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Telenor, Axiata talk merger

STAR BUSINESS REPORT

Norway's Telenor and Malaysia's Axiata, the parent companies of Bangladesh's top two mobile operators, yesterday announced that they were in talks to combine their Asian operations.

If the merger becomes successful, they will create a company with 300 million customers in nine countries, sales of about \$13 billion and earnings of about \$5.5 billion.

"Telenor and Axiata are in discussions on joining forces in Asia, one of the most dynamic and innovative regions in the world. Together, we aim to create a leading and well-diversified pan-Asian telecom and infrastructure company with substantial synergy potential and strong regional operations," Gunn Wærsted, chair of Telenor Group, said in a statement.

Anticipating resistance from the telecom watchdog, Robi, Axiata's subsidiary in Bangladesh that it co-owns with Bharti Airtel and NTT Docomo, was not offered as part of the deal.

Both Grameenphone and Robi will continue their business in Bangladesh separately.

Mobile infrastructure provider edotco Bangladesh, in which Axiata Group has 70 percent stakes, is part of the arrangement though, meaning there can be potential gains for Grameenphone, which is 55.8



percent owned by Telenor at present.

In the merged company, Telenor will hold 56.5 percent stakes and Axiata the remaining 43.5 percent.

But Axiata is unlikely to take a seat on the Grameenphone board, a person familiar with the negotiations told The Daily Star upon condition of anonymity.

A deal is expected by the third quarter, but the companies said that there is no certainty that the discussions will result in an agreement.

Mahtab Uddin Ahmed, chief executive officer and managing director of Robi, met with Bangladesh Telecommunication Regulatory Commission Chairman Md Jahurul Haque yesterday to brief him on the developments.

"Right now we have no information about the negotiations, so we cannot comment on the matter," Haque said.

Grameenphone, which is listed on the Dhaka Stock Exchange, closed 4.96 percent lower at Tk 359.40 yesterday.

The operator is the clear leader in Bangladesh, followed by Robi, Banglalink and Teletalk.

Look beyond WTO for post-LDC benefits: official

STAR BUSINESS REPORT

Bangladesh needs to work with some alternative organisations of World Trade Organization (WTO) to continue enjoying trade privileges once its status graduates to a developing country from a least developed one, said a top WTO official yesterday.

Bangladesh's status is scheduled to finally graduate in 2027 when it would lose trade privileges and face duties on export.

Monique Van Daalen, chairperson of the WTO sub-committee on least developed countries (LDCs), suggested that Bangladesh can look forward to the United Nations Conference on Trade and Development (UNCTAD) and the Enhanced



Monique Van Daalen, chairperson of the WTO sub-committee on LDCs; Rehman Sobhan, chairman of CPD, and Debapriya Bhattacharya, distinguished fellow, attend a discussion, at Brac Centre Inn in Dhaka yesterday.

Integrated Framework (EIF) for SDGs to find new opportunities beyond WTO.

She was addressing a discussion on "Current Debates at the WTO and the LDC Concerns" organised by the Centre for Policy Dialogue (CPD) at Brac Centre Inn in Dhaka.

The UNCTAD is a part of the United Nations Secretariat dealing with trade, investment, and development issues. The EIF is the only multilateral partnership dedicated to assisting LDCs.

The value of the LDC exports of goods and services increased by 13 percent in 2018, reaching \$239 billion, said Daalen, adding that the growth was faster than that of world exports, which increased by 10 percent.

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VAT waiver for pharma raw materials till 2025

SOHEL PARVEZ

The National Board of Revenue has granted VAT exemption to the imports of raw materials of active pharmaceutical ingredients (API) and reagents for six years till 2025 in a boost for the sector.

The revenue administration has published a notification to this effect recently.

The benefit comes as a number of drugmakers are producing APIs to make medicines to cater for both domestic and export markets.

The government in November last year opened the API Industrial Park in Gazaria, Munshiganj and 27 companies are preparing to establish plants there to make the raw materials for medicines.

"We welcome the initiative. It will be beneficial for the sector to some extent," said SM Shafuzzaman, secretary general of the Bangladesh Association of Pharmaceutical Industries (BAPI).

The members of BAPI represent nearly 200 drugmakers and meet 98 percent of the annual demand of the local market amounting to more than \$2 billion.

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NCC Bank board to discuss CEO's 'abnormal' deposits

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NCC Bank will hold a special board meeting tomorrow to discuss the findings of a Bangladesh Financial Intelligence Unit (BFIU) investigation that revealed that the lender's managing director, Mosleh Uddin Ahmed, holds abnormally high deposits.

Ahmed has Tk 35 crore in deposits with 11 financial institutions, including five banks, according to the BFIU's findings.

He, however, denied any wrongdoing. He said perhaps his total transactions were tallied to show an abnormally high figure.

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Stocks back in the red

STAR BUSINESS REPORT

Stocks went back to sinking yesterday just a day after its rising streak in the previous three days, in what can be viewed as a concerning development seeing the host of affirmative actions taken by the government last week.

DSEX, the benchmark index of the Dhaka Stock Exchange, lost 52.82 points to close at 5,342.08. In the previous three days, it had soared 219.44 points, or 4.20 percent.

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