

# China to give foreigners greater access to banking sector

REUTERS, Beijing  
China's top banking regulator said on Thursday that the country will further open up its banking system to foreign investors, who have failed to make inroads into the highly regulated sector and seen their market share decline.

"We will give foreign banks more space in the form of their establishment, shareholder qualifications, the percentage of their shareholding and their scope of business," said Guo Shuqing, chairman of the China Banking Regulatory Commission (CBRC) at a news conference during the 19th Party Congress.

The market share of foreign banks in China has decreased to 1.2 percent now from 2.4 percent 10 years ago, Guo said.

"This is not beneficial for promoting competition and structure optimization," he said.

Guo's comments are the latest indication that the world's second-biggest economy may lower barriers to overseas participation in its financial services sector, which has frustrated some foreign firms.

The regulator's comment comes as

Beijing faces mounting pressure from Western governments and business lobbies to remove investment restrictions and onerous regulations that prevent foreign firms from operating in its markets.

China has responded by renewing earlier promises to open its markets further.

Making moves to open markets now may be a case of "too little, too late", said Keith Pogson, EY's global assurance leader for banking and capital markets.

"Many foreigners have lost interest in participating in the Chinese market directly," said Pogson, following years of market curbs exacerbated by the competitive threat of China's biggest state-owned banks and rising non-bank financial sector.

There were 39 wholly-owned foreign banking institutions operating in China at the end of last year, according to CBRC statistics.

In July, the People's Bank of China published rules allowing foreign rating agencies to establish wholly-owned businesses on the mainland to assess the credit risks of domestic bonds.

Global credit ratings agencies cur-

rently can only hold minority stakes in joint ventures and are not allowed to issue ratings for local bonds.

The government last year also said it would further liberalize its securities and insurance sectors.

Overseas banks are permitted to operate locally-registered branches in China, and are restricted to taking a maximum 20 percent stake in domestic banks. In securities and fund management businesses, foreign ownership is capped at 49 percent.

On Thursday, PBOC's Guo also said China will strengthen regulatory management for the disposal of non-performing loans (NPLs) and continue to contain financial risk while curbing any rise in hidden debt.

Chinese banks have sold off, written off and reclassified a total of 979.9 billion yuan in NPLs in the first three quarters of this year, according to CBRC data.

Guo said that financial regulators would continue to crack down on business irregularities to prevent financial risks.

China's regulators will also guard against cross-market financial risks while further deepening reforms, he said.



Sonia Bashir Kabir, managing director of Microsoft Bangladesh, and high officials of Leads Corporation Ltd attend a demonstration by the latter on remote monitoring and predictive maintenance solutions based on Microsoft's Azure IoT Suite at the Microsoft office in Dhaka on Wednesday. Microsoft partnered with Leads to roll out an Industrial Internet of Things (IoT) solution built by Leads on Microsoft Data and AI Platform.

## Emirates offers 96-hr UAE visa

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Emirates is offering a complimentary 96-hour UAE visa to Bangladeshis making a stopover in Dubai while on way to the United States, Canada, Europe and Africa. Those purchasing first or business class

tickets will also get a complimentary two-night stay at the JW Marriott Marquis in Dubai.

Tickets must be booked by October 22 for trips between October 15 and November 30, according to the airline's announcement published in Bangladesh.

## Farm loan lending goes up 23pc

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The amount is 15.38 percent of their total annual farm loan disbursement target of Tk 9,290 crore.

Private and foreign banks together provided Tk 2,760.49 crore in agriculture loans during the period. The sum is one-fourth of their total annual farm loan disbursement target of Tk 8,260 crore.

To use their idle funds, banks are also trying to invest heavily in government securities that offer interest rates between 2.98 percent and 8.07 percent.

But the banks now can invest a limited amount of funds in treasury bills and bonds as the government is not borrowing much from the banking sector, the BB officials said.

## Industries ministry to help build smart cities: Amu

BSTI observes World Standards Day

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The industries ministry is working with the authorities of Dhaka and other cities to build smart cities in the country, Industries Minister Amir Hossain Amu said yesterday.

Many unplanned cities have been developed and now the industries ministry has started working to build aesthetic cities, he said.

"The government has kept Dhaka at the centre of all these work and the BSTI of the industries ministry is also contrib-

uting to the effort."

The minister spoke at a discussion on "Standards make cities smarter", to mark World Standards Day. Bangladesh Standards and Testing Institution (BSTI) organised the event at its office in Dhaka.

Mohammad Sayeed Khokon, mayor of Dhaka south city corporation; Shafiul Islam Mohiuddin, president of the Federation of Bangladesh Chambers of Commerce and Industry, and Md Saiful Hasib, director general of BSTI, also spoke.



Md Mahbub-ur Rahman, deputy CEO and country head for commercial banking at HSBC Bangladesh, and Md Khairul Islam, country director of WaterAid Bangladesh, attend the launch of "HSBC Water Programme second phase" at Pan Pacific Sonargaon Dhaka Hotel on Wednesday.

## 2nd phase of HSBC Water Programme begins

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HSBC and WaterAid Bangladesh on Wednesday launched the second phase of HSBC Water Programme with an aim to ensure safe water and sanitation for people of remote and marginalised areas of the country.

Under the programme, pure water supply, climate resilient sanitation facilities and hygiene behaviour would be improved in five upazilas -- Gangni of Meherpur, Tahirpur of Sunamganj, Dacope and Paikgacha of Khulna and

Shyamnagar of Satkhira.

The areas are suffering from climate change induced conditions and multiple disaster-related challenges. At least 173,322 people will directly benefit from this project, to be implemented in two years before ending in December 2019.

The launching was held at Pan Pacific Sonargaon in Dhaka where Md Mahbub-ur Rahman, deputy CEO and country head for commercial banking at HSBC Bangladesh, and Md Khairul Islam, country director of WaterAid Bangladesh, were present.

## GP heading towards a record year

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Grameenphone invested Tk 210 crore during the quarter mainly for further rollout of 3G sites and capacity enhancement. Some 154 2G and 284 3G sites were rolled out, taking the cumulative site numbers to 12,517 for 2G and 11,841 for 3G.

"The results point to the significant upside opportunity in the Bangladeshi telecom industry particularly in mobile data services," Foley said.

About the forthcoming rollout of 4G services, he said the potential for 4G to spur economic growth and enhance the competitiveness of the economy is considerable.

The telecom regulator has already issued the 4G guideline last month and the Association of Mobile Telecom Operators of Bangladesh has raised 23 concerns about it.

Grameenphone is committed to meaningful consultations between the industry and government for the creation of a set of 4G licence and spectrum auction guidelines that will strengthen investor confidence in the regulatory and fiscal policies, its CEO said.

"This will facilitate widespread and affordable data services for people of the country and strengthen investor confidence and appetite for the material investments required for the launch of 4G," he added.

The lone-listed mobile operator's earnings per share for the quarter stood at Tk 5.16, up from Tk 4.78 a year earlier.

Grameenphone shares traded at Tk 424 yesterday, up 0.93 percent from the previous day.

## 66 weavers get nod to use GI tag for Jamdani

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The officials of the patents department said more weavers would be recognised if they apply through BSCIC.

"We are encouraging other weavers to become authorised users of GI for Jamdani so that they brand our traditional fabric better worldwide," said Shah Nuruzzaman, general manager for marketing at BSCIC.

The Jamdani producers would have to first register with BSCIC before seeking permission to become authorised users of the GI, he said.

"We asked field offices to award registration to small weavers without harassment."

Of the 5,679 Jamdani weavers, nearly 3,000 have looms of their own while the rest work for others in factories, said Nuruzzaman.

Bangladesh produces 75,000 pieces of Jamdani saris a year, according to the BSCIC official.

The patents department has received applications for GI registration of 27 products, including Jamdani and hilsa, from various districts.

These include Chapainawabganj's Khirsa and Langra mango varieties, Rangpur's Harivanga mango variety, Rajshahi's Fazli mango variety, Dinajpur's Kataribhog rice and Mymensingh's Kalijira rice, Moulvibazar's incense, Sundarbans honey and Porabari's Chamcham sweetmeat and Rajshahi silk.

Of the applications, work on the GI registration for Khirsa mango variety is at the final stage, said a senior official of patents department.

The official stressed taking measures to control quality of GI products for the benefit of buyers and sellers.

## NBR to probe outsiders' entry into Ctg customs

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They are also involved in illegal financial transactions between corrupt officials and dishonest clearing and forwarding agents at different stages of customs assessment.

The Transparency International Bangladesh, in a study in 2014, said customs officials unlawfully appointed outsiders as their personal assistants to perform illegal transaction with traders.

The CIID, in a report last year, said the middlemen had become important in carrying out customs operations because of workforce shortage. It held four outsiders in a sudden drive on November 16 last year.

The Customs House authorities also took initiatives to wipe out the outsiders, but it is alleged that they had returned.

The circular also acknowledged their presence.

Chittagong Customs House Commissioner AFM Abdullah Khan told The Daily Star that it had tried several times to drive out the outsiders.

Some outsiders may still be seen visiting the customs house as several thousand clearing and forwarding agents enter the premises every day, he said.

"We have warned all officials that if any outsider is found in any official's office he or she would be held responsible."

## Govt meets mobile operators' demands

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The guideline also empowers the regulator to take back all the unused balance of mobile users. The provision will now be dropped, the BTRC official said.

As per the new decision, operators will not have to store subscribers' usage data for 12 years. It will be brought down to 3 to 5 years after consulting with law enforcement agencies.

The meeting also decided to scrap the provision that said the telecom regulator can change the percentage of revenue sharing from time to time -- a clause that has created panic amongst operators.

Operators will now have to share 5.5 percent of their revenues from 4G service with the telecom regulator and the percentage will remain the same for the next 15 years.

Mobile operators also demanded that the government revisit the pricing of spectrum and the charge for technology neutrality.

No concrete decision on the issues came at the meeting as it will require the finance ministry's consent.

The meeting decided that operators can take neutrality for as much spectrum as they want -- a move that will save operators huge amounts.

The guideline made it mandatory for the operators to obtain technology-neutrality for all of the spectrums they own.

At present, market leader Grameenphone is using 22 MHz of spectrum for 2G services. Robi has 26.4 MHz, Banglalink 15 MHz and state-owned Teletalk 15.2 MHz spectrum.

Technology neutrality charge remains \$75 lakh per megahertz.

"It is too good to believe given the response we got from the adviser," said a top official of a mobile operator requesting not to be named.

State Minister for Telecom Tarana Halim said the government wants to roll out 4G service by December.

Shahjahan Mahmood, chairman of the BTRC; Shyam Sunder Sikder, telecom secretary; Md Jahurul Haque, legal commissioner of the BTRC; Michael Patrick Foley, chief executive officer of Grameenphone; Mahtab Uddin Ahmed, CEO of Robi; Erik Aas, CEO of Banglalink; Kazi Md Golam Quddus, CEO of Teletalk; TIM Nurul Kabir, general secretary of the AMTOB, were present at the meeting.

On the same issue, the adviser yesterday sat in a meeting with senior officials from the BTRC and the telecom division at the ministry.

## Accord to leave next year

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"We are satisfied with the progress of the workplace safety and we have decided to leave the country," said the representative of the signatory asking not to be named.

"Talking from the brands' point of view, our business is selling garment. Our business is making garment in Bangladesh. Our business is not to remediate the buildings in Bangladesh," he added.

## Sweden to get Europe's biggest car battery factory

AFP, Stockholm

Start-up company Northvolt said Thursday it had picked its home country Sweden to build Europe's biggest factory for electric car batteries, rivalling Tesla's American "Gigafactory".

The company said it had selected Skelleftea, a coastal town in the country's industrial north-east, for the site which will employ up to 2,500 people.

Sweden's main nickel, cobalt, lithium and graphite deposits are nearby.

An associated research centre employing 300 to 400 people will be located in Vasteras, some 150 kilometres west of Stockholm and the original headquarters of Swedish-Swiss ABB, which has partnered up with Northvolt for the project.

"Europe is rapidly moving towards electrification," said Peter Carlsson, Northvolt's founder and CEO.



Shah A Sarwar, CEO of IFIC Bank, attends the bank's quarterly business review for its branch managers at a programme at IFIC Tower in Dhaka on Wednesday.