Huawei, long resilient, suffers under tougher US pressure

AP, *Beijing*

For nearly a decade, Huawei kept worldwide sales growing as Washington told U.S. phone companies not to buy its network equipment and lobbied allies to reject China's first global tech brand as a security threat.

Focusing on Europe, Asia, Africa and China's booming market, Huawei became the biggest maker of switching gear and a major smartphone brand. As the White House cut off access to American components and Google's popular music and other smartphone services, Huawei unveiled its own processor chips and app development. Last year's sales rose 19% to $123 billion.

Now, Huawei Technologies Ltd. is suffering in earnest as Washington intensifies a campaign to slam the door on access to foreign markets and components in its escalating feud with Beijing over technology and security.

European and other phone carriers that bought Huawei gear despite U.S. pressure are removing it from their networks. Huawei got a flicker of good news when it passed rivals Samsung and Apple as the No. 1 smartphone brand in the quarter ending in June thanks to sales in China, but demand abroad is plunging.

"Huawei is losing market share quite dramatically outside China," said industry analyst Paul Budde. "Their international position is most likely going to get worse rather than better."

In the latest blow, the Commerce Department this week confirmed rules announced in May that will bar non-American companies from using U.S. technology to make processor chips and other components for Huawei without a government license.

The president of Huawei's consumer business, Richard Yu, says it is running out of chips for smartphones. Yu said as of Sept. 15, contractors will be forced to stop making Kirin chips designed by Huawei's engineers and used in its most advanced handsets.

"This is a very big loss for us," Yu said Aug. 8 at an industry conference, China Info 100.

Yu did not say how sales might be affected. Huawei declined comment on how it was responding.

Huawei heads a growing list of Chinese tech names the Trump administration is targeting as security risks in an initiative dubbed "Clean Networks." It wants countries to remove them as suppliers to telecom systems, undersea cables and smartphone app stores.

The White House has banned unspecified transactions with popular Chinese-owned social media apps TikTok and WeChat. Washington is pressing TikTok's owner to sell the short-video app.

In June, the Pentagon added Huawei and video surveillance company HikVision to a list of companies it said were owned or controlled by the ruling Communist Party's military wing.

Last year, the Chinese owner of Grindr was ordered to sell the dating app.

AP/FILE

A woman wearing a mask to protect from the coronavirus walks with an umbrella as it rains outside a Huawei store in Beijing.

Huawei is hardly finished. It says sales rose 13% to 454 billion yuan ($65 billion) in the first half of 2020. And China is one of the biggest markets. But after spending a decade and billions of dollars to become a leader in next-generation technology, the company that says it serves 45 of the top 50 phone carriers faces the threat of being shut out of many major markets.

That is a setback for the Communist Party's ambition to make China a global tech leader.

Western companies and consumers also may lose access to Huawei's creativity and network gear that can cost 30% less than that from its rivals Ericsson AB of Sweden and Finland's Nokia Corp. U.S., European and Japanese suppliers of processor chips and other technology stand to lose billions of dollars in potential sales to Huawei.

"It doesn't benefit any country to exclude Huawei," said Nikhil Batra of IDC.

Huawei, founded in 1987 by former military engineer Ren Zhengfei, denies it might help Beijing spy. Chinese officials complain Washington is whipping up phony security fears, without proof, to block a competitor to U.S. tech companies.

The Trump administration is ramping up pressure on European and other allies, including by threatening to withhold intelligence sharing if they allow Huawei into next-generation, or 5G, networks.

Huawei's U.S. market evaporated after the company and Chinese rival ZTE Corp. were declared security threats in 2012 by a congressional panel. Small, rural carriers still use Huawei's lower-cost equipment, but Washington is prodding them to stop.

5G will expand networks supporting self-driving cars, factory robots, remote surgery and other futuristic applications. That makes 5G more intrusive and raises the cost of potential security breaches.

American officials say buying a 5G network from China is too risky because vendors need round-the-clock access for repairs and upgrades. "Clean Networks" cites Huawei as part of the Communist Party's "surveillance state."

"We call on all freedom-loving nations and companies to join the Clean Network," said Secretary of State Mike Pompeo.

Last year, Huawei raced to remove American components from its products after President Donald Trump blocked access to U.S. processor chips and other technology including Google services. Huawei, ranked No. 6 on Boston Consulting Group's list this year of the most innovative global companies, said sales went ahead without disruption.

The White House's restrictions on use of U.S. technology to produce chips and other components for Huawei is more painful.

Dollar bounce falters in Asia as Fed shock fades

REUTERS, *Singapore*

The dollar clung to gains on Thursday, after minutes from last month's U.S. Federal Reserve meeting gave few clues about whether an even more dovish shift in its policy framework is possible in the autumn, disappointing some dollar bears.

A heavily shorted greenback put on its biggest one-day surge since March after the release, hitting 93.159 against a basket of currencies, about 1% above Tuesday's two-year trough. But in the wash up, it couldn't extend the bounce, and other majors mostly nursed their losses during the Asia session with little spillover from a sharp sell down in equities.

Exceptions included the Korean won, which dropped 0.4% along with a tumble on the Kospi share index, and the Thai baht, which hit a three-week low of 31.44 per dollar as investors started to worry about anti-government protests.

Speculation has been rife the Fed will adopt an average inflation target, and seek to push inflation above 2% to make up for years it has run below, or look to cap government bond yields as part of a broader policy review.

The minutes were vague on the matters and merely said "a number" of Fed members thought it would be helpful to make a revised statement on its policy strategy at some point, without providing details or timing.

After hitting an 18-month high of $0.7275 before the meeting, the Australian dollar fell back below 72 cents and last sat at $0.7185. The New Zealand dollar dropped almost 1.3% from its intraday high to sit at $0.6567.

The euro - the most stretched of all recent gainers on the greenback - fell back below $1.19 and last sat at $1.1849 . The pound was dumped back to $1.3106 and the dollar jumped about 0.7% on the yen to 106.00.

Traders at Chaktai-Khatunganj suffer from waterlogging

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Meanwhile, the Bangladesh army has undertaken a task to complete an ongoing mega project worth Tk 5,616 crore, aimed at alleviating the waterlogging crisis in Chattogram city.

"We are working to eliminate the waterlogging in the Chaktai-Khatunganj area. The development of a retaining wall on one side of Chaktai canal has been completed and the rest of work will be completed after the rainy season," said Project Director Shah Ali.

Australia's Qantas posts $1.9b loss, confirms job cuts

AFP, *Sydney*

Australian flag carrier Qantas on Thursday posted an almost US$2-billion annual loss after a "near-total collapse" in demand due to the coronavirus pandemic.

Strict restrictions on travel to Australia and a near-blanket ban on citizens leaving spelled a statutory pre-tax loss of Aus$2.7 billion (US$1.9 billion), including the cost of mothballing its Airbus A380s and huge redundancy payouts.

Revenues collapsed 82 percent between April and June.Facing "the most challenging period" in its 99-year history, Qantas said it would move ahead with retrenching 6,000 staff and has grounded 100 planes for up to a year in a US$10-billion cost-cutting blitz.

The airline reported a "strong first half of the year" followed by "a near-total collapse in travel demand" as virus restrictions were introduced. "We were on track for another profit above Aus$1 billion (US$718 million) when this crisis struck," CEO Alan Joyce said.

PepsiCo introduces the new Slice in Bangladesh

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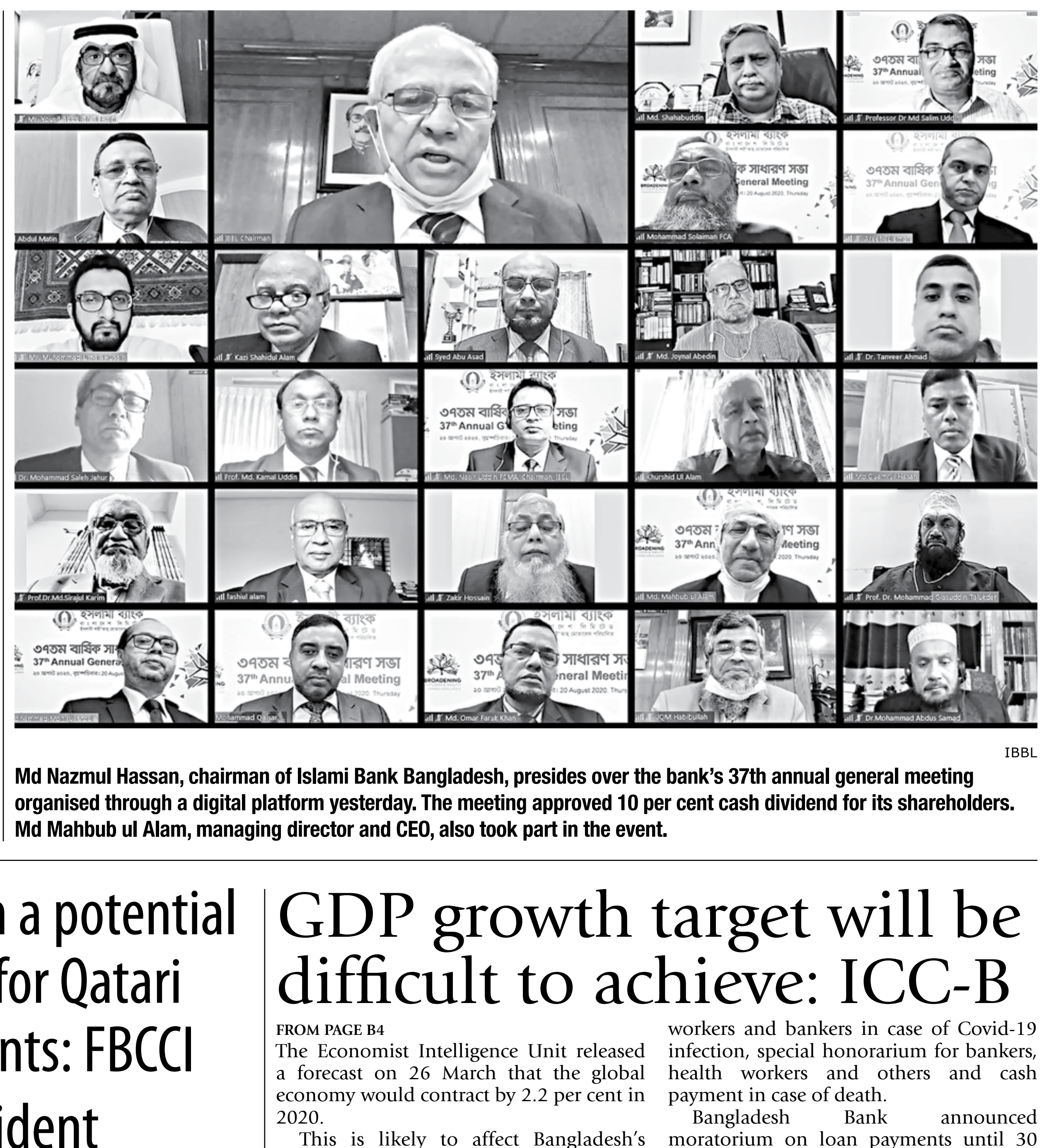
"We are committed to delivering the best offerings to our consumers in the country and launching Slice was a natural step given the love for mangoes here," he added.

Slice will be made and distributed nationwide by Transcom Beverages, PepsiCo's exclusive bottling partner in Bangladesh.

"The brand has received immense love internationally and we hope that the same brand love will resonate strongly with our consumers here in Bangladesh and make Slice the go-to mango beverage in the country," said Debasish Deb, country manager for PepsiCo in Bangladesh.

"We are confident that the all-new price point of Tk 20 will make the product immensely popular amongst consumers," said Khurshid Irfan Chowdhury, managing director and chief executive officer of Transcom Beverages.



IBBL

Md Nazmul Hassan, chairman of Islami Bank Bangladesh, presides over the bank's 37th annual general meeting organised through a digital platform yesterday. The meeting approved 10 per cent cash dividend for its shareholders. Md Mahbub ul Alam, managing director and CEO, also took part in the event.

Agrani's customers can finally enjoy remote banking services after tie-up with bKash

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"Customers no longer need to come to the bank. Rather, the bank will go to the customers. After the initiation of this service with bKash, it is the reality now," said Mohammad Shams-Ul Islam, managing director and chief executive officer of Agrani Bank.

The bank also introduced Agrani Remit app for expatriate Bangladeshis in Singapore in March to help them send money home during the pandemic, he told The Daily Star.

Agrani has 958 branches and agent banking points across the country and collected Tk 3,500 crore remittance in July alone.

"We will soon introduce online banking service and launch an app for our customers," Islam added.

Using bKash's customer-friendly digital transaction technology, banks can deliver their services to the clients more innovatively, said Kamal Quadir, its chief executive officer.

The partnership between bKash and Agrani Bank will deepen financial inclusion, he added.

Md Ashadul Islam, senior secretary of the Financial Institutions Division, praised the initiative and said the service will make banking affordable to all types of customers.

The partnership will further spread digital services among the marginal people of Bangladesh, said Zaid Bakht, chairman of Agrani Bank.

Ahmed Jamal, deputy governor of Bangladesh Bank; Mahmuda Begum, a director of Agrani Bank; Md Sabbir Hossain, deputy managing director; and Mizanur Rashid, the chief commercial officer of bKash, also spoke.

Launched in 2011, bKash has added about 40 lakh customers during the pandemic, bringing its total client base to 4.4 crores.

The company disbursed salaries and wages of workers at more than 1,000 garment factories during this period as well.

It recently rolled out a new service that allows people to transfer funds to non-accountholders.

Factory activity slumps by more than a quarter in April

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For example, women garment production fell 84.39 per cent, knitwear contracted 85.87 per cent, mild steel products declined 57.68 per cent, cement was down 15.62 per cent and petroleum products gave up 82.31 per cent.

Production of cigarettes was up 1.52 per cent in April from the previous month. Virus mitigation measures also increased the demand for soaps and detergents as well as pharmaceutical products.

The manufacturing of soap and detergent fell 4.76 per cent in April compared with March but was up 17.09 per cent year-on-year.

The pharmaceutical sector saw an increase in production by 1.86 per cent in April month-on-month and 33.5 per cent year-on-year.

Tea production rose 23.18 per cent from March's level but was down 61.29 per cent in April, year-on-year. Edible oil production was up but that of salt fell by a third.

Reverse migration from urban to rural areas reduced the electricity demand.

Domestic consumer demand slumped as well, leading to a decline in production of fast-moving consumer goods. However, BBS's industrial production basket does not appear to cover this growing sector well, Hussain said.

The production of television dropped drastically to just 2,020 units, from 55,681 units in March this year and 59,406 units in April last year, BBS data showed.

Motorcycle manufacturing fell to 8,279 units in April from March's 8,357 units. April's production, however, was up from the level in the same month in 2019 when 7,955 units of the two-wheelers were made.

The manufacturing of electrical motors, generators, transformers, agriculture and forestry machinery and furniture rose in April.

Hussain said the recession in manufacturing may have deepened in May followed by some recovery in June as restrictions on mobility and assembly were eased.

The resulting recovery in productivity and confidence will be hard to sustain if the community transmission of the virus is not brought under control, he said.

"Besides, working capital financing constraints facing cottage and micro-enterprises need to be eased through better implementation of the fiscal stimulus packages," Hussain said, adding that better institutional mechanisms are needed to reach the employment-intensive sector in rural and peri-urban areas.

Bangladesh a potential hotspot for Qatari investments: FBCCI president

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Naser Ezaz Bijoy, chief executive officer of Standard Chartered Bangladesh, said that Bangladesh's investment potential is one of Asia's best-kept secrets.

According to Bijoy, there are six driving forces behind Bangladesh's economic growth and they are: the apparel industry, commerce, remittance, power generation, infrastructure, and digital space.

Government bonds are an opportunity for investment as yields from such schemes are much better in Bangladesh.

Since Qatar has no shortage of liquidity, the country's banks and other financial institutions could invest in Bangladesh's capital market, Bijoy said, adding that a double taxation awareness treaty would help Qatari investors secure maximum benefit.

Ashud Ahmed, ambassador of Bangladesh to Qatar, said that the economic relations between Bangladesh and Qatar are traditionally based on labour exports.

However, the Bangladesh government is providing excellent facilities for prospective investors from various parts of the world and therefore, Qatar could look into Bangladesh, which is a big market and somewhat of a bridge between South Asia and Southeast Asia, he said.

The concerned authorities of both the countries have already held several discussions in regards to diversifying bilateral relations while keeping the labour trade intact, Ahmed added.

While addressing the webinar, R Seetharaman, chief executive officer of Doha Bank, said that his company prepared an investment profile of Bangladesh and that they will now explore liquid investments in the country.

Ajay Kumar Sarker, the chief representative of the Representative Office of Doha Bank, was present at the event, presided over by Bangladesh Forum Qatar's Vice-President Jafar Ali Al-Saraf.

GDP growth target will be difficult to achieve: ICC-B

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The Economist Intelligence Unit released a forecast on 26 March that the global economy would contract by 2.2 per cent in 2020.

This is likely to affect Bangladesh's garment exports to major G20 countries such as Germany, Italy, the UK and the US.

Due to depressed oil prices, the Middle Eastern and North African regions will also face lower growth rates. For these reasons, Bangladesh's remittance inflow, export earnings, industrial production and services sector are going to be seriously affected.

However, remittance inflow was surprisingly recorded at an all-time high of $ 18.2 billion in FY 2019-20 while on the other hand, export earnings registered a sharp decline of nearly 17 per cent or $33.67 billion during the same period due to the cancellation and/or reduced export orders for garments, which account for 84 per cent of the country's total exports.

Experts consider that export diversification is urgently needed for Bangladesh. Making matters worse, foreign direct investment dropped by 14 per cent to $3.73 billion in fiscal 2019-20.

Prime Minister Sheikh Hasina previously announced stimulus packages of Tk 677.5 billion that were implemented in immediate, short and long phases through four programmes (increasing public expenditure, formulating a stimulus package, widening social safety net coverage and increasing monetary supply).

The prime minister also announced a number of social safety packages, including direct cash assistance for informal sector workers; health insurance for health workers and bankers in case of Covid-19 infection, special honorarium for bankers, health workers and others and cash payment in case of death.

Bangladesh Bank announced moratorium on loan payments until 30 September this year and as such, borrowers will not become defaulters in that time. The government also declared the details of its Tk 50 billion stimulus package for export-oriented industries.

This includes assistance towards salaries and funding of 2-year loans to factory owners with 2 per cent interest.

Like most other emerging economies, Bangladesh has to tackle a number of key issues in order to achieve the desired GDP growth.

This includes the healthcare system, sustainable export, FDI and remittance flow.

Besides, in order to maintain sustainable growth and keep supply chains functional and cost effective, it is very important to save the micro, small and medium enterprises, the ICC-B said.

Vessel hits gantry crane, slows container handling

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A probe body was formed led by CPA Dock Master Abu Sufian to investigate the accident.

Following the incident, the crane went out of operation, slowing down container handling from a vessel—TR Porthos—anchored at the jetty.

Usually, three quayside gantry cranes are installed at the jetty and each of them can handle around 20 to 25 containers per hour.