

Mobile subscriber numbers fell drastically in August

Mobile operators collectively lost 18 lakh customers

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Following the trend of July, the number of mobile subscribers in Bangladesh dropped significantly in August.

The mobile network operators — Grameenphone, Robi, Banglalink and Teletalk — collectively lost about 18 lakh customers, taking the total mobile subscriber base to 19.24 crore.

In July, the operators lost a similar number of subscribers.

The overall number of mobile subscribers is calculated based on the purchase of new SIMs (subscriber identity modules) minus the number of SIMs whose ownership have become invalid for being left unused for one and a half years.

Shahed Alam, Robi's chief corporate and regulatory officer, attributed the drop to a recent SIM tax increase from Tk 200 to Tk 300. With higher SIM prices, people are less inclined to acquire additional subscriptions, he said.

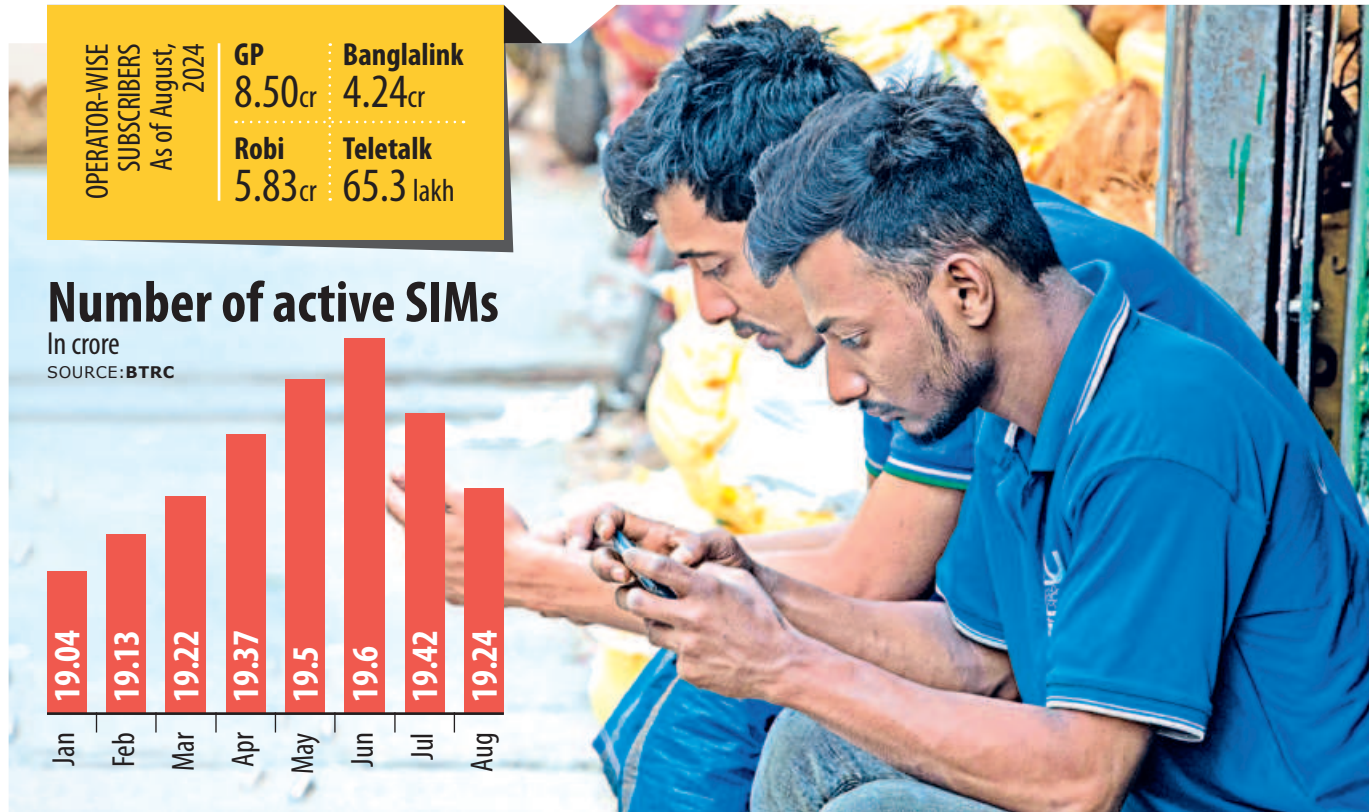
"This makes it increasingly challenging to connect marginalised communities," he said, adding that higher costs have deterred many from obtaining essential access to alternative connectivity options.

The overall number of mobile subscribers is calculated based on the purchase of new SIMs minus the number of SIMs whose ownerships have become invalid for being left unused for one and a half years

Banglalink alone lost about 9 lakh customers in August, bringing its customer base to 4.24 crore. The operator lost a similar number of customers in July.

In other words, this caused the operator's subscribers base to decrease by 0.59 percent year-on-year in August.

The country's second-largest operator, Robi, lost 6 lakh customers, taking its



subscriber number to 5.83 crore. Robi lost a similar number of customers in July.

However, year-on-year, the carrier saw 1.80 percent growth in customers.

The number of subscribers of Grameenphone, the leading operator, dropped to 8.50 crore from the loss of 1.6 lakh customers.

On a year-on-year basis, Grameenphone's customer base grew by 3.58 percent, the highest among the operators.

State-owned Teletalk lost about 20,000 customers, taking its total to 65.3 lakh.

Although the number of mobile subscribers in Bangladesh exceeds the population, the actual number of unique users is significantly low.

This discrepancy arises because the

current regulations allow each individual to own up to 15 SIM cards, leading to a higher subscriber count than the true number of users.

According to Bangladesh Sample Vital Statistics, a project run by the state-run Bangladesh Bureau of Statistics, the percentage of individuals aged over 15 who own a mobile phone was lower in 2023 than in 2020.

This was attributed to a persistent decline in ownership since the emergence of the Covid-19 pandemic due to grim economic conditions.

In 2023, only 74.2 percent of individuals aged 15 and older owned a mobile phone, marking a slight decline from the 75.4 percent ownership rate reported in 2020.

At the peak of the pandemic in 2021, mobile phone ownership among these

individuals fell by 4.1 percentage points to 71.3 percent.

It then rebounded by 2.5 percentage points in 2022. However, last year saw a modest increase of only 0.4 percentage points as the country struggled with ongoing high inflation.

A significant finding of the Bangladesh Sample Vital Statistics is the gender gap in mobile phone usage.

While 86 percent of males reported owning a mobile phone, only 62.8 percent of females did, revealing a disparity of 23.2 percentage points.

This gap highlights a serious inequality in access to mobile technology between genders, signalling the need for targeted efforts to address the underlying causes and promote equal access to mobile devices across all groups.

IMF sees weak yen beneficial for Japan's economy

REUTERS, Washington

A weak yen is beneficial for Japan's economy as the boost to exports exceeds the increase in the cost of imports, a senior International Monetary Fund (IMF) official said on Friday.

Nada Choueiri, the IMF's Japan mission chief, also urged Japan to raise interest rates at a gradual pace and compile supplementary budgets only when a big shock hits the economy.

"We would advise the Bank of Japan to remain cautious, as they have been so far, and to be gradual" in the pace of rate hikes, since there was high uncertainty over the inflation outlook, she said in an interview.

The yen has resumed its declines recently against the dollar on expectations that the US-Japan interest rate divergence will remain wide, posing a headache for authorities who fret of the hit to households from rising import costs from a weak yen.

But Choueiri said the benefit from rising exports from a weak yen exceeded the rising costs in imports for Japan, which is "a very outward-oriented" economy. "So, the yen depreciation on net benefits growth in Japan," she said.

The yen's falls triggered warnings from Japanese Finance Minister Katsunobu Kato, who said on Wednesday the yen's recent "one-sided, rapid" moves warranted "heightened vigilance."

"It's important to recognize that the Japanese authorities are committed to a flexible exchange rate regime," she said, when asked whether rapid yen moves would justify Tokyo intervening in the currency market.

After exiting from a decade-long, radical stimulus in March, the Bank of Japan raised short-term interest rates to 0.25 percent in July and signaled its resolve keep hiking if the economy makes progress toward durably hitting its 2 percent inflation target.

The IMF expects Japan's inflation to sustainably hit 2 percent with price growth increasingly driven by domestic demand, Choueiri said, meeting the prerequisite for more rate hikes.

But the Bank of Japan must tread cautiously in raising rates given various risks, such as the potential hit to exports from trade fragmentation, the chance of consumption and wage growth weakening, and the fallout from yen moves on inflation.

"The first priority is to remain data-dependent and analyze all the data that comes, and to be very, very gradual in the process of raising the policy rate," she said.

The Bank of Japan is widely expected at a two-day policy meeting next week to keep its short-term policy rate steady at 0.25 percent. Most economists polled by Reuters expect it to hike rates again by March next year.

Dollar advances

REUTERS, New York

The dollar index rose on Friday, with the greenback set to lock in a fourth straight week of gains after data this week kept interest rate expectations for the Federal Reserve in check while investors looked towards next week's key payrolls report.

The Commerce Department said non-defense capital goods orders excluding aircraft, a closely watched proxy for business spending plans, jumped 0.5 percent last month after an unrevised 0.3 percent gain in August and above the 0.1 percent rise estimated by economists polled by Reuters.

A separate report by the University of Michigan showed October consumer sentiment rose to 70.5 from 70.1, topping the 69 estimate, while the one-year inflation outlook fell to 2.7 percent from the preliminary reading of 2.9 percent but in line with September's final result.

The dollar was poised for its fourth straight week of gains, as a run of positive economic data has quieted expectations about the size and speed of the Fed's rate cuts, which has also lifted US Treasury yields.

Investors are now focusing on the October government payrolls report next week, which is likely to be impacted by a strike at Boeing and two hurricanes that hit the US Southeast.

"We had a massive recalibration in economic expectations for the US and that process seems to have largely run its course, the Fed's policy trajectory looks much more reasonable and interest rate differentials between the US and other major economies are stabilizing here," said Karl Schamotta, chief market strategist at Corpay in Toronto.

"Clearly payrolls data is the key variable, and it is still an open question as to whether September's number was an outsized move or an aberration, a statistical aberration and so, next week's report will help to clarify that, but the reality is that we also are going to be taking it with a huge grain of salt."

Bida's one-stop service

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"The services are only provided after my staff visits their offices," he stated, adding that they have to pass extra costs incurred from bribes on to consumers, which increases the cost of products.

Humayun Rashid, managing director and CEO of Energypac Power Generation Ltd, said getting services online is a far cry.

"To get services, you must arrange a visit to the factory by plane or helicopter for the officials as well as provide other undue benefits."

He alleged that government officials make excuses and hint that underhanded dealings are mandatory to get services.

However, Syed Nasim Manzur, a former president of the Metropolitan Chamber of Commerce and Industry, said businesses should avail online services through the OSS, opining that it is a good platform.

Manzur, also managing director of Apex Footwear Ltd, said his firm has been availing services through the OSS for the past few years.

Jibon Krishna Saha Roy, director (OSS and regulatory reform) at Bida, said corporate houses never file allegations regarding bottlenecks or harassment in obtaining or renewing licences or certificates.

"If they do not file an allegation, how will Bida cooperate with them?"

He added that investors who face such

problems in any office should inform Bida so action can be taken.

Ferdous Ara Begum, CEO of Business Initiative Leading Development, said the reluctance to change shown by some government officials is concerning, especially as they hinder business and investment.

Zirka Amin, a programmer of RJSC who deals with complaints raised by service-seeking companies, said most firms do not know how to get seamless services.

Mohammed Amirul Haque, managing director of Premier Cement Mills, alleged that processes related to licence renewal or clearance cannot be obtained from the RJSC, DoE or DIFE unless some "speed money" is paid

That's why they hire lawyers or chartered accountants at a high cost, she said.

"On the other hand, many of those who want to do it themselves make mistakes. So, they do it through brokers. While doing these things, they spend money," she added.

However, she said there is an opportunity to identify problems and correct them by contacting the appropriate authorities.

New policy for goods transport

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According to the policy, the group of companies that own lighter vessels would have to carry only their cargo with permission from the shipping department.

Besides, the business groups would not be allowed to increase their fleet with hired vessels or carry cargo by vessels that are in their fleet but not registered in the name of that factory.

"Such a policy is directly against the freedom of trade guaranteed under the Competition Act," said Mohammed Amirul Haque, chairman of Seacom group.

Alleging that the hurried move to formulate such a policy is an attempt to reinstate the old, unholy syndication of a section of corrupt politicians turned businessmen of the ousted government over controlling lighter vessel operations, he questioned the authority of the Department of Shipping to reinstate the serial system in allocating lighter vessels.

In 2004, three vessel owners' organisations jointly formed a single platform named the Water Transport Cell (WTC) to operate vessels for the transport of import cargoes in inland waterways.

The organisations are the Bangladesh Cargo Vessel Owners Association, the Coastal Ship Owners Association of Bangladesh and the Inland Vessel Owners Association of Chattogram.

After facing long delays in vessel allocation and higher freight rates from the Water Transport Cell, different industrial groups and importers started buying and hiring lighter vessels to transport their imported cargo since 2011.

In December last year, raising allegations

of financial irregularities against the Cargo Vessel Owners Association, leaders of the Inland Vessel Owners Association of Chattogram severed ties with the Water Transport Cell and started operating vessels separately.

"As the Water Transport Cell was abolished, importers and vessel owners were able to negotiate freight rates, which significantly reduced transport costs," said Parvez Ahmed, spokesperson of the Inland Vessel Owners Association of Chattogram.

Satyajit Das Barman, head of Business (Grains and Logistics) at TK Group, said they faced no hassle in timely acquiring the desired number of lighter vessels by directly negotiating with vessel owners in the last nine months.

Meanwhile, the freight cost on the Chattogram-Dhaka waterway dropped by around Tk 120 per tonne, said Barman.

"Reinstating the serial system and giving the sole mandate to a single platform would bring back the old syndication," he added.

However, Commodore Mohammad Maksud Alam, director general of the shipping department, said the policy has been formulated to bring discipline to the trade and establish equal competition.

"There is no possibility of creating a monopoly in the trade as a supervisory committee will oversee the activity of the new platform to check for malpractice," he said.

He alleged that a section of vessel owners offered very poor freight rates in the absence of a disciplined system, causing a large portion of vessels to incur losses.

Present accurate data

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However, this type of social capital, along with law and order and good relationships among people, is currently lacking, while savings are also decreasing, he said.

Some infrastructure has been built, but the healthcare and education systems are not conducive for the public, he said.

"I think there should be an act prohibiting members of parliament, ministers, the president, bureaucrats, and their family members from going abroad for healthcare services," said Mintoo, also a former president of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI).

He noted that the interim government may not be able to implement all reforms, so it should focus on those that are achievable in a short time frame.

Additionally, it could engage in discussions with political parties so

they can carry out the remaining reforms in progress, enabling the next elected government to fulfil all reform tasks.

Professor Rashed Al Mahmud Titumir, a director at Bangladesh Bank, commented that merely meeting with government officials and running Trading Corporation of Bangladesh (TCB) activities will not control stubborn inflation; planned actions from the commerce ministry are also necessary.

He recommended consulting food importers who bring in essential items like wheat and onions from abroad.

Mir Nasir Hossain, also a former FBCCI president, argued that simply contracting the money supply will not curb high inflation unless market management and the supply chain are improved.

Rent-seeking within the supply chain is driving up the costs of goods, he noted.

With tighter money supply, interest rates in the banking sector have risen, and loan classification standards have been made stricter, creating significant challenges for industries.

"If this continues, how will new jobs be created in the private sector?" he asked.

Hossain emphasised the need to make the education system more need-based and to create a conducive environment in the equity market so that entrepreneurs can also raise funds from the stock market.

Prof Sayema Haque Bidisha, provice chancellor of Dhaka University; Muhammad Abdul Mazid, a former chairman of the National Board of Revenue; Md Jashim Uddin, a former president of the FBCCI; Asif Ibrahim, a former president of the Dhaka Chamber of Commerce and Industry; and MS Shekil Chowdhury, chairperson of the Centre for NRB, also spoke at the event.

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