Unregistered SIMS banned from Friday

STAR BUSINESS REPORT

Mobile operators will not be able to sell pre-activated connections from Friday as the telecom regulator introduced a raft of measures to tighten the registration process to fight crimes committed using cellphones.

Bangladesh Telecommunication Regulatory Commission (BTRC) said mobile operators would have to stop purchase and sales of all kinds of pre-activated SIM (subscriber identity module) and RUIM (removable user identity module) and have to withdraw them from the market accordingly.

After the deadline, operators will be slapped with $50 for selling each improperly registered RUIMs and SIMs, it said in a notice recently.

BTRC said the number of criminal activities through cellphones has gone up recently, prompting it to re-issue the guidelines, which were first made a couple of months ago this year.

The notice said the operators would have to verify subscribers' authenticity before activating any new connection.

The regulator said the operators would have to use various offline or manual processes to verify the authenticity before the database of the national identification card of Bangladesh Election Commission gets available for use for registration.

The regulator will hold the operators accountable if the subscribers provide any false information in the registration form.

It also urged the operators to pursue criminal procedures if any distributor or retailer is found guilty of breaching registration rules.

Mobile operators said it would be a problem for them to verify the information provided by a subscriber as they do not have such resources.

"We don't have enough resource to verify any customer's identification. The NID can become an effective tool to verify them, but we do not have access to the server," said a top official of a mobile phone operator.

He also said SIMs and RUIMs are being sold by the retailers through the distribution channel of the operators.

READ MORE ON B3

Economists want more clout for BB to govern state banks

FOCUS BANGLA

Speakers attend a discussion on "Hall-Mark scam: future of state-run banks and the banking sector" at the National Press Club in Dhaka yesterday.

STAR BUSINESS REPORT

THE government should give greater authority to the central bank by disbanding the Bank and Financial Institutions Division of the finance ministry, economists said yesterday.

They said the abolition of the division will help the Bangladesh Bank govern all the private and state-run banks prudentially.

The government created the division under the finance ministry more than three years ago, but the division has become a vehicle for establishing influences over the state banks, they added.

Ahsan H Mansur, executive director of Policy Research Institute, said the central bank is there to oversee and regulate all banking activities.

"Why did the government open a new department under the ministry to monitor banking activities?

There might have been some motives for it, said Mansur at a roundtable in Dhaka.

Shushashoner Jonney Nagarik, a citizens' platform for promoting good governance, organised the discussion on "Hall-Mark scam: future of state-run banks and the banking sector" at the National Press Club.

Syed Abu Naser Bukhtear Ahmed, a former managing director of state-owned Agrani Bank, said the government should immediately entrust the central bank with the authority to govern all banks, including the state-owned ones.

The comments came at a time when BB Governor Atiur Rahman also urged the government on Saturday to give the central bank more control over the state banks.

According to the Banking Companies Act, the BB has the full control over the private commercial banks and can act on its own when necessary. But in case of the state banks, the BB can only advise the government to take any action.

According to the law, the government will seriously consider the recommendations of the central bank.

READ MORE ON B3

Jamuna Future Park to open soon

STAR BUSINESS DESK

Jamuna Future Park, one of the world's largest shopping mall, is going to open soon beside Baridhara Diplomatic Zone in the capital, according to a statement yesterday.

There is an allotment of 120 bighas of land for the Jamuna Future Park Complex, 33 bigha of which is being used to build the mall.

There is a 60-80 feet wide road around the mall where a theme park, a water mountain and a garden are under construction. The park is equipped with 118 escalators, 34 lifts and three pairs of conveyor belt and an 18,500 ton air conditioning system.

There are seven halls along with a Cineplex, a food court, children's park, gymnasium, health club, swimming pool, banquet hall, exhibition centre, two-line bowling centre, billiard zone, musical corner and an atrium for band and music shows.

The mall has closed-circuit cameras all around it and a big parking where around 5,000 cars can be parked at a time.

Different banking facilities, including online banking system and ATM booths of different banks, are also available there.

Europe braces for return of Germany's Madame Non

REUTERS, *Berlin*

GERMAN Chancellor Angela Merkel is hardening her stance on additional help for struggling euro zone economies like Greece and Spain as pressure from parliamentary allies and a looming election campaign shrink her room for manoeuvre in Europe.

At the start of the crisis, Merkel was derided by the French as "Madame Non" for refusing to approve quick aid to southern euro zone stragglers and rebuffing demands for sweeping solutions like common euro zone bonds.

Over the last year Merkel has softened that image with concessions and softer rhetoric. But growing unease among conservative lawmakers and the emergence of a new centre-left challenger points to a tougher line again ahead of a federal vote next year.

The announcement last week that Peer Steinbrueck, a combative former finance minister, will lead the opposition Social Democrats' (SPD) bid to unseat the chancellor in 2013 has swung Germany into election mode.

"We expect next year's federal election to start significantly narrowing the scope of political options in the near future," Alex White, an analyst at JP Morgan, wrote in a note this week. "We think we are coming towards the end of Germany's period of relative policy activism."

For Europe, this will mean an ultra-cautious approach from Berlin to providing further aid to Greece and Spain, and a go-slow stance on banking supervision.

"There simply isn't a majority in parliament for a third rescue package for Greece," Norbert Barthle, senior lawmaker and budget expert in Merkel's Christian Democrats (CDU), told Reuters. "We only just agreed a second package, and that isn't close to being exhausted."

Indeed, it looks like Germany's European partners will have to get used to more "nos", "nons" and "neins" from Merkel in the next twelve months as she seeks to consolidate her lead in opinion polls and win over critics in her conservative bloc.

Angela Merkel

The vote is a full year away, but Merkel, 58, will have to tread carefully against Steinbrueck, a candidate known for his fiery rhetoric and expertise on financial matters.

Until now, one of her biggest advantages had been a docile opposition that nodded through most of her government's euro policies with barely a whimper.

Those days are officially over, even if the SPD remains broadly supportive of Europe's bailouts.

SUPPORT FOR DRAGHI

Appeasing critics in her own camp is likely to become a full-time job for the chancellor in the run up to the election.

Many within Merkel's bloc, notably members of the Bavarian Christian Social Union (CSU), were troubled by her support for European Central Bank President Mario Draghi's new bond-buying program for troubled euro zone states over the summer.

That came after a string of compromises this year stirred unease in her coalition - from the decision to give Spain more time to meet deficit reduction targets, to signals that Merkel's government would tolerate higher inflation at home.

There was also her acceptance at a June EU summit in Brussels that Europe's new bailout fund be allowed to funnel aid directly to troubled euro zone banks.

In contrast to last year, the chancellor now talks frequently about the need for "more Europe". And doubts about her commitment to the single currency have faded.

A more delicate political landscape at home explains in part why Berlin is rowing back on the June summit deal - including the pledge to launch a new pan-European banks watchdog by January - and encouraging Spain to hold off on requesting aid.

One of the biggest challenges, for both Merkel and the wider bloc, will be Greece, the nation where the crisis first erupted.

Merkel's government has come full circle on Greece. After openly flirting with the idea of a Greek exit from the euro zone during the first half of 2012, her aides now say this would be disastrous and should be avoided at all costs.

But three years and two bailouts later, Greece's debt is still not on a sustainable path, and it is difficult to imagine its "troika" of international lenders skirting the need for additional relief in a new report, due next month at the latest.

Yet Merkel's allies in the Bundestag lower house have made clear they have been pushed to the limit of what they are willing to do for Athens.

Merkel's preferred option - bundling more aid together with bailouts for Spain and Cyprus in one final pre-election package - carries big risks.

It is predicated on hope that all three of these deals can be agreed simultaneously, a dangerous assumption in a bloc where any one of 17 nations can hijack, delay or torpedo a rescue.

It would also put Merkel in the precarious position of relying on the opposition again, as a clear conservative parliamentary majority would by no means be guaranteed.

Merkel faces other challenges that will severely shrink her room for manoeuvre in the months ahead. Legal challenges to the ECB bond buying scheme are likely. And the German economy poses a growing threat, with unemployment creeping higher and recession possible in the second half of this year.

Despite a strong economic performance throughout the crisis, the gap between rich and poor in Germany has risen on Merkel's watch and polls show many voters are unhappy that banks have not been asked to pay a higher price for their role in the turmoil.

This is where Steinbrueck, who unveiled plans last week to crack down on the financial industry, will be looking to score big points against his former boss Merkel.

White of J.P. Morgan believes a more polarized political landscape will heighten Merkel's aversion to risk-taking and have a "chilling effect" on decision-making in Berlin. This will spell caution on new aid packages and put the brakes on plans for a new European banking supervisory body for two reasons.

First, Germany is interested in a sustainable, long-term solution on bank oversight that does not overload the ECB with new watchdog responsibilities in the short-term.

Second, Merkel remains sceptical about direct European aid for struggling banks and wants to avoid a discussion about the next stage of Europe's "banking union" -- a pan-European deposit guarantee scheme.

Where does that leave Merkel and Europe? The answer -- even more dependent on ECB President Draghi to bridge the yawning policy gap that looms in the run-up to next year's German election.

Single euro-zone budget gains momentum ahead of summit

REUTERS, *Brussels*

Debate about the idea of creating a separate budget for euro zone countries is intensifying in the run up to an EU summit later this month, with less opposition to the proposal than many officials first expected, diplomats say.

At a private dinner held last week among the EU ambassadors of several northern European countries, including Britain, Denmark, the Netherlands and Finland, those present were surprised to find a fair degree of consensus on the proposal.

"I wouldn't say that there was strong support for it, but there was certainly a feeling that this is an idea that should be explored in more detail," said one diplomat briefed on the discussion that took place at the gathering.

The single budget proposal was first sketched out by Herman Van Rompuy, the president of the European Council, in a paper circulated in September as part of an effort to stimulate debate about how Europe's monetary union should be improved.

In the paper, Van Rompuy said a "fully fledged fiscal union" among the 17 countries that share the euro could involve the creation of a single treasury office and "a central budget whose role and functions would need to be defined".

Those suggestions have since been refined into guidelines that will form the basis of discussion among EU leaders at the summit on Oct. 18-19. The idea will also be explored among euro zone finance ministers at a meeting in Luxembourg on Monday.

There is still no clear definition of what a single, central budget would entail, but Germany strongly supports the idea and France is on board too, which in terms of euro zone decision-making means it has substantial momentum.

Britain's support, underlined by Prime Minister David Cameron on Sunday, is also significant, even if it stems more from a desire to distance Britain from the problems of the euro zone than from any solidarity with the single currency club.

"There will come a time when you need to have two European budgets, one for the single currency, because they are going to have to support each other more, and perhaps a wider budget for everybody else," Cameron told the BBC on Sunday, the first day of his Conservative Party's annual conference.

"I don't think we will achieve that this time, but it is an indicator of the way that Europe is going," he said.

While conceptually it may make sense for the countries that share one currency to also create a single budget, it immediately raises thorny questions about sovereignty, budget discipline and long-term ambitions.