

Bangladesh close to digital revolution

Says ADN Group's Managing Director Henry Hilton

MUHAMMAD ZAHIDUL ISLAM

BANGLADESH is on the cusp of digital revolution as both public and private sectors are increasingly embracing informational communication technologies and solutions, said a leading businessman in the sector.

Henry Hilton, managing director ADN Group, one of the top information communication technology companies, said most government offices and almost all business houses in Bangladesh now use internet for digitalising services in a major push for the country to become a digital nation.

Ministries, divisions, departments, and local government offices are now connected with an integrated network, while business organisations are using internet and IT-based solutions heavily.

"Business automation, connectivity, and data security are burning issues now. And through this process, we are very close to a digital revolution that is going to change the total scenario of IT, ICT and digitalisation in Bangladesh."

He said ADN Telecom has integrated global best practices in Bangladesh's digital business process.

ADN has had a long history in ICT business in Bangladesh since its inception in 1993 as Tech Valley Networks Ltd. Ten years later, it was renamed to ADN Tel as a major sister concern of ADN Group. In 2007, Tech Valley Networks Ltd was incorporated as a strategic business unit.

In 2004, the company reached a milestone by getting 3.5Gz band frequency and nationwide internet service provider licence with 18.5 GHz frequency. It made foray into international business through strategic alliance with Singtel in 2006.

In 2009, it was awarded the internet protocol telephony service provider licence. In the same year, it initiated a strategic alliance with Bharti Airtel and with Tata Communications two years later.

It has achieved ISO certificate for its quality service and client satisfaction.

ADN made Tk 18.23 crore in net profit in 2018 with a 19.78 percent year-on-year growth, according to the company's annual report. It earned Tk 92 crore in revenue last year and Tk 83 crore in the previous year.

To further its growth, ADN is going to raise Tk 57 crore from the capital market. It will use the proceeds to develop infrastructure, establish data centre, repay bank loans and bear the IPO expenses.

The company has established a private data centre and opened a window for digital market – an area, where, Hilton sees huge potential as the



Henry Hilton

country's digital economy is growing rapidly.

"In today's consumer-driven technology environment, enterprise workloads have become much more difficult to predict and manage. The underlying technology environment, therefore, needs to undergo constant evolution," he said, adding that day-to-day management of IT operations is becoming more complex and resource-intensive.

ADN's enterprise-class data centre services provide global coverage along with nearly two decades of expertise, Hilton said.

Currently, the company has multiple data centre facilities and is working to boost customer satisfaction by expanding the capacity of the centres and making them more reliable in the technology and other structural aspects

"Gradually more data centres will be established in major cities of Bangladesh to support the country's growing demand."

"To build a Digital Bangladesh, there is no alternative to focusing on data centre service business. As the sector is in a growing stage, Bangladesh needs to create awareness among the business people concerned."

Hilton said the data centre would be equipped with cloud computing and G-cloud technologies.

The company started ADN Digital one and a half years ago focusing mainly on digital transformation.

"ADN Digital, albeit at its tender point,

is demandable because in future everything will be digitalised. Internet of Things and other sectors are coming to Bangladesh, so in future ADN Digital will be a bright star in our business arena."

He said digital marketing is growing rapidly in Bangladesh, overtaking traditional business procedures. "Moreover, we are not only serving the local customer but also the international clients."

"All these have been possible because of our segmented digital marketing strategy."

He said digital marketing has no limit. The total digital transformation refers to the automation of business, services, and digital lifestyle.

ADN has also presence in some other businesses such as video conferencing, cloud service, video surveillance, web and app development, hosting solutions, SMS solutions, brand development, marketing and communication, and cyber security solution.

"All of our businesses are getting huge response," Hilton said.

The company has international internet gateway licence to run wholesale internet business, the international territorial cable licence to get internet connectivity through India, the international gateway licence to terminate international voice call, and the interconnection exchange licence to play as an operator that ensures interoperability among the mobile operators.

India's \$8b plan to revive state telecom firms

REUTERS, New Delhi

INDIA announced an almost \$8 billion plan on Wednesday to help loss-making state telecom providers Bharat Sanchar Nigam Ltd and Mahanagar Telephone Nigam Ltd catch up with private competitors, including a merger of the two companies.

BSNL and MTNL have struggled to win customers as Reliance Industries' telecoms arm Jio and rivals Bharti Airtel and Vodafone Idea have rolled out 4G services and cut prices on voice calls and data.

"Neither BSNL-MTNL is being closed, nor is being disinvested, nor is being hived (off) to any third party," Federal Communications Minister Ravi Shankar Prasad told a news conference. "We want to make them competitive, bring in professionalism."

The plan includes the allocation of state-funded airwaves for 4G telecoms services to the two companies, Prasad said.

The carriers will also raise 150 billion Indian rupees (\$2.1 billion) of long-term bonds which New Delhi will guarantee, he added.

Prasad did not give a timeline for a BSNL-MTNL merger but said MTNL, largely present in major Indian cities such as Delhi and Mumbai, would act as a unit of BSNL until the merger was completed.

BSNL had 116 million subscribers in August, according to data from India's telecoms regulator.

The two companies have debts of 400 billion rupees, Prasad said, with the government planning to raise 380 billion rupees by selling their assets.

French govt drops 2020 tourism target

AFP, Paris

THE French government has abandoned its goal of welcoming 100 million foreign visitors in 2020, blaming the impacts of months of anti-government protests and Britain's looming exit from the EU, the finance ministry said Tuesday.

"France still aims to have 100 million foreign tourists... nonetheless the goal has been pushed back, given current circumstances, to 2022," the ministry said in a budget document posted online.

The previous Socialist government set the ambitious goal in 2014.

France remains the world's top tourist destination with 89.4 million visitors last year. But the fierce "yellow vest" protests that erupted last November against President Emmanuel Macron made many tourists think twice as the weekly rallies often degenerated into violence.

In Paris in particular, protesters often clashed in running battles with police, while stores were looted and cars set alight on the famed Champs-Elysees avenue and elsewhere.

That led the authorities to lock down much of the centre of Paris and other major cities on Saturdays, until the protests died down over the summer.

Another factor likely to impact tourism is the weakening of the British pound against the euro as the impact of Brexit is felt across the UK economy.

The Insee statistics office has already reported that the number of overnight stays in tourist accommodation across France fell by 2.5 percent in the first quarter, with the larger Paris Ile-de-France region down 4.8 percent.

"Indicators for the first months of 2019 suggest a decline in foreign tourism stays during the first half of the year," the ministry document said Tuesday.



AFP

People take pictures with mobile phones of Salvador Mundi, an oil painting by Atelier Leonardo da Vinci, at the Louvre museum in Paris on October 22.

Risk of contagion in India's financial sector rising: rating agencies



REUTERS/FILE

People stand in queues at cash counters to deposit and withdraw money inside a bank in Chandigarh, India.

REUTERS, Mumbai

THERE is rising risk of contagion in India's banking sector with many finance companies having lost more than half of their equity value in the past year, rating agency Standard & Poor's said on Wednesday.

India's non-banking finance companies, or more popularly "shadow banks", went into a tailspin after the collapse of infrastructure lending behemoth Infrastructure Leasing and Financial Services (IL&FS) collapsed in September last year.

The financial companies in India are among the largest borrowers and a substantial part of their funding comes from banks.

The Reserve Bank of India has been closely monitoring the top 50 non-banking finance companies to ascertain if there is any rising systemic risk with more such institutions having failed over the last year, including housing finance major Dewan Housing Finance Ltd.

"The failure of any large non-banking financial company (NBFC) or housing finance company (HFC) may deliver a solvency shock to lenders," S&P economists wrote in a research report.

"Given the seriousness of such risks, we expect the Indian government to support

systemically important institutions that get into trouble".

The rating agency, however, expects the government to support the banks directly rather than the finance companies.

Other sectors such as real estate, small- to mid-sized banks with large exposure to these shadow banks and also some private banks who have bought portfolios from these finance companies looking to liquidate assets, could face increased challenges.

S&P, however, said it does not expect contagion to affect state-run banks despite their weaknesses as people draw comfort from their state ownership and the repeated demonstrations of government support for these institutions mostly through regular capital infusions.

Fitch Ratings in a separate research note also highlighted that the banking sector would be dealt a significant setback from the systemic stress being seen in the NBFCs.

The tough market environment is likely to persist in the near term and test the resiliency of NBFCs, they said.

"We estimate that the scenario would leave banks with an aggregate shortfall of \$10 billion to meet regulatory minimums, and \$50 billion below the level that we believe would provide an adequate buffer," Fitch economists wrote in the note.

China implementing new rules to make business easier: state planner

REUTERS, Beijing

CHINA will implement new regulations that aim to make it easier to do business from Jan. 1, 2020, China's state planner said on Wednesday, amid increasing pressure on the world's second largest economy.

The new policies will guarantee equal market access and protect fair competition in the market. They also promise to strengthen existing protections under the law.

Foreign companies operating in China have long complained of unfair treatment when it comes

to market access, burdensome red tape and weak law enforcement.

China's private firms, which have a harder time accessing financing than state-owned enterprises, have also been harder hit by the economic slowdown.

The measures said that foreign and domestic companies should be treated equally, as should all types of market entities regardless of ownership.

China will set up a punitive damage system for infringements on intellectual property, according to the measures. Intellectual property protection is a key issue in negotiations between China

and the United States that seek to end a bruising trade war.

The US should also improve its business environment to make it more convenient for Chinese firms, Ning Jizhe, Vice Chair of the National Development and Reform Commission, China's state planner, told a news conference.

Public bids and government procurement should be transparent, fair, and open to all, the measures said.

The European Chamber of Commerce in China complained of "blatant discrimination" against foreign companies in public procurement, in a paper

released in September.

"China has a vast market. We welcome companies from every country to increase their economic, trade and investment cooperation with China," said Ning.

The measures come as recent data points to increasing pressure on China's economy, which grew at a near-30-year low in the third quarter this year.

Improving the business environment is important for stable economic growth and employment as it can help stimulate entrepreneurship and innovation, said Ning.

Baby Powder was safe 13 days before FDA bombshell: Johnson & Johnson CEO

REUTERS, Los Angeles/New York

FACING off against a plaintiff's lawyer for the first time about Johnson & Johnson's Baby Powder, the company's Chief Executive Alex Gorsky earlier this month insisted that the company's iconic brand was safe.

"We unequivocally believe that our talc and our baby powder does not contain asbestos," Gorsky testified in an Oct. 3 deposition in a case involving a retired Indiana college professor who alleges his cancer was caused by the Baby Powder he used for decades. The deposition has not been previously reported.

Gorsky, citing "thousands of tests and studies" to support his testimony, said: "I'm not aware of our baby powder or talc containing asbestos."

That's harder for him to say now. Last Wednesday, just 13 days after his deposition, the US Food and Drug Administration told the healthcare giant it had discovered asbestos, a known carcinogen, in a bottle of Johnson's Baby Powder.

On Friday, a day after getting the full FDA test results, J&J recalled 33,000 bottles of Baby Powder in the United States. It marked the first time the company has recalled Baby Powder for possible asbestos contamination and the first time



Alex Gorsky

US regulators have announced finding asbestos in the product.

The recall is the latest blow to a healthcare conglomerate that has for many years tried to project an image as a caring company. It is now facing thousands of lawsuits over a variety of products, including legal action by more than 15,000 consumers claiming its talc powders caused their cancers.

Shares in J&J, which in February said it had received subpoenas

from the US Justice Department and US Securities and Exchange Commission for documents related to the asbestos contamination allegations, dropped almost 6 percent on Friday after the recall was announced. The inquiries include a criminal grand jury investigation into how forthright J&J has been about the safety of its powders, according to people familiar with the matter.

In the deposition, Gorsky was

pressed again and again to say - without qualification - that the company's powders were asbestos free. But in answering questions under oath for the first time in the talc litigation, he stuck to his statement that he "believed" J&J's powders were clean.

The FDA finding will make it much more difficult for Gorsky and the company to continue saying that they "believe" the talc powders are free from asbestos, said Elizabeth Burch, a product liability expert at the University of Georgia School of Law. She said the test result and recall lend credibility to what plaintiffs have been arguing in court for months.

J&J stands behind the safety of its talc and said it's investigating the FDA test result. The company said it proceeded with the recall "out of an abundance of caution."

In a statement on Sunday J&J said: "Thousands of tests over the past 40 years repeatedly confirm that our consumer talc products do not contain asbestos, including prior tests by the FDA as recently as last month."

In a written response to questions from Reuters on Monday, J&J added that Gorsky had no knowledge of the FDA finding of asbestos at the time of his deposition.