BY THE NUMBERS

- Number of internet users rose **7.31**pc y-o-y to **12.48**cr in March
- **21** lakh more customers were connected to internet m-o-m in March
- Of the number, mobile internet users rose by about **13** lakh
- Broadband internet users increased by **8** lakh to **1.09**cr
- Operators added **1.8**cr internet users since pandemic began
- Broadband connections almost doubled to **1.09**cr during pandemic
- Operators added **14** lakh new mobile subscribers m-o-m in March
- There were **18.92**cr mobile subscribers in the country now

Internet users rise in March

Fuelled by mobile data and broadband services for educational, entertainment and professional purposes

MAHMUDUL HASAN

The number of internet users in Bangladesh rose in March thanks to increased usage of both mobile data and broadband services for educational, entertainment and professional purposes amid the improving Covid-19 situation.

The number of internet users gained 7.31 per cent year-on-year in March to reach 12.48 crore, according to the latest data of the Bangladesh Telecommunication Regulatory Commission (BTRC).

On a month-on-month basis, the growth was 1.71 per cent, meaning that there were about 21 lakh more customers connected to the internet in March compared to February.

Of the 21 lakh new users, mobile internet users accounted for about 13 lakh, taking their total number up to 11.39 crore, while broadband users increased by 8 lakh to 1.09 crore.

Mobile and broadband internet services have been seeing a surge in usage ever since the pandemic surfaced in early 2020.

Mobile network operators added about 1.8 core internet users since February that year while broadband connections almost doubled at the same time.

Mustafa Jabbar, the minister for posts and telecommunications, said internet usage is increasing as the pandemic made the world data-dominant.

"If the number of internet users drops any time, it will be temporary," he added.

However, about 74 lakh customers were lost by network operators from November 2021 to January this year compared to the figures in last October, when the number of mobile internet users reached an all-time high of 11.91 crore.

Mobile internet usage rebounded from February as operators added 25 lakh subscribers from February to March.

According to Mohammed Shahedul Alam, chief corporate and regulatory officer at Robi, the rise in smartphone penetration and spectrum utilisation helped increase mobile internet usage in that period.

Three mobile network operators -- Grameenphone, Robi and Banglalink -- collectively purchased 27.4 megahertz of spectrum for $885.35 million to lessen the pressure on their overstretched networks and improve their services following the rise in subscribers.

"Despite the spectrum purchase last year, we haven't been able to roll it out fully as we were waiting for equipment imports," Alam said.

"Now, spectrum reframing has been completed and users' experience improved accordingly, helping the rise of mobile internet users," he added.

Spectrum reframing refers to the repurposing of spectrum bands to more effective technologies or new services.

According to the BTRC, the share of smartphones among locally produced mobile phones rose to 40.24 per cent in March from 33.55 per cent in January.

Alam said smartphone penetration in the country now stands at 52 per cent, up from 47 per cent at the end of last year. This means that out of 100 phone owners, there are at least 52 using smartphones.

However, Posts and Telecommunications Minister Jabbar said that network operators are yet to give customers the satisfaction of quality internet services.

"But the operators bought another 190 megahertz of spectrum for $1.23 billion in March, which will boost their network in the future," he added.

In the mobile subscriber segment, all four major operators -- Grameenphone, Robi, Banglalink and Teletalk -- made gains in acquiring new customers as they added about 14 lakh customers in March.

On a year-on-year basis, the growth was about 4.6 per cent for that month.

Market leader Grameenphone's total number of mobile phone customers increased 3.85 per cent year-on-year to 8.38 crore in March from 8.07 crore previously.

The operator added about seven lakh new customers that month.

The number of customers of Robi Axiata, the second largest mobile operator which crossed the 5-crore subscribers' landmark in September 2020, grew by 4.1 per cent year-on-year in March to reach 5.37 crore.

During the same month in 2021, it was 5.19 crore.

The network provider added three lakh new customers that month.

Third-placed Banglalink grew its customer base by about 5 per cent year-on-year in March to reach 3.80 crore.

The carrier also added about over three lakh new customers that month.

The number of customers of state-owned Teletalk, which lags behind all private operators by a big margin, rose 22.50 per cent year-on-year in March to reach 68.9 lakh by adding about 10,000 new customers that month.

Uber hit with loss despite rider rebound

AFP, *San Francisco*

Uber shares skidded last week after the company said it was hit with a big loss in the first three months of this year despite a rebound in its ride-share business.

Quarterly revenue at Uber's rides unit nearly tripled year on year to $2.5 billion, topping the sum taken in from its food-delivery service for the first time since the pandemic prompted a boom in people ordering meals in.

But despite overall revenue more than doubling compared to the same period last year, Uber logged a net loss of $5.9 billion.

The loss was due almost entirely to revaluation of its stakes in Grab and Didi in Asia and autonomous driving technology enterprise Aurora in the United States, the earnings report said.

"After two years of persistent and sometimes unpredictable impact across our business, our (first quarter) results resoundingly affirm that we're on a strong path emerging out of the pandemic," Uber chief executive Dara Khosrowshahi said on an earnings call.

Uber rival Lyft reported its earnings a day earlier, saying ridership was soft in January due to the impact of the Omicron Covid-19 variant, but that demand rebounded sharply the following two months.

Lyft said it lost $196.9 million in the first quarter, most of which was due to stock compensation for employees.

Xi warms up China's economy, but virus narrows options

AFP, *Beijing*

President Xi Jinping has offered state backing for tech, infrastructure and jobs to revive China's economy, but analysts warn growth will continue to wilt until Beijing drops its rigid virus controls.

Two and a half years since the coronavirus first emerged in Wuhan, China is the last major economy still closed off to the world, despite its relatively low death toll.

Lockdowns across dozens of cities -- from the manufacturing hubs of Shenzhen and Shanghai to the breadbasket of Jilin -- have wreaked havoc on supply chains over recent months, crushing small businesses and trapping consumers at home.

That has imperilled Beijing's full-year growth target of about 5.5 per cent, with forecasters anticipating that around one percentage point may be shaved off that figure.

"We remain deeply concerned about growth," Nomura analysts said this week. "We believe the Omicron variant and zero-Covid strategy represent the dominant challenges to growth stability."

Yet China's Communist leadership insisted Thursday that the country will stick "unswervingly" to zero-Covid, with a meeting chaired by Xi declaring that "persistence is victory".

Drawing large investors to stocks still

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market value at the Dhaka Stock Exchange (DSE), the premier bourse in the country, against the global average of 41 per cent.

In India, institutional investors make up 55 per cent of the turnover at the National Stock Exchange. It is 35 per cent on the Karachi Stock Exchange in Pakistan.

The dominance has rightly prompted the Bangladesh Securities and Exchange Commission (BSEC) to move to raise the stake of institutional investors such as banks, stock dealers, and asset management companies. It has written to them to increase their investments.

In recent times, the regulator also held roadshows abroad in a bid to raise the participation of foreign and institutional investors in the markets.

But will the BSEC measures bring any meaningful change to the market? Perhaps not.

This is because, analysts say, the investment environment is not conducive because of multiple factors.

One of the major weaknesses is that there is a question about the credibility of the financial reports of listed companies. And one may find one fine morning that the financial position of a company has changed overnight due to the misrepresentation of the real scenario of the firm in its financial reports.

It has happened several times in the past where companies overstated prospects and profits before listing with the exchanges. But after they went public, the profits slumped and investors suffered losses.

It is also seen that some listed companies report higher profits year after year, keeping their share prices buoyant. But they hardly pay out cash dividends to shareholders.

Similarly, there is a group of companies that make money and pay out a handsome dividend every year but their share prices don't move upwards to a significant degree.

Owing to such a mismatch, institutional and other investors who make investment decisions based on data, facts and research feel discouraged to pour funds.

The most disturbing trend in the markets is low-performing companies, junk stocks, and the shares of even shuttered factories with no guarantee whether they would be able to make a comeback sometimes are sold like hot cakes as investors chase speculative issues.

Thus, the exchanges are treated as a board for speculators. But one can't expect an influx of foreign and institutional investors with such a reputation.

So, until rampant manipulation is curbed, the equity market will continue to be seen as a speculative market rather than an investment destination.

Frequent policy intervention linked to the listed companies from other regulators also affects the performances of the firms, spooking investors' confidence.

For instance, foreign investors were hurt after the Bangladesh Telecommunication Regulatory Commission declared Grameenphone a significant market power (SMP), owing to its major share in terms of subscribers and revenue, in 2019 without any discussion with the BSEC and assessing its impact.

As an SMP, among other restrictions, the leading mobile phone operator finds it difficult to secure permissions to offer better packages to its customers. This restricts its growth and deprives users.

The telecom regulator's move has played a big role in dampening the confidence of foreign investors and they went for massive selloffs.

This was not the first incidence of a lack of coordination among the regulators hitting companies.

In 2015, the Bangladesh Energy Regulatory Commission slashed the distribution charges for Titas Gas, wiping more than Tk 3,000 crore in the market value of the state-run utility in just five months.

Another challenge facing the market is since the number of sound stocks is low, investors' scope to park funds is largely limited.

The number of companies at the DSE and the Chittagong Stock Exchange with significant investment from foreign and institutional investors is just 30.

The number of listed companies at the DSE is 349, excluding mutual funds and bonds, whereas the Bombay Stock Exchange has 5,254 listed companies and 576 companies trade at the Karachi Stock Exchange.

There is a dearth of investible products at both exchanges in Bangladesh since they are mainly equity-based.

Large investors might pay heed to the instruction of the BSEC and park some investments. This might send the index to a higher level. But this might not help make the market vibrant in a sustainable manner because the regulator is not addressing the real problems confronting the market.

The stock market is mostly dependent on the banking sector and the regulator always asks them to raise their participation.

But banks should not invest heavily in such a risky business and the stock market is not their core business either. What is even more important, they are doing business with depositors' money.

So, the BSEC should target life funds and pension funds as they are huge in size and have the leeway to keep funds invested for a longer period.

For example, the size of the country's life insurance fund is about Tk 50,000 crore and most of them are invested in government bonds.

Therefore, the BSEC needs to create an environment that can pull big funds to the market. In order to do so, analysts say, the regulator should strengthen monitoring to eliminate manipulation.

It sometimes seems that the BSEC does not want to go after rogue players since any stern measures against them may cause the market to fall. But it should not be worried about index movement. Rather, it should focus on improving good governance because if the market falls primarily for an intensified focus on governance, it will ultimately bounce back with the strong presence of institutional investors.

The BSEC should also deepen collaboration with the Financial Reporting Council to ensure the fair representation of companies' financial health in their statements.

Restoring investors' confidence, attracting more foreign and local investors through the improvement of corporate governance and bringing in good stocks are going to be a tall order for the BSEC. But that is what one expects from the regulator if you want to make Bangladesh an attractive investment destination.

Countries vow to boost food security amid war

AFP, *Geneva*

The European Union, the United States and more than two dozen other countries vowed Friday to shore up global food security in a joint statement to the World Trade Organization.

Voicing alarm at the "global effects on food security" triggered by Russia's invasion of Ukraine, they stressed "the urgency and importance of maintaining open and predictable agricultural markets and trade". That would "ensure the continued flow of food, as well as products, services and inputs essential for agricultural and food production and supply chains", they added.

The United Nations has warned the war and economic sanctions on Moscow have disrupted global food supplies, sparking fears of widespread hunger.

"The bullets and bombs in Ukraine could take the global hunger crisis to levels beyond anything we've seen before," World Food Programme chief David Beasley warned back in March.

The conflict, he later told the UN Security Council, would mean "skyrocketing food, fuel and shipping costs, less food for the starving and even more people going hungry." Russia and Ukraine, whose vast grain-growing regions are among the world's main breadbaskets, account for a huge share of the globe's exports in several major commodities, including wheat, vegetable oil and corn.

Import containers pile up

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on May 6. A total of 2,591 TEUs were released in the 24 hours to 8:00am yesterday.

Because of the poor release of goods from the port, containers are piling up inside the yards.

Port data showed 36,497 TEUs of import load containers were lying at the port on May 1 and it rose to 43,997 TEUs yesterday morning.

Readymade garment factories are the major users of the port as they bring in raw materials and ship finished apparel items.

BGMEA First Vice President Syed Nazrul Islam admitted that they did not receive the deliveries in the last few days as factories remained shut for seven to eight days owing to Eid.

The commercial section of factories was also closed and C&F agent firms went on Eid vacation.

"Daily delivery has started improving since Saturday. As factories are reopening, the delivery will accelerate soon," Islam said.

Time extended for cinema

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deadline such that the cinema owners will manage the fund smoothly.

Under the refinance scheme, entrepreneurs will get Tk 10 crore each to set up new cinemas.

Meanwhile, existing hall owners will be allowed to get Tk 5 crore each in order to renovate their theatres.

The central bank in the previous notice mentioned that the scheme was declared with a view to bringing back the glory of Bangladeshi cinema.

The repayment period of the loans will be eight years, including a one-year grace period with quarterly instalment.

Of the refinance fund, Tk 500 crore will be given out in the first phase while the rest in the second phase.

Participating banks with the refinance scheme will take the fund from the central bank at 1.5 per cent interest.

The interest rate for the end-users will be 5 per cent in the metropolitan zones and 4.5 per cent for the borrowers located outside the metropolitan areas, according to the BB.