

# Star BUSINESS



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## AT A GLANCE

Smartphone penetration to reach 50pc in coming months  
GP market leader in terms of number of smartphone users



## REASONS BEHIND HIGH PENETRATION



About 11 lakh smartphones made per month  
**LOCAL MANUFACTURING**  
SOURCE: BTRC

## LOAN WAIVERS

# Rules relaxed for influential borrowers

### STAR BUSINESS REPORT

Bangladesh Bank yesterday said that private banks would be able to waive the interest of borrowers whose funds have been transferred to the lenders' income segment, relaxing its previous stance in order to facilitate influential defaulters. However, state banks will not get the same facility, according to a notice from the central bank. In a circular dated April 21, Bangladesh Bank said that no bank could waive the interest that had already been transferred to their income segment.



A central bank official said they had been forced to revise the previous notice because of the immense pressure from some influential borrowers. The revision of the circular is completely illogical as the banks pay taxes based on their income.

"The decision will have an adverse impact on the banks' income," he said, adding that corporate governance in the banking sector will worsen as well.

Asked why the central bank has not allowed state banks to waive the interest on funds transferred to the income segment, he said the finance ministry had issued a directive in this regard in 2006.

Banks are usually transferred interest on loans even if borrowers do not pay instalments if they think that there is a strong possibility that the borrowers will make good on their payments. But in some cases, the borrowers failed to repay the loan. In such a situation, the banks do not return the interest from the income segment to the interest under the unrealized segment.

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# Smartphone penetration fast approaching 50pc

### MAHMUDUL HASAN

Smartphone penetration in Bangladesh is fast approaching 50 per cent as the coronavirus pandemic has accelerated the adoption of digital technologies to work, study and find entertainment using smart devices. Pre-virus, 38 per cent of mobile phone customers in the country had a smart device. Currently, it stands at 48 per cent.

"We have made an impressive stride in boosting the smartphone penetration since the fiscal year of 2017-2018 when we provided tax benefits to local manufacturing of smartphones," Mustafa Jabbar, telecom minister, told The Daily Star.

"Thanks to the local manufacturing, the price of smartphones has come down significantly, helping more people purchase a smart device."

Presently, there is about 58 per cent tax on smartphone imports, whereas the tax on the locally assembled and manufactured handsets is around 15 per cent.

Since FY18, 14 plants have been set up in Bangladesh,

creating jobs for around 16,000 people, and another four are in the pipeline.

The number of locally manufactured handsets was 2.6 crore in the last fiscal year, with smartphones accounting for 42 per cent.

Another major factor, according to industry people, for the increase in the smartphone penetration has been the pandemic.

From March 2020 to March 2022, mobile network operators added 1.8 crore new internet users, taking the total number of subscribers to 11.39 crore.

Before the outbreak of the health crisis, about half of the customers of Robi Axiata, the first operator in Bangladesh to have launched 4G, had smartphones. It moved past 60 per cent in March this year.

With 54.07 million customers, Robi Axiata is the second-largest mobile phone operator in the country.

Around 50 per cent of Banglalink's 38.70 million subscribers have smart devices at the present, while 42 per cent of Grameenphone's 83.87 million users use smartphones.

"Definitely, it's good news that smartphone penetration has increased," said

Mohammed Shahedul Alam, chief corporate and regulatory officer at Robi Axiata, which operates under the brand names of Robi and Airtel.

One of the main reasons for Robi's leading position when it comes to smartphone penetration, says Alam, was its preparation to roll out 4G in

countries. "Due to the higher prices of 4G devices, this service is yet to reach within the purchasing power of many."

Smartphone penetration among Banglalink's users has also been increasing for the last two to three years.

"But it's not enough since a

should be introduced, said Rahman.

In a statement, Grameenphone says with the guidance and support of the Bangladesh Telecommunication Regulatory Commission, it has been working with device partners for many years to narrow the digital divide by introducing affordable smartphones.

"We have the highest number of smartphone users as of April in our network. We have already expanded our 4G network across Bangladesh. In order to ensure the maximum benefits of 4G and expedite digital inclusion, more industry collaboration is required."

However, the current pace of smartphone penetration could face a setback as the sales growth of smart devices slowed in the first quarter of 2022.

Device manufacturers sold 2.85 million smartphones in the January-March quarter, up by only 20,000 devices compared to the same quarter a year ago.

"The sales of smartphones witnessed a significant growth even during the pandemic. But 2022 has been frustrating so far," said Mohammad Mesbah Uddin, chief marketing officer

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2018: just a day after receiving the licence, it introduced the service in 64 districts.

Robi's 4G subscribers are growing fast.

In March 2020, Robi had 39 per cent of its customers with 4G-enabled devices. This went up to 47 per cent in March last year and 55 per cent in March this year.

Alam said although the number of 4G subscribers has gone up in Bangladesh, it is still lower than in many other

vast number of customers still doesn't own a smartphone," said Taimur Rahman, chief corporate and regulatory affairs officer of Banglalink.

Both Alam and Rahman called for cutting the tariffs on 4G infrastructure products, special incentives for 4G devices, and launching the service in rural areas to popularise it.

Micro-loans for device purchase in collaboration between operators and banks

## Eskayef first to make insulin cartridges in Bangladesh



### STAR BUSINESS REPORT

Eskayef Pharmaceuticals, one of the country's top pharmaceutical companies, has set up Bangladesh's first manufacturing facility to produce insulin cartridges, a positive development for the millions of local diabetic patients.

The state-of-the-art production plant was inaugurated yesterday aiming to start supplying the insulin penfills by the third quarter of next year following successful trials and approval from the Directorate General of Drug Administration (DGDA).

Eskayef Pharmaceuticals has set up the plant in its Tongi production site with technical cooperation from Novo Nordisk, the world's biggest insulin maker.

People with diabetes use insulin pens to inject insulin, a vital hormone for people who have the disease. They contain a cartridge filled with insulin which can be replaced once finished. Due to its handy characteristics, the use of insulin pens is gaining popularity.

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From left, Lars Arnoldsen, corporate vice-president of Novo Nordisk A/S; Rajarshi Dey Sarkar, vice-president and general manager of Novo Nordisk Bangladesh; AK Azad Khan, a national professor and president of the Diabetic Association of Bangladesh; Major General Mohammad Yousuf, director general of the Directorate General of Drug Administration; Zaraif Ayaat Hossain, assistant general manager of Transcom Ltd; Simeen Rahman, group chief executive officer of Transcom Ltd; and Winnie Estrup Petersen, ambassador of Denmark to Bangladesh, attend the inauguration of a penfill manufacturing facility for Novo Nordisk insulins in Tongi of Gazipur yesterday. The facility of Eskayef Pharmaceuticals Ltd is expected to go into production by 2023.

PHOTO: STAR

## C'nawabganj, Rajshahi both to use Fazli mango GI tag

### STAR BUSINESS REPORT

Chapainawabganj and Rajshahi yesterday secured their names as producing regions of Fazli mango meaning that the northern districts will be able to use its Geographical Indication (GI) tag, which will enable growers to brand the popular mango variety better at home and abroad.

Both the mango producing zones will share the GI tag to brand Fazli, which is expected to arrive in the market in mid-June month, according to a senior official of the Department of Patent, Design & Trademarks (DPDT).

"The decision is that both the districts will be able to share the Fazli mango GI tag," said the official seeking to remain unnamed.

The development came after a hearing yesterday at the DPDT following a petition filed

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