

Telenor to sell Pakistan unit for \$490m

REUTERS

Norway's Telenor said on Thursday it had agreed to sell its Pakistan unit to state group Pakistan Telecommunications in a transaction valuing the operation at 5.3 billion Norwegian crowns (\$490 million).

Telenor Pakistan, launched 18 years ago, and has 45 million customers, the company said in a statement.

The Norwegian group has been restructuring its Asian businesses and had said it hoped to decide on a solution for the Pakistan business by year-end.

Pakistan Telecommunications' share price was up 8.3 percent at 0645 GMT. Telenor begins trade at 0800 GMT.

In the first nine months, Telenor Pakistan contributed 2.6 billion Norwegian crowns (\$240 million) in service revenue and 1.4 billion crowns in earnings before interest, tax, depreciation and amortisation (EBITDA) to the group.

The deal is subject to regulatory approvals, and the aim is to close the transaction during 2024. The sale was not estimated to have a significant impact on financials for 2023, Telenor said.

Telenor's remaining Asian portfolio consists of stakes in Grameenphone in Bangladesh, CelcomDigi in Malaysia and True Corp in Thailand with close to 160 million customers combined.

"Telenor Asia will remain an active owner for the three market-leading businesses which make up our Asian portfolio," said the head of the company's operation in the region, Petter-Boerre Furborg.



With the mercury dipping sharply since cyclonic storm Michaung-induced rainfall last week, roadside vendors have shifted to selling winterwear. They say sales have picked up too, thanks to their warm clothes being available at cheap prices. The photo was taken at the Ferry Ghat intersection in Khulna city yesterday.

PHOTO: HABIBUR RAHMAN

Southeast Bank to raise Tk 500cr thru bonds

STAR BUSINESS REPORT

Southeast Bank PLC is going to raise Tk 500 crore by issuing bonds to strengthen its core capital base.

Of the sum, Tk 450 crore will be mobilised under private placement and the rest Tk 50 crore through public offer, said the private commercial lender in a notification on the Dhaka Stock Exchange yesterday. Per unit cost will be Tk 5,000.

It said the Bangladesh Securities and Exchange Commission has accorded its approval for raising the additional Tier-I regulatory capital through the issuance of an unsecured, contingent-convertible perpetual bond named Southeast Bank 1st Perpetual Bond.

Tier-I capital refers to the core capital held in a bank's reserves and is used to fund business activities for clients. It includes common stock as well as disclosed reserves.

Challenges persist for SMARTPHONE MAKERS

For sales decline, price rise and grey market expansion

MAHMUDUL HASAN

Challenges have persisted for Bangladeshi smartphone manufacturers throughout the year due to the continuation of a sales decline, expansion of the grey market and an ongoing rise in smartphone prices.

Local manufacturers produced 57.5 lakh smartphones from January to October this year, down about 27 percent from 78.5 crore units in the same period a year earlier, according to Bangladesh Telecommunication Regulatory Commission (BTRC).

Industry experts said there has been a bigger decline in sales this year.

According to the Mobile Phone Industry Owners' Association of Bangladesh, smartphone sales plunged 33 percent year-on-year in the first nine months.

In 2021, 93 lakh smartphones were locally produced, and this figure rose to 1 crore in 2022.

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Annual local smartphone production is poised to decline for the first time since 2017, when Bangladesh initiated local manufacturing enticed by substantial tax benefits, said industry people.

"Local production of handsets faced a significant downturn in 2023, encountering challenges such as prolonged issues with opening letters



of credit (LC) for over a year," Rizwanul Haque, vice-president of the owners' association, told The Daily Star.

"The persistent problem contributed to a rise in smartphone prices. The industry is currently grappling with a pessimistic outlook as the dearer dollar continues to impact pricing dynamics," he added.

The adverse conditions have created a sombre atmosphere within the sector, reflecting the broader economic challenges faced by manufacturers, ultimately affecting the overall health of the mobile phone industry, he said.

According to him, people now buy handsets less frequently, only doing so when absolutely necessary due to the deteriorating economic conditions.

In the past, consumers tended to make phone purchases more regularly. This change in behaviour is a response to heightened inflation, which has reached a decade-high, prompting individuals to prioritise essential needs over discretionary spending, said a manufacturer.

Production of handsets in Bangladesh had made impressive strides in recent years, aided by the government's huge tax benefits unveiled in fiscal year 2017-18.

Since then, 16 plants have been set up, creating jobs for around 15,000 people.

Prior to the last fiscal year that began on July 1, 2022, there was about a 58 percent tax on smartphone imports whereas the tax on locally assembled and

manufactured handsets was 15 percent to 20 percent.

Afterwards, it came to stand at 30 percent to 35 per cent because of the imposition of a 5 percent VAT on each of the three stages of sales -- from the factory to distributors and retailers.

And in a further blow to manufacturers, the revenue authority has imposed more VAT at the production stage since the beginning of the current fiscal year.

An additional 2 percent VAT was slapped for the first time on production which make use of wholly locally-made components.

Moreover, the VAT applicable on handsets produced with at least two locally made components has been increased from 3 percent to 5 percent.

Similarly, the VAT on handsets assembled wholly with imported components has been increased from 5 percent to 7.5

According to industry players, another key factor in the downturn of the market is the expansion of the grey market.

The industry players have urged the government to consider alternative measures if reducing taxes appears impractical in addressing the issue of the grey market.

One of the proposed solutions involves the implementation of a National Equipment Identity Register (NEIR) to protect the local smartphone manufacturing sector.

Established by the BTRC in 2021, the NEIR is a system designed to ensure the use of legitimate mobile devices in the country by integrating their IMEI with the customer's national identification and SIM numbers.

Perception matters: how we see others

MAHTAB UDDIN AHMED

Back in our childhood, when air conditioners were uncommon, we used to keep our doors and windows open, letting flies, bees and butterflies whizz freely into our homes. We would be busy trying to catch them and would not rest until they were either zapped or let out.

Some of these busy little creatures would exit as soon as they entered realising this is not where they would find nectar. But there would be those like flies that lingered because of the filth they saw indoors. This same phenomenon can be found in humans. Some of us are only attracted to virtues, while others love to dwell on the vices surrounding us.

It is a universal truth that humans get attracted to negativity more than otherwise. In a corporate environment, the most hated are the bosses and HR personnel. There are great bosses and HR colleagues, but how often do we talk about them?

Our perceptions stem from our character traits, past experiences, and social norms and expectations, among others. Structuring our thoughts to develop our instincts to perceive any given people or situation could be helpful. I have considered two parameters to define the types: positivity versus negativity and optimism versus pessimism.

We are all familiar with the pessimistic type of people who fail to see good. This trait can sometimes also be the result of a superiority or inferiority complex. They are found in every society - the more sophisticated the society is, the more disguised they are, and vice versa. They get upset if a colleague gets a promotion and they don't.

Some parents get upset when their own kids get better grades than their own. They focus only on the shortcomings, magnifying them out of proportion. They can be harmful in varying degrees to people around them because of their negative perceptions.

Then there are those who are smart and virtuous enough to perceive and understand both good and bad but are naturally inclined to be neutrals. This group remain constructive and honest to both sides of people's characteristics. This group sees relationships from the lens of fairness. This group of people risks being disconnected from others due to their indifference. Often, we call such people "boring" and tend to stay away from them.

On the other hand, there is another type who is similar to the above type in being able to perceive the good, but that is where the similarity ends because they decide to ignore the good for the bad.

Most of us have experienced quick admonishment for one failure and a lack of appreciation for many good deeds in our professional and personal lives. Sometimes, a minor mistake at work is blown out of proportion because of someone's preconception or flawed perception. When the boss develops a prejudice against a particular employee, a minor mistake may result in termination. I call this latter group the bees that choose to fly indoors in search of filth instead of the nectar outside.

There are those who see and understand the good and the bad and consciously choose to neglect the evil and focus on the good. It's a rare quality in our environment as they must consciously try to avoid the human tendency to see the bad. This is contrary to the earlier example.

It is not impossible to reach the qualities of this group of people, but it requires consistent hard work, determination and practice. In building a better working and home environment, we need many such people.

As humans, we make mistakes, sometimes big ones, but we also have our share of good deeds. Any perception, preconception, or opinion should not be fixed. Rather, it should evolve to accommodate variables, for life is constantly progressing. Don't zap the bee -- let it fly out the window.



Opec+ cartel's grip on oil market loosening: IEA

AFP, Paris

Slowing demand growth and rising US crude production will make it more difficult for Opec+ to continue to prop up prices, the IEA said on Thursday.

The Opec+ cartel, led by Saudi Arabia and Russia, has been restraining production to maintain prices but the latter have recently slumped due to the weakening of the global economy and increases in output outside the bloc.

"The continued rise in output and slowing demand growth will complicate efforts by key producers to defend their market share and maintain elevated oil prices," the International Energy Agency said in its monthly report on the oil market.

The Paris-based IEA, which advises oil-consuming nations, noted that prices had fallen by around \$25 per barrel since September highs.

It pointed to US output defying expectations that it would fall but instead rising above 20 million barrels per day (mbd), record Brazilian and Guyanese production, and an increase in exports by Opec-member Iran.

The Opec+ group's share of the oil market will slide to 51 percent this year -- the lowest since the bloc's creation in 2016, the IEA added.



The photo shows a crude oil tanker passing the docks in Liverpool, north west England. The International Energy Agency said that oil prices had fallen by around \$25 per barrel since September highs.

PHOTO: AFP/FILE

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