



New country director for ADA

STAR BUSINESS DESK

Analytics Data Advertising (ADA), a concern of Axiata Group integrating digital marketing business with data science, technology, content and media, has recently appointed a new country director for Bangladesh effective from February 1.

Having worked at Grameenphone and Robi in various capacities, Ashraf Haque will be based in Dhaka, in charge of establishing ada as the most reliable data partner to drive business growth for different companies, says a press release.

This will be achieved using business insights and digital media planning combined with creative solutions, it adds. Haque has around 20 years' experience in consumer marketing and leadership roles in building brands.

Indian industry seeks cut in import duties to tackle disruptions due to coronavirus

REUTERS, New Delhi

Indian business leaders are demanding cuts in import duties on antibiotic drugs, mobile parts and other items as the outbreak of the coronavirus has disrupted supplies from China, government and industry officials said.

The outbreak of the virus in China has hit India's manufacturing and exports of medicines, electronic, textile and chemicals as China is the biggest source of intermediate goods, worth \$30 billion a year, according to a presentation by the Confederation of Indian Industries (CII), seen by Reuters.

The confederation will show the presentation on Tuesday when Finance Minister Nirmala Sitharaman meets more than 200 business leaders to assess the impact of the coronavirus and discuss plans to contain the damages.

The government should "remove higher import duties on certain products, primarily imported from China" but available in other countries, the presentation by the CII said.

"The government may offer credit with a backstop facility of guarantee for companies which have the capability to start immediate production of items that can feed into domestic consumption," it said.

The coronavirus outbreak, which has now killed more than 1,800 people in China, has disrupted supplies of raw material to other countries. "India sources about 65-70 per cent of active pharmaceutical ingredients and close to 90 per cent of certain mobile phone parts from China," a presentation by another

industry chamber, which represents more than 250,000 companies but did not wish to be identified, said.

Ratings agency Moody's said on Tuesday that the coronavirus outbreak added to pressures on growth in Asia, with the impact felt primarily through trade and tourism, and for some sectors through supply-chain disruptions.

Moody's cut its economic growth forecast for India to 5.4 per cent for 2020 from an earlier estimate of 6.6 per cent, and to 5.8 per cent for 2021 from 6.7 per cent, saying the revisions were also affected by weakening domestic demand.

"Overall, the impact of coronavirus on industry has been moderate so far," said an industry official, who declined

to be named, adding the impact could continue for at least two quarters.

Daara Patel, secretary general of the Indian Drug Manufacturers Association, which represents over 900 drug producers, said the industry was facing rising prices of raw material and supply shortages. "The prices of some antibiotics, vitamins and other medicines have gone up by 15-50 per cent following fear of disruption in supply of ingredients," he said.

The pharmaceuticals industry is concerned that stocks of active ingredients for drugs like paracetamol, ibuprofen, could last for 15 days and for two-three months for other drugs, the presentation by the unnamed industry chamber showed.



REUTERS/FILE

An India rupee note is seen in this illustration photo.

Square Pharma to set up subsidiary



STAR BUSINESS DESK

Square Pharmaceuticals is set to establish a subsidiary company named Square Lifesciences to manufacture pharmaceuticals oral solid dosage products.

The estimated cost for the subsidiary would be TK 350 crore. The amount would be internally generated, according to a statement.

The plant is expected to be complete by June 2023, the statement added.

German minimum wage brought productivity boost: study

AFP, Frankfurt

Productivity by German workers has increased since the country introduced a minimum wage in 2015, a study published Tuesday by Anglo-German researchers showed.

"Contrary to concerns that marked the debate before the national minimum wage was introduced, we did not find that it led to a reduction in employment," University College London (UCL) researcher Christian Dustmann said in a statement.

"On the contrary, the minimum wage increased productivity by redistributing workers from less productive to more productive companies," Dustmann added.

Once the minimum wage was introduced, some low-wage employees moved to bigger companies where more full-time jobs requiring better qualifications were available, the group from UCL and German Institute for Labour Market Research (IAB) found.

Such firms also pay a higher wage premium for comparable work.



Mominul Islam

BLFCA elects top brass

STAR BUSINESS DESK

Mominul Islam, managing director and CEO of IPDC Finance, was recently elected chairman of the Bangladesh Leasing and Finance Companies Association (BLFCA) for a two-year term.

The association also elected Md Golam Sarwar Bhuiyan, Abu Zafare Md Saleh and AFM Barkatullah as its first vice chairman, second vice chairman and treasurer respectively, according to a statement.

The other executive committee members are Arif Khan, Md Khalilur Rahman, Iftekhar Ali Khan, SM Shamsul Arefin, Santanu Saha, Chowdhury Manzoor Liaquat and Irteza Ahmed Khan, the statement added.

BTRC floats tender to block illegal handset import

FROM PAGE B4

The companies must have a track record of making similar supplies worth a minimum of \$5 million in the past five years.

The required average annual turnover of the participants must be at least \$1 million in last three years.

Firms having the technical and legal competencies for developing such a product can jointly apply but they must first engage in a legal agreement for one of them to be the lead firm, reads the tender.

The BTRC in a notice in July last year asked citizens to check the authenticity of

mobile handsets before making purchases and warned that it would disconnect fake handsets once the NEIR comes into operation.

In the notice, the telecom regulator said the same would apply for mobile phones found to be a clone or carrying a wrong IMEI number.

The BTRC officials said the commission was hoping to start running the NEIR by the end of this year.

Handset sales reached 3.28 crore units in 2019. Some 66 lakh of it were illegally imported, according to local handset manufacturers.

Four projects to aid neighbouring transits, business hubs get nod

FROM PAGE B4

The planning minister's proposal says a Chinese economic zone was being built in Anwara alongside a fertiliser factory. This road would come to their aid, facilitating smoother connectivity with the Chattogram port and that of Dhaka-Chattogram-Cox's Bazar.

A 28.54-kilometre road coming down from the Padma bridge to Jazira and then Shariatpur would be made into four-lane at a cost of Tk 1,682 crore.

Of it, two kilometres would be completely new, establishing direct connectivity between Dhaka and Shariatpur.

Planning ministry officials said this road project would help agricultural produce of Shariatpur and adjoining regions reach Dhaka.

Including the four, a total of nine projects worth Tk 13,639 crore were passed in the Ecne meeting.

Tesla in talks to use CATL's cobalt-free batteries in China-made cars

REUTERS, Beijing

Tesla is in advanced stages of talks to use batteries from CATL that contain no cobalt - one of the most expensive metals in electric vehicle (EV) batteries - in cars made at its China plant, people familiar with the matter said.

Adoption would mark the first time for the U.S. automaker to include so-called lithium iron phosphate (LFP) batteries in

told Reuters.

It was not clear to what extent Tesla intends to use LFP batteries but the automaker has no plans to stop using its current NCA batteries, said one of the people.

Tesla has been ramping up production of its Model 3 cars at its newly built \$2 billion Shanghai plant and cutting prices to win market share from conventional premium automakers such as Germany's



REUTERS/FILE

A China-made Tesla Model 3 vehicle is seen at a delivery ceremony at the Shanghai Gigafactory of the US electric car maker in Shanghai.

its lineup, as it seeks to lower production costs amid faltering overall EV sales in China.

Tesla has been talking to the Chinese manufacturer for more than a year to supply LFP batteries that will be cheaper than its existing batteries by a "double-digit percent," said a person directly involved in the matter, who was not authorized to speak with media and so declined to be identified. Tesla Inc and Contemporary Amperex Technology Co Ltd (CATL) declined to comment.

EV manufacturers usually use nickel-cobalt-aluminum (NCA) or nickel-manganese-cobalt (NMC) batteries on passenger vehicles because of their higher energy density, which is critical in determining how far an EV can drive on single charge.

To boost the density and safety of its LFP batteries, CATL has been working on its so-called cell-to-pack technology, the people

BMW AG and Daimler AG.

Tesla started to deliver cars from the factory in December, helping it save on shipping costs and tariffs for imported models. It is currently seeking regulatory approval to make longer-range Model 3 cars at the plant.

Sales in China of new energy vehicles - referring to battery-only, plug-in hybrid and fuel-cell vehicles - likely sank 54.4% in January, industry data showed, due in part to the Lunar New Year holiday starting earlier than last year as well as the impact of the outbreak in China of a new coronavirus.

The use of LFP batteries will also help Chief Executive Elon Musk meet a 2018 promise that Tesla would cut the use of cobalt - which costs some \$33,500 a tonne - to "almost nothing".

Tesla plans to host a battery event, probably in April, to share its future battery strategy and technology, Musk said at an earnings conference in January.

Recession risk forces BOJ to row back on inflation goal

REUTERS, Tokyo

The widening economic fallout from the coronavirus outbreak and soft consumption are forcing the Bank of Japan to message more strongly that it is no longer inclined to chase its elusive 2 per cent inflation target, sources familiar with its thinking say.

After years of trying to vanquish deflation by setting an ambitious price goal, Japan's waning recovery prospects and a dwindling policy tool-kit have made the BOJ more open to conceding that the best it can do is to keep the

economy afloat, the sources said.

The need to protect the world's third-largest economy from a sharp downturn has become a more urgent task for the BOJ, particularly as external risks such the Sino-U.S. trade war and a coronavirus outbreak in China weaken its ability to create a virtuous growth cycle.

"While the inflation target remains very important, the focus of the BOJ's policy has shifted toward keeping the economy on a sustainable recovery path," one of the sources said.

The trade-reliant economy shrank at the fastest pace in six years

in the December quarter on soft consumption. Some analysts see Japan tipping into recession as the coronavirus outbreak disrupts supply chains and hits tourism.

Making matters worse is the rising prices of goods and services, once welcomed by the BOJ as a sign of progress but now seen as impeding domestic consumption at a time of intensifying global pressures.

For one thing, the prices are being driven up by companies passing on higher labor and material costs to consumers, rather than an inflationary impulse reflecting improving demand.

Bombardier agrees \$8.2b deal to sell rail unit to Alstom

REUTERS, Paris/Montreal

Canada's Bombardier said on Monday it had agreed to sell its rail division to France's Alstom for an enterprise value of \$8.2 billion, as it focuses purely on business aviation and pays down debt.

That price tag includes equity plus debt. The deal will be done majoritarily in cash, with a chunk paid in new Alstom shares, Bombardier and Alstom confirmed in separate statements.

Bombardier said it would be receiving net proceeds of between \$4.2 and \$4.5 billion, once it accounts for the portion that will go to Canadian pension fund manager Caisse de dépôt et placement du Québec, a 30 per cent shareholder in the rail unit.

Caisse will become the biggest shareholder in Alstom following the deal, which is expected to close in the first half of 2021, Bombardier added.



SIBL

Md Sirajul Hoque, deputy managing director of Social Islami Bank, distributes agricultural finance at 4 per cent profit rate among soybean cultivators at Kamalnagar in Lakshmipur recently.

Agent banking: the bright spot in lending landscape

FROM PAGE B1

Agents provide services such as cash deposits, withdrawals, remittance disbursement, small value loan disbursement and recovery of loans, and cash payments under the government's social safety net programmes.

"The banking service has caught the attention of rural people very fast due to its hassle-free services," said Md Anwarul Islam, general manager of the Financial Inclusion Department of the central bank.

The Financial Inclusion Department is dedicated to monitoring agent banking.

"Customers initially faced some sort of confusion on whether the outlets actually ran banking services. But such ambiguity has been removed, which had helped agent banking to flourish."

Banks will introduce the electronic Know Your Customer (e-KYC) for agent banking soon, which will let clients open accounts within 5-6 minutes, he said.

"This will give further boost to agent banking," Islam added.

Outlets of agent banking distributed Tk 15,534 crore in remittance last year, up a staggering 180 per cent year-on-year.

Receivers of remittance usually go to their bank branches to collect remittance, but they can easily receive the funds from agent banking outlets that tend to be located adjacent to their home, said a Bangladesh Bank official.

Besides, for the lenders agent banking is a source of low-cost deposits: the cost of collecting deposits through the winder is 1-1.5 per cent lower.

"And people in rural areas mostly prefer savings accounts," he said.

As of December last year, 21 banks combined have 52.68 lakh accounts, up 114 per cent from a year earlier.

Japanese firms most optimistic of their prospects in Bangladesh out of Asia

FROM PAGE B1

"Local production cost is 30.4 per cent cheaper in Bangladesh compared with that in Japan," said the survey report.

JETRO found the Japanese firms were concerned about the time taken up at ports, saying it took 14.3 days on an average for freight to get import clearance upon arrival at a sea port. For airports it was 8.1 days. Bangladesh ranked the worst in this case.

In case of making recruitments or developing human resources in Bangladesh, 81.3 per cent of the companies were facing difficulties due to a lack of skilled workforce or

technically sound workers.

Some 61.9 per cent of the employers raised concerns about the quality of employees. Last year it was 62.5 per cent.

JETRO suggested Bangladesh focus on skills development education or vocational training centres and initiatives for improving the quality of education.

Besides, it found 70.8 per cent of the companies facing difficulties in local procurement of raw materials due to a lack of backward linkage industries.

As of December 2019, some 300 Japanese companies were doing

business in Bangladesh. There were only 82 of them a decade ago.

As of December last year, Japanese private companies invested \$386 million in Bangladesh.

"The next five years would be very important for Japanese firms as the basic infrastructure would be set up in Bangladesh," said Yuji Ando, country representative of JETRO.

The country has been achieving a steady growth over the years, which was encouraging Japanese investors to come over.

"But now, improvements were being made towards a business-friendly environment," he added.