

SoftBank willing to cede control of Sprint to entice T-Mobile

REUTERS, New York

Japan's SoftBank Group Corp is prepared to give up control of Sprint Corp to Deutsche Telekom AG's T-Mobile US Inc to clinch a merger of the two US wireless carriers, according to people familiar with the matter.

SoftBank has not yet approached Deutsche Telekom to discuss any deal because the US Federal Communications Commission has imposed strict anti-collusion rules that ban discussions between rivals during an ongoing auction of airwaves.

After the auction ends in April, the two parties are expected to begin negotiations, the sources told Reuters this week.

Two and a half years ago, SoftBank abandoned talks to acquire T-Mobile for Sprint amid opposition from US antitrust regulators. That deal would have put SoftBank in control of the merged company, with Deutsche Telekom becoming a minority shareholder.

T-Mobile was worth around

\$30 billion at the time, but its market value has since risen to more than \$50 billion as it overtook Sprint as the No. 3 wireless carrier by subscribers. Sprint's market value is around \$36 billion, roughly the same as in 2014.

Deutsche Telekom Chief Executive Tim Hoettges has said in recent months that the German company is no longer willing to part with T-Mobile, prompting SoftBank to explore a new strategy towards a potential combination, the people said. Deutsche Telekom owns about 65 percent of T-Mobile.

SoftBank, which owns about 83 percent of Sprint, has been frustrated with its inability to grow significantly on its own in the U.S market, which is dominated by Verizon Communications Inc and AT&T Inc, the two largest US carriers.

While SoftBank is still open to discussing other options, it is now willing to surrender control of Sprint and retain a minority stake in a merger with T-Mobile, the sources said.

4G auction to be open for all: BTRC

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A senior executive of a top mobile operator said they are ready to launch 4G services as they have already upgraded their network.

"We can go for 4G services only after receiving technology neutrality. Now we want more spectrum as we want to improve the quality of services, and here spectrum price will be a matter of concern."

Technology neutrality allows the operators to offer any service in any band, which will reduce the operators' cost of doing business and improve service quality.

On Wednesday, Prime Minister's ICT Affairs Adviser Sajeeb Wazed Joy in a meeting directed BTRC and other government telecom officials to introduce 4G services in the country as soon as possible.

"All the existing four mobile phone operators can get 4G licences if they want and the fees will be over Tk 10 crore," said Mahmood.

The fee for 3G licence was Tk 10 crore plus 5 percent VAT in September 2013. The regulator raised \$21 million for each MHz of spectrum in the 3G spectrum auction.

The price of per MHz of spectrum may see a 20 percent rise this time, said a top official of the regulator.

Only the licence holders can take

part in the spectrum auction, said Mahmood. "We think this can make the process for spectrum auction more competitive."

BTRC has 15 Megahertz of unsold spectrum in the 2100 band and 10.6 Megahertz in the 1800 band and some spectrum in 900 band that came from Airtel after its merger with Robi.

Mobile operators use 2100 band for 3G services and 900 and 1800 bands for 2G services.

"We may charge the operators for technology neutrality for the already allocated spectrum. The rate of charge is yet to be fixed. The newly allocated spectrum will also enjoy such neutrality," said Mahmood.

Market leader Grameenphone has welcomed the regulator's move for the tech neutrality and auction.

"We welcome this long pending decision, and are looking forward to its quick implementation, as it will help us in improving the network quality, particularly indoors, through efficient utilisation of spectrum," said Mahmood Hossain, chief corporate affairs officer at Grameenphone.

There are around 6.63 crore mobile internet users in Bangladesh, of whom 3 crore use 3G services.



Sohail RK Hussain, CEO of City Bank, and Khalid Hassan, area manager for Bangladesh of Emirates, attend a deal-signing ceremony. The card-members will be able to buy air tickets and services from the sales counters of Emirates with their locally and internationally issued debit and credit cards from Visa, MasterCard and American Express.

Current account deficit widening

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In the first six months of the fiscal year, remittance dropped 17.65 percent -- a development that has created a pressure on the current account balance.

Remittance inflow fell due to low oil prices on the global market and a growing preference among the expatriates for hundi, an illegal way to transfer funds from abroad.

Strong import growth coupled with a moderate rise in export and a slowdown in remittance inflow contributed to the deficit, said the Bangladesh Bank's latest monetary policy statement (MPS), which was unveiled last month.

In the first six months of fiscal 2016-17, imports rose 8.91 percent while exports grew 4.33 percent, both of which resulted in the further widening of trade deficit.

Trade deficit stood at \$4.5 billion during the period in contrast to \$3.6 billion a year earlier. However, the BB predicts that at the end of the fiscal year the current account deficit will come down to within \$600 million on the back of a pick-up in remittance and export.

Export is expected to pick up, with improving growth outlook in some advanced economies, the MPS said.

"But this outlook is subject to substantial geopolitical risks and policy uncertainties in the US, the UK and the euro area."

The declining remittance is likely to receive some support from the higher number of workers going abroad and the better economic prospects in the Middle East, aided by rising oil prices, said the MPS for the second half of fiscal 2016-17.

BB Governor Fazle Kabir last week told reporters that they have been doing a diagnostic review of the cause of the fall in remittance inflow.

A central bank team will visit a number of countries to get a first-hand idea and actions will be taken on the basis of its recommendations, he added.

However, a strong capital and financial account performance underpinned by net foreign direct, portfolio and other investments led to an overall balance surplus of \$2.25 billion during the July-December period of 2016. A year earlier, it was \$2.44 billion.

The MPS projected that the overall balance surplus at the end of the fiscal year would be about \$2.9 billion, which was \$5.04 billion in fiscal 2015-16.

Since the adoption of the flexible exchange rate regime in May 2003, the BB has allowed sufficient exchange rate movements, while smoothing out large day-to-day fluctuations.

After a prolonged spell of appreciation pressure on the taka, it has started to depreciate, although slowly, since October 2016, in line with the gradual erosion of the current account surplus.

While the exchange rate has remained broadly stable in the inter-bank foreign exchange market, it has moved by a larger margin in the kerb market recently, driven by a demand shock for cash dollar, in part stemming from India's demonetisation measure, the MPS said.

The BB has already initiated steps to iron out the impediments to the availability of cash US dollar notes in banks, it added.

On February 8, the average taka-dollar exchange rate stood at Tk 79.20, which was Tk 78.72 one year earlier, according to central bank statistics.



State Minister for ICT Zunaid Ahmed Palak, Managing Director of Green Delta Insurance Farzana Chowdhury and Founding Managing Director Nasir A Choudhury attend a deal-signing ceremony between the ICT Division and Green Delta. The insurer will work together with the division to promote the access to insurance services and educate mass about insurance through technology.

GREEN DELTA

Inequality rises despite economic progress

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He identified political influence as one of the major causes of increasing inequality. The elite are now nominated for election; participation in the elections is now a kind of business investment, he added.

They come to power and grab land owned by the government, he said. The middle class lose their land to political influence, pushing inequality up, he added.

He said if the lands are recovered and distributed among the poor, it will help reduce inequality. Sobhan blamed poor governance and unequal access to the market for increasing inequality.

He suggested the government should focus on education to minimise inequality as the marginal people have limited access to education.

Posh Raj Pandey, chairman of South Asia Watch on Trade, Economics and Environment of Nepal, said all South Asian countries, except Nepal and Pakistan, are doing better in inclusive growth but inequality is not shrinking.

Inequality should naturally fall with the maturity of the economy but it did not happen, which is a matter of concern, he said. "We should adopt such a policy that will reduce poverty with sustainable growth."

Bangladesh goes up nine rungs in economic freedom index

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Although Bangladesh performed better than India (143) and Pakistan (141) in the 2017 index, it lagged behind Sri Lanka (112), Bhutan (107) and Nepal (125).

In fact, all the South Asian economies were put in the category of "mostly free" nations.

"The fragile rule of law continues to undermine economic development in Bangladesh," the report said.

The Washington DC-based think-tank came down hard on the country's property laws, which it termed antiquated. The report said the procedures for contract enforcement and dispute settlement are inefficient.

Despite some streamlining of business

regulations, entrepreneurial activity is hampered by an uncertain regulatory environment and the absence of effective institutional support for private sector development, it said.

The think-tank said the government's ownership and interference in the financial sector remain considerable, undermining efficiency and growth.

However, the think-tank commended the country's economic growth over the last decade in the face of political turmoil.

"A decade of fairly rapid economic growth has contributed to progress against persistent poverty," it added.

Hong Kong, Singapore and New Zealand took up the top three spots in this year's index.

Democracy vital for development

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Sanem, a Dhaka-based non-profit research organisation focused on economic modelling, organised the two-day event at the capital's Brac Centre Inn.

Citing various arguments and theories, Osmani said there is no reason to believe that autocracy is superior to democracy in promoting economic development.

The majority of the evidence almost conclusively demonstrates that democracy is superior to autocracy in promoting growth, human development and stable economic environment.

"Yes, autocrats can do well for the economy and can promote growth because it helps him plunder resources. But in most cases, autocratic growth would be short lived, uncertain."

Since an autocratic regime changes abruptly, and in a violent manner in most cases, it puts off those who are interested in investing. "They are unsure of what is going to happen when this particular autocrat goes."

In democracy, leaders and parties may come and go, but the institutional permanence gives a sense of certainty to the investors.

Over the long term, investors feel more confident in investing in a democratic regime than an autocratic one, according to Osmani.

"So there is no room for arguing that a lack of democracy should be tolerated because it better promotes growth."

The history of democracy shows that the longer the period of democracy, the better the growth performance and human development, he said.

"If we do not have democracy, we will be unable to detect the wrongs and eliminate them," he said, adding that the level of development depends on the strength of democracy being practised.

Citing Bangladesh, he said there are arguments that the country should wait as it is not ready for democracy due to factors such as a lack of tolerance.

"But these are not acceptable. What good will it do if we just simply wait? We have to go through the democratic process. Whenever there is restriction on freedom, we must fight against it," Osmani added.

The theme of this year's conference is 'managing growth for social inclusion'.

The participants at the event discussed various issues including trade and investment, poverty and inequality, employment and labour, monetary and fiscal issues, financial inclusion and ICT, climate change, and adaptation and mitigation challenges for

Bangladesh.

Bangladesh came in last in an inclusive growth index of seven countries as it did not perform well in fighting poverty and inequality, and ensuring health, education and gender equality between 2005 and 2010, said Towfiqul Islam Khan, research fellow at the Centre for Policy Dialogue.

"In contrast to Bangladesh, both Cambodia and Nepal exhibited impressive progress in poverty and inequality pillar. The same can be said about health and education, and gender equality."

The inclusive growth index is an attempt to measure development by Khan and two of his colleagues.

It has been prepared based on seven pillars -- poverty and inequality, growth, employment, access to infrastructure and public services, health and education, gender equality, and governance and institution.

The index has been prepared on seven countries based on data for 2000, 2005 and 2010.

Bangladesh's performance deteriorated in poverty and inequality, health and education, and gender equality between 2005 and 2010, Khan said.

In Bangladesh, the poverty rates are higher among families with children, said Sanem Chairman Bazlul Haque Khondker.

For instance, some 40 percent of the rural families are unable to afford the minimum cost for a nutritious diet.

The level of poverty is also higher among the disabled people, said Khondker, also a professor of economics at the University of Dhaka.

"Bangladesh is ageing rapidly," he said, adding that the poverty rates increase with ageing.

Subsequently, he suggested increasing the coverage of social protection programmes.

Barkat-e-Khuda, supernumerary professor of economics at the University of Dhaka, called for increasing the budgetary allocations for education and health.

He said it would not be possible to reap the benefits of demographic dividend without ensuring improved quality of education and skilled human resources.

Abdul Bayes, director of Brac's research and evaluation division, stressed the need for vocational and technical training instead of focusing too much on general education.

Bangladesh can cope with the negative effects of climate change by 2055 but the cost of adapting to the changes would be very high, said David Hulme, professor of development studies at the UK's University of Manchester.



Bangladesh Indenting Agents Association President Muhammad Ayub along with a delegation of the association meets with Industries Minister Amir Hossain Amu at the latter's office in Dhaka on February 16.

BIAA



ONE Bank Chairman Sayeed H Chowdhury opens the 88th branch of the bank in Noakhali on February 15. Managing Director M Fakhru Alam was also present.

ONE BANK