

STOCKS	
DSEX ▲ 1.19% 4,434.24	CSCX ▲ 1.53% 8,171.26

COMMODITIES	
Gold \$1,558.40 (per ounce)	Oil \$64.44 (per barrel)

ASIAN MARKETS			
MUMBAI ▼ 0.99% 41,528.91	TOKYO ▲ 0.18% 24,083.51	SINGAPORE ▼ 0.03% 3,280.09	SHANGHAI ▲ 0.66% 3,095.79

CURRENCIES			
\$ USD	€ EUR	£ GBP	¥ CNY
BUY TK 83.95	92.32	108.53	12.11
SELL TK 84.95	96.12	112.33	12.73



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BUSINESS

DHAKA TUESDAY JANUARY 21, 2020, MAGH 7, 1426 BS starbusiness@thelialystar.net

Decade of Grameenphone's rise and Banglalink's decline

MUHAMMAD ZAHIDUL ISLAM

Grameenphone's market share edged up about two percentage points over the past decade, thanks to huge investment in network expansion that gave the mobile operator leverage to almost double its revenue.

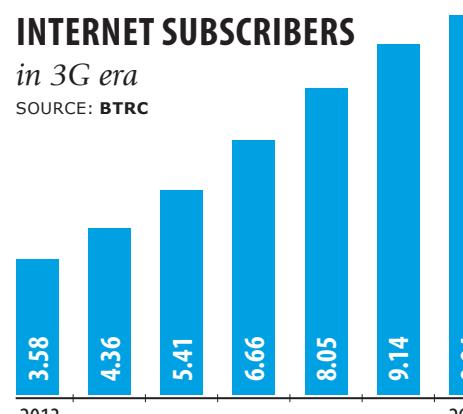
The company has started the new decade with a 46.18 per cent share of total customers in the market, up from 42.80 per cent just five years back, according to a report of the Bangladesh Telecommunication Regulatory Commission.

The regulator yesterday published a report on active user in Bangladesh and found that Grameenphone's active customer number was 7.64 crore at the end of December last year.

The country's second largest operator, Robi, had 4.90 crore active connections, Banglalink 3.52 crore and state-run Teletalk 48.68 lakh.

All four operators added only 85.83 lakh active SIMs in 2019 as the market was somewhat slow because of the regulatory restrictions on top two players.

Grameenphone had a wonderful journey in



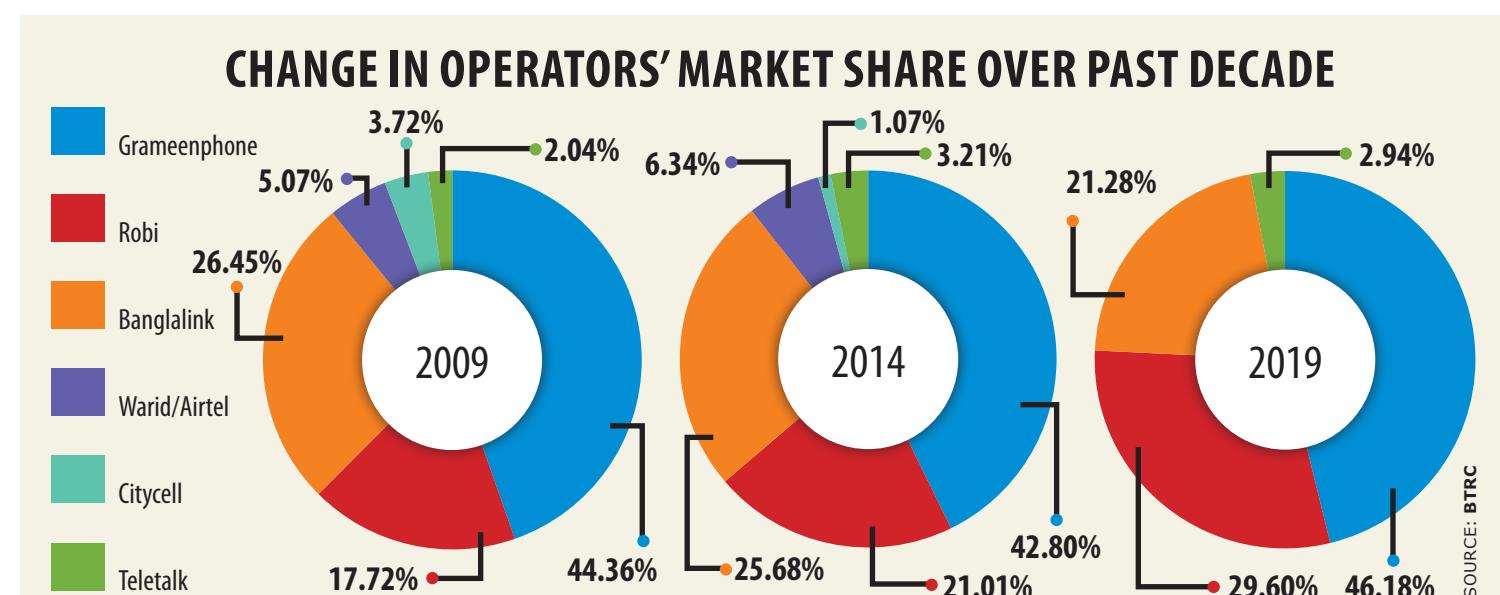
the last two decades, which is why they were able to build a huge customer base, said BTRC Chairman Md Jahurul Haque.

"But along with a bigger market share, regulatory compliance also needs to be ensured."

Though Grameenphone's market share in terms of subscription is below 50 per cent, their share in revenue is more than 50 per cent, leading to an imbalance in the market.

"To enhance competition in the market, we are working to bring significant market power (SMP) regulations, which we think will give small operators some space to grow further," Haque added.

The SMP is a regulation that imposes restrictions on an operator once it corners 40 percent of the subscribers, revenues and



spectrum, according to the BTRC.

As per the parameter, the telecom regulator last year declared Grameenphone as an SMP operator but the restrictions imposed then did not come into being due to court orders.

However, BTRC officials said fresh restrictions are on way to contain influence of the operator, which currently has an annual revenue base of about Tk 14,000 crore.

The mobile operators' combined revenue runs into Tk 26,000 crore now, which is almost double of what it enjoyed ten years back.

Grameenphone, however, said they have

become "a customer-centric brand and logged the growth through continuous modernisation and expansion of 3G and 4G networks".

"Our innovative products and digital services helped earn the trust of customers," said Md Hasan, head of external communications at Grameenphone.

Five years ago, Bangladesh had six mobile operators and Banglalink was the second largest carrier in terms of customers with a 25.68 per cent market share.

Their market share was 26.45 per cent ten years back but fell to 21.28 per cent at the end

of December last year.

Robi, which was the third largest carrier until it merged with Airtel in November 2016, controls 29.60 per cent of the market.

At the end of 2014, they had a 21.01 per cent share while Airtel had 6.24 per cent, according to the BTRC. Ten years ago, Robi had only 17.72 per cent share.

"Market share of a mobile operator is the direct representation of its strength," said Shahed Alam, chief corporate and regulatory officer at Robi.

READ MORE ON B3

Diversify exports at haste

DCCI president calls for policy support afforded to garment manufacturers for other sectors

STAR BUSINESS REPORT

Export concentration on just one product, garment, and a few destinations may cause economic vulnerabilities in the economy, said Shams Mahmud, the newly elected president of the Dhaka Chamber of Commerce and Industry (DCCI), yesterday.

Garment accounts for about 84 per cent of Bangladesh's export earnings now.

Nearly 80 per cent of exports are destined to North America and Europe and product sophistication has remained almost static, which are also a major concern for the economy in the long run, Mahmud said at a press briefing in his office in Dhaka.

Export concentration in Bangladesh is about five times higher than that of other export-driven economies such as Thailand, China and Vietnam, he said.

Broadening the export product base, destination and quality, diversification can stabilise and expand export revenues and boost economic growth.

Partnering of trade through signing deals in bilateral or multilateral system with countries, trade blocs, association and trade facilitation for creating new export markets can create opportunities for Bangladesh, he said.

He suggested for policy advocacy -- like the government did in case of garment -- to promote other export sectors.

Bonded warehouse facility and back-to-back letters of credit can be extended to the leather sector, while tax rebate can be given for new technology adoption in the light engineering, shipbuilding, jute and jute-made goods, agro-processing sectors.

The Bangladesh Standards & Testing Institution must be given a quality standard testing facility to boost agro exports.

Bangladesh faces a shortage of skilled workforce while youth unemployment is staggering at 12.3 percent.

"Our technical and vocational education institutions are lagging behind our peer countries in developing market driven skills," he added.

About 12 million expatriates contributed \$16.42 billion remittance in fiscal 2018-19.

In terms of the average income of migrant workforce, Bangladesh is way behind regional peers like India and Sri Lanka due to lack of

EXPORTS: CHALLENGES

➤ Export basket has not changed much over the last two decades

➤ Export concentration is about five times higher than Thailand, China, Vietnam

➤ Export concentration in RMG may cause economic vulnerability

➤ Nearly 80pc of exports destined to North America and Europe

SUGGESTIONS

➤ Diversification of products and destinations will boost export revenues

➤ Policy advocacy for tariff rationalisation and minimising anti-export bias

SKILLS DEVELOPMENT: CHALLENGES

➤ Bangladesh faces a shortage of skilled workforce; youth unemployment is only 12.3pc

➤ Technical and vocational education institutions are lagging behind peer countries

SUGGESTIONS

➤ Policy advocacy key to increasing investment in education and R&D

➤ Collaboration needed between industries and universities

skilled labour force and professionals.

According to a study by Access to Information (a2i), about 40 percent of all employment of Bangladesh from garment, agro food, furniture, tourism and hospitality, and leather and footwear sectors are vulnerable due to automation, he said.

He also suggested for policy advocacy for increasing investment in the education sector and research and development.

He sought collaboration between industries and universities through research and innovation to update and re-design education curriculum based on market demand to equip graduates with the required skills.

Considering the critical, regional and sub-regional state, Bangladesh has huge trade and investment importance as the gateway to ASEAN and China led Belt and Road Initiative (BRI).

ASEAN and BRI initiatives are very important as both are covering for sustainable export market, economic connectivity, leverage in the changing geo-economic context in this region.

Currently, trade is about \$9 billion between ASEAN and Bangladesh.

Bangladesh is not gaining sufficient market access to Africa, North America and Asia.

To ensure a win-win situation with major trading partners, effective economic diplomacy is needed to address the tariff, non-tariff and post economic graduation challenges to sustain economic cooperation with relevant economies.

He suggested taking measures so that Bangladesh can be eligible for the Generalised System of Preferences Plus status by 2024 to the EU.

The VAT is not calculated according to the ratio of value addition in a product and VAT rebate is not allowed at 5 percent, 7 percent, 7.5 percent and 10 percent.

BULL RUN AT BOURSE

Stocks soared for four days at a stretch as the government dangled the prospect of policy support. Already, Bangladesh Bank met with the merchant bankers and they are preparing a long-term comprehensive plan aiming to support sustainable development of the country's capital market.

DSEX rose to 4,434.24

points (jumped 52.17

points, or 1.19%)

Daily turnover was Tk

494.79 crore (rose by Tk

83.43 crore, or 20.29%)

POSITIVE CONTRIBUTORS TO DSEX

Company	In points
Grameenphone	28.8
ICB	8.01
Square Pharmaceuticals	2.76
Mobil Jamuna	2.52
Bangladesh Submarine Cable	2.08

TOP FIVE GAINERS

Company	Gain (in %)
Gemini Sea Food	9.98
ICB	9.94
Heidelberg	9.86
Premier Cement	9.78
Social Islami Bank	9.30

TOP FIVE LOSERS

Company	Loss (in %)
SS Steel	9.45
Golden Harvest	7.09
Fas Finance	6.77
United Airways	6.66
Meghna Pet	6.14

