

Hitachi looks to widen net

Begins sale of new freezers through Transcom

STAR BUSINESS REPORT

Hitachi, a Japanese multinational conglomerate company headquartered in Tokyo, is keen to enhance their market share in Bangladesh by providing high quality and environmentally friendly products, according to Hiroshi Honda, a general manager of Hitachi Home Electronics Asia.

"Hitachi has a plan to increase investment in Bangladesh and provide the next generation of advanced technology products," Honda said while addressing a launching programme for a pair of high-end Hitachi refrigerators.

The programme, organised by Transcom Electronics Limited, was held at the International Conference Centre Bangladesh (ICCB) in Kuril yesterday.

In 2020, Hitachi plan to escalate their growth in the market. To cater to their customers, Hitachi will look to broaden their product range.

"Our new year resolution is to deliver a truly differentiated line of home appliances that can successfully meet local needs," said Honda, adding

that Hitachi is a pioneer of high-tech electronics production.

Transcom Electronics, the country's foremost electronic product distributor, has purchased the rights to sell the two refrigerators showcased at the ICCB.

The first model, the HITACHI R-M820VAG9PBX Side by Side, is a double door refrigerator, featuring a vacuum compartment, powerful deodorization capabilities, energy-efficient inverter technology, and an eco-monitoring sensor.

The second model, the HITACHI R-WB640VOPB 4D French Bottom Freezer, also includes vacuum compartments and deodorization technology with triple power filter alongside auto doors and an exterior LED handle.

The first icebox will be priced at Tk 465,000 while the second, which comes in two colours -- Glass Black and New Glass Brown -- will cost Tk 210,000.

The event focused on HITACHI's future plans in Bangladesh.

As of 2018, Hitachi's growth in the market was 40 per cent but that value

increased to 56 per cent in 2019, said Yeamin Sharif Chowdhury, a director of Transcom Electronics.

The company plans to further increase its penetration in the market by increasing growth to 100 per cent. To do so, the company will widen its retail and dealer network.

"By maintaining competitive pricing, strong partner management, attractive consumer promotions and providing quality services instantly, we will increase the scope of this business by 360 degrees," Chowdhury said.

Transcom Electronics provides original brands and quality products with superior service in order to enhance the lifestyle of consumers in Bangladesh.

Transcom Electronics is an official service partner of Hitachi and other high-end brands which are available in Bangladesh. The company is the most trustworthy and promising multi-brand electronics retailer of the country, he added.

The event was attended by senior officials from HITACHI and Tarun Jain, general manager of the west region of India Business.

Declared yarn but imported sand

STAFF CORRESPONDENT, Ctg

Chittagong Customs House yesterday seized two containers filled with 4,000 sacks of sand, which were imported in the name of polyester textured yarn.

Shoara Fashion declared in its import documents that it will brought in \$49,697 or Tk 43 lakh worth of yarn from China.

The consignments arrived in Chattogram port on January 22, which were exported by Xingtai Yameizhi Textile Co Ltd in China, Customs Commissioner Fakhrul Alam told The Daily Star.

"We have to investigate whether it's a case of money laundering or the importer is being cheated."

Travellers can now carry up to \$10,000

STAR BUSINESS REPORT

Each traveller can now carry up to \$10,000 without declaration while departing or entering Bangladesh.

The central bank yesterday doubled the limit for both inbound and outbound passengers as part of efforts to boost the flow of the cash US dollar.

The inbound passengers will have to fill in the Foreign Money and Jewellery form if the amount crosses \$10,000, according to a Bangladesh Bank notice sent out to banks.

The move will encourage travellers to

carry up more foreign currencies while entering the country, which will put a positive impact on remittance, said officials of the banking watchdog.

In January, expatriate Bangladeshis sent home \$1.63 billion to take the total thus far in the fiscal year to \$11.04 billion.

Between the months of July and January this fiscal year, remittance was up 21.43 per cent year-on-year.

As per the central bank's rule, both expatriate and non-expatriate Bangladeshis are allowed to keep the foreign currency in their hands for a maximum of one month.

India electricity supply rises

REUTERS, New Delhi

India's electricity supply rose 3.25 per cent during the month of January after five straight months of decline, provisional government data showed, in a relief for power producers.

Power supply rose to 106.36 billion units in January, up from 103.01 billion units last year, an analysis of daily load despatch data from state-run Power System Operation Corp Ltd (POSOCO) showed.

India's Central Electricity Authority (CEA), an arm of the federal power ministry,

is expected to release official data on power demand later this month. POSOCO releases provisional load despatch data every day.

Higher electricity supply could mean a rise in power demand, as electricity deficit in India is marginal. Electricity demand is seen by economists as an important indicator of industrial output and a deceleration could point to a further slowdown.

However, the potential rise would be from a low base, as electricity demand grew at the slowest pace in January 2019 in nearly two years, CEA data showed.

'If we face any challenges, customers will suffer'

FROM PAGE B1

In the culmination of a legal battle, the Supreme Court directed Grameenphone to pay Tk 2,000 crore by February 23, but the operator expressed its intention to pay only Tk 575 crore in twelve instalments and filed a review petition to that end.

The run-in with the regulator is already taking a toll on customers, according to Azman.

The operator had plans to establish about 2,000 new towers last year but they could not do so due to regulatory challenges, he said.

Azman, however, is hopeful of breaking the impasse through

discussion.

"I have reached out to the government high-ups and their response was positive. However, as the matter is pending with the court, the government will wait for the final verdict."

Because of the tussle with the regulator, the mobile industry was deprived of Tk 5,000 crore investment last year and is now struggling to prepare a complete plan for 2020 due to unpredictability, he said.

On the upcoming 5G technology, Azman said the government is planning to launch the service within the next two years and Grameenphone

is also taking preparations for that.

"But in such a situation, it's difficult to focus on 5G as we need better network expansion for 4G. Our plan is to set up 4,000 towers by the end of this year and reach 90 per cent population with 4G services," he said.

The Grameenphone CEO said there are some misconceptions about their contribution to the country. Grameenphone has so far contributed around Tk 75,450 crore to the state coffers, he said. From every Tk 100 of their revenue, the company has paid Tk 59.2 to the government in the form of taxes, VAT, duties, licence/spectrum and revenue fees, he added.



MIDLAND BANK

Md Ahsan-uz Zaman, CEO of Midland Bank, opens a branch of the bank at Bheramara in Kushtia on Sunday.

NCC Bank gets new DMD

STAR BUSINESS DESK

M Shamsul Arefin has recently been promoted to the post of deputy managing director of NCC Bank.



Prior to the promotion, he was the bank's senior executive vice president and the head of CRM division, according to a statement. Arefin started his banking career as a probationary officer at the Eastern Bank in 1994.

He achieved his master of commerce (finance) from the University of Dhaka.

Export diversification hinges on access to bonded warehouse

FROM PAGE B1

He spoke at a session of the two-day SANEM Annual Economists' Conference 2020.

South Asian Network for Economic Modeling (SANEM) organised the event for the fifth time at the Spectra Convention Centre in Dhaka, Bangladesh.

Sattar said Bangladesh exported 1,605 items in 2018 and nearly 250 of those were RMG items.

Of them, 299 products registered over \$1 million in export receipts and the rest—none of which use bonded warehouse facility—recorded below \$1 million, he said.

Sattar said high tariff to protect domestic industries has also created an anti-export bias among non-RMG exporters.

"We have a system of perpetual protection when choice comes for producing for domestic market. Non-garment gets high incentive to produce for the domestic market," he said.

Sattar said non-garments must have access to bonded warehouse benefits for export diversification.

Non-RMG exports ranged between \$5 billion to \$7 billion a year during fiscal year 2013-17, said Nusrat Nahid Babi, private sector specialist of World Bank Group.

Effective bonded warehouse benefits could have boosted non-RMG exports by approximately \$1.5 billion a year, she said.

She said Bangladesh's source of cost competitiveness is low-cost labour but raw materials and intermediate goods are subject to tariffs.

"To be competitive, Bangladeshi exporters need to be guaranteed imported inputs at world prices.

That is, imports must be available at duty-free prices, upfront," she said, adding that bonded warehouse benefits ensure duty-free imports, creating a level playing field on the global market.

"Then labour cost advantage can be

exploited fully. As long as tariffs exist and remain high, bonded warehouse benefit is a must for export success," said Babi.

She said though existing statutory regulatory order extends bonded warehouse facility to non-RMG, grant of licence is selective because they are not 100 per cent export-oriented.

Mindset is an issue, she said. Manual administrative and supervision process is another challenge, she added.

Answer lies in modernisation and full automation of bonded warehouse management, she said.

Bonded warehouse benefits helped apparel sector grow, said Asif Ibrahim, vice chairman of Newage Group.

Policy should be consistent to every sector, not biased to one sector, he said, also suggesting rationalisation of tariff structure.

There is no discrimination in policy regarding bonded warehouse privilege between RMG and non-RMG sectors, said Abu Nur Rashed Ahmed, additional

commissioner of the Customs Bond Commissionerate, Dhaka.

"We provide equal access as per rule. It is not that we have not given licences to any sector. They have to apply," he said.

A list of products having competitive advantage should be prepared and bonded warehouse benefits can be provided to those sectors, said Abul Kasem Khan, managing director of AK Khan Telecom Ltd.

Citing small and medium exporters, he suggested establishment of common bonded warehouses to increase shipment.

Leakage of bonded warehouse is a matter of concern for the revenue authority and the finance ministry officials, said Masrur Reaz, senior economist and programme manager of the World Bank Group in Dhaka.

"This can be reduced to a large extent through tech upgrade in bonded warehouse system."

A change in mindset be the beginning of a new journey, he said.

CATL signs battery supply deal with Tesla

REUTERS, Shanghai

China's top electric vehicle battery maker CATL said on Monday it has signed a battery supply agreement with Tesla.

Tesla will determine the battery purchase volume between July 2020 and June 2022, according to its own needs, CATL said in a stock exchange filing, adding the agreement does not impose restrictions on Tesla's purchase volume.

Tesla, which has a long-standing battery supply agreement with Japan's Panasonic Corp, said during its earnings call last week that its pact with LG Chem and CATL was at a smaller scale.

The billion-dollar hit job

FROM PAGE B1

RCBC was the perfect choice for the hackers, according to a court document of a case filed with the New York court by the BB.

The Filipino bank had correspondent bank accounts with commercial banks in New York City that would serve as intermediary accounts to receive, directly from the New York Fed, the Bangladesh Bank's stolen funds and then transfer them out of the US to fictitious accounts.

Five fictitious US dollar accounts were opened on May 15, 2015, almost nine months before the theft. Each was opened as an account to hold US dollars, signalling that conspirators understood, intended and plotted to reach into the US -- specifically into New York and the BB's account at the New York Fed -- to steal funds.

The accounts sat unused -- with no transactions -- until February 5, 2016 when it received the stolen funds. Virtually the entirety of that amount by the four account was withdrawn by February 9, 2016.

A fifth fictitious US dollar account was opened in the name of Ralph Campo Picache also with a deposit of \$500.

It sat unused, and remained unused throughout the conspiracy, although not for lack of trying.

Approximately \$170 million in fraudulent payment instructions were destined for the fictitious Picache Account but, unlike the other four fictitious accounts, none of the payment instructions to this account were executed by the New York Fed.

"RCBC has since admitted that all of these accounts were fake, and established for fictitious persons, which begs the question of who could legitimately operate these accounts when there was no real owner," the court documents said.

"The answer is that the only entity that could transfer funds in and out of these accounts -- which had no other owner -- was RCBC itself, by and through its personnel, which involved multiple individuals up to the highest levels of RCBC," the document added.

Later that year, on December 8, 2015, about two months before the theft, RCBC opened accounts for each of the five fictitious beneficiaries. These accounts were held in the Philippine peso, not the US dollar like the earlier fictitious accounts.

RCBC opened the five new accounts of the fictitious beneficiaries with no initial deposit, unlike the fictitious US dollar accounts, and the accounts never held any funds and were never involved in any transactions.

They were preparatory, opened only to be used in the event that the thieves needed additional peso accounts to distribute and launder the stolen funds. As it turned out, the accounts were not needed, the court document showed.

NORTH KOREAN HACKERS

The wide-ranging conspiracy to rob hundreds of millions of dollars from the BB began years earlier with, on information and belief, North Korean hackers.

According to the FBI, among others, before the North Korean hackers executed their fraudulent transfer of funds from the BB's New York Fed account, they first used the same or similar tools and techniques to accomplish the well-publicised attack on Sony.

Indeed, computer forensics firms including BAE Systems have reviewed the "attack toolkit" of malware used against the BB (and then against other banks) and those firms have concluded that the malware was custom-configured to "register itself as a service and operate in an environment running SWIFT's Alliance Access software suite, [and] allow transactions to be deleted and records changed."

Starting in 2014, the hackers used the same tools and techniques that they would later use on the BB, and try to use on other banks, to infiltrate the computer systems of Sony, a multi-national, global, and sophisticated company, and steal huge amounts of data, financial information and records, credentials and user information. And they covered their tracks on the way out.

By January 2015, as explained by the FBI, the North Korean hackers had specifically identified BB, among other banks, as one of the targets of their attack and theft.

The criminal enterprise had come together, and the co-conspirators began to open more fictitious bank accounts held in US dollars at RCBC in the Philippines, the court document showed.

The North Korean hackers also began their spear-phishing email campaign, sending fraudulent emails to the bank's employees

misrepresenting that the fake senders were seeking employment.

The link to the "resumé and cover letter" hosted the malware that enabled the initial access to the BB's computers.

The North Korean hackers also sent fraudulent spear-phishing emails to the BB's employees appearing to be "LinkedIn" invitations. This is how the North Korean hackers first fraudulently gained access to those users' computers.

From there, by March 2015, the North Korean hackers had installed other forms of malware specifically designed to create a backdoor into the BB network, allowing the North Korean hackers to access the network, collect information, crawl across different computer systems, and then fraudulently communicate within the network over a custom binary protocol designed to appear merely as Transport Layer Security traffic.

In other words, the North Korean hackers covered their tracks by using a communication protocol that misrepresents itself as authentic encrypted communications and allowed North Korean hackers to communicate the stolen data and information without tripping security alerts.

These techniques, known to the international cybersecurity and law enforcement community, were traceable only after the attack was uncovered.

Finally, on January 29, 2016, only six days before the theft, the hackers began to covertly move across the BB network, from the computers in which they had originally installed the malware, to the SWIFTLIVE system critical to the processing of SWIFT messages like those used to execute the heist.

The Farashuddin report criticised SWIFT for its odd-looking attempt to get a copy of the Mandiant report, which proved that it was liable for the heist directly or indirectly.

About the Fed's role, the probe said when the New York Fed received the fund transfer requests, it became suspicious.

It had kept the fund transfer on hold and sought more information and interpretation about beneficiaries. But by the time, it sought the additional information, it was already 3:59am Friday in Dhaka.

The weekend had already started. Before receiving any responses from the BB, it

executed five payment instructions. After transferring the funds, it sent queries to the central bank as it was suspicious about the beneficiaries.

So, the New York Fed could not evade its responsibility of stealing of the funds from the BB's reserves, the probe report said.

The liability of the Fed was created after it transferred the funds despite having suspicions about the payment instructions and the beneficiaries.

The primary responsibility for the \$81 million reserve heist lies with SWIFT authorities, the report said. BB steps aimed at forestalling unauthorised payments were not adequate, the probe report said.

The central bank officials did not try to employ the manual system to retrieve the messages from the New York Fed when they return to work on Friday morning. Besides, they did not immediately apprise the higher authorities about the incident.

"We have not got any conclusive evidence to say conclusively whether any BB officials were knowingly involved with the heist. But we have serious suspicion about collusion of at least two officials," the probe report said.

The lackadaisical work style of the BB officials paved the way for the criminals to hatch the plan.

RECOMMENDATIONS

"It was not right to connect the computers of the BB with the SWIFT network through the RTGS," the probe report said.

The process to send SWIFT messages was made insecure in August-October 2015, when the SWIFT system and the BB-RTGS was connected.

It will be logical to de-link the BB-RTGS from the SWIFT and kept the SWIFT system alive in a standalone system.

Special training should be arranged for the people responsible to send payment instructions and there should be the highest level of security clearance in place.

The probe report recommended taking comprehensive measure through political leadership and diplomatic strategy and using legal experts.

It called for preparing and maintaining policy documents listing high-level requirement about network architecture and security.

Proper network segmentation needs to be placed at all levels and user workstations should never reach a server without passing through a firewall.

Operating systems of all machines should be up-to-date with latest security and other fixes and anti-virus software should be installed and regularly updated in all machines.

Remote desktop feature should be disabled in critical servers and workstation users should be cautioned not to browse irrelevant websites.

Access credentials of all the network equipment should be changed periodically, the report recommended.

SWIFT should introduce an SOS message type to immediately warn all concerned parties about possible system breach. Proper IT training needs to be arranged for users at all levels. Periodic auditing of different aspects of IT infrastructure, security and system usage needs to be performed.

Skilled and educated workforce need to be employed to manage the network and system operations, the report said.

DELAY IN PUBLISHING REPORT

As the report was not sent to the central bank from the government, it could not implement the recommendations, said Abu Hena Mohd Razee Hassan, a former deputy governor of the BB and now head of the Bangladesh Financial Intelligence Unit. He was one of the deputy governors at the time of hacking.

In an interview with The Daily Star recently, AMA Muhith, who was the finance minister when the heist took place, said: "We didn't publish the Farashuddin committee report as the Fed had something to do with it -- they didn't want the publication of the report."

"I don't think it would have caused any harm if the report was published. Maybe at first there would have been problems but not now. I don't think if it is published now it will cause any problem. It has been so long."

The government can't disclose the Farashuddin-led committee's investigation report on the BB reserve heist so that probe by the Criminal Investigation Department is not influenced, Finance Minister AHM Mustafa Kamal told the parliament in February last year.

The probe body thanked the BB for bringing forward the hiring of world-renowned cyber security firm FireEye Mandiant to probe the incident.