



Mobile, internet users grow in 2021

MAHMUDUL HASAN

The number of mobile subscribers in December rose about 6 per cent year-on-year to 18.10 crore, data from Bangladesh Telecommunication Regulatory Commission showed yesterday.

This translates to customer acquisitions of telecom operators continuing to grow surpassing the country's population figure, or in other words, many are now using multiple SIMs.

The industry lost around 30 lakh customers during the March-June period in 2020 as the country went into a full lockdown to prevent the spread of Covid-19. Since then, the number of users has been growing almost every month.

Similarly, the number of internet users rose 10.73 per cent year-on-year to 12.38 crore in December. It was 11.18 crore in the same month in 2020.

Currently, 11.37 crore subscribers use internet through handheld devices while the rest rely on internet service providers and public switched telephone network operators.

However, the number of both mobile and internet subscribers dropped in

December last year compared to that of a month earlier as the operators lost about 5 lakh mobile customers and internet users dropped by 28 lakh.

HOW WAS 2021 FOR OPERATORS
Robi Axiata, the second-largest operator, which crossed the 5-crore subscriber landmark in September 2020, grew by 5.30 per cent in December last year to reach 5.36 crore customers. During the same month in 2020, it was 5.09 crore.

The operator lost about 1 lakh customers in December last year compared to that a month earlier.

According to Shahed Alam, chief corporate and regulatory officer at Robi Axiata, customer figure fluctuations were a normal and regular phenomenon in the industry.

"However, the extent of churn and add back observed clearly indicates that we have a hyper-competitive market. Such a scenario only increases the overall cost of acquisition for smaller operators," he said.

Third-placed Banglalink grew 5.6 per cent year-on-year in December to take the number of customers to 3.72 crore.

It lost only about 20,000 customers in December compared to a month

earlier.

"2021 was a year of significant growth for Banglalink despite several challenges. Our Ookla-certified fastest 4G network powered by new spectrum was the key to the expansion of our customer base," said Taimur Rahman, chief corporate and regulatory affairs officer of the operator.

Apart from this, he said its wide portfolio of digital services played a significant contribution. "It is encouraging to see our targeted investments yielding such good performances throughout the year," he said.

Market leader Grameenphone's total mobile phone customers jumped 5.56 per cent to 8.34 crore in December from 7.90 crore in December 2020.

However, the operator lost over 5 lakh customers in December compared to November. According to Md Hasan, head of external communications of Grameenphone, the operator converted all its towers into 4G in 2021 in order to ensure a better customer experience, resulting in continuous customer growth.

"In addition, the company is continuously investing in modernising its network through rolling out of new

towers, deploying additional spectrum to 10,000 plus sites and improving its service quality significantly," he said.

For state-owned Teletalk, which lags behind all the private operators by a big margin, 2021 was a year to celebrate as it added about 17 lakh customers in the past 12 months.

It grew by 35 per cent to reach about 67 lakh customers year-on-year in December. While other private operators lost customers in December compared to November, Teletalk added over 1 lakh customers.

Telecommunications Minister Mustafa Jabbar attributed the growth to Teletalk's network expansion and infrastructural development.

"We have taken our network to many remote areas and invested heavily on infrastructure development, which paid off well," he said.

About the operator's weak market position compared to other private operators, he said Teletalk's investment was meagre compared to Grameenphone or Robi.

"So, now we want to invest more and take the service to remote areas where other operators do not provide services," he said.

Spike in GDP growth

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Import growth also increased significantly in the final estimate compared to the provisional. As a result, the excess of imports over exports is 56.3 per cent higher in the final estimate relative to the provisional.

This means, other things equal, the final estimate of GDP growth should have been lower because of the larger negative resource balance in the final estimate relative to the provisional estimate.

This leaves domestic demand as the other possible explanation. There are two components of domestic demand: consumption and investment. Household real consumption growth is 5 percentage points higher in the final estimate relative to the preliminary estimate.

What happened in the second half of FY21, notwithstanding the lockdown, to boost consumption expenditure so much?

Even official remittances,

which boomed in FY21, cannot explain this because the total official remittances received in the second half was \$11.83 billion compared to \$12.94 billion in the first half.

This is hard to reconcile with the 2.7 per cent nominal growth, implying negative real growth, in the government's Annual Development Program expenditures and the 8.4 per cent nominal growth, implying only 2.8 per cent real growth, in credit to the private sector in FY21.

Note that the import of capital goods picked up significantly in nominal dollar terms in the second half of FY21, but this alone cannot account for the entire increase when juxtaposed with other related data.

Therefore, it is overall hard to fathom where such a significant increase in the final estimate of GDP growth relative to the provisional came from.

The author is an economist

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service sector slightly declined while agriculture fared well.

In FY19-20, the industrial sector grew 3.61 per cent. It rose to 10.29 per cent in FY21.

Large industries surged 10.61 per cent from the provisional estimate of 6.40 per cent.

Micro, small and medium industries accelerated from 6.03 per cent to 13.89 per cent and the cottage industry expanded 10.27 from the provisional estimate of 1.6 per cent.

The agriculture sector

grew 3.17 per cent, up from 2.37 per cent a year ago.

Under the transport sector, the growth of land and water segments declined in the final estimate. Air transport contracted 2 per cent as both domestic and international flights were suspended because of the pandemic-induced lockdowns.

Gross national income per capita rose to \$2,591 in FY21 from \$2,540 a year ago, showed BBS data.

The size of the GDP expanded to \$416 billion, compared to \$411 billion in the primary estimate.

BSEC orders selling Tamha

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earned money. The BSEC said the premier bourse would reimburse the victim investors from the sale proceeds and the brokerage would have to update the regulator on the return on a weekly basis.

Last December, the DSE suspended trading of the stock brokerage firm on receiving allegations of it embezzling investors' money. The BSEC has unearthed a deficit of Tk 87 crore in the consolidated customers' account.

"For the sake of general investors, Tamha Securities' trading, business operations and activities as a depository participant have been

halted," said the premier bourse in a circular.

However, investors are allowed to transfer shares by opening a linked account with any other stock brokerage firm.

Mizanur Rahman, a stock investor, said it was a good step to hasten the reimbursement process.

Alongside, it should be handed down exemplary punishment, he said.

The stock investor urged the regulator to fast check other stock brokers' issues to see whether they had siphoned off peoples' funds.

Many investors lost money in the last 12 years from the closure of at least five brokerage houses, which sold off investors'

shares and refrained from carrying out purchase orders even after accepting funds. Embezzlement of funds has intensified in recent years.

Three brokerage houses – Banco Securities, Crest Securities and Tamha Securities – were shut in the last two years for allegedly embezzling around Tk 200 crore of general investors.

In the middle of 2021, the trading activities of Banco Securities were suspended following an allegation of siphoning off Tk 66 crore.

The DSE suspended the trading of Crest Securities in 2020 for embezzling Tk 48 crore.

Globally, the oil price is rising due to strong demand, ongoing tensions in Eastern Europe and potential supply chain disruptions due to cold US weather conditions, said Reuters yesterday.

Brent crude hit a seven-year high of \$94 per barrel on Monday.

According to Platts Asia Pacific/Arab Gulf Marketscan, the price of octane went up to \$105.12 per barrel on February 7 from \$90.04 on January 3.

Jet fuel price shot up to \$104.16 per barrel from \$84.33 and furnace oil price rose to \$524.01 per tonne from \$445.62 during the period.

Kazi Mohammad Mozammel Hoque, director for finance of the BPC, says as diesel accounts for 73 per cent of the fuel oil used in Bangladesh, the loss is high because of higher consumption.



Aziz Al Kaiser, vice-chairman of Partex Star Group, recently inaugurated the Partex Star Award Night at a hotel in Dhaka. Star Particle Board Mills, a concern of Partex Star Group, awarded the company's highest target achieving dealers at the programme, where Sumon Shahed Patowary, chief operating officer for Business Cluster 1, and Mostafa Kamal Ahmed, chief financial officer, were present.

PHOTO: PARTEX STAR GROUP

Oil slips from seven-year high

REUTERS, London

Oil slipped to about \$91 a barrel on Tuesday before a resumption of indirect talks between the United States and Iran, which could revive an international nuclear agreement and allow more oil exports from the OPEC producer.

A deal could return more than 1 million barrels per day (bpd) of Iranian oil, equating to more than 1 per cent of global supply, to the market. The nuclear talks are due to resume in Vienna on Tuesday.

Brent crude was down \$1.45, or 1.6 per cent, at \$91.24 a barrel by 1430 GMT after hitting a seven-year high of \$94 on Monday. US West Texas Intermediate crude fell by \$1.09, or 1.2 per cent, to \$90.23.

"If sanctions against Iran are lifted, global crude oil supply may receive much-needed support," said Naeem Aslam, chief market analyst at Avatrade.

Eight rounds of indirect talks between Tehran and Washington since April have yet to result in an agreement on a resumption of the 2015 nuclear pact, with differences remaining over the speed and scope of the lifting of sanctions.

"Exports could resume swiftly if a nuclear deal is reached," said Tamas Varga of broker PVM. "But it is a big 'if'. The re-emergence of Iranian barrels is only a possibility at this stage."

Premier Cement to raise

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potential investors, the BSEC said in a press release.

The remaining preference share of around Tk 75 crore will have tenures of 12 years and issued to sponsors or directors.

The dividend rate of the preference shares that would be issued to investors through private placement ranges from 6.25 per cent to 7.75 per cent. And the dividend rate for the sponsors' funds is zero.

With the preference share proceeds, the cement company will rearrange its balance sheet, reduce expenditure, raise profits and improve its performance indicators.

Forget govt support

NBR urges industries; Barvida, BCMEA still place demands

STAR BUSINESS REPORT

The National Board of Revenue (NBR) has suggested local entrepreneurs focus on capacity building to become more competitive rather than seeking government support over the coming years.

"Bangladesh is going to graduate from a least-developed country within the next four years and so, there will be no scope for the government to provide support to protect local industries," said NBR Chairman Abu Hena Md Rahmatul Munem.

He was addressing a pre-budget discussion with the leaders of the Bangladesh Reconditioned Vehicles Importers and Dealers Association (Barvida) and the Bangladesh Ceramic Manufacturers and Exporters Association (BCMEA) at the NBR conference room yesterday.

Munem went on to say that Bangladesh will face numerous challenges in conducting trade and business after the country's graduation in 2026.

"For this reason, entrepreneurs will have to leave their support seeking mindset," he said.

However, the NBR chairman assured that the government would still consider any industry's demand for support based on the merit of proposals.

As such, the Barvida yesterday placed a demand before the NBR, asking for a new price depreciation scale for importing reconditioned cars as it would boost the market as well as government revenue.

The NBR provides 10 per cent depreciation facilities for a one-year-old reconditioned car, 20 per cent for two-year-old cars, 30 per cent for three-year-old cars, and 35 per cent for those aged four years and above.

The Barvida proposed to set the depreciation facility at 15 per cent for one-year-old cars, 25 per cent for two-year-old cars, 35 per cent for three-year-old cars, and 45 per cent for those aged four years and above.

The NBR considers the depreciation benefit as per the yellow book, or new price, of the car.

For example, the NBR currently slashes a vehicle's total price by 35 per cent if it underwent reconditioning four years before its import to Bangladesh.

"We also urge the NBR to further reduce the customs duty on minibuses which are considered as mass transport as it would reduce the movement of non-compliant vehicles and save human lives," said Abdul Haque, a former president of the Barvida.

Meanwhile, the BCMEA asked for the withdrawal of supplementary duties on tiles and sanitary ceramic products in order to protect the local industry.

Manufacturers currently pay 15 per cent supplementary duty on tiles and 10 per cent on sanitary items.

BCMEA President Md Shirajul Islam Mollah demanded the import duty imposed on China clay, the industry's main raw material, be reduced from the existing 30 per cent.

He further demanded the NBR impose an additional 10 to 12 per cent import duty on the import of finished ceramic products in order to protect the local industry and build its capacity.

Md Masud Sadiq, member (customs policy) of the NBR; Zakia Sultana, member (VAT policy); and Md Shamsuddin Ahmed, member (tax), also addressed the programme.