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Govt earns \$600m from spectrum sale

4G service from Feb 19 in major cities



Clockwise from left, Shahjahan Mahmood, chairman of Bangladesh Telecommunication Regulatory Commission (BTRC), addresses a press conference right after a spectrum auction at Dhaka Club in the capital yesterday. Michael Foley, CEO of Grameenphone, with other officials participating in the auction. Erik Aas, CEO of Banglalink, with his team.



STAR BUSINESS REPORT

The government is set to earn about \$593.33 million from spectrum auction and offering technological neutrality to the top three mobile operators, which is less than half of its target.

The telecom regulator had targeted to collect Tk 11,000 crore (\$1,340 million) from the spectrum auction and technology neutrality.

The Bangladesh Telecommunication Regulatory Commission put up a total of 46.4 MHz spectrum in different three bands for auction but less than 30 percent was purchased by the operators.

"We are not happy," said Shahjahan Mahmood, chairman of the BTRC, adding that the operators will have another opportunity to grab spectrum at the same price within next six months.

Mahmood also said he is quite sure the operators need more spectrum for ensuring quality service. "Definitely they will come to us again.

Then, the unsold spectrums would be sold," he added.

TIM Nurul Kabir, secretary general of the Association of Mobile Telecom Operators of Bangladesh, who attended the spectrum auction held at Dhaka Club yesterday as an observer, said the government could have earned more were the floor price lower.

"We failed in 3G because of the higher spec-

BY THE NUMBERS

- GP purchased spectrum worth \$155m
- Banglalink pays \$308.6m for spectrum
- GP's technology neutrality fee \$51.33m
- Robi pays \$43.4m in tech neutrality fee
- Banglalink's tech neutrality fee \$35m

trum price," he added.

Telecom Minister Mustafa Jabbar, who also attended the auction, requested the operators to improve their service quality.

"What the operators are now offering under the name of service is appalling. I cannot even make any calls sitting in my office, and call drops are frequent too," he added.

The auction yesterday, which saw participation from only Banglalink and GrameePhone, fetched \$463.6 million.

At the auction, Banglalink took 10.6 Megahertz of spectrum in two bands, 2,100 and 1,800. The operator's expenditure was \$308.6 million. GrameePhone purchased 5MHz from the 1,800 band for \$155 million.

Both the operators will pay 60 percent of the amount today and the rest in instalment, according to the guideline. For instalments, yesterday's US dollar rate would be used, which was Tk 82.90.

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DSE, BSEC at loggerheads over strategic partner

STAR BUSINESS REPORT

Dhaka Stock Exchange is bothered by the Bangladesh Securities and Exchange Commission's push for an Indian bidder as the strategic investor for the premier bourse even though a more desirable offer from China is on the table.

The Daily Star correspondent yesterday saw dozens of anxious DSE members gather at the DSE headquarters after trading hours to discuss their next plan of action.

Earlier on Saturday, the DSE board unanimously chose a consortium of the Shanghai Stock Exchange (SSE) and the Shenzhen Stock Exchange (SZSE) as the strategic partner of the premier bourse.

The consortium has proposed to purchase 45 crore shares of the DSE for Tk 22 each. It also offered technical support worth \$37 million (about Tk 300 crore). In exchange, it sought for a seat at the DSE board and assured that it will not ask for any return on its investment for 10 years.

The proposal trumped the other on the table from a consortium led by the National Stock Exchange of India, which

offered to purchase the same number of shares but for Tk 15 each. It also offered technical support but it did not give a monetary value.

In exchange, it wanted two seats at the DSE board.

As per rules, DSE was then supposed to forward its chosen offer to the stock market regulator for the final go-ahead.

Upon sensing that their offer will not be selected, Vikram Limaye, managing director and chief executive of the NSE, rushed in to Dhaka on Sunday and jumped in to a meeting with BSEC officials.

Soon after the meeting, BSEC called the DSE's Chairman Abul Hashem and Managing Director KAM Majedur Rahman and asked them to further scrutinise both the proposals, in a move that can be viewed as the stock market regulator doing the bidding for the Indian party.

"There is no chance of accepting the Indian party's proposal as the consortium failed to meet the requirements," a DSE member told The Daily Star on the spot yesterday.

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Farmers Bank kept in suspense over capital injection

STAR BUSINESS REPORT

The Investment Corporation of Bangladesh (ICB) and four other state-owned commercial banks yesterday did not reach consensus on how to inject capital into the ailing Farmers Bank in order to rescue it from its ongoing liquidity crisis.

Bangladesh Bank Governor Fazle Kabir yesterday sat down with the chairmen and managing directors of the five organisations over the matter, but the meeting failed to reach a consensus.

"The ICB and the four state banks want to rescue Farmers Bank," Mojb Uddin Ahmed, chairman of the ICB, told reporters after the meeting at the BB headquarters.

The state banks are: Sonali, Janata, Agrani and Rupali.

A few months back, the board of Farmers Bank decided to raise Tk 1,100

core by offloading shares through private placement. But it did not get the expected investors, said a senior executive of the bank.

The government then took it upon itself to inject capital into the bank, which was given the licence on political consideration and is now struggling for survival.

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Govt plans 'textile village' under PPP

REJAUL KARIM BYRON

The government is going to set up a "textile village" on 28 acres of land belonging to Tangail Cotton Mills under Bangladesh Textile Mills Corporation (BTMC) through a public-private partnership (PPP) initiative.

Ramisa Group has proposed to develop the village at Mirzapur in Tangail at an estimated cost of about Tk 1,200 crore.

The cabinet committee on economic affairs recently approved in principle Ramisa's proposal as an unsolicited bidder.

An official of the textiles and jute ministry said the approval does not mean that the company has got the final nod.

Now the ministry will invite competitive bidding and Ramisa will have to participate, said the official, adding that the group would, however, get some bonus points for the approval.

He said the PPP authority scrutinised Ramisa's proposal and it has been sent from the cabinet committee on that basis.

The official said the prime minister issued a directive for installing modern machinery at the mills that were closed down.

He said the Tangail mill's land was being grabbed as it had remained closed.

The existing land is valued at Tk 219 crore. Those who get the job of setting up the composite mill will have to make an annual payment to the BTMC for the latter being the land-owner.

Ramisa, in its proposal, said the village would create employment for about 10,000 people while about \$14 million could be annually earned through exporting knit and woven garments.

Of the estimated Tk 1,200 crore cost, Ramisa plans to bring in foreign investors and take bank loans.

Ramisa said it would completely be a green project with most of the unusable construction being dismantled and others being constructed as required while keeping provisions for landscaping and providing other facilities.

It said the project was envisaged to be a composite textile mill having facilities for production of yarn, spinning, dyeing, sizing, weaving, washing, finishing and garments making.

Man-made fibres getting popular among RMG makers

REFAYET ULLAH MIRDHA

The import of man-made fibres such as polyester staple, viscose, and tencel is on the rise as a substitute for cotton as their demand is increasing amid changes in global fashion trend.

Bangladesh imported 78,208 tonnes of polyester staple fibre in 2016, up 11.39 percent from 70,209 tonnes in 2015 and 35.72 percent from 51,729 tonnes in 2014, according to data from Bangladesh Textile Mills Association (BTMA).

The import of viscose staple fibre was recorded at 29,146 tonnes in 2016, slightly down from 29,538 tonnes in 2015. From January to

AT A GLANCE

Global ratio of cotton and manmade fibre use is **28:72**

In 2016, Bangladesh imported **78,208** tonnes of polyester staple fibre, a rise by **11.39pc**

In 2016-17, Bangladesh imported **6.7** million bales of cotton

June of 2017, the volume was 16,063 tonnes, the data showed. In 2014, Bangladesh imported 18,115 tonnes of viscose staple fibre.

Imports of tencel, a fibre made of trees and leaves, stood at 5,034 tonnes in 2016 and 6,199 tonnes the previous year.

"The import of man-made fibre is increasing every year," said Monsoor Ahmed, secretary of the BTMA.

Razeb Haider, managing director of Outpace Spinning Mills Ltd, said the demand for any kind of yarn and fabrics depends on buyers' choice. Recently, the demand for man-made fibres has increased from the buyers' end.

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NBR postpones order on assessing duty of packaged goods

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The National Board of Revenue has postponed an order on the assessment of duty of imported packaged goods such as cosmetics and perfumes.

The NBR in October last year directed field offices of customs to calculate the duty of imported items by adding the duty for the containers if the cost of the packing materials is not included in the import prices.

For ease of valuation, the revenue collector said duty could be calculated by determining the prices of the packaging materials based on weight per kilogramme.

On February 12, the NBR issued a circular saying that the previous order has been halted to allow quick valuation of duties of the imported items. Altaf Hossain Chowdhury, general secretary of the Chittagong Customs Clearing and Forwarding Agents Association, said he came to know about the decision on February 12.

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Govt to fund research on modern tech: adviser

Renewable energy expo begins at DU

STAR BUSINESS REPORT

The government will sponsor research on modern technologies in order to make the country's younger generation interested in innovative work, said Tawfiq-e-Elahi Chowdhury, energy adviser to the prime minister, yesterday.

"Innovation has to be valued and nurtured," he said at the opening of a three-day conference and exposition on renewable energy at the Dhaka University, according to a statement.

The Institute of Energy of the DU and the Bangladesh Solar Energy Society have organised the "National Renewable Energy Conference & Green

Expo-2018" at the senate building.

Twenty-five companies are showcasing renewable energy products at the exposition. A solar electric induction cooker developed by the Institute of Energy is also on display.

Speaking at the inauguration, Prof Md Akhtaruzzaman, vice-chancellor of the university, said new initiatives on modern technologies have to be undertaken.

Shahin Ahmed Chowdhury, chairman of the Bangladesh Energy & Power Research Council, said people are working on innovation but they are not marketing their products at the grassroots level.

"This is very important," she said,

adding that her office would provide finances to researchers working on innovation.

Md Helal Uddin, chairman of the Sustainable and Renewable Energy Development Authority (Sreda), said his unit would run awareness campaigns on energy efficiency from Thursday at schools across the country.

Sreda Member Siddique Zobiair said innovations in cooking technologies should be scientific and healthy.

Saiful Huque, director of the institute, also spoke. The exposition will be open to visitors until tomorrow from 10:00am to 6:00pm, said the statement of the Institute of Energy.

Hatil opens fourth showroom in India

SUBRATA ACHARYA, from Jamshedpur, Jharkhand

Furniture maker Hatil opened its fourth showroom in India on Monday as part of its plans to strengthen its foothold in the neighbouring country in next five to six years.

The new outlet is located in Jamshedpur in India's eastern state of Jharkhand. The Bangladeshi company has also showrooms in Kolkata, Kalyani, and Chandigarh.

Selim H Rahman, managing director of Hatil, inaugurated the showroom along with his business partners in Jharkhand. He said his company would open four more showrooms in India within a month.

Hatil has entered a market where Godrej Interio is the largest furniture brand with 70 percent market share and a number of other companies control the remaining stakes.

Rahman said Hatil wants to strengthen its footing in India within five to six years.

Firoz Al Mamun, head of marketing of Hatil, said the company would be able to win the hearts of Indian consumers with cost-effective and quality products.

The furniture maker is not only opening bricks-and-mortars stores but had also made the foray into the online store.

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