STOCKS		COMMODITIES		ASIAN MARKETS			
DSEX	CSCX	Gold	Oil	MUMBAI	TOKYO	SINGAPORE	SHANGHAI
1.23%	0.95%	$1,571.80 (per ounce)	$67.29 (per barrel)	0.13%	1.57%	0.06%	1.22%
4,228.36	7,806.05			40,817.74	23,204.76	3,245.89	3,066.89

CURRENCIES — STANDARD CHARTERED BANK

	USD	EUR	GBP	JPY
BUY TK	83.95	92.82	109.60	0.76
SELL TK	84.95	96.62	113.40	0.80

Star BUSINESS

DHAKA THURSDAY JANUARY 9, 2020, *POUSH 25, 1426 BS* starbusiness@thedailystar.net

Grameenphone's new run-in with BTRC

Operator releases network kits from customs without approval

MUHAMMAD ZAHIDUL ISLAM

Grameenphone has taken delivery of huge volumes of network equipment without obtaining the approval of the telecom regulator -- a move that has run into a grey area on the legal front.

Subsequently, the telecom watchdog slapped the operator with a show cause notice last week.

"We will take action after going through the response of the operator," Md Jahurul Haque, chairman of the Bangladesh Telecommunication Regulatory Commission (BTRC), told The Daily Star on Tuesday.

The BTRC gave Grameenphone seven days to reply to the show cause notice. Today is the last day for replying.

Grameenphone has used a trick of the legal situation and released the equipment from the customs department, Haque said, adding that the country's leading mobile carrier did apply before the commission for the no-objection certificate (NoC), which the BTRC never gave.

The tussle began on July 22 last year, when the telecom regulator decided not to give any kind of approval to Grameenphone and Robi related to roll out of new package or service or import of network equipment as it looked to pile on pressure on the operators to clear their dues.

The telecom watchdog maintains it is owed Tk 12,579.95 crore by Grameenphone and Tk 867.24 crore by Robi.

READ MORE ON B3

TIMELINE OF BTRC'S TUSSLE WITH GP

2015

- BTRC starts the process of auditing GP's accounts

2019

- **Mar**: First audit claims Tk **11,539.15**cr
- **April 2**: BTRC seeks Tk **12,579.95**cr
- **Jul 4**: BTRC slashes **30** percent bandwidth
- **Jul 17**: Bandwidth restriction withdrawn
- **Jul 22**: BTRC stops approval for new package and equipment import
- **Aug 26**: GP seeks injunction against BTRC's claim of Tk **12,579.95**cr
- **Sep 5**: BTRC issues show-cause notice over revoking licence
- **Sept 5**: GP goes to HC against the move
- **Oct 16**: Govt decides to appoint administrator in GP
- **Oct 17**: HC issues two-month injunction on the BTRC's move
- **Oct 23**: Proposal made to form neutral committee to revise audit
- **Nov 24**: SC asks GP to pay Tk **2,000**cr to BTRC within three months

Farm mechanisation gets a shot in the arm

Cabinet approves National Farm Mechanisation Policy

REJAUL KARIM BYRON

Farmers may get 50 to 70 percent incentive while buying agricultural machinery and also avail low-cost loans, as the government looks to pivot to farm mechanisation amid rising costs and growing labour shortage.

The cabinet yesterday approved the draft National Farm Mechanisation Policy 2019 to this effect at a meeting held at the Prime Minister's Office, which was presided over by the premier.

"Under the policy, farmers would be able to buy farm machinery at lower prices and will get low cost or interest-free loans in easy conditions," Cabinet Secretary Khandker Anwarul Islam told reporters during a briefing at the secretariat.

Initially, the incentive would be given for a fixed period at the farmers' level in order to get them accustomed to farm machinery. The support would be applied to quality equipment that are essential but used for a limited period, according to the draft policy.

Farmers in haor and coastal regions may get 70 percent subsidy to buy agriculture machinery, while those in other parts of the country would be entitled to 50 percent, said an official of the agriculture ministry.

As per the policy, importers would have to bring in machinery that suits the country's environment and soil.

The prime minister also told the meeting to incorporate a provision that allows farmers to form a cooperative for buying expensive tools since the equipment are used a few times round the year, the cabinet secretary said.

The policy is expected to accelerate farm mechanisation in the country.

The use of farm machinery would cut the necessity of labourers needed to plant and harvest crops, allowing farmers to: deal with the unavailability of manpower, boost agriculture development and prevent wastes, according to a media brief of the cabinet division.

This will also drive the commercialisation of the farming system, it said, adding that the agriculture ministry would soon publish a notice.

READ MORE ON B3

BANGLAR CHOKH/FILE

Paddy being harvested by a machine in a farmland of Dinajpur Sadar upazila.

Edible oil prices hauled up by VAT

Bangladesh Tariff Commission suggests waiver

SOHEL PARVEZ

The imposition of value-added tax (VAT) and advance tax (AT) in the value chain of edible oil are contributing to the spike in prices of the essential cooking ingredient, said a Bangladesh Tariff Commission report.

And the burden of the indirect tax will further increase the burden on the wallets of consumers from all walks of life amid soaring global prices of soybean and palm oil, which the nation has to depend largely to meet its consumption requirement.

Bangladesh annually requires 20 lakh tonnes of edible oil and it meets almost 90 percent of its demand through import.

The commission's observation comes at a time when processors have hiked the prices of edible oil to transfer the burden of higher international prices and increased VAT onto the shoulders of consumers.

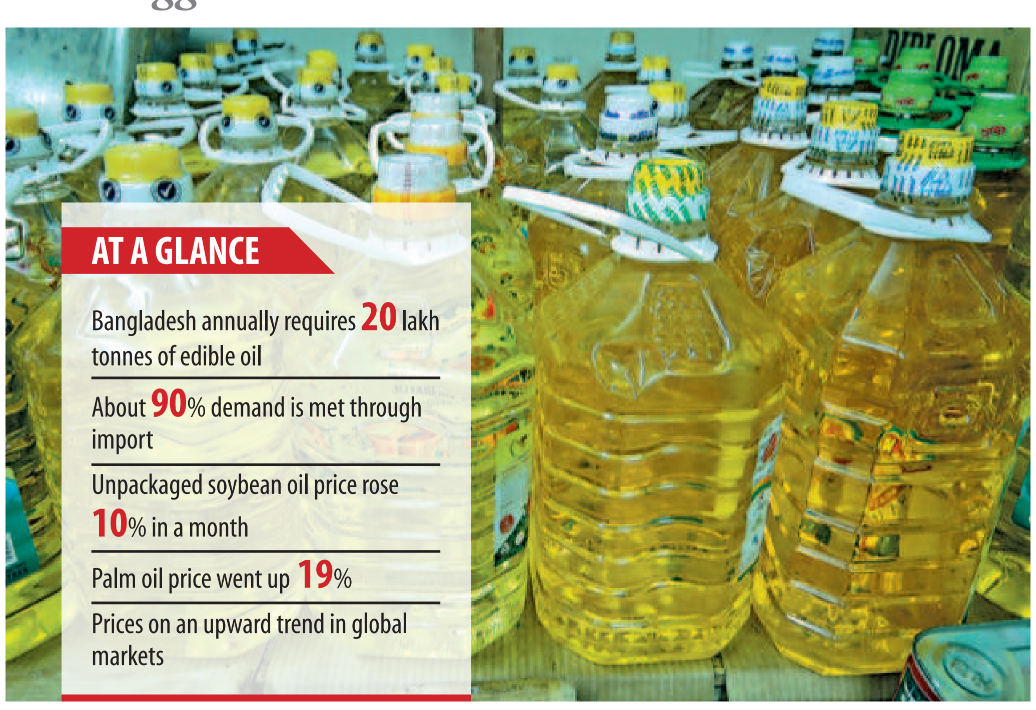
Yesterday, a litre of loose soybean oil traded at 10 percent higher at Tk 91-93 from a month earlier in Dhaka. Retailers sold palm oil in unpackaged form at 19 percent higher prices at Tk 80-82 per litre, according to market data compiled by the Trading Corporation of Bangladesh.

And prices of each five-litre container of soybean rose 5 percent to Tk 470-Tk 515 from December 8 last year.

The BTC document, which was submitted to the commerce ministry recently, said the tax authority levied 15 percent VAT on import, production and distribution of soybean and palm oil from this fiscal year, ending the previous rule of collecting the indirect tax at the import stage.

Also, the National Board of Revenue (NBR) levied a 5 percent AT on imports under the VAT and Supplementary Duty Act 2012, which came into effect from fiscal year that began on July 1, 2019.

READ MORE ON B3



AT A GLANCE

- Bangladesh annually requires **20** lakh tonnes of edible oil
- About **90**% demand is met through import
- Unpackaged soybean oil price rose **10**% in a month
- Palm oil price went up **19**%
- Prices on an upward trend in global markets

Account opening in 5 minutes soon

eKYC guideline rolled out

STAR BUSINESS REPORT

Customers can now open bank accounts in just five minutes, a procedure that previously took two to four days, after Bangladesh Financial Intelligence Unit (BFIU) yesterday rolled out the electronic Know Your Customer (e-KYC).

The new system will cut the existing KYC-related cost by as much as 80 percent. All banks and financial institutions will have to implement the new system by this year.

The e-KYC comes as part of the government drive towards digitalisation.

Prospective clients of banks, non-bank financial institutions, investors of capital market and policyholders of insurance companies can open accounts by using the new digital account opening procedure and without filling in any paper form, as per the guideline that was approved yesterday.

The e-KYC will also help ensure governance in financial institutions, will give momentum to the country's financial inclusion drive and prevent money-laundering and terrorist financing, said the BFIU in a press release.

The agency has introduced two types of e-KYC: simplified and regular.

Clients will open simplified e-KYC by submitting national identification cards. This will allow them to settle a limited transaction.

For instance, a customer of a bank can deposit or withdraw a maximum of Tk 1 lakh per month under the simplified e-KYC.

But there will be no such threshold for clients who will open their accounts under the regular e-KYC. In this case, customers will have to submit documents on their source of income as well as the NID during account opening.

READ MORE ON B3

Purbachal's water supply to be under private sector

JAGARAN CHAKMA

Water supply in the Purbachal New Town in the outskirts of Dhaka would be provided by a private sector player, in a development that can be viewed as the government opening up the country's utility services.

In Bangladesh, public entities run structured water supply management under city corporations.

Neighbouring India uses public-private partnerships for water supply management in urban areas under a National Water Policy 2002.

Rajdhani Unnayan Kartripakkha (Rajuk) is implementing the 6,227-acre project, which sits between Kaliganj and Rupganj with the Shitalakkhya river to the east and the Balu to the west. It is scheduled to have 25,016 residential plots, 1,033 commercial plots and 3,565 other plots, all at a cost of Tk 7,782 crore.

Under the new arrangement, a private consortium comprising United Water (Suqian) Company of China and Delcot Water of Bangladesh will lay out a distribution network of about 320 kilometres along the roads reaching every plot.

They will also install 15 deep tube wells to extract groundwater, all within four years in four phases.

The facilities are expected to be ready by the end of 2023, with Rajuk bearing Tk 299.80 crore of the Tk 592.39 crore cost. The consortium will foot the remaining Tk 292.39 crore.

The billing rate will be decided in consultation with Rajuk. The consortium will run the supply for 11 years to recover their investment and make a profit before handing over the responsibilities.

Meanwhile, Rajuk will provide Tk 56 crore in maintenance cost every year.

Rajuk will issue a notice on February 11 for the consortium to start work, Saber Ahmed, director of the water supply project, told The Daily Star. He expects the Purbachal project to be complete by early 2024.

Traditionally, water and sewerage projects have been implemented on the basis of public procurement, said Muhammad Alkama Siddiqui, chief executive officer of Public Private Partnership Authority.

This Purbachal water management project is an attempt by the government to access private sector expertise for efficiency alongside private financing, he said.

He hopes affluent people would come to reside in the Purbachal township and they would demand uninterrupted water supply through private management.

"Commercial operation under private management is always up to date and of low cost," said Siddiqui, adding that the government has also kept options for providing subsidies if the billing cost exceeds those in other cities.

BY THE NUMBERS

- Implementation starts in February 2020
- Expected supply of water from 2024
- Total cost of project Tk **592.39**cr
- Consortium to give Tk **292.39**cr
- Rajuk to provide Tk **299.80**cr
- Construction period **4** years
- Operation period **11** years
- Rajuk to provide Tk **56**cr for maintenance every year
- Total pipeline **320**km
- Deep tube wells **15**

TURMOIL RAGES ON

DSEX, the benchmark index of the premier bourse, shed more than 50 points in each of the past four trading sessions, dragging Dhaka stocks down to its lowest level since May 2, 2016. The slide, which was brought on by mass sell-offs by foreign investors, prompted a group of aggrieved retail investors to stage demonstration at Motijheel.

DSEX **4,228.36** points (fell **53.06** points, or **1.23**%)

Turnover Tk **279.96** crore (dropped Tk **47.5** crore or **14.50**%)

TOP FIVE GAINERS

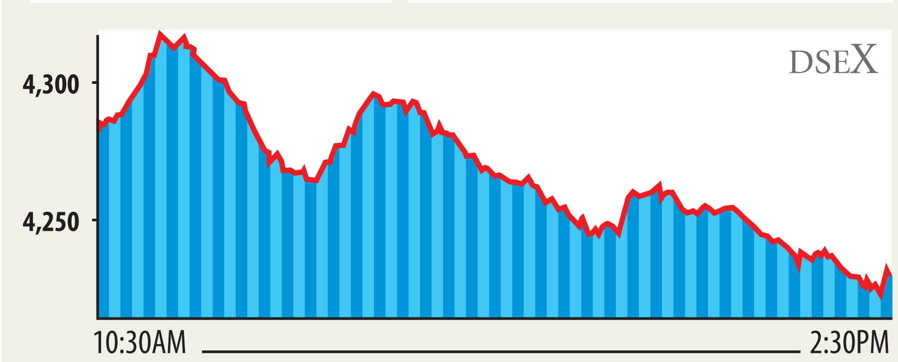
Company	Gain (in %)
ADN Telecom	9.70
Savar Refractories	8.14
Standard Insurance	7.65
Dulamia Cotton	6.63
Emerald Oil	5.23

TOP FIVE LOSERS

Company	Loss (in %)
Meghna Pet	9.17
Anlima Yarn	9.47
Beach Hatchery	8.38
Northern Jute	7.49
Prime Textile	6.78

TOP TURNOVER

Company	Turnover (in crore Tk)
LafargeHolcim	13.99
ADN Telecom	13.33
Standard Ceramic	12.37
Brac Bank	12.23
Khulna Power	10.60



ABDUL MONEM

Prime Minister Sheikh Hasina hands over the 'Best Exporter of the Year' award to ASM Mohiuddin Monem, chairman of ServicEngine, at a programme to celebrate the third National Digital Bangladesh Day 2019 at Bangabandhu International Conference Centre in Dhaka yesterday. This was the sixth consecutive national export trophy for ServicEngine. The ICT ministry and the Access to Information (a2i) gave the awards.

Cambodia's garment workers fret over deadly daily commutes

AFP, *Kampong Speu*

Gripping her friend's shoulder as a truck packed with 30 Cambodian garment workers tears down a pot-holed street, Nguon Sanit says her days are bookended by fear of dying on the kingdom's treacherous roads.

Workers in the sector -- the majority of whom are women -- make dicey daily commutes in a country where road accidents are a leading cause of death.

"Our lives are on the road," says Sanit, 39. "We are always worried." Cambodia makes clothes and shoes for top western brands in a $7 billion export industry that is also the kingdom's biggest formal employer.

Garment workers have won a monthly minimum wage of $190, which adds up to nearly twice the average annual income, but is still a low salary in a poor country that forces them into unpleasant compromises.

Most pay $10 to $20 a month for standing room on old trucks and vans, which frequently flip over, hurling workers onto roads or crushing them.

According to one study, there are around 12 crashes a day involving garment workers.

"We have no choice... we have to share this crowded truck to save some money," said Nak Khmao, a 35-year-old whose commute from her village is 40 minutes each way.

Drivers start early in the morning before taking a break, during which they may start drinking with colleagues before it is time to pick up the workers, says trade unionist Pav Sina. "Some drivers are under the influence of alcohol," he said, adding accidents happen "very often".

Garment factories -- which now employ up to 700,000 people -- are strung along highways in several provinces.

Trucks careen down narrow, broken roads and drivers are incentivised by the number of passengers they can jam in for the run to work.

A Cambodian driver who gave his name as Dara said he regularly allows 60 garment workers aboard his ageing truck -- the only way to make a profit after his costs.

"I also put four people in the cabin with me. But I drive slowly. So it's okay," he added.

India predicts slower 5pc growth, likely prompting budget stimulus

REUTERS, *New Delhi*

India on Tuesday forecast 5 percent growth for the current financial year, the slowest pace in 11 years, which will likely prompt the finance minister to opt for extra fiscal stimulus when she presents the annual budget next month.

The government is expected to announce tax concessions for individuals and increase spending on infrastructure after cutting corporate tax rates last year, officials and economists said.

Finance Minister Nirmala Sitharaman last week unveiled a plan to invest 102 trillion rupees ($1.4 trillion) in infrastructure over the next five years in a bid to make India a $5 trillion economy by 2025.

Annual economic growth slowed to 4.5 percent in the July-September quarter, the weakest pace since 2013, blamed on weakening demand and private investment, putting pressure on Prime Minister Narendra Modi to speed up reforms as five rate cuts have failed to help. The financial year ends in March.

Gross domestic product is estimated to grow 5 percent in 2019/20, slower than the 6.8 percent growth of 2018/19, the Ministry of Statistics said in a statement.

Indian growth had slowed to 3.1 percent in 2008/09 after the global financial crisis.

"The slowdown in economic growth implies the government will have to come up with a fiscal stimulus in the budget," said NR Bhanumurthy, economist at National Institute of Public Finance and Policy, a Delhi-based think-tank.

He said latest growth numbers would impact revenue estimates and government spending for the next financial year. Growth was likely to be around 6-6.5 percent in 2020/21, he said, following a steady a recovery.

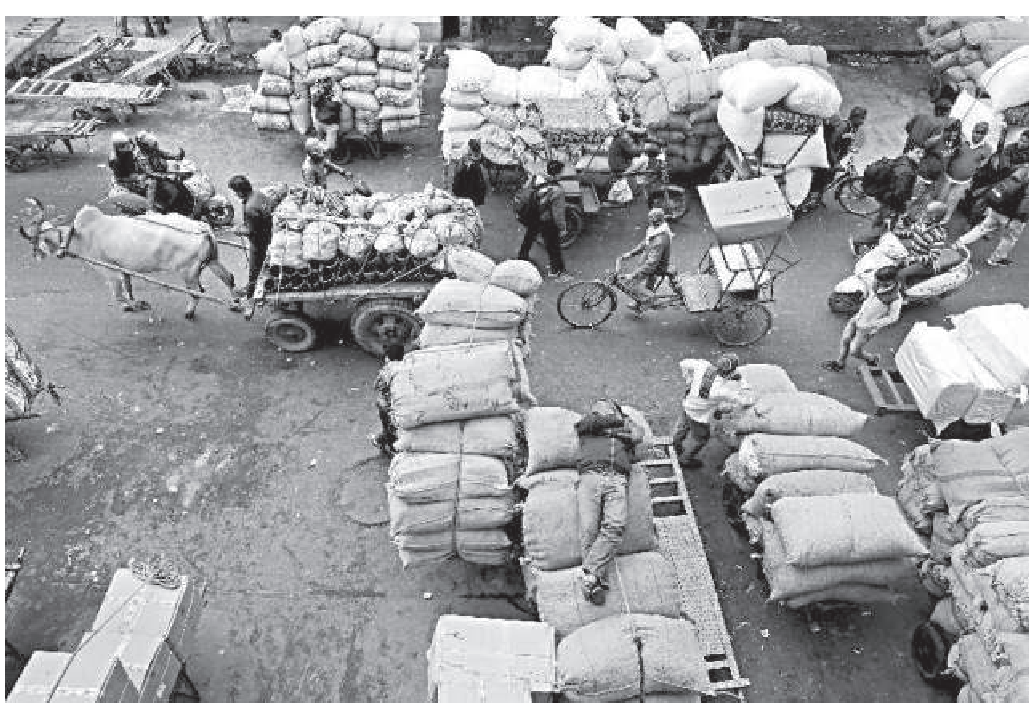
Manufacturing is forecast to grow 2.0 percent in 2019/20, compared to 6.9 percent growth in 2018/19, the Ministry of Statistics said.

Construction is likely to grow 3.2 percent in 2019/20, compared to 8.7 percent the previous year, while the farm sector is forecast to grow 2.8 percent, compared to 2.9 percent a year earlier, the statement said.

Private economists expect growth to steadily pick up in the next fiscal year. Data so far this year points to a weaker-than expected activity, with global trade tensions and rising crude oil prices posing risks.

The unemployment rate rose to 7.7 percent in December from 7 percent a year earlier, data released by the Centre for Monitoring Indian Economy, a Mumbai-based think tank, showed.

The statistics ministry will release growth data for the October-December quarter on Feb. 28, along with revised full-year growth estimates.



REUTERS

A labourer sleeps on sacks as traffic moves past him in a wholesale market in the old quarters of Delhi, India.

Canada trade deficit dropped in Nov amid rail strike

AFP, *Ottawa*

Canada posted a Can$1.1 billion ($833 million) trade deficit in November, down sharply from the previous month amid disruptions caused by a railroad strike, the government statistics agency said Tuesday.

Exports fell 1.4 percent to 48.7 billion, the lowest level for November since 2013, while imports slid 2.4 percent to 49.8 billion during the month.

"Widespread declines across export and import products coincided with disruptions in Canadian rail transportation," Statistics Canada said.

Transportation Minister Marc Garneau had warned previously that the week-long strike would have an important economic impact, since it affected 90 percent of normal freight train traffic and the shipment of about 170,000 barrels of oil a day.

Some 3,000 striking workers at Canadian National, one of the largest railroads in North American, reached an agreement in principle with management at the end of November.

BUBT

Shafique Ahmed Siddique, *second from left*, chairman of BUBT Trust, opens the two-day BUBT-Bdjobs Job Fair 2020 on the campus of Bangladesh University of Business and Technology (BUBT) at Rupnagar in Dhaka yesterday. Md Aslamul Haque, lawmaker from Dhaka 14; AKM Fahim Mashroor, CEO of bdjobs.com; and Md Abu Saleh, vice-chancellor of BUBT, were also present.

French unions blockade refineries in bid to stop pension reform

REUTERS, *Paris*

French unions blockaded several oil refineries on Tuesday, aiming to cause shortages at petrol stations after a month-long public transport strike failed to force the government to withdraw its pension reform plans.

Workers at Exxon Mobil France's Port Jerome and Fos refineries began a four-day strike, the hardline CGT union said.

An Exxon spokeswoman confirmed that the 140,000 barrels-per-day (bpd) Fos-sur-Mer plant, which accounts for about 10 percent of French refinery output, was blocked but added that the 240,000 bpd Port Jerome refinery was operating normally.

French Prime Minister Edouard Philippe said the country was not at risk of fuel shortages and that police would ensure oil depots were not blockaded.

"People have the right to strike, but they do not have the right to block (refineries)," he said on RTL radio, referring to picketing by workers to obstruct factory gates.

Philippe said he was open to discussing changes to the average retirement age with unions, one of the main sticking points over pension reform plans that have triggered protests.

The environment ministry said all French refineries continued to operate, but five out of seven were temporarily having difficulty distributing their products.

It said it expected no problems with petrol stations, whose supplies are guaranteed by a separate network of 200 depots.

On Tuesday, only three of these depots reported difficulties while others were operating normally, the ministry said, adding that France has stocks corresponding to more than three months of fuel consumption.

A spokesman for French petrol industry lobby UFIP said that nationwide only about 155 out of 11,000 petrol stations - about 1.5 percent - experienced shortages of some products.

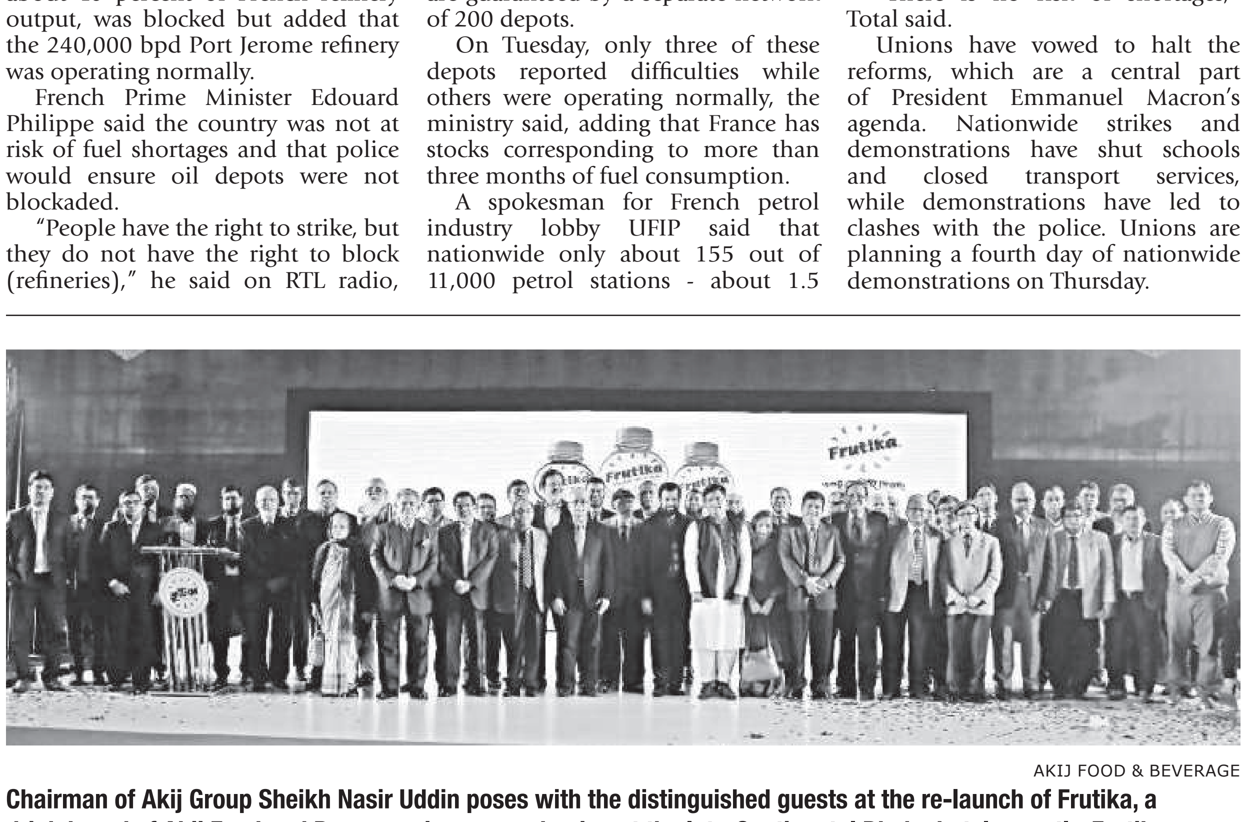
"This is mainly due to panic buying, not to a shortage of fuel," oil expert Jean-Louis Schilansky said.

FNIC-CGT union leader Emmanuel Lpine said on France Info radio that seven out of eight refineries were on strike. The 96-hour strike is set to last until Friday.

Total said that only about 5 percent of its refinery staff were on strike and that its five refineries were storing their production while shipments were blocked by union picket lines.

"There is no risk of shortages," Total said.

Unions have vowed to halt the reforms, which are a central part of President Emmanuel Macron's agenda. Nationwide strikes and demonstrations have shut schools and closed transport services, while demonstrations have led to clashes with the police. Unions are planning a fourth day of nationwide demonstrations on Thursday.



AKIJ FOOD & BEVERAGE

Chairman of Akij Group Sheikh Nasir Uddin poses with the distinguished guests at the re-launch of Frutika, a drink brand of Akij Food and Beverage, in new packaging at the InterContinental Dhaka hotel recently. Frutika was introduced in the Bangladesh market in 2008.

Foreign firms wary as China launches investment law

AFP, *Beijing*

Accustomed to unfulfilled promises from the Chinese government, foreign businesses are keeping a wary eye on a nascent law aimed at addressing their long-standing grievances about unfair treatment in the world's second largest economy.

The foreign investment law, which came into force on January 1, is supposed to give local and foreign companies equal treatment in the Chinese market and improve protections of intellectual property.

But international companies, which have in the past complained about having "promise fatigue", have not been wowed by the legislation.

"Our expectations are quite modest," said Lester Ross, who heads the policy committee at the American Chamber of Commerce in China.

"The longest-standing issues in China do not concern an absence of legislation, but rather the lack of enforcement and the breadth of government discretion resulting in selective enforcement," Ross said.

The legislation, which replaces three older laws, says foreign firms are no longer obligated to have a Chinese partner to start a business in the country.

It also prohibits the use of administrative means to force foreign firms to transfer technology to Chinese partners -- one of the major sticking points in Beijing's trade war with the United States.

But a survey of 249 companies, published in December by the British Chamber of Commerce in China, indicated that 38 percent of respondents believed the law would not change anything. A quarter of respondents did not know what changes to expect.

Beijing passed the law as it faces rising competition for foreign direct investment from other Asian manufacturing hubs, notably in Southeast Asia, said Rajiv Biswas, Asia-Pacific chief economist at IHS Markit.

"This reform is an important priority for the Chinese government in order to maintain an attractive business climate for foreign investment," Biswas said.

Rising wages have reduced China's competitiveness, with countries such as Vietnam offering manufacturers a cheaper alternative.

Biswas said China has recognised that in order to attract more foreign investment, notably in high-tech, it had to provide a more level playing field and improve intellectual property protection.

But without strict on-the-ground implementation mechanisms, foreign investors are unlikely to be reassured, Ross said.

Other issues remain as well.

The law does not spell out what penalties would be imposed for violating intellectual property rights.

It is also silent on subsidies to state-owned enterprises.

Such enterprises have been accused of distorting competition, and the issue of subsidies has been among structural reforms that the US has been demanding from China in the trade war.

Joerg Wuttke, president of the European Union Chamber of Commerce in China, said a significant issue is the continued existence of a legal framework that treats foreign investment differently from that of Chinese players.

"The foreign investment law's implementation measures are a step up from the previous draft, but many significant concerns remain," Wuttke said.

AFP/FILE

Foreign firms are no longer obligated to have a Chinese partner to start a business in the country.

Iran crisis sparks fear over Mid East oil supplies

AFP, *London*

The burgeoning Iran crisis has sparked oil supply worries over the Strait of Hormuz -- a vital shipping lane for a fifth of global crude -- and also over Iraq's output, analysts say.

Oil prices had surged last Friday after US President Donald Trump ordered the drone assassination of Iran's top general Qasem Soleimani, but the market stabilised on Monday and Tuesday with Middle East crude supplies unaffected.

However on Wednesday, the oil market shifted higher once more after Tehran launched revenge attacks to target US forces in Iraq, making good on its pledge to hit back over the killing.

Iran fired missiles overnight at Iraqi bases housing the US and British military, officials in Washington and Tehran said.

British Foreign Secretary Dominic Raab voiced concern over "reports of casualties". But Iranian Foreign Minister Mohammad Javad Zarif insisted that the country does "not seek escalation or war".

Traders remain fearful nevertheless that Tehran could seek to block the Hormuz waterway -- a key artery for crude that stretches between Oman and Iran.

Hormuz, one of the world's most congested transit points, links up the region's oil producers with markets in Asia, Europe and North America.

"Supply disruptions were put at the forefront of the agenda for investors," said Mihir Kapadia, CEO of Sun Global Investments.

"These concerns have been fuelled by Friday's killing of Soleimani and it is likely Iran will try and disrupt oil exports that travel through the Straits of Hormuz.

"However ... it remains unclear as to what the next developments will be." The US government's Energy Information Administration describes Hormuz as "the world's most important oil transit chokepoint" through which 21 million barrels of crude per day passed in 2018.

The strait had already been rocked last year by a string of attacks that Washington and its allies blamed on Iran, accusations Tehran firmly denied. Its Western foes have also accused Iran of being behind a major attack on Saudi oil installations and Iran has in recent months also repeatedly seized tankers operating in the Gulf.

Traders remain less fearful over the loss of Iranian oil because the Islamic republic remains under punishing US sanctions that were re-imposed by Trump in 2018.

Energy Aspects analyst Christopher Haines noted traders were instead worried about oil output from Iraq -- particularly if US troops are pulled out.

America's military strategy in Iraq was thrown into confusion Monday as the Pentagon admitted a letter from a general informing the Iraqi government of an imminent US troop pullout was sent by mistake.

"There is a potential risk of disruption on Iraq, whose crude exports represent (about) 3.5 million barrels per day," Haines told AFP.

"If US troops leave, it will leave the area less secure," he added.

Iraq is currently the second biggest player in oil cartel OPEC after kingpin Saudi Arabia.

SEB analyst Bjarne Schieldrop agreed that Iraqi production could be impacted by the current crisis -- but so far no oil supplies have been affected.

"Eventual loss of supply in the Middle East may however be in Iraq down the road and not so much due to near term retaliations, though so far not a single drop of oil supply has been lost," he said.

Soleimani's assassination, which was carried out by a drone near Baghdad airport, sparked concern about a spreading conflict.

Europe's benchmark oil contract Brent and US counterpart West Texas Intermediate crude had initially won more than three percent each on Friday. However, those gains fell far short of September 16, when both contacts had rocketed about 14 percent on news of attacks on Saudi Arabian oil infrastructure.

REUTERS/FILE

Oil tankers pass through the Strait of Hormuz.

KANSAI PAINTS

Harishchandra Bharuka, vice chairman and managing director of Kansai Paints, a leading paint company of Japan; Anuj Jain, executive director; Prashant Pai, director for finance; Takeshi Tanaka, technical director from Kansai Paint Japan; Qammaruzzaman, director, and Vishal Mothreja, CEO, pose along with Bangladeshi National Cricketer Tamim Iqbal at the launch of the paint brand in Bangladesh as Kansai Nerolac, at a programme at International Convention City Bashundhara in Dhaka on January 6. The company also celebrated its 100 years of journey in 80 countries in Asia, Europe, Africa and America.

Norway hopes for China free-trade deal in 2020

REUTERS, *Oslo*

Norway aims to reach a free-trade agreement with China by the end of 2020, more than a decade after initial negotiations began, the Norwegian industry minister told Reuters on Wednesday.

"By the end of last year we had good progress in the talks ... we continue to be optimistic and think it is realistic to get a deal in place during the year," Torbjoern Roe Isaksen told Reuters during an industry conference in Oslo.

Recent discussions have revolved around tariff levels and market access for an array of products, he said, without elaborating. Talks on a free-trade pact began in 2008, but relations between Oslo and Beijing were frozen from 2010 to 2016 after the Norwegian Nobel Committee awarded the Nobel Peace Prize to a Chinese dissident.

Norway is western Europe's top producer of oil and gas and the world's largest maker of farmed salmon.

Account opening in 5 minutes soon

FROM PAGE B1

Clients will be able to open accounts from home if financial institutions introduce app to this end. The e-KYC will help open accounts in real time.

The BFIU, the money laundering watchdog, piloted the e-KYC project in 52 places under 33 districts involving 19 banks, one non-bank financial institution and one mobile financial service provider.

The World Bank provided technical assistance for the pilot.

Banks' donation to Bangabandhu Trust

A delegation of the Bangladesh Association of Banks led by its President Nazrul Islam Mazumder handed over cheques of Tk 225 crore to the prime minister as donation to the Father of the Nation Bangabandhu Sheikh Mujibur Rahman Memorial Trust marking the birth centenary celebration of Bangabandhu at the official residence of the premier on January 6. Here are the contribution of different banks.

BANKS	IN CRORE TAKA
Bank Asia	10
City Bank	10
Prime	10
Eastern	10
Exim	10
Islami Bank	10
IFIC	10
United Commercial	10
Pubali	10
Shahjalal	10
National Bank	10
Standard Bank	10
NCC	7
One Bank	5
Dhaka Bank	5
Mutual Trust	5
AB Bank	5
Mercantile	5
First Security	5
Brac Bank	5
Jamuna	5
NRB Commercial	1
Midland	1
SBAC	1
NRB Global	1
Others	54

Farm mechanisation gets a shot in the arm

FROM PAGE B1

Givem the soaring cost of agricultural labour, the agriculture ministry has already sent a proposal to the finance ministry under the policy, seeking Tk 415 crore for this fiscal year in order to give subsidy to farmers for buying agricultural machinery.

Another proposal involving Tk 4,000 crore would be added to the initiative from the next fiscal year.

Under the Tk 415 crore scheme, the government will offer 3,000 combine harvesters, 2,000 reapers and 300 transplanters to farmers and farm equipment renters at a subsidised rate during the upcoming Boro season, according to a recent letter sent by the agriculture ministry to the finance ministry.

The latest move comes in the face of soaring wages due to a shortage of farm labourers during the peak season of harvesting and transplanting rice, causing a loss in the yield of rice that is cultivated on 71 percent of the total 1.54 crore hectares of cropland, according to official data.

Despite advancement in agriculture production, costs of farmers are rising owing to high labour wages and inefficiency at various stages of cultivation.

As a result, farmers fail to make a profit, the agriculture ministry said in the letter.

Due to high demand and reduced supply, daily farm wages go as high as Tk 600 during peak harvesting seasons, up from nearly Tk 300 in slack seasons.

In its letter, the agriculture ministry said the surging cost of labour has been making farmers helpless during the harvesting period for the last several years. This has made farmers reluctant about growing paddy.

According to agriculturalists and industry operators, currently farmers prepare more than 90 percent of the total croplands by using power tillers and tractors.

A majority of the grains, mainly rice, are threshed by threshing machines and the rate of mechanisation is growing as farmers find the use of agricultural machinery beneficial in terms of cost-saving and timely cultivation.

Yet, the progress in the transplanting of paddy and harvesting of the staple crop has been sluggish over the years owing to the high cost of machines, lack of the machinery suitable for harvesting all types of soils and the dearth of operators and mechanics, agriculturalists say.

Nearly one percent of paddy are transplanted and harvested using machines, said Md Monjurul Alam of the Department of Farm Power and Machinery of the Bangladesh Agricultural University, in November.

There is only 1 percent duty on the import of parts and raw materials needed to produce power tillers, power thresher, power reaper and power seeder and they are exempted from regulatory duty, supplementary duty and value-added tax.

But transplanters and combined harvesters are not included.

The duties would be cut further or made logical in future, the policy said.

The cabinet also approved the draft of the Voter Roll Law (Amendment) 2019.

At present, an individual can add their names to the voter list from January 2 to January 31; but under the proposed amendment the period has been extended to March 1.

It approved a proposal to observe March 1 as the National Insurance Day.

PRAN DAIRY

State Minister for Fisheries and Livestock Ashraf Ali Khan Khasru attends a programme at Pran Dairy Complex at Shahzadpur in Sirajganj yesterday when Pran Dairy honoured its 15 farmers in order to encourage dairy farmers to produce safe milk through proper firm management. Chairman and CEO of Pran-RFL Group Ahsan Khan Chowdhury was also present.

Grameenphone's new run-in with BTRC

FROM PAGE B1

The BTRC also sent a copy to the Bangladesh Customs under the National Board of Revenue and requested them not to release any equipment of the two operators.

As per the available documents of the commission, Grameenphone has imported five lots of equipment between May and June last year after taking prior permission from the regulator.

After the equipment arrived in Bangladesh, the BTRC's regulatory bar halted the import procedure, said a top official of the regulator.

Meanwhile, the carrier on August 5 and August 27 applied before the commission and asked them to release their equipment considering customer service.

Besides, the apparatus was imported before the bar was issued, it said.

Both the applications were placed in two separate commission meetings on September 29 and November 11 and on both the occasions the operator requested for the applications to be placed in the next meeting for further consideration.

In the meantime, on October 17 a High Court bench issued a two-month injunction on the BTRC's move to realise money it says Grameenphone owes the government and the letter the telecom watchdog had issued on July 22.

Then on November 24 last year the Supreme Court asked Grameenphone to pay Tk 2,000 crore out of the Tk 12,579 crore claimed by the commission by February 24. The HC order issued the previous month will continue if the amount is furnished.

Grameenphone is yet to pay the sum.

The operator placed the lawyer's certificates of the HC order but did not place the full context and informed of their application for getting the NoC when releasing the network equipment, said a top official of the BTRC's spectrum management division.

"We also want the best quality service from not only Grameenphone but also from other operators and encourage them to import the required equipment. But for doing that they also need to be compliant with the directives of the regulator and the government," Haque said.

Grameenphone maintains it has followed the prescribed processes all along.

The operator approached the customs based on the orders provided by the Supreme Court on the disputed audit, it said in a statement.

"It is regrettable that the BTRC has chosen to issue a show cause notice on this matter disregarding the orders provided by the highest court of the country," the statement added. Md. Mahfuzul Karim Majumder, director general of the BTRC's engineering division, in a press conference on Thursday said because of the regulatory bar customers are facing service quality issues.

"There is no sign of the situation improving anytime soon as the top two players have been barred from importing equipment," he added.

Earlier on July 4 last year, with the view to cranking up the pressure the regulator also slashed Grameenphone's bandwidth by 30 percent and Robi's by 15 percent for non-payment of the claimed dues. The decision was withdrawn after two weeks.

Edible oil prices hauled up by VAT

FROM PAGE B1

The revenue authority says the AT is adjustable and it has introduced the tax to encourage businesses to keep records of transactions and accounts properly.

As a result of the changes in VAT structure, import costs of crude degummed soybean oil (CDSO) and refined, bleached and deodorised (RBD) palmolein, which local refiners import and process to market locally, have soared, according to the BTC report.

For example, the report, quoting letters of credit settlement data of CDSO and RBD palmolien from May 2019, said edible oil refiners paid Tk 8,700 and Tk 6,390 for each tonne of CDSO and RBD palmolien.

The amount of VAT, a type of consumption tax, increased 41 percent to Tk 12,252 for each tonne of CDSO after imposition of VAT and AT on imports.

For palmolien, the additional cost rose 45 percent to Tk 9,280 per tonne, according to the BTC report.

Besides, as distributors and traders cannot maintain records of transactions and accounts properly, they have to pay 5 percent VAT on sales price.

"This has created the possibility of price hike of edible oil," the BTC report said.

The BTC also linked depreciation of taka and rising prices of soybean and palm oils in the global market to increase in prices of the essential commodity in the local market.

The report said refiners have been seeking to increase the prices of edible oil since the beginning of the fiscal year for the imposition of VAT and AT on imports but the commission advised refiners to refrain from doing so.

The prices of edible oil remain a bit stable for exemption of AT on import of crude edible oil.

But as prices of the commodities have been rising since October, refiners have been seeking commission's nod to increase prices, the report said.

The prices of both CDSO and RBD palmolien surged 20 percent and 35 percent year-on-year on December 20 last year.

Under the circumstances, the commission suggested reduction of VAT on production, distribution and trading stages and fixation of sales commission for distribution and retailing at Tk 3 and Tk 5 respectively.

It also recommended the government for exemption of 5 percent AT on imports of crude edible oil to curb the price spiral of the key item in the face of soaring global prices.

Regent Airways confident of turnaround

FROM PAGE B4

The International Air Transport Association's clearing house provides billing and settlement services in multiple currencies for the air transport industry.

"If a business isn't profitable for a provisional period, it doesn't mean it is going to be closed. Businesses face frequent ups and downs and we will definitely overcome this financial situation as we are getting support from our owning company, which is a big corporation," Asif added.

The airline plans to start flying to Abu Dhabi, Chennai and Guangzhou this year after getting six more vessels. Besides, it will increase flight frequency to its existing domestic routes -- Chattogram and Cox's Bazar -- and international destinations: Kolkata, Kuala Lumpur, Singapore, Muscat and Doha. Regent is also preparing to improve its service in 2020 as it marks its first decade of operation.

The airline will shortly introduce Regent Screens, the first-ever Wi-Fi-based in-flight entertainment services in Bangladesh's aviation sector. The service will allow passengers to enjoy high-quality multimedia content on personal devices.

Regent also takes safety of passengers very seriously, the CEO said.

"The safety remains our top priority and we are under no condition going to compromise with it. Whenever we apprehended any risk in terms of safety and reliability, we have never hesitated to ground our aircraft for necessary maintenance."

All of Regent's aircraft are Boeing 737-800 and not the Boeing 737 Max airliner -- the model that was grounded after two fatal crashes in 2018 and 2019.

Hanif Zakaria, chief commercial officer of the airline, and Sohail Majid, director for sales and marketing, were present.

84 RMG units lose right to duty-free import of fabrics

Refayet Ullah Mirdha

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) yesterday cut the right of 84 garment factories to duty-free import of fabrics due to poor compliance and safety standards.

The BGMEA suspended the units' Utilisation Declaration (UD), which is a certification determining how much inputs and packaging materials will be used by a factory in manufacturing exportable products.

The garment makers' platform issues the certification, which is vital for duty-free import of fabrics.

Another 54 member factories have been given time to show progress so that they can continue availing their certification as their business record is better than that of the 84, said Rubana Huq, president of BGMEA.

The managements of the 54 were asked to attend a BGMEA meeting this month did not pay heed to our concerns."

Now, if any accident takes place in those factories, the DIFE will not be held responsible, said Roy.

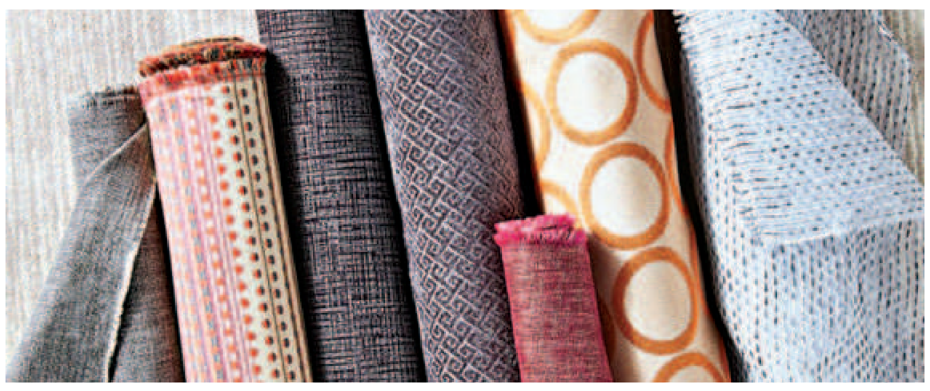
The DIFE also recommended cancelling UD of over 40 garment factories which were members of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), he also said.

Financial problems were not barring the factories from upgrading the compliance and safety standards, he said.

"Rather, I noticed that they lack interest. They like to operate their factories without upgrading the compliance and safety standards."

Only when the BGMEA, BKMEA and the DIFE are satisfied with improvements in compliance and safety standards will the UD certification be issued anew, he said.

The suspended factories are not members of the Accord and Alliance, two foreign factory inspection agencies.



to inform of their current compliance and safety standards before taking any upgradation measures, Huq said.

There are another 35 factories which closed on failing to generate business, for which they need not face the suspension, she said.

The BGMEA took the decisions on the 173 as per a January 5 recommendation of the Department of Inspection for Factories and Establishments (DIFE).

"Factories, which haven't been able to comply with the basic requirements even after six years of Rana Plaza tragedy, don't qualify to be reconsidered. Suspension of the UD is the first step," Huq told The Daily Star.

The DIFE had recommended cancelling the UD of the factories as their conditions were very vulnerable, said Shibnath Roy, inspector general of the department.

"Although we have asked those units several times to remediate their safety measures, they

This is why the DIFE engineers under a national initiative monitored and inspected those factories to ensure electrical, fire and structural safety at workplaces.

Talking to The Daily Star, owner of one of the 35 factories said he had closed down his unit one year ago for being unable to make profits.

He used to export $2 million-worth sweaters employing 350 workers in the city's Demra.

"So, I do not have any problem whether the UD of my factory has been suspended or not," the owner said asking not to be named.

The cost of production increased a lot over the years for different reasons, but at the same time the prices of the garment items have been squeezing every year, he said.

"However, I have a plan to set up a new factory in future if the prices of garment items rebound again."

Regent Airways confident of turnaround

The airline marks 10 years of operation

Star Business Report

Regent Airways, which is now operating with just two aircraft, yesterday vowed to bounce back from its current predicament by adding four more aircraft to its fleet, repairing two and improving service quality.

The Chattogram-based Habib Group-owned airline flies on two domestic and five international routes. It is hoping to get delivery of four Boeing 737-800 within a few months.

Regent Airways has been going through serious financial woes since 2018, which forced it to shave off four aircraft from its fleet last year.

"We are currently going through a temporary distressing situation," Imran Asif, CEO of the airline, told reporters at a press conference held at the Pan Pacific Sonargaon hotel in Dhaka yesterday.

Fearing that the airline might be shut down, state-run Biman Bangladesh Airlines has recently sent a letter to foreign stations alerting them not to take flight interruption manifest (FIM) from Regent.

An FIM is a document issued by an airline as a substitute ticket coupon when passengers' original travel is disrupted by schedule change, overbooking or cancellation.

Asif called the letter inappropriate, saying: "We pay FIM bills through IATA Clearing House. We never delay such payment. It is an unfortunate matter that after Biman's letter, airlines have stopped taking FIM from us."

READ MORE ON B3

REGENT AIRWAYS

Imran Asif, CEO of Regent Airways, speaks at a press conference at Pan Pacific Sonargaon Dhaka yesterday.

India asks refiners to stop buying Malaysian palm oil after political row

Reuters, *Mumbai*

India has informally asked palm oil refiners and traders to avoid buying Malaysian palm oil, government and industry sources said on Tuesday, following Malaysian criticism of India's actions in the Kashmir region and its new citizenship law.

India is the world's biggest buyer of the oil and palm oil inventories could spike in Malaysia, putting prices under pressure if Indian refiners reduce purchases from the country. Malaysian prices are the global benchmark for palm oil prices.

A senior official in India's vegetable oil industry, who did not wish to be named, said the government had asked refiners at a meeting attended by two dozen vegetable oil industry officials in New Delhi on Monday to boycott Malaysia.

"In Monday's meeting we have been verbally told to avoid buying Malaysian palm oil," the official said.

"We've had various rounds of meetings within the government and industry to see how we could reduce imports from Malaysia," one Indian government official said, adding India has yet to firm up a plan of action and is exploring various options.

REUTERS/FILE

A worker unloads palm oil fruits from a lorry inside a palm oil factory in Salak Tinggi, outside Kuala Lumpur, Malaysia.

Malaysian Prime Minister Mahathir Mohamad has angered India over his comments on India's actions in Kashmir and over a new Indian citizenship law, which critics say chips away at India's secular foundations and could be used by to discriminate against Muslims.

In October, Indian traders stopped signing new contracts with Malaysia for a brief period fearing India will raise import tax on Malaysian palm oil after Mahathir told the U.N. General Assembly that India had "invaded and occupied" Kashmir, a disputed Muslim-majority region also claimed by Pakistan.

Last month, Mahathir, prime minister of a predominantly Muslim nation, also waded into the debate about India's new citizenship law, which has led to violent protests in India and at least 25 deaths in clashes with police.

Don't be put off by fires, Australia tells tourists

Reuters, *Sydney*

Australian Prime Minister Scott Morrison urged foreign tourists not to be deterred by deadly wildfires that have razed large swathes of the country and sent smoke palls as far as South America, even as authorities warned of revitalised blazes.

Morrison made the plea for international visitor support on Wednesday as he visited Kangaroo Island, a usually wildlife-rich tourist drawcard off Australia's south coast that has been hit twice in recent weeks by fierce fires.

"Australia is open, Australia is still a wonderful place to come and bring your family and enjoy your holidays," Morrison told reporters after meeting local tourism operators and farmers.

"Even here on Kangaroo Island, where a third of the island has obviously been decimated, two-thirds of it is open and ready for business," he said. "It's important to keep the local economies vibrant at these times." Australia-wide, the cost of the fires is mounting daily. Shortly after Morrison spoke, officials confirmed another firefighter had died in a vehicle crash last Friday while on duty, bringing the national death toll to 26.

In Victoria state, authorities urged people in fire-risk areas to consider evacuating on Thursday, ahead of a temperature spike on Friday that is expected to bring renewed danger.

"These fires remain dangerous, they remain dynamic, remain volatile, and the conditions we are going to see can give significant life to these fires," Victoria Emergency Services Minister Lisa Neville said.

Thousands of people have already been left homeless by the fires that have scorched through more than 10.3 million hectares (25.5 million acres) of land - an area the size of South Korea. In rural areas, many towns were without

REUTERS

Volunteers of the Rural Fire Service and officers of the Fire and Rescue NSW contain a small bushfire which closed the Princes Highway south of Ulladulla, Australia.

power and telecommunications and some were running low on drinking water supplies, while smoke has blanketed cities including Sydney, Melbourne and Canberra.

The bushfires crisis follows a three-year drought that experts have linked to climate change and that has left much of the country's bushland tinder-dry and vulnerable to fires.

Following are some highlights of what is happening in the Australian bushfires crisis:

* Prime Minister Scott Morrison announced an A$11 million relief package while visiting Kangaroo Island.

* The three major cities in Australia's southeast, Sydney, Melbourne and the capital Canberra, were all blanketed in thick smoke, putting them among the most polluted cities in the world.

* Sixty-seven firefighters from the United States and Canada landed in Australia on Wednesday, joining 40 of their compatriots already on the ground. Australian authorities have requested another 140 personnel, who are expected to arrive in the next two weeks.

* Ecologists at the University of Sydney on Wednesday doubled their estimate of the number of animals killed or injured in the fires to 1 billion.

* Community leaders asked people to donate money instead of food and clothing because small communities are being overwhelmed by goods that they do not need. Authorities warned people to check the bona fides of people collecting donations amid a growing number of online scams.

* Smoke from wildfires has drifted across the Pacific and affected cities in South America, and may have reached the Antarctic, the UN World Meteorological Organisation said.

* The fires have already emitted 400 megatonnes of carbon dioxide into the atmosphere and produced harmful pollutants, the EU's Copernicus monitoring programme said.

* Moody's Analytics said the cost of the fires could easily surpass that of the deadly 2009 Black Saturday fires that destroyed 450,000 hectares of land, which cost an estimated A$4.4 billion.

* There are 128 fires ablaze across NSW, with around 50 uncontained. All the fires were at the "advice" level, the lowest alert rating. Victoria state had 40 fires with 13 "watch and act" alerts.

* Prime Minister Morrison has pledged A$2 billion ($1.37 billion) to a newly created National Bushfire Recovery Agency.

* More than 100 military personnel were being deployed to help with clean-up efforts across the state.

* Emergency services have dismissed claims the fires are caused by environmentalists stopping controlled burn-offs. Rural Fire Services Commissioner Fitzsimmons: "Hazard reduction burning is really challenging and the single biggest impediment to completing hazard reduction burning is the weather."

* Prince Charles joined list of global figures to send a message of support, referring to the "appalling horror unfolding in Australia" in a video sent overnight.

Samsung Electronics flags drop in Q4 operating profit

Afp, *Seoul*

Samsung Electronics' operating profits fell by more than a third in the fourth quarter, the world's biggest manufacturer of smartphones and memory chips estimated Wednesday.

Samsung was hit by a series of difficulties in 2019, with chip stockpiles bloating and prices falling, in contrast to the booming market of previous years.

The premium smartphone market has also grown fiercely competitive with buyers waiting longer before upgrading to new models.

But the figures beat expectations, analysts said, with chip demand starting to improve and strong smartphone sales.

The forecast represented a relative improvement -- in each of the first three quarters of 2019 net profits fell by more than half year-on-year.

Samsung Electronics is crucial to South Korea's economic health. It is the flagship subsidiary of the giant Samsung Group, by far the largest of the family-controlled conglomerates, known as chaebols, that dominate business in the world's 11th-largest economy.

In an earnings guidance statement, Samsung Electronics projected operating profits in the October to December period at 7.1 trillion won ($6.1 billion), down 34.2 percent year-on-year.

Sales were forecast to be flat at 59 trillion won, it added.

For full-year 2019, it predicted operating profits of 27.7 trillion won, down 52.9 percent, on sales down 5.8 percent to 229.5 trillion won.

The company has been strained by a protracted trade dispute between China and the US, and been caught up in a diplomatic row between Seoul and Tokyo over historical disputes, with Japan imposing tough restrictions on exports crucial to South Korean tech giants in July.

In another shadow hanging over the firm, its vice chairman and de-facto leader Lee Jae-yong is on trial for the second time over the sprawling corruption scandal that led to the impeachment of South Korea's former president Park Geun-hye.

A guilty verdict and long prison sentence would deprive the firm of its top decision maker.

Lee was initially jailed for five years in 2017 on multiple convictions including bribery, then released after several of his convictions were quashed, only for the Supreme Court in August to order a retrial.

Its board chairman Lee Sang-hoon was also jailed last month for sabotaging union activities, prompting a rare apology from the firm.

REUTERS/FILE

The Sera, a television that can be viewed horizontally or vertically, is displayed in the Samsung booth during the 2020 CES in Las Vegas, US on January 7.