

SBI to invest 17.60b rupees in Yes Bank

REUTERS, Bengaluru

State bank of India, country's largest lender's executive committee has approved a further investment of upto 17.60 billion rupees in public offering of Yes Bank, according to a regulatory filing.

In March this year, SBI board had approved an investment of 72.50 billion rupees into the troubled lender Yes Bank.

Earlier this year the Reserve Bank of India (RBI) had taken control of Yes Bank, after the bad-debt laden lender had failed to raise the capital it needed to stay above mandated regulatory requirements.

Since then SBI had stepped in to acquire a stake in the private lender and to keep it afloat. However, SBI's total investment is not likely to exceed 100 billion rupees, according to the bank's chairman.



A man checks his mobile phone in front of State Bank of India branch in Kolkata.

UK job ads show lowest ebb for labour demand came in May, ONS says

REUTERS, London

Demand for labour in Britain may have hit its low point in May before recovering slightly in June, based on a study of online job advertisements, Britain's Office for National Statistics said on Wednesday.

"Experimental online job adverts data imply the worst impact of the pandemic on labour demand was experienced in May, and some sectors increased hiring in June," the ONS said, after looking at data from online jobs portal Adzuna.

May marked the first easing of the coronavirus virus lockdown restrictions and more businesses reopened in June, which the ONS said contributed to an increase of hiring activities in some sectors.

Demand for retail and catering workers picked up modestly in June after collapsing in April and May, while appetite for healthcare workers - who have been in strong demand throughout - showed little change.

Cars, a cocktail and a celebrity: South Koreans succumb to Tesla fever

REUTERS, Seoul

From an eponymous cocktail to eager buyers following the shipping routes of long-awaited cars, Tesla Inc is having a moment in South Korea, particularly among tech-savvy professionals.

Kang Sung-mo, who runs an advertising production agency in Seoul, is a convert.

"I am not interested in cars, but I am interested in the Tesla brand and its technology," the 39-year-old told Reuters.

Kang bought a Tesla Model 3 in December, ditching the Hyundai crossover he bought only last summer. Being associated with Tesla's reputation for innovation was good for his image, he said.

The US electric car maker had its best month for South Korea in June, selling 2,827 vehicles and bouncing back from weak sales in April and May which were hit by US production disruptions due to the coronavirus. The Model 3 is now the country's No.2 imported vehicle, ahead of the BMW 5 series and the Audi A6, and just behind the Mercedes E-Class.

By contrast, Hyundai Motor Co, the dominant automaker in South Korea, saw sales of its Kona EV slump 31 per cent in June to 2,513 vehicles.

Another 4,000 to 5,000 South Korean customers have the Model 3 on order, although most of them may have to wait until at least September for delivery, said a source familiar

with the matter. The source was not authorised to speak to the media and declined to be identified.

Tesla's rising popularity among affluent professionals in South Korea, who have been relatively unscathed by the pandemic, is one of many feathers in its cap.

Highlighting the threat it poses to established brands, Tesla last week surpassed Toyota Motor Corp as the world's most valuable automaker while its second-quarter deliveries smashed expectations at a time when sales at rivals have been laid low by the pandemic.

South Korea's generous subsidies of 12.43 million won (\$10,380) for the Model 3 have definitely helped sales, bringing the car's price down to less than \$40,000, but the Silicon Valley automaker has also generated a genuine buzz.

In social media posts, South Korean Tesla fans avidly track the routes of ships bringing its cars to Asia, while at the country's bars, the latest trendy cocktail is a mix of HiteJinro's Terra-brand beer and the Korean traditional liquor 'soju'. Smashed together, their names are pronounced "Tesla" in Korean.



A couple looks at a Tesla dealership in Hanam, South Korea on July 6.

US tech giants face hard choices under Hong Kong's new security law

REUTERS, Shanghai/Hong Kong

US tech giants face a reckoning over how Hong Kong's security law will reshape their businesses, with their suspension of processing government requests for user data a stop-gap measure as they weigh options, people close to the industry say.

While Hong Kong is not a significant market for firms such as Facebook, Google and Twitter, they have used it as a perch to reach deep-pocketed advertisers in mainland China, where many of their services are blocked. But the companies are now in the cross hairs of a national security law that gives China authority to demand that they turn over user data or censor content seen to violate the law - even when posted from abroad.

"These companies have to totally reassess the liability of having a presence in Hong Kong," Charles Mok, a legislator who represents the technology industry in Hong Kong, told Reuters.

If they refuse to cooperate with government requests, he said, authorities "could go after them and take them to court and fine them, or imprison their principals in Hong Kong."

Facebook, Google and Twitter have suspended processing government requests for user data in Hong Kong, they said on Monday, following China's imposition of the new national security law on the semi-autonomous city.

Facebook, which started operating in Hong Kong in 2010, last year opened a big new office in the city.

It sells more than \$5 billion a year worth of ad space to Chinese businesses and government agencies looking to promote messages abroad, Reuters reported in January. That makes China Facebook's biggest country for revenue after the United States.

The US internet firms are no strangers to governments demands regarding content and user information, and generally say they are

bound by local laws.

The companies have often used a technique known as "geo-blocking" to restrict content in a particular country without removing it altogether.

But the sweeping language of Hong Kong's new law could mean such measures won't be enough. Authorities will no longer need to get court orders before requesting assistance or information, analysts said.

Requests for data about overseas users would put the companies in an especially tough spot.

"It's a global law ... if they comply with national security law in Hong Kong then there is the problem that they may violate laws in other countries," said Francis Fong Po-kiu, honorary president of Hong Kong's Information Technology Federation.

While the US social media services are blocked in mainland China, they have operated freely in Hong Kong.

Further ease of doing business needed to attract investment: experts

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In line with the ease of doing business ranking criteria, Bangladesh is trying to enact The Secured Transaction (Movable Assets) Act for the overall improvement of the country's business climate, said Ashadul Islam, senior secretary to the financial institutions division.

If implemented, the act will improve Bangladesh's score for movable collateral registration with access to credit, he noted.

The government is also trying to amend the Bankruptcy Act by addressing measures under the Resolving Insolvency category.

"All line agencies have agreed to work together to amend relevant laws to establish an insolvency regime in the country," Islam said.

The automation requirement to secure e-trade licenses will be carried out by the Dhaka and Chattogram city corporations in their respective municipalities, said Helal Uddin Ahmed, senior secretary to Local Government Division.

Such reforms will act as a positive indicator for people looking to start a business, he added.

Fast-tracking the issuance of permits for low-risk green category facilities, such as warehouses, have also been discussed with the Department of Environment as it is a prerequisite for construction permits.

Meanwhile, efforts are being made to ensure the effective generation and distribution of power, according to Dr Sultan Ahmed, secretary to the Power Division.

The System Average Interruption Duration Index (SAIDI) and System Average Interruption Frequency Index (SAIFI) targets will be recorded after the Supervisory Control and Data Acquisition (SCADA) is implemented to monitor power outages and restoration, he said.

Besides, to introduce faster and less costly measures for company to company land transfers, the Ministry of Land has taken initiatives to reduce stamp duties and registration fees, informed Md Mukodur Rahman Patwary, secretary to the Ministry of Land.

"We are exploring options on how to further reduce costs as well," he added.

Mohammed Mezbah Uddin Chowdhury, secretary to the Ministry of Shipping, discussed his plans for the automation of export-import processes in line with standard global practices with an aim to positively impact the country's score under the trading across borders indicator.

National Board of Revenue Chairman Abu Hena Md Rahmatul Muneem participated in the meeting and discussed possible measures to be made under the Paying Taxes indicator.

Garment work orders coming back slowly

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Not only that, there is also a steady inflow of work orders to their factories even amid the Covid-19 pandemic as the German economy has been comparatively less affected by the virus till date.

"I can achieve 85 per cent of by export target by the end of this year," said Hoque.

The major problem is that nearly 100 western retailers and brands have filed applications seeking salvation from bankruptcy. Of the applicants, most purchase apparel items from Bangladesh, Hoque said.

Similarly, Bakhtiar U Ahmed, chief operations officer at Fakir Apparels, said his buyers were now reclaiming their old orders. So the volume of new orders is relatively low now, he said.

Buyers stated that they would not cancel any work orders but they would take some time to take goods that have already been manufactured,

he said.

They will increase the volume of new work orders once the old inventory was sold, he added. So at the end of this year there will be nearly 10 per cent lesser work orders compared to the same time last year, he also said.

Mahmud Hasan Khan Babu, managing director of Rising Group, said he has an adequate number of work orders for knitwear items but in case of woven items, he could not take orders because he needed to import fabrics, mainly from China.

So currently, he can execute 85 per cent of knitwear orders and use 60 per cent of the capacity for woven, Babu said.

Tariqul Islam, managing director of All Weather Fashions, said he closed his factory in March as he was facing a crisis of new work orders from the buyers.

He shut down his unit which employed 473

workers as he was also facing challenges in paying bank loans as well.

Before closing his factory, he used to export goods worth Tk 50 crore annually. However, the value of his exports dropped to Tk 37 crore in 2019 because of a slump in work orders at his small factory in Pubail.

Between January and March this year, he could export garment items worth Tk 12 crore, said Tariqul, adding that he would reopen his unit again in September this year as buyers were coming back.

KI Hossain, president of the Bangladesh Garment Buying House Association, said local buying houses were facing a crisis of work orders as most retailers and brands did not prefer to travel to factories or hold meetings either virtually or any other third destination, except Bangladesh.

"We are in an uncertainty now," he said.

Ctg customs miss revenue target by Tk 16,445cr

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Md Fakhrul Alam, commissioner of Chattogram Customs, said the import of duty-free products had increased last year while the number of regular imports had decreased including all kinds of cars, raw materials and goods on which high duty is imposed.

According to the data, customs authority also failed to achieve the monthly target of each month in the fiscal year. A massive amount of the targets were missed during the coronavirus pandemic from February to May this year.

Customs missed the target by Tk 1,264 crore in February, Tk 1,557 crore in March, Tk 3,509 crore in April and Tk 2,409 crore in May.

Quest for jute polymer bag continues despite closure of mills

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"Based on the progress made so far, I can say that we will be able to understand its feasibility once we start to automate production. Still, work is going on like a lab," the BJMC Chairman added.

Initial attempts to buy a customised machinery went in vain due to various complexities, including higher offer prices than the estimated cost for the machinery.

Rouf sent samples of the bags to the Bangladesh Council of Scientific and Industrial Research to conduct some tests, including biodegradability.

The capacity to produce 100,000-125,000 bags daily has been achieved, according to Khan, who now works as a scientific adviser to the BJMC.

Currently, production cost stands at around Tk 7 per bag. Each bag, weighing around 10 grams, is sold to the government for Tk 10.

Production costs will go down if volume increases, Khan said.

"The price of our bags can't be compared with polypropylene bags. It should be compared to other biodegradable polymer bags available in the market. And the price of our bags is less than the prices of theirs," he added.

A Tk 300 crore fund is needed to make the project a success.

The money spent by two city corporations in Dhaka to clean drains every year would be enough to produce the required number of biodegradable polymer bags for the city, he added.

Bangladesh lags behind Asia Pacific peers in telecom services: GSMA

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Bangladesh Telecommunication Regulatory Commission (BTRC) formed a committee last year to prepare a draft guideline on 5G service and initially planned to launch the 5G service by 2023. However, for the Covid-19 situation all preparations have been halted for months.

About Bangladesh's situation, the GSMA said the 5G opportunity was for a longer term, largely because there was still a lot of room to grow for 4G, which was the dominant mobile technology across Asia Pacific and

would remain so for the foreseeable future.

According to the report, about 663 million new people across the region would start using mobile internet by 2025 and a majority of them will come from China (261 million), India (190 million), Pakistan (46 million), Indonesia (44 million) and Bangladesh (25 million).

The report also reads that 6.3 billion new internet of things (IoT) connections will be in Asia Pacific within the next five years, accounting for half of global new additions, with

smart homes and buildings being the key growth verticals.

Currently there are 5.2 billion IoT connections in this region.

The Covid-19 pandemic will result in 18 per cent fewer 5G connections in this region than previously expected.

Mobile data traffic consumption was 9.2 GB per subscriber per month which will increase more than threefold to reach 28.9 GB in 2025.

However, according to the top three carriers, the average internet user in Bangladesh is currently consuming about 2 GB of data per month.

Two-thirds of poor families yet to receive Tk 2,500 cash support

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Of them, 107,386 are the beneficiaries of other social safety net schemes and 2,855 are government officials. Some 79,621 are stated as vagabonds, housewives, boatmen, street urchins, disabled, imams of mosques, tea labourers, tea stall owners, beggars and unemployed.

The most depressing is there were 557 people in the list who each owned Tk 5 lakh in savings certificates. There were 6,786 pensioners and 295,919 names were included for more than once, the position paper showed.

The finance division also found inconsistency in information about 22.86 lakh people. This prompted the PMO on June 15 to order the upazila nirbahi officers (UNOs) to rectify the list. The list was sent to the UNOs.

The list includes 8.29 lakh people who did not have a registered mobile phone number against the NID and 6.38 lakh people have mobile phone numbers different from those registered with the NID.

There are 7.98 lakh people whose NID number and the date of births are not similar to the database of the Election Commission.

If the anomalies are corrected from field level, it would be possible to disburse the funds, the paper said.

The finance division recommended identifying the mobile phone

numbers that are being used by the potential beneficiaries and opening Tk 10-account under the supervision of the upazila administration if the targeted groups don't have mobile phone numbers against the NID or smart cards.

It also called for examining properly the NID or smart cards and the date of birth, writing the mobile phone numbers in exact format and stating the exact occupation of the beneficiaries.

A new list of 879,350 people would have to be prepared now.

"The finance ministry and the ICT division are working on it. We would get the new lists from the district and upazila administrations very soon. Hopefully, the issue would be resolved very quickly," Disaster Management and Relief Secretary Md Mohsin told The Daily Star yesterday.

Meanwhile, the central bank has ordered banks to open Tk 10 deposit accounts on the basis of the NID or smart cards and certification by the UNOs for the people who do not have mobile phones or can't open MFS accounts.

Steps have to be taken to disburse the funds through a debit voucher if no cheque book is available, the central bank said in a circular on July 6.

Due to the coronavirus outbreak,

earnings of 51 per cent households plunged to zero while a massive 95 per cent people suffered losses in income, according to a survey of Brac.

Around 62 per cent of low-income wage earners lost their work opportunities after the public holiday was declared in late March, it showed.

Due to the income shock emanating from the pandemic, 77.2 per cent of the vulnerable non-poor fell below the poverty line.

This would imply that beyond the 20.5 per cent of the population officially recognised as poor there is a group of 'new poor' representing an additional 22.9 per cent of the population that needed to be brought within the discussion on poverty, it said.

About 13 per cent people have become unemployed in the country due to the pandemic, according to a survey of Bangladesh Institute of Development Studies.

As per the report findings, 19.23 per cent of participants with income less than Tk 5,000 reported that their income was reduced by 75 per cent.

Another 23.31 per cent participants with income between Tk 5000 and Tk 15,000 reported an income reduction by 50 per cent relative to last month's income, news agency UNB reported. The BIDS conducted the survey from May 5 to 29.