



A Rouf Chowdhury, chairman of Bank Asia; MA Rouf, chairman of Mutual Trust Bank, and Md Arfan Ali, president and managing director of Bank Asia, cut a cake to celebrate Bank Asia's 18th anniversary at its corporate head office in Dhaka yesterday.

EU fires starting gun for banks vs fintech fight over payments

REUTERS, London

THE European Commission approved rules on Monday to increase competition and toughen up security in how people pay for goods and services across the European Union, pitting banks against financial technology firms.

The rules flesh out an update to the bloc's payment services law and are among the most disputed in recent financial regulation, sparking intense lobbying as banks and fintech firms clashed over access to customer data.

"These new rules will guide all market players, old and new, to offer better payment services to consumers while ensuring their security," European Commission Vice President Valdis Dombrovskis said in a statement.

Brussels hopes that by boosting ecommerce it can erase borders in trading to increase growth.

The revised law comes into force on Jan. 13, though some of the security elements approved on Monday won't be binding until September 2019 to give banks and fintech firms time to adjust.

The rules will require two security features for online or "bricks-and-mortar"

shops, instead of a single password or details on a credit card at present, to help crack down on fraud.

Features accepted include a password, "PIN" code, card, mobile phone, iris scan or fingerprint. Exemptions for "contactless" payments over 50 euros would continue.

The EU executive has sought to tread a fine line between banks which complain that giving too much access to accounts could weaken security, and fintechs who accuse banks of thwarting competition.

"At a time when cybersecurity becomes increasingly important the EU risks introducing a system for online payments that is potentially harmful for bank account holders and the banks that offer these accounts," the European Banking Federation said in a statement.

Account holders must give permission for their data to be accessed by a licensed third party who wants to offer payment services that do away with the need for a credit card, or services that offer an overview of different accounts and balances.

In a nod to banks, the rules stop so-called "screen scraping" or a fintech obtaining broad data by using a customer's security credentials, so that its identity is not revealed to the bank.

StanChart honours agriculture icons

STAR BUSINESS DESK

STANDARD Chartered Bank Bangladesh honoured best performing individuals and institutions of the country's agriculture sector through the fourth Agrow Award.

This year, the awards were given in seven categories, the bank said in a statement yesterday.

AHM Mustafa Kamal, planning minister, handed over the awards at a ceremony at the Westin Hotel in Dhaka on Sunday.

Md Shar Ali Saddar and Md Haroon Chowdhury won the Farmer of the Year award (male) while Anju Sarkar achieved the Farmer of the Year award (female).

The award for the "Farmer of the year - subsistence to market" category went to Md Nurul Haq and his group.

Bangladesh Rice Research Institute received the "Best agricultural organisation in research and innovation" award while ACI Crop Care and Public Health became the "Best agricultural organisation in support and execution".

BaSE Bangladesh received the "Best Agricultural Exporter" award while Soilsafe by Kranti Associates turned up as the winner in the "Best use of technology in agriculture" category.

The winners and honourable mentions in each category received a crest and a certificate. Each winners of the Farmer of the Year awards received Tk 5 lakh as prize money while the honourable mention won Tk 50,000.

Naser Ezaz Bijoy, CEO of Standard Chartered Bank Bangladesh; Bitopi Das Chowdhury, country head of corporate

affairs, and Shariful Islam, founder and managing director of Bangladesh Brand Forum (BBF), attended the award giving ceremony.

In 2014, the bank initiated the award for which BBF has always been the implantation partner. A total of 217 nominations were received this year.

"Bangladesh has come a long way since independence in 1971 and recently attained lower-middle income status," the minister said at the event.

"In this journey, agricultural sector has always played a vital role for the economy. Bangladesh's economy is shifting towards industrialisation, yet the root stays at agriculture."

The Agrow Award is our attempt to honour the leaders and visionaries who are taking our agriculture sector to new heights," Standard Chartered Bangladesh's CEO said.

"It is our hope that this initiative will strengthen the roots of our nation, by

honouring those individuals whose work can serve as shining examples of what is possible, whose lives and achievements can inspire us all."

"As the oldest financial institution in the country, supporting the agricultural sector has been an important part of our legacy of 112 years," he said.

"We have been involved in this sector in many forms, including agri-lending, and also through supporting food processing industry and agro businesses."



AHM Mustafa Kamal, planning minister, and Naser Ezaz Bijoy, CEO of Standard Chartered Bank Bangladesh, pose with the winners of the fourth edition of Agrow Award organised by the bank at the Westin Hotel in Dhaka on Sunday.

Termination of Nafta would hurt US, Canada economies

REUTERS, Detroit

Terminating the North American Free Trade Agreement would harm the US and Canadian economies and reduce their competitiveness versus Asia and Europe, a report issued by the Bank of Montreal said on Monday.

According to the report, "The Day After Nafta," a failure to renegotiate the trade agreement between the United States, Canada and Mexico would lead to a 0.2 net reduction in real US gross domestic product over the next five years, and a 1 percent decrease for Canada's economy.

US President Donald Trump has threatened to withdraw from Nafta unless it can be reworked in favour of the United States, arguing that the pact has hollowed out US manufacturing and caused a trade deficit of more than \$60 billion with Mexico.

The United States, Mexico and Canada concluded a fifth round of talks to update Nafta last week with major differences unresolved, casting doubt on whether a deal could be reached by the end of March 2018 as planned.

Douglas Porter, chief economist of BMO Financial Group and one of the report's authors, said that while the three North American economies would adjust to a new reality, a shift in low-wage work to Mexico enabled by Nafta had made them collectively more competitive on the global stage.

"If we splinter up Nafta into three separate economies, that makes all of us less competitive and ultimately the whole region will end up losing a bit versus other trading areas like Asia," Porter told Reuters by telephone. "The point here is there would be a cost to the US economy and it's a totally unnecessary cost."

"Our view is even if the US administration were to achieve that goal, it might come at the cost of an even wider deficit with Asia in particular," Porter said.

If Nafta negotiations were to fail, trade among the three countries would be subject to tariffs set by the World Trade Organisation (WTO).

Unleashing the power of IoT



ARJIT CHAKRABORTI

THE Internet of Things (IoT) is changing the objects surrounding us significantly to enrich our lives. From household appliances to industrial machines, the IoT is bringing more 'things' into the digital fold every day. Collectively, this is likely to make the IoT a multi-trillion dollar industry in the near future. According to a global survey conducted by PwC, business leaders worldwide are investing in building their IoT capabilities significantly.

The IoT represents the convergence of advances in miniaturisation, wireless connectivity, increased data storage capacity, increased battery life, powerful solar cells and sensors. Sensors detect and measure changes in position, temperature, light, etc.,

and they are necessary to turn billions of objects into data-generating 'things' that can report on their status, and, in some cases, interact with their environment.

In Bangladesh, there are plenty of opportunities for IoT to be a differentiator for businesses and human lives. Companies can create maximum value for their businesses and customers by taking advantage of the human-machine collaboration supported by this technology.

Agriculture, retail, manufacturing, healthcare and other industries stand to benefit through a connected ecosystem that enables human experts to use data and take insightful decisions.

For example, sensor data can apprise factory floor personnel of the health of critical machines, resulting in fewer machine failures and improved production outputs. Such an application is going to help apparel manufacturing companies in Bangladesh, where export production and shipping are time sensitive. The sensors can also improve factory floor safety to a great extent by monitoring critical safety parameters and alerting safety officers early about any deviations observed.

Farmers in Bangladesh have a daunting task of producing crops for a densely populated country. With the threat of climate change and increasing population, they will have to produce more crops in the coming years on reduced land area and with

limited water resources. Applications of sensors will enable farmers to monitor and optimise the use of water, fertilisers and pesticides while growing crops. An agro-focused IoT ecosystem will enable all participants to realise the benefits of efficient and sustainable farming.

Further, wearable devices have already begun to be adopted by the affluent sections of Bangladesh's society. These devices can collect and monitor several essential health parameters—for instance, heart rate. Specialised wearable devices can collect more detailed health data once mounted on a patient's body. These devices allow patients to live a normal life, and the data they collect allows medical practitioners to offer personalised health advice and services. In case of life-threatening events such as a cardiac arrest, an IoT ecosystem can activate patient care faster than any other methods available today in the industry.

With the growth of the overall economy, the organised retail sector in Bangladesh will also experience high growth. The IoT is going to help retail companies deliver a consistent experience to their customers by collecting and analysing data from their shopping habits.

Today, things are being connected to the internet at an unprecedented pace. These devices generate a massive volume and variety of data. The

speed of data generation is also very high. This creates a different challenge of data storage and data analysis. The brontobyte (1027 bytes) is expected to be the measuring unit for our data universe in a few years. The setting up of proper hardware and software to store this huge volume of

data and the use of the right kind of tool to perform faster analysis are going to be important decision-making activities for business leaders.

The other important success factor is going to be the IoT ecosystem. A typical ecosystem will comprise suppliers of devices, connectivity, data

storage hardware, analysis tools and, most importantly, domain-specific use cases. Telecom operators in Bangladesh will play a very important role as providers of connectivity across all industries.

Research institutes in Bangladesh will also act as key players in this ecosystem by contributing their insights. For example, agricultural research findings will help in understanding the soil characteristics required for growing a particular crop in a particular district and developing an IoT solution for the same. Thus, the IoT ecosystem will be evolved with multiple participants with varied specialisations.

Given its complexity, the IoT ecosystem may take time to develop. Business leaders also need to factor the regulatory impact into their IoT investments. For example, tax considerations will require attention since a lot of hardware components of the ecosystem will have to be imported. IoT-enabled business models may attract a different tax interpretation since there will be a visible shift in the way of doing business. The power of IoT to alter business models and disrupt industries is enormous. Fast movers in Bangladesh are expected to gain significant advantage in their businesses over their peers.

The writer is a partner at PwC. The views expressed here are personal.

DATA VOLUME FROM IoT

