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Summit to invest \$5b in infrastructure in 5 years

SAJJADUR RAHMAN
 Summit Group will invest \$5 billion in various projects in Bangladesh in the next five years to meet the country's growing appetite for infrastructure.
 Of the investment, \$3 billion will flow to the energy and power sectors and \$1 billion each to the digital infrastructure and the ports and shipping sectors.
 With 8 percent GDP growth and a population of 170 million, Bangladesh needs 40,000 megawatts to 50,000 megawatts of electricity by 2030, which is more than double the present installed capacity, Muhammed Aziz Khan, the chairman of the infrastructure conglomerate, said.
 "This gives us a tremendous growth opportunity," he told The Daily Star in an interview recently. He added that Bangladesh's infrastructure is still at the rudimentary level.
 Around 60 percent of the planned investment will come from Summit's new shareholder JERA, the largest energy company in Japan. The Japanese firm has recently bought a 22 percent stake in Summit

AT A GLANCE

- Revenue in 2019: \$1.2b
- Net profits: \$100m
- Assets: \$2.5b
- By 2023, assets would be: \$7b

Power International (SPI) for \$330 million, which is incorporated in Singapore and holds all assets of Summit in Bangladesh.
 "JERA will enable us to invest \$3 billion in the three years to 2022. Of which, \$1 billion will be in the form of equity," Khan said.
 SPI will raise another \$600 million by way of listing on the Singapore Stock Exchange, but it will take at least two years.
 Starting as a small trading company in the 1970s, Summit has now big exposure in energy, power, digital infrastructure, ports and shipping logistics and trading.
 It is the largest independent power producer in Bangladesh with 20 power plants in operation. The plants have a combined installed capacity of 1,941 MW, which is 21 percent of the country's total installed capacity in the private sector.
 Also, Summit is the first Bangladeshi company in



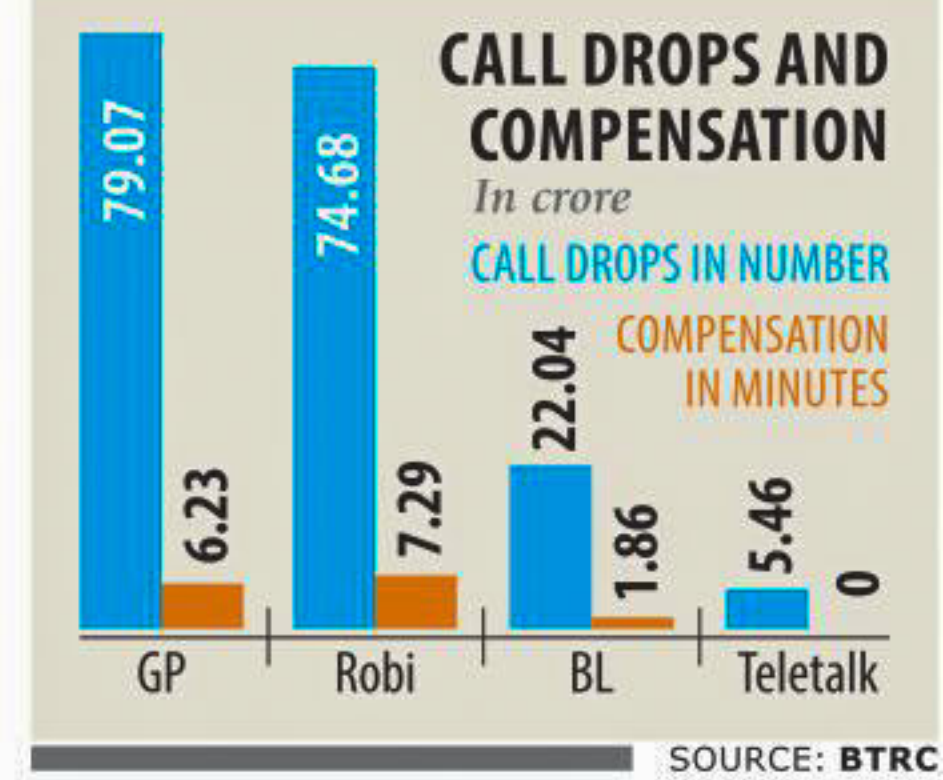
Muhammed Aziz Khan

the private sector to build a floating storage and regasification unit terminal in Moheshkhali, Cox's Bazar that can supply 500 million cubic feet of gas daily.
 Khan said Bangladesh's weak capital and debt markets have forced Summit to get incorporated in Singapore.
 "Our capital and debt markets are not capable of coming up with the large-scale investments that infrastructure projects need."
 Summit now can take out loans at 4 percent interest for 17 years from foreign sources, whereas similar borrowings at home will carry 11 percent interest with a maximum tenure of seven years.
 "We will raise low-cost capital and equity from Singapore for investments in Bangladesh," Khan said.
 Summit's incorporation in Singapore made Khan and his family the 40th richest on the Forbes list of the 50 wealthiest in the Southeast Asia nation in 2019. Khan, a permanent resident in Singapore, has a net worth of \$850 million, according to Forbes.
 The founder of Bangladesh's biggest infrastructure company also talked about future energy needs and the next generation technological development.
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Telcos compensate for only 8.48pc cases of call drops

MUHAMMAD ZAHIDUL ISLAM
 Mobile operators have cut back on compensation for call drops in recent months, in a worrying development for customers.
 Between August last year and July this year, there were 181.25 crore call drops, according to the Bangladesh Telecommunication Regulatory Commission. As compensation, the mobile operators credited subscribers with 15.36 crore minutes, as per an internal report of the telecom regulator.
 In contrast, between August 2017 and September last year there were 222.15 crore call drops and operators gave back 69.38 crore free minutes as compensation.
 "This highlights a reluctance among mobile operators to compensate customers," said a senior official of the telecom watchdog.
 As per rules, if customers face more than two call drops in a day, they will receive compensation of one minute for every call drop from the second drop onwards.
 However, mobile operators are only compensating for drops in calls on their own network, which they feel could be due to some glitch on their end.
 But for drops when on call to another network they are not providing compensations as more than one parties are involved -- like another operator, interconnection exchange and fibre cable company -- in the call and the drop could arise for a problem at their end too.
 Md Jahurul Haque, chairman of the regulatory body, acknowledged the problems, which they did not think through when the rules were formulated.

The telecom regulator introduced the compensation system in 2016 amid huge call drops in different parts of the country across all operators and it took another year to implement it.
 "There are some challenges to ensuring compensation for all dropped calls," he said, adding that the regulator will be able to address the issues soon, which will help to improve the service quality of the mobile operators.



According to the report, market leader Grameenphone reported the highest number of call drop of 79.07 crore. It compensated back only 6.23 crore minutes, which is less than the market average of 7.88 percent.
 As of August, Grameenphone has 7.57 crore active customers in their network.
 Robi, which is the country's second largest carrier with 4.78 crore active customers, has reported 74.68 crore drops and compensation of 7.29 crore minutes.
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Cooperation to boost regional trade

Analysts tell South and Southeast Asian Muslim nations

STAR BUSINESS REPORT
 Cooperation between South and Southeast Asian Muslim nations will immensely benefit the region, including non-Muslim nations, speakers said.
 They said the cooperation will increase business and regional connectivity.
 The halal food industry in Muslim countries holds huge potential, a market non-Muslim countries can take advantage of, said Salman F Rahman, prime minister's private industry and investment adviser.
 He was addressing the opening of a two-day roundtable on "Regional collaboration: transforming economies" organised by World Islamic Economic Forum (WIEF) Foundation and South

East Asian Co-operation (Seaco) Foundation at Radisson Blu Dhaka Water Garden.
 Rahman said Bangladesh has set challenging goals to turn into a middle income country by 2021 and a developed nation by 2041.
 "We identified the ways to achieve the goals -- first we need to develop skilled manpower, secondly we need investment from public, private and foreign sources and thirdly we need regional and international cooperation," he said.
 "We are offering skills development training to build up manpower that will provide services to Bangladesh and other countries," he said.
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Salman F Rahman, eighth from left, prime minister's private industry and investment adviser; Mahbubur Rahman, seventh from left, president of the ICC Bangladesh, and Rokia Afzal Rahman, sixth from left, vice president, pose at a roundtable on "Regional collaboration: transforming economies" at the Radisson hotel in Dhaka yesterday.

Russian company keen on building second satellite

MUHAMMAD ZAHIDUL ISLAM
 Glavkosmos, a Russian state-owned satellite company, has thrown its hat in the ring for designing, building and launching Bangladesh's second satellite, which the government plans to send into orbit by 2023.
 Six senior aeronautical engineers from Glavkosmos led by its deputy director general Vitaly Safonov are now visiting Dhaka following request from the telecom division to learn about Bangladesh's requirements for Bangabandhu-2.
 Glavkosmos will then conduct a feasibility study to give an idea of the perfect location of the orbital space and technological status, Telecom Minister Mustafa Jabbar told The Daily Star yesterday.
 The feasibility study will also give an estimate of the amount needed to launch Bangabandhu-2.
 The Glavkosmos team, which is being accompanied by Russian Ambassador to Bangladesh Alexander Ignatov, yesterday sat for its first meeting at Jabbar's office.
 Bangladesh Communication Satellite Company (BCSCL) Chairman Shahjahan Mahmood, Telecom Secretary Ashoke Kumar Biswas and Bangladesh Telecommunication Regulatory Commission Chairman Md Jahurul Haque were also present at the meeting.
 "Actually, their meeting with me was an ice-breaking session. They have briefed us about the different kinds of satellites and we just told them we now have at least some experience about satellites and we want the second one to have an orbital position near our country," Jabbar said.
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Investors demand BSEC overhaul

STAR BUSINESS REPORT
 Stock investors yesterday demanded reforms in the Bangladesh Securities and Exchange Commission (BSEC) by way of changing the top officials for their failure to uphold the capital market's integrity.
 In the last three months, DSEX, the benchmark index of the Dhaka Stock Exchange, plunged 454 points, or 8.86 percent, and lost Tk 27,300 crore

in value -- in a damning evidence of the low investor confidence in the market.
 The commission failed to curb rampant manipulation of many stocks, which dented investors' confidence that led to the market's slump, Mizanur Rashid Chowdhury, president of the Bangladesh Capital Market Investors Association told a press conference held at the National Press Club in Dhaka.
 The present commission also failed to get merchant banks to bring companies with solid performance records into the market.
 At the same time, many poorly-performing companies got listed during the period, and investors suffered by pouring money in to the stocks.
 Subsequently, Chowdhury called for wholesale reforms in the BSEC, the Dhaka Stock Exchange, the Chittagong Stock Exchange and the Investment Corporation of Bangladesh as their top officials were responsible for the current confidence crisis.
 He presented a 21-point demand, which if met would bring back investor confidence.
 The demands include: forming a Tk 10,000 crore fund, forcing sponsor-directors to hold on to at least 30 percent of the shares jointly, listing multinational and profitable big business groups, executing exemplary punishment for manipulators, stopping forced sales and waiving interest rates of margin loans.
 Siddiqui Rahman, one of the investors, said they placed their demands before the government on July 18 but no step has been taken yet.
 "So, the stock market continues to suffer."

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Stock investors demand BSEC overhaul

Poor dividends pull stocks down

KEY POINTS

- 100 firms declared dividends in the last three days
- 9 companies' dividend rose
- 52 firms' dividend declined, that of 37 unchanged
- 22 declared no dividend

AHSAN HABIB
 Poor dividends announced by the listed companies and forced sale of shares by merchant bankers are pushing stocks down, adding further woes to the investors whose confidence in the market has already been dented, investors and analysts said.
 The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE), declined for the third straight day yesterday, giving up 28.48 points, or 0.60 percent, to finish at 4,670.40.
 The broader index shed 101.26 points in the last three trading sessions and it came after 100 listed companies declared dividend in the last three days for the year that ended on June 30, 2019.
 Of them, only nine companies announced dividends that were higher than the last fiscal year's, while 52 companies declared lower dividends. Twenty-two companies declared no dividend.
 Of the companies that announced no dividend, three plummeted by more than 20 percent yesterday: Intech Online fell by 36 percent, Usmania Glass declined 28 percent, and Tosrif Industries gave up 20.58 percent.
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