

# IT platform DevoTech launched

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DevoTech, a Bangladeshi technology enabler platform, was launched in the capital's Gulshan yesterday to offer research and development for the IT industry, a startup studio for digital entrepreneurship and business process outsourcing services.

Raihan Shamsi, chairman & CEO, said he envisioned a "Made in Bangladesh" identity in the technology domain, for the fourth industrial revolution offered the opportunity of utilising talents and expediting socio-economic prosperity.

Demonstrating two products - "Daktarbhai" and "Imagine Radio", he called for synergy among initiatives of the government, businesses and technology professionals to create a technology ecosystem.

Addressing the event, Hasanul Haq Inu, information minister, said it took nine years for people to believe that a "Digital Bangladesh" was possible.



Hasanul Haq Inu, information minister; HT Imam, political adviser to the prime minister; Mustafa Jabbar, telecom minister; Zunaid Ahmed Palak, state minister for ICT, and Raihan Shamsi, chairman & CEO of DevoTech, attend the launch of DevoTech, a Bangladeshi technology enabler platform, in the capital's Gulshan yesterday.

HT Imam, political adviser to the prime minister, Mustafa Jabbar, posts, telecommunications and

information technology minister, Zunaid Ahmed Palak, state minister for information, communication and technology, industry

leaders, diplomats and civil society representatives were present.

# Fostering innovation a key challenge: BB governor

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The challenge for regulators is to find ways for fostering innovation while safeguarding consumer protection and enhancing stability of the financial sector, Bangladesh Bank Governor Fazole Kabir said.

He spoke at the 10th G-24/AFI High Level Roundtable held in Washington DC on April 18. Over 100 senior policymakers, led by 30 central bank governors from emerging and developing countries, attended the event where the different aspects of financial technology or fintech were discussed.

"The main concerns of policymakers and industry arise not from the technology itself but from the question of who is applying technology to finance along with the speed of development," Professor Douglas Amer from the University of Hong Kong said in a presentation.

Given that innovations go together with risks, practical solutions for solving key financial inclusion challenges such as access and usage of high quality financial services need to be put in place, the participants said.

Thus, technology can be used to achieve financial inclusion objectives and create efficiencies in the market in terms of costs, transparency, trust in institutions and provide stronger consumer protection regimes, they added.

Specifically, fintech has the potential for developing solutions to address digital identity for the financially excluded, as well as sharing useful lessons to boost transformation, they said.

"Fintech continues to be the greatest hope in terms of financial inclusion and inclusive growth," highlighted Patrick Ngugi Njoroge, governor of the Central Bank of Kenya. A law to regulate fintech companies was recently issued in Mexico, said Bernardo Gonzalez Rosas, president of the National Banking and Securities Commission of Mexico.

It is based on five principles -- "to promote financial inclusion, protect consumers, strengthen financial stability, guarantee financial integrity and foster competition among participants," he explained.

In the roundtable it was said strengthening public-private dialogues to enhance better understanding of the role of fintech in enhancing financial inclusion could be translated into implementing policy and regulatory reforms.

The Alliance for Financial Inclusion (AFI) partners contributed to the meeting by focusing on the importance of knowledge sharing and capacity building among regulators to support the implementation of key policy enablers.

## Meghna Bank gets new CEO



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Adil Islam has recently been appointed as managing director and CEO of Meghna Bank. Prior to the appointment, Islam was the additional managing director of City Bank, Meghna Bank said in a press release yesterday.

Having more than 27 years of banking and business leadership experience, he served as business and functional head positions both in Bangladesh and in overseas locations for companies such as HSBC, ANZ, American Express, Mashreq Bank and other international banks.

Islam holds a master's degree in international banking and financial studies from Heriot-Watt University, Edinburgh, Scotland.

# Huge market in Europe for Bangladeshi leather goods

Germany-based mega trade fair's organiser says

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A new avenue of opportunity for Bangladeshi leather and leather goods can open up in European markets as China is losing its market share, said a top official of Messe Frankfurt, a mega trade fair organising company based in Germany.

Michael Scherpe, president of Messe Frankfurt France, said Europe is a market of tens of billions of euros and China is still one of the largest leather and leather goods suppliers to the continent.

But China's exports are decreasing because of the rising wages and domestic demand in the country, he said.

"It creates good opportunities for factories in other countries, including Bangladesh, which are capable of manufacturing the same products," he told a press conference at the Westin Hotel in Dhaka yesterday.

Scherpe also shed light on the upcoming fair in Paris that is solely focused on the leather sector. The four-day exposition starts on September 17 this year.

With the rising demand for

Bangladeshi leather goods, local exporters participate in world-class exhibitions in Europe to showcase their products.

Some 21 Bangladeshi leather and footwear exporters can explore the European markets by taking part in the fair, Scherpe said.

According to Scherpe, raw materials are a promising category and there is a lot to do in Europe.

Asia is exporting only 3 percent of the raw materials needed by Europe, while a number of European countries account for 33 percent.

Scherpe said the shortage of leather is affecting all tiers of the supply chain and pushing up the price of leather. Manufacturing costs are also rising, forcing European buyers to look for low-cost suppliers.

"If Bangladeshi companies attend international trade shows they will benefit from innovation, marketing, designs and fashion," he said.

Omer Salahuddin, chief executive officer of Messe Frankfurt Bangladesh, said 8 to 10 local leather and leather goods exporters could participate in the show.

# Project launched for RMG workers' financial inclusion

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A MetLife Foundation-funded Swisscontact project was launched at a Dhaka hotel on Thursday to ensure financial inclusion of 60,000 workers in the readymade garment sector.

The 30-month "Sarathi" plans to bring the practice of salary disbursement through bank accounts at 30 factories by June 2020, says a statement.

It also intends to improve basic financial literacy on issues such as

using bank accounts and cards, benefits of saving products, gaining control and privacy over earnings, planning and paying for recurring expenses and accessing savings and credit products.

Three major factories have already agreed to come on board. The pilot phase in the last two years benefitted over 1,100 workers.

Partner commercial banks are to provide services through agent banking networks. Bank Asia and City Bank have signed agreements with Swisscontact recently.

Speaking on the initiative, MA Mannan, state minister for finance, said "We need to agree that poverty is not our only problem, there are many other factors."

Anirban Bhowmik, country director, Swisscontact in Bangladesh; Shafiqur Rahman Patwari, chairman, Insurance Development and Regulatory Authority; Nurul Islam, chairman, MetLife Bangladesh, and Mansoor Ahmed, first vice president, Bangladesh Knitwear Manufacturers and Exporters Association, also spoke.

## India toughens law for economic offenders

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Wilful bank loan defaulters with outstanding of over Rs 100 crore will also be dubbed as such offenders.

It provides for confiscating assets even without conviction and paying off lenders by selling off the fugitive's properties. Such economic offenders will be tried under the stringent law Prevention of Money Laundering Act.

The ordinance defines a fugitive economic offender as a person against whom an arrest warrant

has been issued for committing offences like counterfeiting government stamps or currency, cheque dishonour for insufficiency of funds, money laundering and transactions defrauding creditors.

Under the ordinance, any property belonging to the fugitive economic offender may provisionally be attached without the prior permission of the special court provided that an application is filed before the court within 30 days.

## Bangla Trac Power Unit-2 adds 100MW

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Bangla Trac Power has started to supply 100 megawatts of electricity to the national grid from its plant in Noapara, Jessore, according to Bangladesh Power Development Board.

Another 200MW power plant of the company located in Daudkandi, Comilla is expected to start supplying electricity to the grid soon.

## \$2.5b investment round the corner

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It produces and supplies fuel oil to state-run Bangladesh Petroleum Corporation. The company caters for 60 percent of local demand for octane. Besides, it produces petrochemical products such as toluene and xylene used in making paints, inks and adhesive.

The project—which will produce a lot of raw materials for plastic goods—will also encourage many small and medium enterprises to invest in the plastic sector, he said. Local investors will be able to use raw materials to set up LPG-based or dual fuel power plants, he said.

TK Group is one of the largest and diversified business conglomerates in Bangladesh, with 42 active business units and more than 12,000 employees.

# Bangladesh lowest internet using country in Asia Pacific: study

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This is considerably below the averages for Asia Pacific and the world of \$10.4 and \$14.6 respectively, limiting the ability of operators to engender the required transition to mobile broadband technologies, the report said.

"The enablers critical to creating the right conditions for mobile internet connectivity to flourish rank low in Bangladesh, despite the progress made in recent years."

In particular, the country scores below average on infrastructure and affordability enablers relative to its regional peers.

The slow transition to mobile broadband technologies in Bangladesh is also, in part, a matter of timing: the 4G/LTE spectrum auction only took place in February, making it one of the last countries in South Asia to award licences for the technologies.

"Affordability represents a major barrier to the uptake of mobile services in Bangladesh," said the GSMA, which has approximately 800 members.

A medium consumption basket of 1 GB of data would cost an individual in

the bottom 20 percent by income distribution approximately 11 percent of their monthly earnings in Bangladesh, which is above the affordability threshold recently adopted by the United Nations.

High levels of taxation and fees applied to the mobile sector affect the total cost of mobile ownership (TCMO) by directly raising the retail prices faced by consumers, and thus represent a significant barrier to digital inclusion.

For example, taxes on the use of mobile services in Bangladesh represent a higher share of tariff costs (22 percent) than in a number of neighbouring countries, said the report.

To date, the limited allocation of 3G spectrum in Bangladesh and its price in previous auctions have had a significant negative impact on the quality of mobile services, hindering the uptake and use of digital services.

At the end of 2017, just over 71 percent of connections were 2G, with 3G comprising the remainder.

In the February 2018 spectrum auction too, the high reserve prices and the associated licence fees remained.

When coupled with a mobile market with some of the lowest ARPU levels in the world, some of this high-priced spectrum went unsold.

This highlights the importance of setting reserve prices for future spectrum auctions at levels that consider operators' needs to not only finance access to spectrum, but also to deploy infrastructure to use that spectrum.

Without sufficient spectrum, quality of service for users will suffer, impeding the use of digital services.

"The government should ensure both the timely release of spectrum and fair prices for access to that spectrum to facilitate better quality and more affordable services."

Although taxes and fees from the mobile industry remain an important source of revenue to finance public expenditure in Bangladesh, the current tax system is not conducive to improving the affordability of mobile services, the GSMA said.

"Taxes and fees on the mobile sector in Bangladesh are disproportionately high relative to other sectors in the economy

and to other countries in Asia, and are often levied in ways that do not account for key investment and economic features of the industry."

In 2014, the mobile industry in Bangladesh made a large contribution in taxes and fees relative to its size in the economy: tax and fee payments from the sector, as a share of total tax revenues, were 4.5 times greater than the sector's revenue as a share of GDP.

"A forward-looking regulatory environment will help boost the uptake of mobile internet services," said the GSMA report that will be unveiled today in Dhaka.

The number of mobile internet subscribers in Bangladesh is forecast to reach 7.3 crore by the end of 2025, representing 41 percent of the population. However, approximately 10.6 crore people will remain without access to the mobile internet, factoring in population growth.

The report, however, went on to state that the mobile industry in Bangladesh has scaled rapidly over the last decade to become the fifth largest mobile market in Asia Pacific, with 8.5 crore unique sub-

scribers in 2017, which is half the population.

"The country still faces a significant digital divide and steps must be taken to enable the right conditions for mobile internet connectivity to flourish in Bangladesh," said Alasdair Grant, head of GSMA Asia Pacific.

The mobile ecosystem provided employment to more than 7.60 lakh people in Bangladesh, both in formal and informal sectors.

A third of the jobs were created directly in the ecosystem, while the rest were generated indirectly in other sectors as a result of the consumption of inputs generated by the mobile sector, it said.

Looking ahead, total employment is expected to grow around 9 percent to 8.5 lakh in the period from 2016 to 2020, largely driven by direct employment creation in the mobile industry.

"We expect that the economic contribution of the mobile ecosystem in Bangladesh will continue to grow. In value-added terms, we estimate that the ecosystem will generate \$17 billion by 2020."

## Two temporary bodies to ease Accord, Alliance departure

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The Safety Monitoring Organisation will act until the strengthening of the Remediation Coordination Cell (RCC), he said.

Rahman shared the ideas of forming the two bodies at a press conference called on the occasion of the fifth anniversary of the Rana Plaza building collapse at the association's office in Dhaka yesterday.

The RCC, an organisation formed with representation from the International Labour Organisation, the BGMEA and the government, will supervise the building inspection and safety progress monitoring.

building collapse on April 24 in 2013 that killed 1,138 and injured 2,500. The aim was to fix structural, fire and electrical loopholes in garment factories.

So far, the Accord has completed 88 percent and the Alliance 90 percent of the inspection and remediation of about 2,200 active garment factories, Rahman said.

Moreover, 1,500 small and medium-sized garment factories are being inspected and monitored by the government.

However, of the 1,500 factories, 900 have been shut as they failed to improve the compliance and the Department of Inspection for Factories and Establishments

(DIFE) has given a deadline of April 30 to the remaining 600 factories to complete their remediation.

The 600 factories have completed 70 percent of their remediation works, said the BGMEA chief.

"If they fail to improve the remediation by the deadline the DIFE will close down the units."

Regarding the expenditure by the BGMEA for giving salaries, arrears, treatment to the injured and rehabilitation of the victims, Rahman said the trade body has spent Tk 15 crore thus far.

"We have taken the responsibilities of the orphans."

After the incident, the BGMEA canceled the membership of five

factories housed in Rana Plaza for their weak compliance, Rahman said.

The association also helped the law enforcement agencies in nabbing the responsible owners of the affected garment factories.

The Rana Plaza Trust Fund, an ILO-brokered initiative, paid Tk 240 crore as compensation to the victims.

"Bangladeshi garment factories are now the safest in the world after the inspection and remediation of workplaces by the Accord, the Alliance and the government," said Rahman.

## GP staff seek raise

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Termed it a conspiracy, the union said the issue was resolved two years back.

Grameenphone issued a statement refuting the claims, saying they practised "zero tolerance" for cases of sexual harassment.

"Allegations of sexual harassment against this individual has been thoroughly investigated by an independent committee comprising of internal employees as well as external experts from reputed organisations such as Bangladesh Legal Aid And Services Trust, and Bangladesh National Woman Lawyers' Association," reads the statement.

"We followed a process as per a directive laid down by the honorable High Court. Both parties can opt for legal redress if they wish to challenge the action," it said.

Further, given its sensitivity and in the

interest of protecting the identities of those involved we will not comment at this time."

Grameenphone said it respected employees' right to association and their opinion in matters related to their interests and that it resolves employee issues internally in accordance with the laws of the land.

"Notably, we benchmark employees' compensation against the very top paymasters of the country and make sure that our employees are being paid competitively, fairly and equitably," said the operator.

"Additionally, due to our good performance in 2017, our employees received larger quarterly performance bonuses, and are receiving a substantially higher profit sharing than last year," it added.

Fazlur Rahman, GPEU acting president, and other leaders were present at the press conference.