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BUSINESS

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Banglalink looking to invest \$1b

STAR BUSINESS REPORT

Banglalink is keen to invest \$1 billion over the next three years to improve its service quality as well as support the government's Digital Bangladesh vision, said the head of its owning company.

The decision though is hinging on Veon, the parent company of Banglalink, finding a favourable investment and regulatory framework, said Jean-Yves Charlier, the chief executive officer of Veon.

Charlier's comments came at a media briefing held at the capital's Sonargaon hotel yesterday. Banglalink Digital Communications Ltd's CEO Erik Aas and Chief Corporate & Regulatory Officer Taimur Rahman were also present.

Since its inception in 2005, Banglalink, the country's third largest mobile phone operator by subscriber base, has invested over \$2.51 billion. It has also contributed \$2.4 billion to the national exchequer.

Banglalink has been operating in Bangladesh for the past twelve years with a prestigious history of transforming lives through technology, Charlier said.



Jean-Yves Charlier, chief executive officer of Veon, the parent company of Banglalink, speaks at a media briefing at the capital's Sonargaon hotel yesterday. Erik Aas, CEO of Banglalink, was also present.

"Given the recent release of spectrum and 4G draft guidelines, we believe the framework is now in place to further develop investment-friendly regulations. This ultimately leads to more digital services and better customer experience."

Charlier said Veon is keen to position Banglalink as a leading provider of connectivity and internet opportunities, and in so

doing, support the launch of 4G across the country and accelerate the digital economy.

In a statement later, Banglalink raised the issue of tax.

The combined financial burden of a disproportionate tax regime for the telecom sector and the significant cost of spectrum constitute an obstacle that must be addressed, it said.

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Laugfs Gas to expand presence in Bangladesh

STAR BUSINESS REPORT

Laugfs Gas Bangladesh, a company of Sri Lanka-based multinational Laugfs Holdings, yesterday said it plans to strengthen its presence in Bangladesh with renewed commitment and further investments.

The firm disclosed its plans at a reception for visiting Sri Lankan President Maithripala Sirisena at Sonargaon hotel.

"As an energy conglomerate with a strong footprint within the region, we plan to invest significantly in Bangladesh over the next three years to enhance capacity, expand storage and set up a cylinder manufacturing plant," said Laugfs Holdings Chairman WKH Wegapitiya in a statement.

Sri Lankan Foreign Affairs Minister Ravi Karunanayake expressed hope that bilateral trade would treble within the next two years.

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Manual VAT registration may end next year

SOHEL PARVEZ

The National Board of Revenue is likely to terminate the manually-issued 11-digit VAT registration from next year as it moves forward with automating the revenue system to bring transparency, reduce hassles and increase compliance.

The revenue authority mulls over asking firms to re-register for the electronically generated 9-digit Business Identification Number (e-BIN) within December this year, said officials yesterday.

"We have sought opinions from field offices in this regard," said a senior official of the NBR seeking anonymity.

The NBR introduced the 9-digit e-BIN, as prescribed by the new VAT law, on March 23 as part of its digitisation plans.

The new VAT law was supposed to take effect from this year. But confusion arose among businesses about whether e-BIN could be used after the government postponed its plan to enforce the new law by two years.

Just after the passage of budget for fiscal 2017-18, the NBR's VAT Online Project announced on June 29 that businesses would be able to use both the BINs for

export and import activities and participate in tenders until further decision. As of yesterday no new decision has come up.

Some senior officials at the field level favour the manually issued 11-digit BINs on the grounds that e-BINs are not compatible with the geography-based VAT collection system.

The officials said the 11-digit BINs were mainly issued against the branches of firms whereas the 9-digit e-BINs were not.

Instead of branch-wise registration, a firm has got a single registration in line with the new law.

A senior official of VAT Online Project, however, said branch-wise VAT registration can be done after some modifications in the software.

Officials working on the matter said a public notice will be issued soon in this regard after getting feedback from field offices, clearing ambiguity among businesses.

In the draft public notice sent to field offices for opinion, the NBR said it plans to keep the 11-digit BINs valid until December 31, 2017. By this time, it will ask firms to re-register.

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GP profits soar 56pc in Q2

STAR BUSINESS DESK

Grameenphone's net profit soared 55.7 percent year-on-year to Tk 790 crore in the second quarter of this year on the back of higher revenue and operating efficiency.

The country's lone listed mobile operator reported revenue of Tk 3,240 crore during the quarter, up 15.71 percent year-on-year.

The industry was very competitive during the quarter, especially on the subscriber acquisition front, said Michael Patrick Foley, chief executive officer of Grameenphone, while unveiling the operator's second quarter earnings report.

During the quarter the operator's customer base grew 2.9 percent to stand at 6.16 crore on June 30.

"Amid this environment we were able to deliver healthy growth both in data and voice segments," he added.

At the end of the quarter, the operator had 2.7 crore active mobile subscribers.

"The revenue growth and normalised earnings growth for the period is a reflection of our committed focus on driving growth with efficiency," said Dilip Pal, chief financial officer of Grameenphone.

The country's leading mobile operator also declared interim dividend at the rate of 105 percent of paid-up capital.

Its earnings per share during the quarter stood at Tk 5.87.

Foley went on to sound out his concerns about the country's telecom regulatory regime and the taxation policy.

He is hopeful that meaningful consultation between the stakeholders and the government on the matters of 4G licence, spectrum neutrality/auction, historical SIM tax claims and consumer consumption taxes will lead to a positive outcome and a more predictable environment for investors.

"The mobile industry is a great FDI success story for Bangladesh. We need to work together so that continued FDI for our industry and for others interested in investing in Bangladesh remains attractive," he said.

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Transcom wins PepsiCo's global bottler of the year award

STAR BUSINESS REPORT

Transcom Beverages Ltd, the exclusive franchisee of PepsiCo in Bangladesh, has won the "Global Bottler of the Year" award for 2016 in recognition of its outstanding business results and performance.

The award has recently been announced at PepsiCo's annual Global Franchise Forum in Rome.

In 2009, Transcom Beverages also won the "International Bottler of the Year" award after starting bottling operations in 2000.

The bottler of the year award has been part of PepsiCo's international business for over 25 years.

This year the contenders were from amongst the top performing bottlers from each of PepsiCo's four geographic sectors -- Asia, Middle East and North Africa, Europe Sub-Saharan Africa, Latin America and North America beverages.

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TRANSCOM

Transcom Group Chairman and CEO Latifur Rahman, eighth from right, poses with the "Global Bottler of the Year" award for 2016 at a ceremony at Hotel Sheraton in Italy on June 22. Rahman received the award on behalf of Transcom Beverages, a concern of Transcom Group, from PepsiCo Chairman and CEO Indra Nooyi. The award was announced at PepsiCo's annual Global Franchise Forum held in Rome. Transcom Group's Directors Simeen Hossain and Shahnaz Rahman, Transcom Beverages CEO Golam Quddus Chowdhury, Deputy Managing Director Khurshid Irfan Chowdhury, PepsiCo CEO (Asia, Middle East and North Africa) Sanjeev Chadha, PepsiCo Country Manager Manish Muley, PepsiCo Senior Vice President for beverage category Vipul Prakash, Transcom Beverages Director Arshad Waliur Rahman, PepsiCo Global Franchise President Andy Williams, PepsiCo Executive Vice President for global categories and franchise management Eugene Willemssen and Transcom Consumer Products Manager Zaraif Ayaat Hossain were also present.

Cash dominates e-commerce transactions: study

STAR BUSINESS REPORT

The majority of payments of e-commerce businesses are made in cash instead of electronic systems due to a lack of security in digital payments, says an analysis.

The total transaction of the e-commerce industry was Tk 409 crore last year. Of it, only 3.45 percent went through electronic systems

while the rest was made in cash, shows a key-note paper on e-payment.

Dutch-Bangla Bank Managing Director Abul Kashem Md Shirin presented the paper at a seminar on e-Commerce Payment and Logistics at Lakeshore Hotel in the capital yesterday.

The Bangladesh Association of Software and Information Services (BASIS) and the Metropolitan Chamber of Commerce and

Industry (MCCI) jointly organised the seminar, sponsored by Mastercard, SSL Wireless and Technohaven.

The seminar mainly highlighted the most common hindrances of e-commerce growth, investment opportunities in the e-commerce ecosystem and recommendations for relevant policymakers.

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