

# China's ZTE signs \$16m deal with Banglalink to upgrade network

STAR BUSINESS REPORT

China's ZTE is stepping into Bangladesh's telecom infrastructure business by striking a \$16 million deal to upgrade Banglalink's 3G networks in Khulna.

Under the agreement, Banglalink will upgrade 15 districts of Khulna with the shared wireless access protocol, which will also lay the groundwork for the rollout of 4G services, the country's third largest mobile operator said in a statement.

At the same time, customers in Rajbari, Faridpur, Madaripur and Shariatpur will also benefit from this

transformation.

Banglalink will upgrade 1,400 base tower stations in 15 districts. Some base stations have already been upgraded and within the next few months the total process will be complete.

Earlier, Banglalink upgraded its network to 4G in some other parts of the country with China's tech giant Huawei.

"We are truly happy and excited to take such a bold step ... as part of our digital transformation," said Sanjay Vagharia, chief technology officer of Banglalink.

The new effort in the Khulna

region will enable the operator to provide its customers with a superior browsing experience and the fastest network service, Vagharia said.

"We are committed to giving the best network experience to our customers across the country as we move with our strategy to redefine the network infrastructure."

"We promise to provide the latest technology to Banglalink to ensure best user experience with high-speed internet and fastest network service," said Zhong Zhi Quan, chief technology officer of ZTE Bangladesh.

## WB gives \$360m to improve waterway connectivity

FROM PAGE B1

It will also build new and rehabilitate existing passenger terminals in Sadarghat, Narayanganj, Chandpur and Barisal.

To help the poor population living in remote areas, the project will construct 14 landing ghats/stations in chars (shoals), where waterways are often the only mode of transportation.

The terminals and landing stations will be built to improve the security, safety and sanitation conditions, and incorporate the needs of female users, the elderly, and

small traders, with women-only toilets and waiting rooms.

"The inland water transportation sector can play an important role in improving domestic connectivity and regional integration. The project will benefit traders, exporters and commuters by cutting down transport time and cost," said Qimiao Fan, World Bank country director for Bangladesh, Bhutan and Nepal.

The project will help improve the Bangladesh Inland Water Transport Authority's capacity to comply with international standards and adopt modern management practices for

inland water transport, and achieve long-term operational and financial sustainability.

The agreement was signed by Qimiao Fan and Mohammad Mejbahuddin, senior secretary of the Economic Relations Division of the Bangladesh government, at ERD office.

The credit from the World Bank's International Development Association, which provides grants or zero to low interest loans, has a 38-year term, including a six-year grace period, and a service charge of 0.75 percent.

## Private sector key to SDGs: economist

FROM PAGE B1

He said ensuring additional finance is important for attaining the SDGs.

"The domestic resources will play a critical role. Foreign aid will not be there as it was promised," said Bhattacharya, also the convenor of the Citizen's Platform for SDGs, Bangladesh, a platform whose objective is to contribute towards the delivery of SDGs and enhance accountability in the implementation process.

The finance needed for SDG implementation should come from both public and private sectors, he said.

"Tax-GDP ratio will become critical," he said, adding that revenue-GDP ratio should be increased to at least 18 percent from the present 12 percent.

"It is not an impossible thing," said Bhattacharya, citing the example of Tanzania, another least developed country that has 18 percent tax-

GDP ratio.

Bhattacharya stressed the need for curbing the illicit outflows, which stood at \$5.6 billion on average during 2004-2013 -- 6.4 percent of Bangladesh's gross domestic product.

Skilled workers, decent job, healthy human resources and better institutions are necessary for economic growth and development, said Hossain Zillur Rahman, executive chairman of the Power and Participation Research Centre.

The government will disclose a report on SDGs in July next year on what Bangladesh had done, said Md Abul Kalam Azad, principal coordinator for SDGs at the Prime Minister's Office.

Apart from five-year plans and annual budget, the government also signs annual performance agreements with all ministries and divisions to monitor progress and improve perfor-

mance. "Each action of ministries is being translated into data," he said.

The government has also targeted to improve the country's ease of doing business ranking from existing 176 to 99 by 2021, Azad added.

"In one month time, we will chalk out our plan," Azad said, adding that the government also plans to set up one stop service centres so that doing business could be easy. "The draft law is done. We will consult with the investors and put it before the cabinet for approval," he said.

Foreign Secretary Md Shahidul Haque said, due to SDGs, businesses will come under increasing scrutiny and monitoring by global bodies.

Bjorn Lomborg, president of Copenhagen Consensus Centre, and Farzana Chowdhury, managing director and chief executive of Green Delta Insurance, also spoke.



MATIN SPINNING

Chairman of Matin Spinning Mills Abdul Wahed presides over the 14th annual general meeting of the company on the premises of the factory in Gazipur on December 20. The company approved 23 percent cash dividends for its shareholders. Managing Director Mohammed Abdul Jabbar and Directors Mohammed Abdur Rahim, Mohammed Hassan Imam, Independent Director M Farhad Hussain, Chief Financial Officer AHM Ariful Islam and Company Secretary Md Shah Alam Miah were also present.

## Gas crisis to end by 2018: minister

FROM PAGE B1

Still, about 40 percent people are not under electricity coverage while power disruption is common in summers and is acute in areas outside the major cities.

Anders Hasselager, senior project manager of Gate 21, said Bangladesh needs to increase gas production and import gas in order to ensure energy security in the long-term.

He also said Bangladesh's energy mix should be diversified with a move towards renewable energy, including solar energy.

Hasselager suggested Bangladesh make use of new economic instruments to attract investment, primarily in renewable energy sources.

Badrul Imam, a professor of geology at Dhaka University, said although Bangladesh is a sunlight abundant country the share of renewable energy in the total power generation is only 3 percent. This is way behind sun-poor Denmark.

But the solar home systems have helped raise living standards of rural families which do not have access to grid electricity, said the geologist.

Prof Imam said the shortage of primary energy is a major concern for Bangladesh, and the country will be 90 percent dependent on imports for energy. He blamed little exploration of gas in the last 10 years for the current situation as gas reserves are depleting very fast.

He said since the maritime disputes were settled in 2012 Myanmar has discovered gas reserves in their part of the sea. "We have the same potential to hit gas reserves. But we have not exploited the potential."

Imam said LNG could be a good source for meeting the energy need in the short-term.

M Tamim, head of the department of petroleum and mineral resources engineering at Bangladesh University of

Engineering and Technology, said renewable energy can only supplement the conventional sources of energy.

"Our energy solutions have to be supported by conventional energy as producing electricity from renewable energy sources is expensive and technologically challenging."

Daniel Ciganovic, business development director of ME SOLshare Ltd (Bangladesh), urged the government to provide people a chance to become a part of the energy revolution and give them the opportunity to make money from the sales of electricity.

Nasrul Hamid said Bangladesh could not carry out adequate gas explorations in the sea because foreign companies backed out in the face of falling energy prices.

"We have taken the exploration issue very seriously. We are going to conduct a survey very soon and then we will award the blocks. The deep sea gas exploration will begin next year."

The minister, however, said it takes eight to 10 years to develop an offshore block. So, Hamid said, the government will import LNG to meet the growing energy demand even if it is expensive because industries would not care about prices if they get uninterrupted power supply. The state minister said the government has given him \$1 billion to invest in hydropower resources in Nepal and Bhutan.

Wendy Jo Werner, country manager of the International Finance Corporation, who moderated the panel discussion, said energy is the cornerstone for Bangladesh to achieve its development goals.

In another session on infrastructure, Rémy Prud'homme, emeritus professor of the University of Paris XII, said infrastructure maintenance is the key. "For politicians and engineers, maintenance is not as glamorous and rewarding as construction, and is all too often neglected."

"Yet it is well-established that maintenance expenditures have in most cases a much higher rate of return than construction. So, maintenance must receive great attention and funding."

Jamilur Reza Choudhury, vice-chancellor of the University of Asia Pacific, said available of quality infrastructure is crucial to economic development. He, however, said the culture of maintenance does not exist in Bangladesh. "We build new infrastructure well but we do not maintain them properly."

The noted engineer said the return on investment from the Padma multi-purpose bridge would be more than 20 percent, which is up to 18 percent for Bangabandhu Bridge.

Taku Yamabe, senior representative of the Japan International Cooperation Agency (JICA), said job creation through labour-intensive manufacturing industries and linking with global value chain should get priority.

Wei Xiaojun, chief representative of China Railway International Group in Bangladesh, said the railways sector offers huge opportunities to introduce high-speed train facilities in key economic corridors.

Mahtab Uddin Ahmed, chief executive officer of Robi Axiata, said optical fibre should be made available for the mobile phone operators, instead of keeping them in the hand of a few companies, to fast-track digitisation.

He also called for consistency in policy and regulations.

Md Abul Kalam Azad, principal coordinator on Sustainable Development Goals Affairs at the Prime Minister's Office, moderated the session, while Jean-Claude Seropian, director of Suez Group Bangladesh, Anir Chowdhury, policy adviser of the Access to Information project at the PMO, and MAN Siddique, secretary of the road transport and highway division, also spoke.

## Hasina renews pledge to help business

FROM PAGE B1

"We have set up the PPP office for infrastructure development and drafted time-befitting industrial and export policies for public and private investment."

Hasina said her government has been implementing massive programmes to attract more foreign investment.

"We have taken steps to build 100 special economic zones across the country to attract domestic and foreign investment," she said.

The premier said a high-tech park on 355 acres of land is being constructed at Kaliakoir with a target of employing 10 lakh people in the IT sector by 2021 and exporting goods worth \$5 billion a year.

Bangladesh would become the 29th economy of the world by 2030 and 23rd by 2050, Hasina said citing a report by PricewaterhouseCoopers.

"To achieve this goal, a desired employment opportunity would have to be created through sustainable economic development industrialisation, trade expansion, boosting remittance, developing infrastructure and improving education and healthcare services."

The prime minister said Bangladesh has been working with a far-reaching goal to improve its standings on various indexes like Cost of Doing Business Index of World Bank, Global Competitive

Index of World Economic Forum, UN Human Development Index, Global Innovation Index and Logistics Performance Index.

The premier said Bangladesh would secure recognition of a poverty-free country by 2030.

After assuming office in 2009, Hasina said, her government began implementation of Vision 2021 and managed to lower the poverty rate to 22.4 percent in 2015 from 40 percent in 2005.

The per capita income rose to \$1,466 and Bangladesh earned a GDP growth above 6 percent over the last several years and 7.11 percent growth last year.

"The export earnings rose to over \$34 billion in 2015-16 from a mere \$10.5 billion in 2005-06," she said, adding that 90 percent of the country's development project fund comes from internal resources.

The premier said by 2041 the country's economy will be at the centre-stage of the regional economy of Asia and local supply chain and global value chain will play an important role in regional and sub-regional communication and connectivity.

"I believe the economy pursued by us will usher in a new horizon of success creating a win-win situation in improving sub-regional and international economic relations and expanding trade and commerce, and investment."

The premier said the development of power and energy will strengthen the economy of Bangladesh and every people of the country will be brought under electricity coverage by 2021.

Hasina said Bangladesh has earned a remarkable success in achieving MDGs and similarly Bangladesh wishes to emerge as a global role model of implementing SDGs achieving its targets by 2030.

Bangladesh will celebrate the 70th anniversary of its independence in 2041. "I firmly believe that it will be a \$2.5 trillion economy and per capita income will be \$12,600 by 2041," she said.

Hasina said with the commissioning of 105 new power plants during the last seven and a half years, the electricity production capacity rose to 15,000 MW.

"Nearly 78 percent population of the country is now under electricity coverage and some 4.5 million solar home systems have been established in off-grid areas," she said.

She said the work on construction of Padma Bridge, deep sea port, nuclear power plant, coal-based power plants, metro-rail, inter-state rail track and LNG terminal and underground tunnel in the Karnaphuli river and the launching of Bangabandhu satellite is progressing fast. "I believe our economy will be

bolstered further once these projects are implemented."

The prime minister said the government has taken massive programmes to implement the seventh five-year plan by incorporating the UN sustainable development goals 2030 and the goals of Vision-2021. Hasina thanked the Dhaka Chamber for organising the international event.

"I hope required outline, innovative concept and necessary guidelines to face the challenges to achieve the development goals of 2041 will be highlighted in the conference and the strategic papers to be prepared will focus on the emerging prospect," she said.

Finance Minister AMA Muhith, Industries Minister Amir Hossain Amu, Commerce Minister Tofail Ahmed and FBCCI President Abdul Matlub Ahmad also spoke at the function.

DCCI President Hossain Khaled presided over the inaugural plenary of the conference and Group President of Government of Singapore Investment Corporation Lim Siong Guan presented the main paper. DCCI Senior Vice President Humayun Rashid gave the vote of thanks.

The prime minister at the function also handed over "the Illustrious Son of Dhaka Award" to Anwar Hossain, chairman of DCCI Foundation and Anwar Group of Industries.



ROBI

Mahtabuddin Ahmed, managing director of Robi Axiata, and Kazi I Huque, CEO of Grameen Intel, attend the signing of a deal at the corporate office of Robi at Gulshan in Dhaka. Mobile Krishe, a software to recommend fertiliser, will be implemented through the collaboration of Robi and Grameen Intel to promote modernised farming and enable farmers achieve sustainable high-yield of their crops.

## Bad banks should merge with good ones: Muhith

FROM PAGE B1

Among the other public banks, Sonali Bank's condition is quite bad.

The situation may continue because the bank has to invest in areas upon pursuit from the government, which would not fetch much profit, he said.

Bangladesh Krishi Bank's problem began when it started giving out commercial loans; it is supposed to provide only farm loans.

Going back to the banking history of the country, Muhith said there was no alternative to nationalising the country's banks after independence in 1971.

The decision to privatise the country's banks was taken in 1974 but it was not implemented until 1976-77. Muhith himself was involved in the process as a bureaucrat and later a finance minister.

He also said Bangladesh has left Pakistan behind on many indicators.

"We dislike Pakistan's interference [in Bangladesh's internal affairs] now and then. Internationally, Pakistan is the No. 1 rogue country, I think."

Commenting on the past banking malpractices, he said there was a time when the banks sanctioned money violating the lending criteria under political pressure, he said.

"Many people got loans for political pressure though they had no track record of trading. Thus, they became industrialists overnight. We are still bearing the brunt of it."

The new generation entrepreneurs, however, are not like them and are performing very well, he added. Muhith received a cheque for Tk 10 crore as dividend from Bangladesh Development Bank Chairman Yeasin Ali.

## Sembcorp secures \$309m for its power plant in Sirajganj

FROM PAGE B1

Holger Rothenbusch, CDC's managing director and head of debt team, said: "CDC's \$103 million commitment, which is our biggest ever direct debt investment, will help Sembcorp deliver a vital energy project that has the potential to transform millions of lives."

Clive Kerner, CEO of Clifford Capital, said: "We are pleased to be a part of financing for Sembcorp's first green-field project in Bangladesh which will help provide clean and efficient energy to Bangladesh's growing economy."

The project will be the second largest independent power plant in the country, and represents the largest foreign direct investment into this sector in recent years.

The success of the project will demonstrate the profitability and sustainability of public and private-sector partnerships in Bangladesh's power sector to international players and help attract additional capital to the sector.

## Make better use of infrastructure

FROM PAGE B1

He admitted that he did not know much about Bangladesh before coming here.

"Everybody in France is completely ignorant about Bangladesh. At best, the French have an image that it's a poor country and people die from poverty, which was a fact 20 years ago," he said.

He believes the same image of Bangladesh is portrayed in Germany, Italy or any other European nation.

He also praised Bangladesh for achieving important growth rates and millennium development goals.

Every country's infrastructure spending should be equivalent to 5 percent of its gross domestic product and accordingly, Bangladesh's investment requirement would be around \$200 billion in the next 10 years, according to Prud'homme. But spending too much on infrastructure is not the only way to solve problems, he added.

"Infrastructure is very important for development and it is one way to solve some problems, but not necessarily the only way."

A better use of existing facilities such as basements and traffic rules can reduce congestion in Dhaka, he said. Better use of the roads, which are often blocked by cars, street vendors and rickshaws, can change the congestion situation, added Prud'homme.

"Bangladesh doesn't have a large number of vehicles. There are many other cities with twice or more cars and are less congested than Dhaka."

He cited examples from Singapore and China that have invested heavily in infrastructure over the years; India is doing it now, but it did not invest enough in the past.

He is also well aware that Bangladesh does not have enough money to spend as its tax-GDP ratio is one of the

lowest in the world. So he advocated for wise utilisation of the money.

As a way out of heavy congestion in Dhaka, Prud'homme said the country should decentralise its activities. Ethiopia was poorer than Bangladesh, but now it is rapidly developing and decentralisation has been helping a lot, he added.

"It takes time and cannot be done overnight, as local government bodies need time to get equipped," he said. "But it must be done."

The involvement of the private sector is vital to address the infrastructure needs, he noted. In many cases, it is much more knowledgeable now than 40 years ago.

On foreign direct investment, which does not reach expected levels in Bangladesh, he said it is not necessarily bad. South Korea has developed without much FDI, he added.