

Despite trade wars, Trump says US 'open for business'

AFP, Washington

President Donald Trump said Tuesday that he wants to avoid policies that make it difficult for other countries to do business with the United States -- even as his administration has done precisely the opposite.

Trump has imposed tariffs on billions of dollars in goods and launched disputes with most key US trading partners over the past three years, but in a lengthy Twitter thread, the president said, "We don't want to make it impossible to do business with us. That will only mean that orders will go to someplace else." "The United States cannot, & will not, become such a difficult place to deal with in terms of foreign countries buying our product, including for the always used National Security excuse, that our companies will be forced to leave in order to remain competitive," he tweeted.

Trump appeared to be directing his tweets at hardliners in his White House, referring to a proposal to block General Electric from selling jet engines to China.

"I want China to buy our jet engines, the best in the World," he said. "I have seen some of the regulations being circulated... and they are ridiculous." US officials are considering denying a license to CFM

International, a joint venture between GE and France's Safran SA, to export more of its jet engines to China, the Wall Street Journal reported over the weekend, citing people familiar with the discussions.

The report said the aim was to cripple development of China's Comac airliner. But Trump has freely used the national security justification in his confrontational trade strategy, imposing tariffs on steel and aluminum worldwide to protect key American industry, and threatening to do likewise for cars from Europe.

In the most costly trade conflict, Trump announced tariffs on virtually 100 percent of goods imported from China. A truce signed in January suspended the most damaging of those, but the majority remain in place.

US trading partners have not stood idly by as Trump imposes tariffs, retaliating with punitive duties on American goods like bourbon, motorcycles and farm products, which obliged the government to provide millions in aid to farmers.

In the latest dispute -- a 15-year-old case over European government subsidies to Airbus -- Washington hit out with 25 percent tariffs on a host of goods, including Scotch whisky, French and Spanish wines, and English cheeses. Trump also slapped penalties on French goods in response to a digital tax.

Singer to launch free AC cleaning service

STAR BUSINESS DESK

Consumer electronics and home appliances company Singer is set to offer free cleaning services for its air conditioners.

Customers have to register through its website, call centre (16482) or by sending an SMS to 26969 between February 21 and 29 to avail the service, the company said in a statement yesterday.

Service personnel will be visiting residences of registered customers starting March 1 for providing the service. Last year, around 30,000 customers availed the service.



Simeen M Akhtar, senior medical director of Praava Health, attends the launch of its annual membership plan yesterday. Patients can avail three options: Praava Silver, Praava Gold, and Praava Platinum, which will cost Tk 3,500, Tk 7,500 and Tk 15,000 per year respectively.

Govt may revisit decision: Kamal

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Fixed deposits in post offices stood at Tk 15,500 crore in fiscal 2018-19. Deposits jumped 66 per cent year-on-year to nearly Tk 11,700 crore in the first half of the fiscal year, according to Bangladesh Post Office data.

"We will do whatever possible for the poor. But before doing so, we have to know who they really are," Kamal said, adding that the government will consider exempting tax for the marginalised people.

Critical day for Grameenphone

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"We do not intend to embezzle from Grameenphone. Rather, we want to collect public money. The administrative panel's main responsibility will be to realise the amount."

The administrator will enjoy full authority over hiring and firing of employees just as a chief executive officer would, while their remuneration will be similar to the company's top brass, he added.

The telecom regulator is also considering including retired civil and army bureaucrats alongside legal and finance experts and engineers on the panel.

About declining Grameenphone's offer of Tk 100 crore, Haque said the telecom regulator cannot receive any payment on the matter at this stage since the review petition hearing is scheduled for Thursday.

"Grameenphone went to the court, not us. Now as the matter is pending in a legal process we will wait until it ends. After the court's decision, we will take our next step," he added.

"It will take a long time to solve the problem in the court and as a part of the previous initiative to settle the issue outside of the court, we offered the sum," said Hossain Sadat, acting head of communications at Grameenphone. Grameenphone has full confidence in the legal system but made the offer to expedite an out-of-court settlement, he added.

After completing an audit of Grameenphone, the BTRC in 2016 claimed that the joint venture between Norway's Telenor Group and Grameen Telecom Corporation owed them Tk 12,579.95 crore in taxes, revenue share, spectrum charge and late fees accumulated over years.

The BTRC's claim was broken down as follows: the principal claim was only Tk 2,299 crore while Tk 6,194 crore was due in late fees and another Tk 4,086 crore was payable to the National Board of Revenue.

Following several initiatives were taken by both sides to open discussions, Grameenphone went to court on the matter and received an interim stay order.

After the BTRC lodged an appeal against the order on November 24, the Appellate Division asked the network operator to pay Tk 2,000 crore within three months if they

want the stay to continue.

On January 26, Grameenphone filed another review petition asking permission to pay Tk 575 crore to the telecom regulator as an adjustable deposit over a 12-month period. This meant that the carrier would pay Tk 47.92 crore each month.

GP'S ATTEMPT TO NEGOTIATE AUDIT FAILS

Just a day ahead of their review petition hearing, Grameenphone yesterday offered Tk 100 crore to BTRC.

"We offered Tk 100 crore to show our willingness for negotiation. The BTRC did not accept our offer," Shahadat Hossain, chief regulatory officer of Grameenphone, told reporters during a press meet at the Pan Pacific Sonargaon Dhaka Hotel, adding that the company was always willing to resolve the dispute through discussions.

Asked why the company did not respond to the government's request to deposit an amount to continue negotiations three months ago, he said: "We were ready for it and working on formulating an agreement so that we could pay some of the amount in an official manner."

"Through the media reports we came to know that government is set on appointing new administration at Grameenphone. To save the interest of our investors, we had to rush to the court," he added.

The BTRC ran its first audit of Grameenphone back in 2011 and found financial discrepancies amounting to Tk 3,034 crore in the operator's books from its inception in 1996 through March 2011.

Grameenphone then disputed the appointment process of the auditing firm and after a court ruling the BTRC in October 2015 appointed another firm, Toha Khan Zaman & Co, to run a fresh audit on the network operator's books from its inception till June 2015.

The methodology in the particular issue of the BTRC were questionable, said Grameenphone officials.

In July last year the telecom regulator temporarily slashed Grameenphone's bandwidth by 30 per cent and also topped giving approval to the operator to roll out new packages or services, or import network equipment to pressure them into clearing their dues.



Sultan Ahmed, secretary to the Power Division, launches the bank's vending station service for providing prepaid meter recharge service to the subscribers of Dhaka Electricity Supply Company at a hotel in Dhaka on Tuesday.

LDC graduation to boost Bangladesh's creditworthiness

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Rather, the lenders were increasing the rate for the increase in per capita income.

Besides, the GDP and per capita income of Bangladesh will also increase, so there is no reason to be worried about debt burden, he said.

Addressing the programme, ERD Secretary Monwar Ahmed said the Committee for Development Policy (CDP), a subsidiary of the Economic and Social Council (ECOSOC), would announce eligibility of graduation from LDC status in September 2021.

It will then observe the country for the next three years before coming up

with the final graduation declaration, he said.

But Bangladesh requested United Nations to complete the final review for the graduation before March 17 next year, the birthday of Bangabandhu Sheikh Mujibur Rahman, he added.

Regarding reduction of LDC benefits, the ERD secretary said all of the benefits would not instantly be annulled after the graduation for Bangladesh. The country would continue to enjoy at least some of the benefits for the next three years.

According to him, Bangladesh would obviously face some challenges but those should be turned into

opportunities.

Meanwhile Bangladesh will adopt an alternative development strategy to face the challenges during the interim period. However, he said, Bangladesh would enjoy some benefits after graduation.

Anwar Hossain, joint secretary to the ERD, gave a presentation on the topic, saying the graduation might increase borrowing costs but it would still be lesser than what was offered by alternative sources.

Abdul Baki and Md Rezaul Bashar Siddique, joint secretaries to the ERD, and Farid Aziz, joint chief of the ERD, also spoke at the programme.

Alphabet cuts cord on kite business

AFP, San Francisco

Google-parent Alphabet is shutting down a unit devoted to using high-tech kites to tap into wind energy for electricity, the chief of the team said on Tuesday.

Makani became a "moonshot" project in a special Alphabet X lab when the startup was acquired seven years ago.

The unit was turned into an independent business last year to see if it could fly on its own.

"Creating an entirely new kind of wind energy technology means facing business challenges as well as engineering challenges," Makani chief executive Fort Felker said in a post at Medium.

"Despite strong technical progress, the road to commercialization is longer and riskier than hoped, so from today Makani's time at Alphabet is coming to an end."

Indonesia proposes to tax sweet drinks, polluting cars, plastic

REUTERS, Jakarta

Indonesia's finance minister proposed on Wednesday new duties on sweetened drinks, vehicles that emit carbon dioxide and plastic bags, to control consumption of the products in Southeast Asia's largest economy.

Sri Mulyani Indrawati's proposal comes amid weak tax collection after the economy grew at its slowest pace in three years in 2019. Indonesia had a nearly \$15 billion revenue shortfall last year due to weak company profits and falling exports.

The proposal is to levy excise taxes ranging from 1,500 rupiah to 2,500 rupiah (\$0.11-\$0.18) per litre on sugar and artificial sugar-sweetened beverages, such as bottled tea, coffee, carbonated soft drinks and energy drinks, she told a hearing with parliament's finance commission. The aim is to cut consumption of sweet drinks, Indrawati said, arguing that the prevalence of diabetes and obesity levels have steadily increased in the past decade.

Some 2 per cent of Indonesians age 15 and above suffer from diabetes in 2018, up from 1.1 per cent in 2007, while the number of obese adults rose from 10.5 per cent in 2007 to 21.8 per cent in 2018.

Indrawati also brought up again her 2017 proposal to impose an excise tax of 200 rupiah per bag on plastic bags, which parliament has not approved yet. The levy, though small, can halve Indonesia's consumption of plastic bags to 53,533 tonnes a year, she argued.

The government also wants to impose duties on new vehicles that emit carbon dioxide as part of efforts to control pollution, the minister said. The tariffs would vary depending on emission levels and other aspects, she said, without providing details.

The total additional revenue expected from all three measures per fiscal year is 23.56 trillion rupiah or about \$1.72 billion - 1.61 trillion rupiah from plastic bags, 6.25 trillion rupiah from drinks and 15.7 trillion rupiah from vehicles, she said.

Managing carbon footprint -- a must do for sustainability

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This threshold was set as the experts believed, beyond this level the world would face catastrophic and irrecoverable climatic shock. However, to maintain temperature at 1.5 degree Celsius requires reducing emissions by 45 per cent from 2010 levels by 2030 and hit zero emissions by 2050.

Let's know focus on the rationales for reducing the carbon footprint:

i) Laws and regulations: Most developed countries are coming up with the regulations which are mandatory for the companies to abide by. For example, Energy Savings Opportunities Scheme (ESOS) is compulsory for every company which has 250 or more employees or an annual turnover exceeding €50m and a balance sheet exceeding €43m in the United Kingdom.

ii) Cost savings: Companies can save money and reduce energy uncertainties by using renewable energy sources which are obviously much cheaper.

iii) Customers' expectations: A survey conducted by Nielsen in 2014 found that 55 per cent of consumers in 60 countries worldwide are prepared to pay more for products and services provided by companies that are committed to positive social and environmental impact. Another online survey shows, 81 per cent of

global respondents feel strongly that companies should help improve the environment.

iv) Tax incentive: Authorities in different countries are incentivising companies for the efforts to reduce carbon footprints.

v) Better brand reputation: Companies which are genuinely putting efforts to reduce carbon footprints are well appreciated by the customers resultantly they remain ahead of their rivals in the marketplace.

vi) Pressure from the investors and other stakeholders: Because of the increasing awareness investors and other stakeholders expect companies to take appropriate measure to reduce emissions.

Question naturally arises - how can the business organisations address this critical challenge? Following points would help:

i) Measuring the current status: An organisation should first know how much emissions it generates. Once that is done, it should then set a target and start taking measures to reduce GHG emissions.

ii) Switch to renewable energy: Renewable energy source like solar or windmill help drastically to reduce emissions. Moreover, these sources are much cheaper. Besides the energy sources, organisation should look for overall energy efficiency gain in all its establishments

like corporate offices, factories, warehouses and in points of sale.

iii) Selecting right mode of transportation: Selecting appropriate mode of transportation helps to reduce emissions. For example: sea freight is always preferred to air freight.

iv) Reduce travel: With the advancement of technology organisation can easily avoid travel and accomplish many of its tasks by online meeting etc.

v) Reduce-Reuse-Recycle mindset: An organisation must look for reducing consumption of certain items, reuse certain products wherever possible and also to look for recycling opportunities to reduce waste.

Corporate leaders must keep in mind that business will only exist if mother earth exists. Therefore, they should immediately take all out measures to reduce carbon footprint for existence sake. Geoff Moore, professor of business ethics at Durham University Business School, appropriately said: "If we collectively do not address these issues, it is likely that the world will be largely uninhabitable by the end of this century. What more reason does business need?"

The writer is the chairman and managing director of BASF Bangladesh Ltd. Views expressed here are personal.

Govt's insatiable appetite for bank funds

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Provisional data showed the National Board of Revenue (NBR) could log in Tk 124,500 crore in the first seven months of the fiscal year, missing the target for the period by a whopping Tk 39,500 crore.

"The government should increase its revenue collection by hook or by crook in order to tackle the huge amount of borrowing from the banking sources. Or else, it will face a substantiate interest burden in the years ahead."

The large volume of government borrowing will have an adverse impact on the private sector in the coming days as businesses will be unable to get their requisite funds from banks.

At present, banks are not feeling the pinch as the demand for credit from the private sector is subdued, Rahman added.

Private sector credit growth stood at 9.83 per

cent in December last year, which is the lowest since 2008 at least. Available Bangladesh Bank data goes as far back as 2008.

But banks will face severe liquidity crunch when businesses will start expanding their investment in a full-fledged manner, Rahman said.

"We are not facing any difficulty to manage our funds right now," said Md Arfan Ali, managing director of Bank Asia, adding that the situation may not sustain in the long run given the upcoming probable credit demand.

Credit demand is expected to pick up from April, when banks will implement the single-digit lending rate on their all loan products except credit card, he added.

Besides, the government borrowing is likely to creep up in the final quarter of the fiscal year, when the implementation of ADP tends to be ramped up, said Syed Mahbubur Rahman,

managing director of Mutual Trust Bank.

"Banks would start facing problems then," he added. As of February 16, the government owes banks Tk 160,467 crore, up 48.44 per cent from June 30, 2019.

"A good number of banks are feeling comfortable about offering loans to the government as this is a completely risk-free lending," said AB Mirza Azizul Islam, a former finance adviser to a caretaker government.

Many banks are showing reluctance in giving out loans to the private sector as deposit growth has not increased as expected.

"The government should avoid massive government borrowing from banking sources for the greater interest of private sector. If the private sector is squeezed, employment generation will not widen. In such a situation, the country's GDP growth will face a hurdle," Islam added.



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