

ICT infrastructure shaping up in sync with economic boom

Says Md Arif Al Islam, managing director and CEO of Summit Communications, in an interview with The Daily Star

KHONDOKER MD SHOYEB

The local telecom and ICT industry went through a silent revolution over the past 10 years, when the country's fibre optic cable network expanded exponentially to cater to the spiralling demand for data and internet.

In 2009, Bangladesh only had 16,000 kilometres of fibre network, which grew nearly 7 times bigger to cross 110,000 kilometres in 2020.

By the period, bandwidth or internet usage also increased by over 70 times to hit 2.1 Terabits per second (Tbps) or 2,100 Gigabits per second (Gbps) in 2020 from only 30 Gbps in 2009.

The credit for such phenomenal growth especially goes to the National Telecommunication Transmission Network (NTTN) operators.

Of the 110,000 kilometres of fibre network, the private NTTN licence holders built over 90,000 kilometres, playing a key role in building Digital Bangladesh.

Md Arif Al Islam, managing director and CEO of Summit Communications, the country's largest NTTN operator, made these comments during an interview with The Daily Star.

"The NTTNs not only helped in expanding the mobile network in Bangladesh but also strengthened the infrastructure to cut the cost of bandwidth usage by nearly 98 per cent," he said.

In 2009, each Mbps bandwidth was sold at Tk 13,500-15,000, which has currently come down to Tk 150-200 now and it goes down further to Tk 50 per Mbps for larger volumes.

Of the 2.1 Tbps internet bandwidth, the country's 10 crore mobile internet users consume only 40 per cent while the rest 60 per cent is used by the existing 80,000 to 90,000 broadband connections served by ISPs.

People reachability may be higher in mobile internet but the fixed broadband customers served by ISPs are actually driving the internet data volume growth.

The ongoing coronavirus pandemic has compelled more people to start using broadband connections thanks to the emergence of the culture of home office and



Md Arif Al Islam

ACHIEVEMENTS OF SUMMIT COMMUNICATIONS

Established nearly **50,000km** fibre optic cable network nationwide



Expanded network to **64** districts and **492** upazilas

First NTTN operator to bring southern hill tract districts under fibre network coverage

Delivers over **740** Gbps internet bandwidth, which is **35** pc of national demand

Ensured at least **99.9** pc uptime

Connected over **4,200** BTSs of telecom companies with fibre

Summit Communications has so far invested over Tk 1,500 crore in the business and now plans to double its individual fibre optic cable network to 100,000 km.

"With the recent addition of the tower licence, we are the only company at present that is capable of providing the full end to end value chain of telecom infrastructure, i.e. fibre optic, tower and gateway services."

If any new operator wants to start operation in Bangladesh, it can do it just by setting up its radio equipment on Summit's transmission and tower network after purchasing a telecom licence from the government.

For a new mobile operator, if it needs an investment of around \$2 billion to start business here, it can bring down the spending at least by half and become a nationwide operator from day one if it subscribes to the end-to-end services provided by Summit Communications.

However, the journey of Summit Communications was not smooth at all. It entered the industry at a time when the sector had already matured.

"Our clients were our competitors when we started operations in 2010."

The main clients of Summit already had nationwide fibre optic networks such as Grameenphone, which had the biggest network of 6,500km at the time, followed by Citycell with 1,800km and Aktel 1,200km.

Around 25 per cent of Citycell's revenue used to come from the transmission business while others also had been earning a handsome amount from it.

Then Airtel merged with Robi whereas other licence holders like Qubee, Banglalion, Olllo, Dhakacom and Rankstel were choking and started to fade away, making it very difficult for Summit Communications to start business.

"As per licence conditions, we are not allowed to give corporate connections or add home connectivity. We had very few telecom operators and ISPs to serve. These challenges themselves were a recipe for disaster."

It was not viable for Summit to invest Tk 1,000-2,000 crore on infrastructure for the next 5 to 10 years as it was unsure whether it would be able to sell the service.

READ MORE ON B2

Sonali says it bagged 2020's highest operating profit among banks

STAR BUSINESS DESK

Sonali Bank, the country's largest state-owned bank, logged operating profits of Tk 2,175 crore last year, claiming it was the highest among banks.

It was also a year-on-year increase of over 27 per cent, up from Tk 1,710 crore.

"Despite the pandemic, we have been running our operations at full throttle keeping all branches open and providing all services seamlessly," CEO and Managing Director Md Ataur Rahman Prodhan told The Daily Star yesterday.

"So our income from different sources including non-funds increased," he said. The bank's deposits jumped Tk 10,000 crore to over Tk 1.25 lakh crore, he added.

"The massive recovery drive aimed at loan defaulters also helped the bank improve the financial health," said Prodhan.

The bank has attained a "satisfactory operating profit" in the outgoing year amid a slower growth both in foreign trade as well as in private sector credit due to the coronavirus pandemic, the bank said in a press release yesterday.

Prodhan alongside the bank's top executives cut a cake to celebrate the milestone achievement in the conference room of the bank's head office recently. They were joined by executives across the country through videoconferencing.

Govt to form mega virtual platform to attract more FDI

Foreign minister says at DCCI business conclave

STAR BUSINESS REPORT

The government will form a virtual platform involving 78 foreign missions and other officials concerned to help attract more foreign direct investment (FDI), Foreign Minister AK Abdul Momen said yesterday.

Like China and India, the two neighbouring economic giants, Bangladesh has also become a lucrative destination for investment, he said.

The foreign minister was speaking on the first day of the virtual event, organised by the Dhaka Chamber of Commerce and Industry (DCCI).

"We have introduced the economic diplomacy needed to attract more FDIs as well," he added.

Momen expects the country to enjoy 8 per cent GDP growth in the post Covid-19 period and eventually become the 25th largest economy by 2050, as predicted by numerous international organisations.

Besides, Bangladesh could be eligible for graduation from its least developed country status by next month.

Like China and India, the two neighbouring economic giants, Bangladesh has also become a lucrative destination for investment, the foreign minister said

The country has emerged as a lucrative destination for investment in the Saarc and South Asian region as the government has put emphasis on creating jobs and reducing poverty, which leads to strong economic growth. The purpose of the conclave is to

foster partnership and collaboration with both developing and developed countries through investment, trade and business match-making.

It will connect the investors with entrepreneurs to help them share their knowledge and experience while also facilitating collaboration for business development, the DCCI said in a statement.

Md Sirazul Islam, executive chairman of the Bangladesh Investment Development Authority (BIDA), said the country's economy is recovering well despite the ongoing Covid-19 pandemic.

For example, the domestic market demand, exports and remittance have all increased amid the current crisis with Bangladesh having earned \$33.67 billion through exports in fiscal 2019-20, he added.

Islam went on to say that the conclave of business people and foreign missions will help rejuvenate trade and investment in the country as well as increase the confidence of foreign investors.

He invited foreign investment in sectors like ICT, pharmaceuticals, footwear, agriculture, ship-building, light engineering and jute.

DCCI President Rizwan Rahman said that while the global economy has endeavoured to alleviate the Covid-19 crisis, Bangladesh has planned trade and investment recovery strategies accordingly.

He also invited entrepreneurs from participating countries to engage in business to business (B2B) transactions with local companies to reap the dividends of Bangladesh's accelerated economic growth by investing in promising manufacturing sectors.

This international business conclave will deepen Bangladesh's economic ties with participating economies and will facilitate trade and investment for the country as well as its partners, he added.

During the 3-day conclave, 227 companies from 10 countries will meet for 176 B2B match-making sessions, the DCCI said.

READ MORE ON B2

Baraka Patenga Power gets nod to find cut-off price

STAR BUSINESS REPORT

The Bangladesh Securities and Exchange Commission (BSEC) yesterday gave approval for Baraka Patenga Power to find a cut-off price through bidding for its initial public offering (IPO) to raise Tk 225 crore in funds from the stock market.

The approval came at a meeting of the capital market regulator on its premises.

The power producer intends to use the IPO proceeds in making investments on its subsidiaries, Karnaphuli Power and Shikabaha Power, and repay bank loans, the BSEC said in a press release.

The company's consolidated per share net asset value was Tk 23 as of June 30, 2020. The consolidated earnings per share was Tk 4.37 while weighted average EPS Tk 3.30.

LankaBangla Investments is its issue manager.



People wearing face masks shop inside the Sampheng wholesale market in Bangkok.



GLOBAL BUSINESS

New coronavirus wave seen derailing Thailand's economic recovery

REUTERS, Bangkok

A new round of restrictions in Thailand aimed at containing a fresh wave of coronavirus infections will likely derail the economy's nascent recovery from its 2020 slump.

Prime Minister Prayuth Chan-ocha urged the public on Monday to stay home and avoid travel after authorities closed a series of venues - from schools to bars - and restricted business hours in Bangkok and some other provinces this month.

Thailand had largely controlled the virus by mid-2020 but a cluster linked to migrant workers in December has led to infections in more than half of its provinces. Economists worry the latest

outbreak will hurt retail spending and deal another blow to Thailand's key tourism industry, both central to the government's 1.9 trillion baht (\$63.57 billion) stimulus efforts to reignite growth.

"It's very tough. People don't want to spend," said Chanaporn Fongwichai, a 31-year-old clothes vendor in the city of Udonthani, adding that sales at her shop have halved since the latest outbreak started. Southeast Asia's second-largest economy suffered its biggest annual slump since the Asian financial crisis in the second quarter of 2020, hard hit by a ban on foreign visitors, while coronavirus curbs also hurt spending and investment.

While the loosening of restrictions gave way to a rebound in the third quarter, analysts worry fresh curbs will bring more pain to an economy expected to have slumped 6-7 per cent in 2020 - which would be the biggest contraction in over two decades.

In December, the Bank of Thailand cut its 2021 growth forecast to 3.2 per cent from 3.6 per cent and some analysts have followed suit.

It expects the economy to have slumped 6.6 per cent in 2020. CIMB Thai Bank last week slashed its 2021 growth forecast to 2.6 per cent from 4.1 per cent, while Tisco Group economist Thammarat Kittisiripat said he would cut his

projection for this year to below 3 per cent from 3.4 per cent previously. "The new wave of COVID-19 is more severe than earlier, which will disrupt the economic recovery this year," he said.

One key concern is that the outbreak could derail government efforts to revive Thailand's tourism industry, just as the country started to reopen to foreign tourists in October. Thailand received nearly 40 million foreign visitors in 2019, whose spending accounted for 11.4 per cent of gross domestic product that year. The government expects just 5 million foreign tourists to visit Thailand this year, down from 6.7 million in 2020.