaner and more flexible organisation, Banglalink will bring new ideas to the market more quickly.

"We are faster in moving operations, breaking bureaucracy in services, for

becoming a digital company," said Aas.

The company currently has 1,600 employees and one employee serves around 20,000 customers. "As our employees are more dynamic, they can serve more customers."

Aas said their network is growing fast with the digitisation of services. According to him, Banglalink's 3G network covered 34 percent of the population at the end of March.

Currently, the operator has 9,700 sites across the country, of which 5,000 are 3G-enabled. Banglalink plans to increase its 3G-enabled sites to 6,000 by next June, according to the CEO.

Aas said under their network, 20 percent of customers are now using smartphones with faster data services.

The future is digital and an increasing number of customers are connecting to the internet with their smartphones, which opens up boundless possibilities. "Today, people spend lots of time online via mobile, sharing their lives on Facebook, searching for information, or chatting with their friends and family."

In the digital world of tomorrow, customers will use their smartphones to shop online, read news, stream music, learn about new topics, watch movies, transfer money electronically and manage their mobile accounts.

On the company's profitability, he said Banglalink has never been profitable. "And we are not hiding it. We are hopeful about being profitable by this year."

Banglalink began its operations in 2005 and since then, it has been the second largest operator in terms of customer base, though they could not secure the second position in revenue.

However, things changed after Aas joined the operator. In the first quarter of



Erik Aas

this year, Banglalink has achieved the second position, crossing Robi, by logging Tk 1,220 crore in revenue.

Though biometric re-registration caused a slight slowdown in subscriber growth, eventually it will help operators get a more secured customer base, Aas said.

Banglalink has 3.2 crore active SIMs as of May and among them 2.9 crore were re-registered through the biometric process.

On the proposed merger between Robi and Airtel, Aas said they support market consolidation and it will be a healthy

environment for the industry and also beneficial to customers. "We are welcoming competition and ready to accept the challenges."

Banglalink is also working as a distributor along the post office where people can send or receive money from any part of the country through its access points.

After the launch of mobile number portability, the market will mature further, he said. The government recently approved guidelines for MNP that will allow customers to switch operators without changing their original eleven digit number.

Irish bid for Brexit business hobbled by housing, transport woes

AFP, Dublin

Ireland has gone on a charm offensive following Britain's vote to leave the EU, hoping to woo London-based financial institutions despite fears Dublin is ill-equipped for an influx of high-flying executives.

Martin Shanahan, head of inward investment agency IDA Ireland, said he expected British companies in all industries that depend on access to the EU market to relocate some services to countries within the bloc.

As the race to secure such business heats up, Ireland is honing its pitch.

"Make no mistake, any investment that becomes mobile as a result of a UK exit from the EU, we are in the market for that business," Shanahan told AFP.

Dublin is just one of the cities hoping to poach some of London's investment bankers, with Frankfurt, Paris, Luxembourg and Amsterdam also aiming to reap some of Brexit's spoils. As the only other EU member where English is the first language, Ireland believes it is best placed to host City of London exiles.

Among its other attractions, the IDA cites the fact that Dublin is just an hour's flight from London, Ireland's legal system is similar to that of Britain, the country has a well-educated workforce and it boasts a low 12.5-percent corporation tax rate.

Dublin already has its own financial hub -- the International Financial Services Centre (IFSC) situated on the banks of the Liffey river, which has been in business for three decades and employs around 30,000 people.

In one of the first such announcements, British investment fund manager Fidelity last week said it would move 100 jobs from London to Dublin, while stressing the decision was made before the Brexit referendum.

But not everyone is convinced that Dublin is a little London in the making.

Paul McAuliffe, chairman of Dublin City Council's Economic Development and Enterprise Committee warned that the city's "creaking" infrastructure made it unfit to cater for a corporate influx.

"One man remarked to me recently that if even one percent of London's economic activities migrated here, we would be absolutely crippled and I would have to agree with his assessment," he told AFP.

McAuliffe relates a litany of shortcomings, from a dearth of properties for sale or rent, patchy public transport that causes daily traffic gridlock to the existence of a single runway at Dublin Airport.

School places are also hard to come by in some areas and the long underfunded water supply network, while sustained by generous rainfall, is creaking at the seams.

China's Q2 economic growth beats forecasts



Employees work on a construction site in Shanghai.

AFP, Beijing

CHINA'S economy expanded more than expected in the second quarter of the year, Beijing said Friday, fuelling hopes growth may be stabilising, but analysts warned private investment was worryingly low.

The world's second biggest economy grew 6.7 percent year on year in April-June, slightly quicker than forecast in an AFP survey and the same as the year's first quarter.

The result is also in line with the government's 6.5-7.0 target for the full year and will provide some relief as China -- and key driver of the global economy -- suffers its worst rates of growth for 25 years.

"The national economy has achieved moderate but steady and sound development," National Bureau of Statistics spokesman Sheng Laiyun said.

However analysts said much of the expansion was driven by state investment in infrastructure and credit growth, suggesting it may be hard to maintain in the longer-term.

Markets were unmoved by the figures, with Shanghai's composite index ending the day flat.

"China is on track of achieving this year's growth target," said Zhu Haibin, JP Morgan China chief economist. But he added that "investment continues to be on the weak side, especially private investment".

After decades of breakneck growth policymakers claim to be embracing weaker expansion as a trade-off for structural

reforms to wean the country off cheap exports and massive government spending in favour of domestic consumption.

But the latest figures show the transformation is proving tough, with mounting debt a key concern for global investors.

Fixed asset investment, a gauge of infrastructure spending, rose nine percent in the first half of the year following a record credit binge in the first quarter aimed at stimulating the economy.

New bank loans jumped to nearly 1.4 trillion yuan in June, the central bank said Friday, up dramatically from around one trillion the previous month, as borrowers took advantage of loosened lending standards put in place by Beijing.

Investment by private businesses grew by less than three percent in the first half of the year, the data showed, with Sheng blaming overcapacity in traditional industries, barriers for private firms to enter some sectors, and limited access to loans.

Tom Rafferty of the Economist Intelligence Unit said the "greatest concern" is the slide in investment by private firms, in a sign businesses are worried about the wider economy and Beijing is "failing to deliver on promised market reforms".

"Levels of state investment we have seen are not sustainable if the authorities are at all serious about curbing debt risks."

Factory production and consumer spending grew slightly, and industrial output rose more than six percent year-on-year in June, a slight increase on the previous month, although retail sales rose far more than expected.

Low rates drag on Citigroup, Wells Fargo earnings

AFP, New York

Citigroup and Wells Fargo signaled Friday that Britain's decision to exit the European Union will not significantly hit the US economy, but could extend earnings pressure from low interest rates.

Both big US banks reported lower second-quarter earnings, due in part to the drag from low rates. Britain's surprise Brexit vote in June is expected to delay the US Federal Reserve's timeframe for tightening monetary policy and to spur more stimulus from other major central banks.

"Our basic view towards rates in the last several months certainly has been lower for longer, and I think that continues," said Citigroup chief financial officer John Gerspach. Citigroup's second-quarter net income fell 17.5 percent from a year ago to \$4.0 billion. Revenues were \$17.6 billion, down 9.9 percent. Total loans at Citigroup, the fourth-largest US bank by assets, inched up by \$2 billion to \$634 billion.

Results were boosted by lower expenses and a strong performance in some trading divisions, in part due to a pickup in activity related to Brexit, Gerspach said.

Gerspach said the economic impact of Brexit would be limited, especially on the US economy.

"We think that perhaps the whole UK referendum could have a somewhat small dampening effect on global GDP over the next several months," he told reporters on a conference call.

Nice attack a new strike against French tourism



Souvenir vendors wander as visitors walk through the new exit portal of the Eiffel Tower in Paris.

AFP, Paris

IN striking the jewel of the French Riviera on a national holiday the truck attack on Nice delivered a new blow to France's tourism sector already reeling from repeated terror attacks.

On Friday, several cultural events across France were cancelled or postponed as a mark of respect for the 84 people killed when a gunman drove a 19-tonne truck into a crowd of revellers following Bastille Day fireworks the previous evening.

President Francois Hollande declared the incident a "terrorist" attack.

The place of the attack was a top tourist destination: the palm-lined Promenade des Anglais along the Mediterranean coast in the city which is the number two destination in France behind Paris.

The attack was the third major strike against France in less than 18 months. It comes eight months after Islamic State gunmen and suicide bombers attacked bars, restaurants, a concert hall and the national stadium in Paris, killing 130 people. In January last year 17 were killed in another attack at various sites including the offices of the Charlie Hebdo magazine and a Jewish supermarket in Paris.

Georges Panayotis, head of the

MKG hotel and tourism consultancy, expressed concern about the effect the repeated attacks were having on the industry.

"This is no longer a classic terrorism situation where a couple of months is enough following an attack for economic activity to recover," said Panayotis.

The successive attacks and high number of victims "will dissuade tourists for a certain time".

The French government had just held this week its first meeting of a special government-industry committee headed by Foreign Minister Jean-Marc Ayrault to try to find ways to help the sector recover.

The number of tourists arriving on regular flights has fallen by 5.8 percent since January, including by 11 percent in Paris.

The number of hotel nights foreigners spend in Paris is expected to be down around 20 percent for the prime summer season, tourism minister Matthias Fekl said in a recent interview with TourMag.

The tourism industry is critically important for France, the world's top tourism destination that welcomed nearly 84.5 million visitors last year. The sector accounts for 7 percent of the economy and directly and indirectly employs two million people.

Travel sector shares took a beating on Friday, including shares in hotel

group AccorHotels and Europcar rental agency, which both fell around 4 percent in a Paris market down around 0.8 percent overall.

The attack on Nice may nip in the bud an increase in tourists to destinations outside Paris, which was partially supported by France's successful hosting of the Euro 2016 football championships in June and July.

Tourist arrivals by plane outside of Paris were up by 11 percent in the first 10 days of July, thanks in part to a jump in last minute travellers from a number of European nations.

"We've had a flood of cancellations since last night," said Denis Cippoloni, head of the hotel association in Nice.

"I went near the Promenade des Anglais this morning," he told AFP. "Usually it is lively and animated, but silence reigned."

Organisers of several events that usually draw large numbers of tourists have changed their schedules.

At the 56th edition of the Jazz at Juan de Juan-les-Pins near Nice, a festival where the genre's biggest stars have featured since it started in 1960, all concerts from Friday to Monday have been cancelled.

And all events in the parallel Jazz Off festival, held on the streets of the same town and those of Antibes, have also been cancelled.