

# BB awards top remitters

STAR BUSINESS REPORT

Bangladesh Bank has awarded 26 individuals who sent the highest amounts of remittance to Bangladesh last year.

Of them, five were given the award for their investments in foreign currency bonds.

BB Governor Fazle Kabir handed the Bangladesh Bank Remittance Award 2016 at a ceremony at the Bangla Academy auditorium in Dhaka yesterday.

Of the top remitters, 17 live in the UAE and nine in the US, Kuwait, Germany, Singapore, Qatar and Australia.

Four money changers owned by expatriates and five local banks were also honoured for their role in bringing remittance.

The money changers are: Placid NK Corporation and Sunman Global Express Corp of the USA, National Exchange Company SRL of Italy, and NEC Money Transfer of the UK.

The five banks are Islami, Standard Chartered, Agrani, Sonali and Janata.

In 2015, the central bank awarded 31 individuals and four money changers.

The BB introduced the award in 2014 to recognise remitters for their contribution to the economy and encourage expatriates to send more money through formal banking channels.

Migrant workers sent home \$12.77 billion in fiscal 2016-17, the lowest in six years, according to data from the central bank. Remittance earnings from the Middle Eastern countries dropped 14.58 percent year-on-year to \$7.3 billion in the last fiscal year.

# ADB gives \$200m to help boost urban infrastructure, services

STAR BUSINESS DESK

The Asian Development Bank and the government yesterday signed loan agreements worth \$200 million to strengthen urban infrastructure, service delivery and management in municipalities.

Kazi Shofiqul Azam, secretary at the Economic Relations Division (ERD), and Kazuhiko Higuchi, country director of the ADB, signed the agreements at a programme at the ERD in Dhaka, said the Manila-based lender in a statement.

"The ongoing project for improving urban infrastructure and services in 30 municipalities nationwide has been progressing well," said Higuchi.

"The strong performance has enabled additional loans to further enhance the benefits of the project and bring them to a larger group of people around the country."

The additional financing for the Third Urban Governance and Infrastructure Improvement (Sector) Project will increase the total ADB loans for the project

to \$325 million.

This will continue to improve priority infrastructure and services and strengthen managing capacities in the 30 existing and five newly added municipalities with a total population of 3.1 million, said the statement.

The project emphasises promoting climate resilience and gender equity and includes flood protection, urban roads, water supply and sanitation, solid waste management, other urban services and their capacity strengthening.

Underdeveloped areas will receive special attention, according to the statement.

"The project will contribute to the Sustainable Development Goal 11: making cities and human settlements inclusive, safe, resilient, and sustainable."

The project also focuses on strengthening municipal financial management through system and procedural enhancements. The project is due for completion in 2021.



Md Shahidul Islam, a project director of Bangladesh Railway, and Anupam Sharma, chief financial officer of Plasser India Private Ltd, exchange the signed documents of a deal at a programme in Dhaka. Plasser India will supply and commission heavy duty tamping machine for the railway through its local agent NasCom. Nasir A Choudhury, managing director of NasCom, and Waqar A Choudhury, a director, were also present.

# Transaction limit raised for agent banking

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But Abul Kashem Md Shirin, managing director of Dutch-Bangla Bank, the market leader in agent banking, said the new guideline will raise the cost of agents as they will have to comply with various security measures.

The agent banking activities are limited to 13 kinds of services.

They are: cash deposit and cash withdrawal; inward foreign remittance disbursement; disbursement and repayment of loans; bill collection; payment of insurance premium, retirement and social benefits, and of salaries; fund transfer; balance enquiry; generation of mini bank statements; collection of loan application forms, credit and debit card applications; monitoring and recovery of loans and advances sanctioned by the bank.

About 3.3 lakh agent banking accounts were opened in the first half of the year, an increase of over 60 percent from the preced-

ing six months, thanks to the growing popularity of this new form of banking services aimed at those living in remote areas.

At the end of June, the number of agent banking accounts stood at 8.73 lakh in contrast to 5.45 lakh at the end of December last year, according to data from the BB.

Seven banks got agent banking licence in the first six months this year, taking the tally to 17.

Of them, 12 are already running agent banking operations and one is in the process of rolling out the service.

The 12 are: Dutch-Bangla, Bank Asia, Al-Arafah Islami, Social Islami, Modhumoti, Mutual Trust, NRB Commercial, Standard, Agrani, Midland, First Security Islami, and City.

Dutch-Bangla Bank has the highest tally of agents and accounts: 1,454 and 5.75 lakh respectively. It is followed by Bank Asia, which has 1,238 agent outlets and about two lakh agent banking accounts.



Jeremy Heng Choon Guan, head of marketing at Sony Singapore, and Tanvir Hossain, general manager for marketing and sales of Rangs Electronics Ltd, attend the launch of "Sony Expo 2017" at Krishibid Institution Bangladesh in Dhaka on Monday. The objective of the expo was to unveil Sony's Bravia OLED television in Bangladesh.

SONY-RANGS

# German investor confidence rebounds from August plunge

AFP, Frankfurt Am Main

Confidence among German investors beat expectations Tuesday with a strong rebound in a monthly survey, as Europe's largest economy stays in robust health and fears over a strong euro recede.

The ZEW institute's monthly barometer -- which measures financial players' expectations for the coming months -- leapt from 10 to 17 points in September, outstripping the 13.5 points predicted by analysts surveyed by Factset and almost recovering July's level of 17.5.

"Solid growth in the second quarter, recent big increases in banks' lending business and growing investment from firms and the state" had all contributed to the good mood, ZEW president Achim Wambach said.

The German economy grew by 0.6 percent in the three months from April to June, figures released in mid-August showed, in line with the average for the 19-nation eurozone.

And unlike a recent string of white-knuckle European votes, "there seems to be no uncertainty originating from Germany's general election" slated for Sunday, Wambach added.

The rebound "may partly reflect a reduction in fears about the euro", after the single currency's rise against the dollar in recent months cowed financial players, analyst Stephen Brown of Capital Economics suggested.

In a separate survey looking at the eurozone as a whole, investors were slightly more confident in the future performance of the single currency area in September than last month.

But while the picture of Germany's present economic situation brightened a little, financial professionals' view of the eurozone's current position was gloomier than in August.

The ZEW institute questioned 203 analysts and institutional investors to compile its survey.

# MetLife opens 'innovation centre'

STAR BUSINESS REPORT

MetLife Bangladesh yesterday launched an "innovation centre" in Dhaka, a first for insurers, aiming to shift mindsets and benefit the entire industry.

Syed Hamdul Karim, general manager of MetLife Bangladesh, and Zia Zaman, chief innovation officer of MetLife Asia, inaugurated the centre at a programme held at MetLife Building in Dhaka.

The centre will work on ways to change traditional cultures of the industry, grow trust and identify the sector's problems, said Zaman, adding that it would explore new products focusing on health and education through innovation.

"Without innovation, survival is impossible for a sector," he said.

The centre will work to enhance customer satisfaction with insurance products and explore ideas on what can be done for the emerging middle class, he added.

He emphasised using technology in the insurance sector to reach people easily as well as grow trust.

The new 380-square feet innovation centre is located at the MetLife Building in Motijheel.

Talented associates can come together to share and develop innovative ideas using the innovation centre, said Karim.

# US state grants \$3b in tax incentives to Foxconn

AFP, Chicago

Wisconsin Governor Scott Walker signed a bill on Monday granting \$3 billion in tax incentives to Foxconn, paving the way for the Taiwan electronics giant to build a manufacturing plant in the state.

Foxconn, maker of Apple's iPhone, is expected to invest up to \$10 billion to build a flat-screen facility in the state -- with the promise of at least 3,000 new jobs, and possibly as many as 13,000.

Wisconsin would provide up to \$3 billion in tax subsidies as job promises are met -- the highest US government subsidy ever for a foreign company, according to fact-checking website PolitiFact.

Walker signed the incentive package into law Monday, despite opposition from Democrats who saw the tax subsidy as too generous.

Wisconsin is one of several "Rust Belt" states that buoyed Donald Trump to last year's surprise presidential election victory on his promise to bring back manufacturing jobs lost to automation and cross-border trade.

# Samsung showcases flagship products

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He said they believe the newly launched Samsung QLED TV will be yet another astounding innovation, one that will elevate consumer delight and TV-watching experience to the next level.

Samsung's range of TVs from QLED TV, UHD TV, Smart TV and Joy Connect TV are designed to become an integral part of customers' lifestyle.

The size of the TVs ranges between 32 inches and 65 inches; their prices start from Tk 31,900 and go up to Tk 695,900.

Samsung accounts for about 18 percent of the 10 lakh units of TVs sold every year in Bangladesh, according to Firoze Mohammad, its head of business.

"Next year we want to cross the 30 percent mark," he added. Samsung has started assembling television panel in Bangladesh in a joint venture with Transcom Electronics Bangladesh.

At the daylong event at the Pan Pacific Sonargaon Dhaka, Samsung also demonstrated its other home appliances like refrigerators, air conditioners and so on.

# Govt eyes to earn Tk 11,000cr from 4G auction

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He said, during the 3G spectrum auction in 2013 the regulator earned about Tk 4,000 crore.

But a huge amount of spectrum also remained unsold at the time and the government has not been able to monetise it, he said.

"3G is a big joke. Apart from the urban areas, 3G hardly exists in other parts of the country. The same will happen in case of 4G and 4G will remain in the pockets of only a few privileged customers."

The government will also earn money in value-added tax from spectrum sales, licence fees, annual fees and spectrum utilisation fees.

But Khan criticised the government policy of charging \$7.5 million for each MHz as spectrum conversion fee.

"Already the operators have paid Tk 150 crore for each MHz of the spectrum they are using. Now the operators want to provide a new service with the spectrum. If the government charges them again for the spectrum it will clearly be hypocrisy."

The winning bidders will have to pay 60 percent of the auction fee within 30 days and the rest 40 percent in four instalments in four years.

In July, the Association of Mobile Telecom Operators of Bangladesh said private mobile operators see no substantial return in the first three years of investing Tk 22,600 crore to roll out 4G service.

Grameenphone, Robi and Banglalink got back only Tk 6,000 crore of the Tk 32,000 crore they invested in the first three years of the introduction of the 3G, according to the association.

The regulator plans to arrange the auction within three months as mobile operators are almost ready to launch the 4G service, said BTRC Chairman Shahjahan Mahmod.

The government is exploring new avenues to boost income from domestic sources after its plan to introduce a new VAT law had to be deferred following strong opposition from businesses.

The government had planned to earn Tk 22,579 crore in additional revenue through the implementation of the new VAT law in the current fiscal year.

# Nafta talks moving at warp speed, US trade rep says

AFP, Washington

Negotiators are moving swiftly to revamp the North American Free Trade Agreement but the outcome remains uncertain, US Trade Representative Robert Lighthizer said Monday.

"We're moving at warp speed but we don't know whether we're going to get a conclusion," he said.

The remarks following a speech on trade policy came days ahead of the third round of talks aimed at reworking Nafta, which are due to kick off Saturday in Canada.

US President Donald Trump last month again called the future of Nafta into doubt, saying he would "probably" terminate the agreement "at some point."

Despite a campaign promise to abandon the trade pact, Trump opted instead to call for talks to renegotiate it, but has signalled several times he is willing to terminate it if he does not get a good deal.

Lighthizer said Monday officials are eager to conclude the talks due to time pressures from the political calendar, notably in Mexico, which will hold general elections in July, and because of uncertainty in inconvenient businesses.

"There are a lot of people that the whole process is having real-life effects on, real farmers and ranchers and businesspeople who are trying to do business," said Lighthizer.

"So there are reasons to move quickly on a renegotiation." Trump officials have put heavy emphasis on reducing bilateral trade deficits in all of its discussions, including with Nafta partners Canada and Mexico, something analysts say may be difficult to remedy in trade talks.

Turning to China, Lighthizer said the World Trade Organization was not equipped to respond to the "unprecedented" threat from Beijing's policies.

# Swiss shut down 'fake' e-coin in latest cryptocurrency crackdown

REUTERS, Zurich

Switzerland's financial watchdog has closed down what it said was the provider of a fake cryptocurrency and is investigating around a dozen other possible fraud cases, in the latest clamp-down on the risks involving virtual money.

The move by the FINMA watchdog comes on the heels of Chinese authorities' ordering Beijing-based cryptocurrency

exchanges to stop trading and immediately notify users of their closure.

Virtual currencies such as Bitcoin, which are issued and usually controlled by their developers and not backed by a central bank, are hailed by their supporters as a fast and efficient way of managing money.

But regulators and traditional banks are increasingly concerned about the risks of fraud in the burgeoning online cryptocurrency underworld.

# Petrobangla, Gunvor Singapore sign MoU on LNG supply

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In a statement, Nasrul Hamid, state minister for power and energy, said the government signed MoUs with RasGas of Qatar, Oman Trading International of Oman, Pertamina of Indonesia, Astra Oil of Switzerland and Gunvor Singapore to buy LNG.

Forty one companies have expressed willingness to supply LNG through spot market to Bangladesh after the government sought "expression of interest" on August 17 this year.

A panel will be formed to sign the sales and procurement agreement, said the minister. "The crisis of gas will start to go away from April next

year," he said.

The minister said 500 million cubic feet of LNG would be imported every day from April next year, which will be used in Chittagong region.

Another 500mmcf of LNG would be added to the national pipeline in October 2018. "This LNG will be used in the central parts of the country."

He said although the Chittagong region would be served initially, the impact would be felt in other parts of the country.

The government has also taken up plans to establish LNG-based power plants.

Hamid said the LNG would be

blended with the local gas before being supplied to industries. "Although the gas price will go up to some extent, it would be helpful for them ultimately."

The LNG imports will bump up the supply for consumers by 37 percent.

The country has been dogged by serious gas shortages for a long time now, crippling industries. It currently has a supply of about 2,700 mmcf from various gas fields against the demand for 3,300 mmcf.

Abul Mansur Md Faizullah, chairman of Petrobangla, and Nazimuddin Chowdhury, energy secretary, were also present.