Govt needs to formulate cyber security guidelines

Cyber security expert also stresses reforms

Muhammad Zahidul Islam

THE government needs to formulate cyber security guidelines immediately to secure the country's ongoing digitisation process, said Fahad Kabir, a cyber security expert.

The government should go for reforms as Bangladesh is under serious cyber security threats, he said.

Kabir, who works as a senior manager at the cyber risk services department of Ernst & Young in Canada, was in Dhaka recently to attend a cyber security related programme.

"The government should formulate guidelines and at the same time ensure that banks and other financial institutions are following those," he said in an interview with The Daily Star.

Kabir, also an advisory director of a local cyber security and risk management company named Sure Next, said $400 billion is lost every year on average to cyber threats.

On the recent heist of Bangladesh Bank funds, Kabir said he has no comment on how it happened because there is a lot of speculation about it.

"But as I work on the issue, I can fundamentally say which groups of people did it. They have to hold the privileged IDs. There is no other way to open all the locks without the help of insiders."

Here, Kabir has a suggestion -- the Bangladesh government should develop more resources locally.

"You shouldn't allow outsiders for your own security. It will never happen in the developing world. Canada will never allow US experts to work in their country on security issues."

Kabir, who is an ex-cadet from Mirzapur Cadet College in Bangladesh, has been working on security issues in Canada for the last twelve years. The western world has already created a framework to deal with cyber threats; they have already developed their regulations and go for security audit every year, and Bangladeshi institutions will have to run security audits timely to enhance security, he said.

Fahad Kabir

Kabir holds CISSP (Certified Information Systems Security Professional) and SABSA SCF (Security Architecture) certifications and earned his bachelor's degree in computer engineering from University of Toronto, Canada.

"Legislative changes are also needed."

Legal experts need to understand the issues, he added. And for doing that, the government can run awareness programmes, Kabir said.

On security investments, he said, "If you feel shy to make a door with a hundred dollars, then your million dollars may be at risk."

If business houses and banks do not secure themselves, their businesses will suffer, he added. "They need to understand this. The sooner they will understand, the better it will be."

Kabir suggests businesses should initially invest 20 percent of their total operational cost, and this investment will gradually go down.

This expenditure may raise the cost of doing business, but companies have to think long-term, he added. "The number of sophisticated attackers is increasing. So, investment needs to go up."

In the total attacks, 70 percent hackers are amateur. And sophisticated hackers even may not have any business interests, he added.

For Bangladesh, after banks and financial institutions, the power sector faces threats, he said.

If anyone can take control of the digital power network, it will create a chaotic situation, he added.

He said when anyone connects to a network, it means it opens doors to cyber threats; but it does not mean digitisation will stop.

As Bangladesh enters the digital map, it should ensure digital security to compete with the world market, he added.

German businesses shrug off Brexit fears

AFP, *Frankfurt*

Britain's vote to leave the EU has had a limited impact on business confidence in Germany, with belief in domestic strength still strong, a key survey showed on Monday. The closely-watched business confidence index from the Ifo institute in Munich fell to 108.3 points in July from June's figure of 108.7.

July's reading was the first time pollsters had taken the pulse of Europe's biggest economy since the shock British referendum result emerged on June 24.

Falling confidence was due to "far less optimistic business expectations on the part of companies," Ifo head Clemens Fuest said in a statement.

But the result exceeded expectations, as analysts surveyed by Factset had forecast a decline to 107.5 points in July in the wake of the vote.

Ifo calculates its headline index on the basis of companies' assessments of the current business environment and the outlook for the next six months.

The sub-index measuring current business hit 114.7, an increase of 0.2 points over June's reading.

But the figure for companies' future outlook dropped, falling 0.9 points to 102.2. The Ifo index didn't plunge as sharply as investor sentiment in the ZEW survey released on July 19, buoyed by respondents' faith in domestic demand.

"The German economy proves resilient" in the face of the Brexit shock, Ifo president Fuest said.

There were pessimistic expectations in Germany's mighty car industry -- which exports to Britain and operates factories there -- and among wholesalers.

But retailers and construction firms were looking to the future with continued confidence. The service sector also offered a brightening outlook, with firms reporting improved expectations for the coming six months and plans to take on more staff.

Spain sees 2016 growth verging on 3pc

AFP, *Madrid*

Spain will post growth of 2.9 percent for 2016, Finance Minister Luis de Guindos said Sunday, revising an earlier forecast of 2.7 percent as the country's recovery gathers momentum.

"Our observations indicate stronger growth for 2016, close on 3.0 percent, coming in at 2.9 percent," De Guindos said on the sidelines of a meeting of G20 finance ministers and central bank governors in Chengdu, China.

De Guindos told Spanish RNE radio he saw a relative slowdown in 2017 "perfectly in line" with eurozone and global trend forecasts and expressed confidence Madrid would avoid a European Commission fine for overshooting spending targets.

Earlier this month, the EU threatened Spain and Portugal with huge fines for failing to fix years of high deficits.

Madrid and Lisbon are appealing for leniency from penalties of up to 0.2 percent of their economic output.

"It is good sense (to think) there will be no fine for Spain," De Guindos said, pointing to the fact that Spanish growth is currently outpacing the eurozone average.

Spain's government forecasts 2017 growth of 2.4 percent as the country emerges further from a 2008 property crash which sent the economy into a tailspin before 2014 saw the eurozone's fourth-largest economy post its first full-year of growth in six years.

The country was particularly hard-hit by the global economic crisis and unemployment rocketed to a high of 27 percent in early 2013.

But last year it posted growth of 3.2 percent -- outpacing most of its EU neighbours.

Asia's gasoline party crashed by China and India

REUTERS/FILE

A vehicle waits to be filled up with diesel at a petrol station in New Delhi.

Reuters, *Launceston, Australia*

IF you had asked Asia's refiners at the start of the year where they thought their profits would be coming from, it's likely many would have said gasoline. But China and India appear to have crashed that party.

The profits from making the motor fuel have collapsed this year to the lowest in 3-1/2 years, with a barrel of 92-RON gasoline in Singapore fetching a premium of just $2.21 over a barrel of Brent crude on July 22.

The profit margin, or crack, has slumped 85.3 percent this year, and the low of $1.67 a barrel on July 8 was the worst since Sept. 12, 2013, when it was just 45 cents.

While there are several factors at work, including lower-than-expected demand in the region, the main factor is rising supply. And here the main culprits are China and India, both of which have significantly ramped up exports of gasoline in the first six months of 2016.

China exported 4.449 million tonnes, or about 207,800 barrels per day (bpd), of gasoline in the first half, a 75 percent increase on the same period last year, according to customs data.

The surge in exports came as China's refiners boosted output of gasoline by 8.9 percent to about 3 million bpd.

In some ways the increase in China's gasoline exports isn't surprising, given the massive refinery building programme of recent years that has resulted in a significant surplus, which came just as the domestic economy lost momentum.

Perhaps more surprising is the increase in India's exports of gasoline, given they came against a backdrop of strongly rising domestic consumption.

India exported about 420,800 bpd of gasoline in the first six months of 2016, up 23.5 percent from the 340,000 bpd over the same period last year, according to calculations based on government data.

And as an aside to the higher exports from China and India, it's worth noting that the Middle East's new refineries are also having an impact.

For example, Joint Oil Data Initiative figures show Saudi Arabia exported 219,000 bpd of gasoline in May, the latest month for which figures are available. This was up 47 percent from the same month in 2015.

For the first five months of 2016, Saudi Arabia exported an average 213,400 bpd of gasoline, up 76 percent over the same period in 2015.

Taking the increase in gasoline exports of India, China and Saudi Arabia together and its likely that about an additional 260,000 bpd of the fuel was available in Asian markets in the first half of the year.

This goes a long way to explaining the slump in profits from making gasoline, but it doesn't necessarily mean that cracks can't recover in the second half.

The main hope for a better third and fourth quarter for gasoline margins lie in the upcoming refinery maintenance season, particularly in North Asia.

UK explores multi-billion pound free trade deal with China

BBC News

CHANCELLOR Philip Hammond has begun discussions with China on an ambitious free trade deal which could see greater access for major Chinese banks and businesses to the UK economy.

The Chancellor told the BBC it was time to explore "new opportunities" across the world, including with China, one of the UK's biggest inward investors.

That is despite a short term economic shock from leaving the European Union.

He added that the EU is not in "punishment mode" over the Brexit vote.

"What we now need to do is get on with it in a way that minimises the economic impact on the UK economy in the short term and maximises the benefit in the long term," Mr Hammond said, admitting that there had been "global disappointment" about the Brexit vote.

Chinese state media reported earlier in the month that the Chinese Ministry of Commerce wants to do a UK free trade deal.

Hammond has now revealed that Britain is also keen.

It will be the first time the UK has embarked on such a major project with the second largest economy in the world.

And will raise concerns about cheap manufactured goods entering the UK more easily.

In return for greater access to the UK for its manufactured products and investment, China would reduce barriers to Britain's service industries like banking and insurance as well as UK goods.

That would be an important source of export income for Britain.

"The mood music that I have heard here is very much that this will mean more opportunity for countries like China that are outside the European Union to do business with Britain," Hammond said.

"And as Britain leaves the European Union and is not bound by the rules of the European Union perhaps it will be easier to do deals with Britain in the future."

AFP

Philip Hammond, *left*, Britain's chancellor of the exchequer, speaks with Chinese Vice-Premier Ma Kai during their meeting in Beijing on July 22.

I asked if that could mean a free trade deal, bilaterally agreed with China which invested over $5bn (£3.8bn) in the UK in 2014.

"Definitely I could see such a thing," Hammond told me at the meeting of G20 finance ministers in Chengdu, China.

"We already have a strategic partnership with China.

"We have hugely increased our trade with China, investment both by British companies into China and by Chinese entities into the UK.

"That's about as far as we can go while we are members of the European Union.

"But once we are out of the European Union then I have no doubt on both sides we will want to cement that relationship into a firmer structure in a bilateral way that's appropriate.

"That's something we will have to explore in the future."

Hammond said it would be "certainly appropriate" to start discussing a new deal over the next "couple of years" and the issue was raised here at Chengdu.

What might a deal - which could only come after Britain had officially left the EU - look like?

Senior government sources have told me that officials are looking at New Zealand's free trade agreement with China which took four years to negotiate and came into effect in 2008.

Care would have to be taken over security concerns and the possibility of China "dumping" cheap imports in the UK - for example steel.

As well as a positive reaction from China, Hammond said that he did not believe that the EU was trying to teach the UK a lesson over the Brexit vote by making negotiations over trade difficult.

"I don't think they are in punishment mode," he said.

"This is a meeting of finance ministers and central bank governors and, as you would expect, they are very much focused on the economic challenges and the economic prizes available.

"I have no doubt that everyone would want to see a very close relationship between the UK and the EU going forward because that will be good for the economies of the European Union and the economy of the UK.

"The challenge for us is to make sure that other politicians who are not so narrowly focused on the economic agenda also share that view and recognise that it is important not just for Britain but for Europe as well that we continue working closely together."

No project better sums up how investment in major infrastructure projects is now a global issue than Hinkley Point, the £18bn plan for a new nuclear power station in Somerset backed by France's EDF energy company and one of China's main nuclear suppliers.Hammond said that the government still supported the project, and that a final agreement would be signed "hopefully over the next few days" after an EDF board meeting to agree the details.

At the G20 many countries are now moving into practical mode - the Chancellor campaigned against leaving the EU and China argued against it, but Hammond has clearly signalled that is now a matter for the history books.

The British public have spoken.

The present challenge is seeing how the fifth largest economy in the world can take advantage of that decision, rebuilding a "close" trading relationship with the EU and new economic relationships with countries, like China, which, it should be remembered, has never had a free trade agreement with any EU country.