STOCKS

DSEX	CSCX
▼ 0.10%	▼ 0.09%
5,281.25	9,810.66

COMMODITIES

Gold ▲	Oil ▲
$1,226.70 (per ounce)	$59.44 (per barrel)

ASIAN MARKETS

MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▲ 1.27%	▲ 0.39%	▲ 0.48%	▼ 1.32%
36,170.41	22,262.60	3,109.44	2,567.44

CURRENCIES — STANDARD CHARTERED BANK

	USD	EUR	GBP	JPY
BUY TK	82.95	93.61	105.83	0.72
SELL TK	83.95	97.41	109.63	0.75

Star BUSINESS

DHAKA FRIDAY NOVEMBER 30, 2018, *AGRAHAYAN 16, 1425 BS* ● starbusiness@thedailystar.net

Mobile data usage rises 46pc on 4G

MUHAMMAD ZAHIDUL ISLAM

Data usage through mobile phones got momentum after the roll-out of 4G service in February, with the average consumption hitting the landmark of one gigabyte (1GB).

Last year, the average usage was about 700 megabyte (MB), said industry insiders. 1GB equals 1,024 MB.

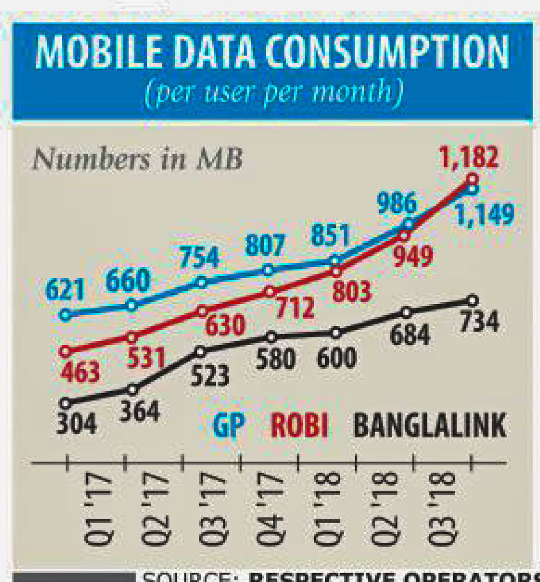
In the third quarter of the year, the country's second largest operator Robi's 2.83 crore active mobile internet subscribers consumed 1,182 megabyte (MB) data on average.

Robi, which has 55 lakh regular 4G customers, saw its data usage shoot up 88 percent in a space of one year, according to the quarterly financial report of its parent company Axiata.

In the same period Grameenphone saw 52.40 percent year-on-year growth in data usage from its 3.63 crore active internet users, of which 50 lakh are using 4G.

Combining all kinds of data users, average usage reached 1,149MB at the end of September, according to its third quarter report.

For the first time after the launch of mobile internet in Bangladesh more than a decade ago, Grameenphone's average data consumption was lower than Robi's.



SOURCE: RESPECTIVE OPERATORS

However, Banglalink, the country's third largest operator, was far behind: as of September its two crore internet subscribers are using 734MB data on average, according to its parent company's report.

Nowadays, lots of digital services are available on the mobile platform, which is boosting data consumption, said Shahed Alam, head of corporate and regulatory affairs at Robi.

"4G has definitely given the industry a boost to change the customers' data usage pattern."

Robi is now leading the market in the data segment as they have invested huge amounts in it after merging with Airtel. The operator has already covered all the districts with its 4G network.

The market will definitely grow further, but to harvest the maximum potential certain challenges need to be removed, Alam said.

The industry is facing huge challenges from fibre optic cable connectivity: there are frequent cuts, with about 3,000 cuts recorded in the past 11 months.

"This is the lifeline of data connectivity. And operators are prohibited from building this network."

If the situation continues, digitalisation will be halted and data consumption will not grow further.

Alam also pointed out the low smartphone penetration as another challenge: about 35 percent of the total mobile users use smartphones.

A recently published report of YouTube also showed video-sharing has drastically increased after the launch of 4G in Bangladesh.

As of October, viewership of the Google-owned video-sharing platform in Bangladesh has grown 64 percent year-on-year to 2.94 crore, according to Google's internal data report.

ACCORD'S EXTENSION

Further hearing on Dec 6

STAR BUSINESS REPORT

The Accord, which has been locked in a tug of war with the government over its right to continue its activities in Bangladesh, was thrown a lifeline by the Supreme Court yesterday.

The SC fixed December 6 for further hearing on a petition filed by the Accord last week challenging a High Court directive that asked it to end all activities in Bangladesh on November 30.

The development means the Accord, a platform of more than 200 mostly European retailers, does not need to wrap up its affairs today and can continue until December 6.

Formed after the Rana Plaza collapse in April 2013 to enhance workplace safety, the Accord has been insisting on a three-year extension to see through the remediation works in its sourcing factories.

READ MORE ON B3

MOBILE FINANCIAL SERVICE

Customers complain of high charge: study

JEBUN NESA ALO

The high service fee charged by mobile financial service (MFS) operators is turning out to be a major impediment to the growth of the sector, a recent study found.

Some 53.25 percent of the respondents identified the high charge as a major disadvantage of MFS, according to survey report "An Impact Study on Mobile Financial Services in Bangladesh".

The survey was conducted among 1,065 households and 265 small and medium business firms spanning 36 districts.

Currently, the MFS operators charge 1.85 percent for withdrawing cash but agents take 2 percent from the customers. As a result, a customer has to pay Tk 20 for taking out Tk 1,000.

Kamal Qadir, chief executive of bKash, agrees that the charge is on the high side, but adds that not all services were charged.

Introduced in 2012 by Dutch Bangla Bank, the MFSs include cash deposit, cash withdrawal, money transfer and bill payment.

As of September, the total number of registered accounts under the MFS platform is 6.67 crore, according to data from the central bank.

Currently, about 18 banks are providing MFSs, and the daily average transaction value is Tk 1,000 crore as of September.

Illegal remittance from foreign countries and extortion by criminals using the platform are the other two big challenges, found the survey conducted by Bangladesh Bank and the University of Dhaka in December last year.

Saudi Arabia, Malaysia and the United Arab Emirates are the main origins of illegal remittance inflows. But Canada, the US, India, Kuwait and Qatar were also mentioned in the survey.

A syndicate in the countries collect money from migrant workers and get local MFS agents to load accounts of relatives of the expatriate Bangladeshis for a cut.

Due to the illicit fund transfer from abroad, remittance inflow dropped 14.47 percent year-on-year to $12.77 billion in fiscal 2016-17.

bKash, the leading MFS provider, was being misused to channel money home, found an investigation by the BB.

"It is true that the name of bKash is being misused for illegal remittance transfer," Qadir said, adding that the company is partnering with different banks to legitimise remittance transfer through the MFS channel.

bKash works as a distribution channel and the banks maintain the central account to handle the foreign currency, he said, adding that such an initiative would reduce the unaccounted inflow.

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Tax offices open this weekend

STAR BUSINESS REPORT

Tax offices will remain open today and tomorrow to enable taxpayers to submit income tax returns for fiscal 2018-19 ahead of the December 2 deadline, officials said yesterday.

The National Board of Revenue (NBR) has officially been observing November 30 as Tax Day since fiscal 2016-17, fixing the day as a deadline for individual taxpayers to submit their income tax returns.

However, as November 30 this time falls on a Friday, a weekend, the tax administration has extended the deadline for return submission until December 2, said Khandokar Khurshid Kamal, first secretary, tax monitoring and training of the NBR.

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Engine oil market expanding fast

JAGARAN CHAKMA

The engine oil market has been growing at nearly 15 percent a year for the last three years thanks to a rise in the use of automobiles and introduction of new power plants.

Annual lubricant consumption rose over 14 percent in four years to 160 million tonnes this year while the number of registered vehicles increased 2.5 times to 3,663,189 units in eight years.

Meanwhile, the country's actual power generation went up nearly 2.5 times to 11,623 megawatts in the last eight years, according to data from Bangladesh Power Development Board.

The demand for lubricants will rise keeping pace with the increasing population, as every motor, be it of vehicles or machines, used by humans needs the oil for smooth operation, industry insiders said.

The liquid's demand will continue to rise at least for the next 15 years, as the quick rental power plants need a huge quantity of lube oil to run, said Md Shahin Alom, deputy general manager for sales and marketing at MJL Bangladesh Ltd.

The market size doubled in the last five years due to establishment of a number of power plants across the country, he said.

"Lubricant consumption by the industrial sector has increased significantly in the last five years," said Mohammed Shahidul Islam, chairman of HNS, the sole dealer of SK Lubricant ZIC, a South Korean engine oil manufacturer.

The ZIC has achieved around 25 percent growth on an average since its launch in 2016, Islam told The Daily Star.

The premium segment of the customers and the industrial sector are the major clients of the ZIC, he said.

"We import finished lubricants from South Korea directly and hope to be a big shareholder in the Bangladesh market soon."

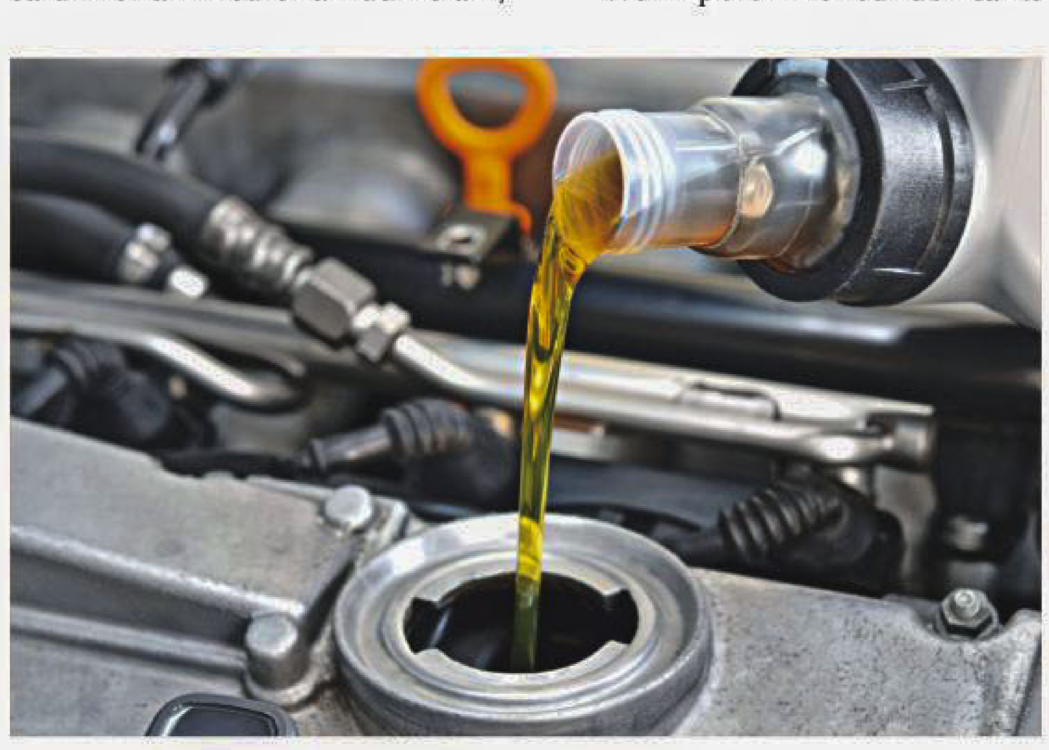
The automotive sector accounts for 70 percent of the total lubricant consumption in Bangladesh and industries the remaining 30 percent, said Syed Nazib M Rahman, director of Runner Lube and Energy Ltd.

There are around 15 renowned lubricant brands in Bangladesh, he said.

Mobil is the leader with 27 percent market share, followed by British Petroleum (BP) (11 percent), French brand Total (5 percent) and Shell, Castrol and Caltex (2 percent each), industry insiders said.

In the premium segment, Mobil occupies 34 percent market share while the remaining is held by 50 other brands.

Adulterated lubricants are also available in the market, which actually damages engines of automobiles, said Alom of MJL Bangladesh, the owning company of Omera Fuels that has 2 percent market share.



DELISTING

Fate of Imam Button, Savar Refractories to be decided after polls

AHSAN HABIB

The fate of Imam Button and Savar Refractories will be decided after the national polls, which were found to have no potential to return to profit in a recent probe of the Dhaka bourse.

The Dhaka Stock Exchange in August identified 15 companies that paid no dividends to its shareholders, at least for the last five years.

The premier bourse conducted an investigation on five companies in the first phase and sent the report to the stockmarket regulator for its consultation.

But the BSEC wants DSE not to take any decision for Imam Button and Savar Refractories before the upcoming general election, said a top official of BSEC preferring anonymity.

Among the five, the DSE found Kay & Que, Meghna Pet Industries and Meghna Condensed Milk have slight possibility to come to profitability in future.

The rest 10 firms are: ICB Islamic Bank, Dulamia Cotton, Samata Leather, Shyampur Sugar Mills, Zeal Bangla, Beximco Synthetics, Jute Spinners, Shinepukur Ceramics, Sonargaon Textiles and Information Services Network.

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Japan Tobacco closes $1.47b acquisition of Akij venture

STAR BUSINESS REPORT

Japan Tobacco Inc, one of the five largest tobacco companies in the world, yesterday completed its $1.47 billion acquisition of Akij Group's tobacco business, in what was the biggest ever single foreign direct investment in Bangladesh.

The announcement came more than three months after Japan Tobacco signed a deal with Akij's concern United Dhaka Tobacco for buying its shares, as part of its foray into Bangladesh's Tk 33,000 crore cigarette market.

"With this investment, the company will continue to accelerate its expansion in emerging markets, a key component of the Japan Tobacco Group's growth strategy," said Japan Tobacco in a press release.

This is the second major purchase by Japan Tobacco in less than a year as it seeks new growth markets to offset shrinking sales in its traditional market, brought about by tighter smoking regulations and growing awareness of the hazards of tobacco consumption.

In March this year, Japan Tobacco agreed to buy Russia's Donskoy Tabak for $1.56 billion. The company snapped up companies in Russia, Indonesia and the Philippines, all three amongst the top ten tobacco markets in the world.

Bangladesh is the eighth largest cigarette market, with volumes exceeding 86 billion units and growing by about 2 percent year-on-year.

Japan Tobacco said the substantial market share of Akij's tobacco business places it 'straight at the number two position in Bangladesh', which will expand the company's quality top-line growth.

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Banglalink brings 014 number series

STAR BUSINESS REPORT

Banglalink yesterday announced the introduction of its new number series -- 014.

As part of its launch, Jahurul Haque, acting chairman of Bangladesh Telecommunication Regulatory Commission (BTRC), made a call using the number series from Banglalink's office in Dhaka to Mustafa Jabbar, telecom minister.

Currently, Robi also has dual number series 018 and 016 while Grameenphone introduced 013 along with its previous 017 series in October.

The current Banglalink pre-paid users having 019 number series can get new 014 series SIM cards for free after completing national identity verification and enjoy Tk 0.54 a minute call rate between the two number series for lifetime.

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US-CHINA TRADE WAR

Benefits depend on nifty response

Says International Apparel Federation chief

STAR BUSINESS REPORT

The ongoing trade war between the US and China has created an opportunity for Bangladesh but it all depends on how the country utilises it, said International Apparel Federation's (IAF) chief yesterday.

The United States imposed tariffs on almost half of its $500 billion Chinese imports, which has affected many firms, including the apparel industry in China.

China has been losing its apparel business due to the new tariffs as many Western retailers and brands are shifting their work orders to other countries like Bangladesh, said Han Bekke, president of the Netherlands-based IAF.

"Western retailers and brands want a smooth supply chain in the apparel business but the trade war has disrupted the chain in China," Bekke told a press conference at the office of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) in Dhaka.

Bangladesh still faces capacity constraints ranging from poor infrastructure to red-tape to skilled labour, which are barriers to reaping benefits arising from the trade war.

Bekke arrived on a two-day visit on Wednesday to see the safety progress that Bangladesh achieved at workplaces after the Rana Plaza building collapse in April 2013.

He said the IAF would extend its cooperation to Bangladesh for further growth of the trade.

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