

Bitcoin fever hits US real estate market

REUTERS, Miami
Bitcoin fever has hit the US real estate market, especially that of Florida, offering foreign investors a way to dodge currency controls at home and US economic sanctions.

As of the end of last year, the digital currency was listed as a way to pay for some 75 properties for sale, especially in south Florida and California, according to the real estate firm Redfin. "Bitcoin accepted" is a message now seen in the description of homes for sale in the Miami area.

One seller is going even farther, saying he will take only bitcoin (33 of them to be exact) for his half-million-dollar downtown condo in the Florida metropolis.

Bitcoin has been on a roller coaster ride of late, shooting up to nearly \$20,000 a piece in mid-December and then dropping sharply around Christmas. It started the year at around \$14,000. Its use in real estate transactions is novel, and agents are wary because of its high volatility.

"I'd be blown away if a year from now we see hundreds of real estate transactions in bitcoins," said Jay Parker, Florida CEO for the Douglas Elliman brokerage agency.

Still, such transactions can be useful for foreigners who want to invest in the United States and cannot otherwise do so, said economist and bitcoin expert Charles Evans of Barry University.

"This seems to be driven by international investors who are circumventing inefficient banking and currency controls at home, and by US cryptocurrency enthusiasts," Evans told AFP.

"The governments in those countries restrict the amount of money that their residents are allowed to transfer abroad through the banking system. Bitcoin enables individuals there to bypass such restrictions," he added.

This could be a draw for investors, who even before the bitcoin rage were already hot on the real estate market in south Florida. Nearly half of all foreign buyers of property in south Florida are from Latin America.

According to the National Association of Realtors, over the past five years, investors from Venezuela, Brazil and Argentina -- in that order -- have led purchases in this part of the state.

Bitcoin offers another advantage for some foreign investors: it lets them dodge US economic sanctions.

Evans cited the example of Venezuela, which imposes strict

currency controls and is enduring runaway inflation that surpassed 2,600 percent in 2017.

What is more, many senior officials in the government of Venezuela's President Nicolas Maduro have been hit by sanctions imposed by Washington, which considers his administration a dictatorship.

Evans said there is also a lot of interest in bitcoin among Iranians, whom he described as "doubly hit" with restrictions in Iran and international sanctions. It is an open secret that money laundering fuels the real estate market in south Florida. But instead of hiding the practice, bitcoin could have the opposite effect.

The crypto currency "is a terrible medium for large-scale money laundering, because all bitcoin transactions are recorded in the publicly available transaction record known as the Blockchain," said Evans.

Although bitcoin has been associated with the drug trade and cyber attacks, Blockchain "leaves a lot of fingerprints," former Florida representative Jose Felix Diaz told Politico.

"So if you're using it for illegitimate reasons, the state and the federal government should have every tool at their disposal to go after you," Diaz said.



Md Arfan Ali, president and managing director of Bank Asia, and Mian Quamrul Hasan Chowdhury, deputy managing director, pose with the participants of a workshop on "Developing operational leadership for sustainable growth" at the Bank Asia Institute for Training and Development at Lalmatia in the capital on Saturday.

Glimmers of hope in Iran economy despite Trump

AFP, Tehran

Even with President Donald Trump continuing to waive nuclear sanctions, Iran's economy remains hobbled by US restrictions but some diplomats in Tehran remain quietly confident for the future.

The real problem in Iran right now, everyone in the international business community agrees, is uncertainty.

That was not helped by Trump's announcement on Friday that he would waive nuclear-related sanctions, but only once more and that Europe must work with Washington to "fix the deal's disastrous flaws, or the United States will withdraw".

"No one has any idea what's going on. Trump has introduced so many layers of uncertainty," a Western trade official in Tehran told AFP on condition of anonymity. "That's not necessarily negative. Things could actually improve if Trump pulls out of the deal. The Europeans could stay and the EU could provide protections for its industries against US sanctions," he said.

"Or things could get even worse. We just don't know." On the surface, Trump's vitriolic stance appears disastrous for the 2015 nuclear deal between Iran and world powers, which lifted many sanctions in exchange for curbs to the country's nuclear programme.

Even as he confirmed the waiver of nuclear sanctions on Friday, Trump added yet more sanctions related to human rights and Iran's missile programme, adding to a vast web of restrictions that have scared off many Western companies.

Major foreign banks have been particularly cautious of re-entering Iran, dreading a repeat of the record-breaking \$8.9 billion penalty levelled on France's BNP Paribas for breaching US sanctions on Iran and other countries.

There seems little hope of hitting the government target of \$50 billion in foreign investment per year, with the government saying less than \$3.4 billion was achieved in 2016.

But European diplomats say a lot is happening behind the scenes.

Deals for things like industrial equipment, solar parks and dairy farms have been quietly building over the past two years.

"I'm still cautiously optimistic," said a European diplomat.

"Many firms have invested so much they can't pull out. They will find a way to make it work whatever Trump does."

The big difference under Trump is secrecy.

"Deals are going on in complete silence. There's no advantage to discussing it. Many have interests in the US or an American investor. They don't want to make themselves a target," said the Western trade official.

Some bigger firms -- particularly the French -- have been less coy.

French energy giant Total signed a \$5 billion gas deal in June, while carmakers Peugeot and Renault have already reopened production lines.

Italy pointedly announced a \$6 billion credit line for development projects just days before Trump's latest attack on the deal.

New chief for BASF Bangladesh



STAR BUSINESS DESK

Md Sazzadul Hassan has recently been appointed chairman and managing director of BASF Bangladesh, a subsidiary of Germany-based multinational chemical company BASF.

He succeeded Sujan Kumar Saha who had been serving the company for the last three years, BASF Bangladesh said in a statement yesterday.

Hassan has served Syngenta Bangladesh as managing director. He studied statistics and got an MBA from the Institute of Business Administration at the University of Dhaka.



HM Tarikul Kamrul, chief operating officer of building technology and ideas ltd (bti), and SM Mashrur Arefin, additional managing director of City Bank, attend a deal signing ceremony at the bank's corporate head office in Dhaka on January 11. The bank will provide low-cost home loans to bti's customers.

China urges hotels to review websites as 'country' crackdown grows

REUTERS, Shanghai

China's tourism authority has urged accommodation companies to review their websites and apps to fix what Beijing deems to be inaccurate labelling of Taiwan or other Chinese-claimed territories as countries.

The move expands the Chinese government's efforts of recent days to police how foreign businesses refer to parts of China, or territories claimed by Beijing, including Taiwan and Hong Kong - even if only in pull-down menus on websites.

On Thursday the government suspended Marriott International Inc's Chinese website for a week to punish the world's biggest hotel chain for listing Tibet, Taiwan, Hong Kong and Macau as separate countries in a customer questionnaire.

No activities that challenge China's "legal red lines" would be permitted, the state news agency Xinhua quoted a China

National Tourism Administration (CNTA) official as saying.

It said the administration had ordered immediate and thorough checks of websites and apps by accommodation companies to ensure they comply with the law.

The civil aviation authority on Friday demanded an apology from Delta Air Lines for listing Taiwan and Tibet as countries on its website, while another government agency took aim at Inditex-owned fashion brand Zara and medical device maker Medtronic PLC for similar issues.

Marriott, Delta, Zara and Medtronic have all apologised.

The Civil Aviation Authority of China (CAAC) ordered all foreign airlines operating routes to China on Friday to check their websites and apps.

The crackdown was accompanied by an outcry online in China over the perceived slights, and efforts to unearth other infractions.

Apparel wage board formed to avert unrest

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The other three members are Kazi Saifuddin Ahmed, labour adviser to the Bangladesh Employers' Federation (owners' representative); Fazlul Haque Montoo, executive president of Awami League's workers front Sramik League (workers' representative); and Kamal Uddin, a teacher of the University of Dhaka (independent member).

The state minister appointed Begum Shamsunnahar, women affairs secretary of Awami League, as workers' representative, and Rahman of the BGMEA as owners' representative as the new members.

The minimum wage was last fixed at Tk 5,300 in 2013, up from Tk 3,000 in 2010, Tk 1,662.50 in 2006, Tk 940 in 1994 and Tk 627 in 1985.

4G services by March

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Mahmood said, after launching this fastest mobile data service the country will move one step closer towards digitisation.

The BTRC has already formed two separate committees to evaluate the applications for licences and spectrum auction; the qualified applications' list will be published on January 25. A mock auction will be organised on February 12.

Citycell, which stopped providing service in October 2016, is also preparing to re-enter the telecom business after it got a foreign investor, according to one of its top executives.

All mobile operators that have 3G capability will qualify for 4G licences if their documentations are in order. However, since Citycell does not have 3G, it will have to purchase spectrum from the auction.

Though the BTRC has put a provision in the 4G guideline to facilitate participation of new entities, there was no new application. "It is tough to get any new party but if any application is received the BTRC will send it to the government for their consideration. We have not shut the door to foreign investors," Mahmood said.

Earlier in the day, the Supreme Court cleared the way for the BTRC to give out 4G licences after it extended its chamber judge's order that stayed a High Court directive halting the auction.

On Thursday WiMAX operator Banglalion filed a writ petition on publishing advertisement for awarding 4G licence. Banglalion got the stay order and on the same day chamber judge halted the order.

According to the BTRC guideline, opera-

tors have to pay an application processing fee of Tk 5 lakh, a licence fee of Tk 10 crore and an annual fee of Tk 5 crore over the 15-year licensing tenure for 4G.

All the licensees will have to deploy 4G network across the country within three years of getting the licences, according to the guideline.

At the auction, the BTRC will place a floor price of \$27 million for per MHz in the 2,100 MHz band; a total of 25 MHz spectrum will be made available.

It will also put up for sale 18 MHz in the 1,800 MHz band and 3.4 MHz in the 900 MHz band, both starting off with \$30 million per MHz.

Operators will have to pay separately for technological neutrality of their existing spectrum if they want to offer any service (2G/3G/4G) from any of their frequencies.

If any operator makes its entire spectrum neutral it will have to pay \$4 million for each MHz. However, for partial conversion the charge will be \$7.5 million for each MHz. And in every segment 15 percent value-added tax will be applicable.

BTRC is not expecting higher earnings from spectrum sale but a significant amount will come from technological neutrality fee, said a commissioner of the regulator. As per the BTRC's rough estimation, the government can earn Tk 11,000 crore if the entire spectrum is sold out.

Though the guideline has been amended twice, the private mobile operators still have some worries about unresolved issues concerning VAT, the fibre optic network and the mandatory speed of 20 mbps.

The BTRC last arranged an auction for 3G spectrum in 2013 and the operators rolled out the service right after.

Berger Paints to form Tk 60cr JV with UK firm

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The market naturally remains volatile before the announcement of a monetary policy, the official said. "It will become stable with the increasing participation of institutional investors."

Bangladesh Bank plans to reduce the advance deposit ratio (ADR) in the new monetary policy for the January-June of 2018, which is scheduled to be announced this week.

Banks have already started hunting for deposits at increased interest rates to adjust to the higher ADR, a central bank official said.

Yesterday, the market opened on a flat note and witnessed a freefall amid a broad sell-off throughout the session, UCB Capital Management said in its daily market analysis.

Engineering equities led the turnover chart accounting for 23.39 percent of the total turnover.

All of the major sectors witnessed moderate correction.

On the DSE, 48 securities gained, 253 declined and 34 remained unchanged.

The DS30 and DSES indexes were 17.74 points and 7.22 points in the red respectively.

BD Thai was the highest traded share with its securities worth Tk 13.89 crore changing hands followed by Ifad Autos with Tk 13.69 crore worth of shares.

Brac Saajan Exchange to operate in EU

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Considering these factors, the central bank has decided to give Brac Saajan the green light. Brac Saajan has projected net profits of £20,996 in 2018 from the exchange house in Portugal.

The profit is forecasted to increase 14 percent, 18 percent and 20 percent respectively over the next three years.

At a time when all exchange houses in the UK are struggling for survival, Brac Saajan logged in profits of £2 lakh, £2.2 lakh and £2.39 lakh for 2013, 2014 and 2015 respectively.

A total of 14 banks got licences from the BB to run exchange houses in the UK. Of them, five have already shuttered and one could not even start its operations.

Of the remaining eight exchange houses, most are not doing well, according to the central bank report.

ERA InfoTech to install Palli Sanchay's banking software

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Muhith said Palli Sanchay Bank will play a huge role in alleviating poverty in Bangladesh.

"After 2024 there will be no poor in the country."

It does not mean that 100 percent of the population will be free from poverty; the handicapped section of the society, which account for 7 percent of the population, will still remain in poverty, he added.

Biman's turnover hit by direct cargo ban to UK

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At present, Biman is carrying some cargoes to the EU through third-party airlines such as Emirates and Etihad but the amount is very little, Meraj said.

The EU, where more than 54 percent of Bangladesh's exports are headed, has declared the Hazrat Shahjalal International Airport a 'red zone' due to insufficient safety and security measures, following the lead of the UK, Australia and Germany. With the ban in place, the EU-bound cargo airlines from Bangladesh have to rescreen goods in a third country, preferably Dubai, Qatar, Thailand and India.

As a result, it takes more time to carry goods from Bangladesh to London, exporters said.

"The government should launch intense diplomatic efforts for lifting the ban on direct cargo flights between Dhaka and London," Alam added. Exporters take 1,000 tonnes of goods to the airport a day, of which nearly 700 tonnes are apparel items, according to industry insiders.



Aftab Mahmud Khurshid, chief marketing officer of Bengal Group, the owning company of Linnex Electronics, and Golam Shahrir Kabir, chief operating officer of Linnex Electronics, attend Linnex Electronics' national sales conference in Dhaka on January 11.