



Prime Minister's ICT Affairs Adviser Sajeeb Wazed Joy, Telecom and ICT Minister Mustafa Jabbar and State Minister for ICT Zunaid Ahmed Palak attend Bangladesh 5G Summit 2018 at the Pan Pacific Sonargaon in Dhaka yesterday.

Govt conducts 5G trial run

PM's ICT Adviser Joy happy over speed

STAR BUSINESS REPORT

SOUTH Asia's first test run of fifth generation (5G) mobile internet took place in Dhaka yesterday when download speeds of up to 4.17 gigabits per second were experienced.

Prime Minister's ICT Affairs Adviser Sajeeb Wazed Joy witnessed the speed on a mobile device at "Bangladesh 5G Summit 2018" at the Pan Pacific Sonargaon in Dhaka and expressed satisfaction.

Joy said Bangladesh would be one of the first countries to deploy 5G technology. "This is my promise for the next election," he said, pointing out that the government had kept its last pre-election pledge of making 4G available.

The demonstration was organised by the Ministry of Posts, Telecommunications and Information Technology in cooperation with telecom vendor Huawei and mobile operator Robi.

Internet in Bangladesh is one of the cheap-

est in the world, said Joy, adding, "I have put pressure on the regulators to reduce the cost of internet by 99 percent within five years."

Recalling the present government's early days in telecom service 10 years ago, he said, "We were one of the most backward countries in the world."

"And now Bangladesh is moving to be the first few in terms of technology adoption and telecom services. I want Bangladesh to relentlessly move forward in technological adoption," he said.

According to BBC, most countries are unlikely to launch 5G services before 2020, but Qatar's Ooredoo says it has already launched a commercial service, while South Korea is aiming to launch it next year, with its three largest network operators agreeing to kick off at the same time. China is also racing to launch services in 2019.

Recognising issues centring mobile internet service quality, especially of 3G and 4G, the event organisers said their aim was to show how a 5G ecosystem could be cultivated in a

Digital Bangladesh alongside the economic transformation of Bangladesh as well as the operators.

They said this next generation of wireless technology was expected to change everyday life, playing a vital role in the adoption of self-driving vehicles, artificial intelligence, virtual reality, big data, the Internet of Things and smart cities.

Acknowledging doubts over readiness for 5G, State Minister for ICT Zunaid Ahmed Palak said the government always thought ahead of time and the test run was a part of preparations.

Telecom and ICT minister Mustafa Jabbar presided over the event.

Imran Ahmed, chairman of the parliamentary standing committee on the telecom and ICT ministry; Shyam Sunder Sikder, secretary to the ministry; Mahtab Uddin Ahmed, Robi managing director and CEO; James Wu, president of Huawei Southeast Asia, and Zhang Zhengjun, CEO of Huawei Technologies (Bangladesh) Ltd, were present.

Income inequality hinders inclusive growth: experts

STAR BUSINESS REPORT

THE rise in income inequality in Bangladesh is the main obstacle to achieving inclusive growth, said experts yesterday.

"Though Bangladesh has been experiencing sustained growth in recent years, the country is failing to produce sustained improvements in human welfare for regions equally," said M Abu Eusuf, former chairman of the University of Dhaka's development studies department.

"In view of spatial dimensions of poverty and income inequality, there exist signs that remote and ecologically vulnerable areas are usually characterised by a higher incidence of poverty," he said.

Eusuf was presenting a keynote paper at a dialogue on inclusive growth organised by The Asia Foundation in National Press Club in the capital.

Citing a recent study, Eusuf said the poorest 10 percent of the household population received 1.01 percent of the total national income in 2016 and 2 percent in 2010. In comparison, the richest 10 percent of the population owned 38.16 percent of the national income in 2016 and 35.84 percent in 2010, he said.

It is widely acknowledged that an economy cannot grow in a sustainable manner unless the benefits of growth are shared fairly among individuals or groups in a

society, he added.

However, he said, the country has progressed, working to create 100 special economic zones to stimulate economic growth and to provide employment alongside putting emphasis on poverty reduction which would eventually lead to sustained and inclusive growth.

Bangladesh demonstrated considerable improvement in terms of gender equality and women's empowerment over the period of the Sixth Five-Year Plan, Eusuf said. The Labour Force Survey 2015 found an increase in women's participation in the labour force from 29.2 percent in 2005-06 to 33.5 percent in 2013 and to 35.6 percent in 2015-16.

He said more investment was necessary to increase access to education and skills development opportunities for the growing number of unemployed youth.

MA Mannan, state minister for finance and planning, said inclusive governance was essential for inclusive growth. "Jobless growth is another major factor which poses a hindrance to generating inclusive growth," he said.

Muhammad Shafiqur Rahman, president of National Press Club; Jamil Ahmed, CEO of Journalism Training and Research Institute, Bangladesh, and Selim Raihan, executive director of the South Asian Network on Economic Modeling, also spoke.



MA Mannan, state minister for finance and planning, speaks at a dialogue on inclusive growth at National Press Club in the capital yesterday.

Robust policies needed to attract more investment

Citi Bangladesh country chief says in an interview

MD FAZLUR RAHMAN

BANGLADESH should accelerate its work on making regulations easier and policies robust as part of its efforts to create an enabling environment to attract investment and support economic growth, said a top banker.

There is a lot of good work being done pertaining to the ease of doing business and making regulations easier by the government and the regulators such as the Bangladesh Investment Development Authority (BIDA) and the Bangladesh Bank, said N Rajashekar, country officer of Citibank NA.

"The country should continue and accelerate the work," he told The Daily Star in an interview recently.

Investors want continuity of strong regulations and stable policies to support their investment and growth.

He said the government has planned very well around infrastructure development. Electricity generation capacity has gone up five times in the last one decade and more electricity is also being added to the grid.

"Many industrialists who are our clients said 4-5 years ago they had faced many power cuts, but today there is no power outage. This is a clear example of progress."

He also commended the move by the Dhaka Stock Exchange to sell 25 percent stakes to a consortium of the Shanghai Stock Exchange and the Shenzhen Stock Exchange with the view to modernising the country's premier bourse and taking it to the next level.

"This is a great example. I know the BIDA and the Bangladesh Bank are very focused on making the rules and regulations around businesses easier. If you make rules easier for businesses and investors, they

will increase business in Bangladesh."

Citi has been present in Bangladesh since 1987. Today, it has three branches, two banking offices and more than 150 employees.

The US banking giant caters to large multinational corporations, local corporates with global linkages, financial institutions and the public sector.

In fact, Citi has been and continues to be involved in several first-of-its-kind transactions in the country.

These include: international corporate bond placement and structuring, microcredit receivables securitisation, initial public offering, subordinated Tier II bond issue by a bank.

Citi has also been at the forefront of digital innovation including host-to-host connectivity with clients for fast, secure and efficient operations and facilitating electronic customs duty payments.

It is also the leader in cash management innovation in Bangladesh, as well as being the first bank to launch direct debit programme in 2012.

For 10 years in a row Citi has been voted the best corporate/institutional digital bank in Bangladesh by the Global Finance magazine.

"We are best placed to support the growth of Bangladesh," said Rajashekar, who was appointed the country officer of Citi last year.

A 34-year banking veteran, Rajashekar previously worked as the country business manager for the bank's global consumer banking business in China, Thailand, and India and as well as the chief risk officer for Citibank Korea.

"We provide the best connectivity in the world as we are present in 98 countries. So, we can support companies wherever they are."

The Citi Bangladesh chief is particularly excited about China's Belt and Road Initiative



N Rajashekar

(BRI) as the bank has presence in 58 countries out of 60-plus countries that are covered by the initiative.

The focus areas of BRI are infrastructure, energy, roads, bridges and railways, all of which are aimed at reducing the transit time for trade.

"From that perspective, Bangladesh is one of the highest focus areas. It will be very beneficial for Bangladesh."

Bangladesh needs significant investment and participating in the BRI will give capital support, project support, technology transfer and investment needed for the country to accelerate growth, Rajashekar said.

About Bangladesh's banking

sector, Rajashekar would look at the brighter side: the banking sectors in developing countries do face challenges as their economies grow and modernise rapidly.

In fact, the banking sector in Bangladesh is one of a number of areas that have grown since the country's independence despite starting from scratch, he said.

"Today, we have a banking sector that is supporting the economy and faced the 2008 global financial crisis without much problem."

The banking sector has also supported the success story of the garment sector.

The Bangladesh Bank has been strong and consistent in

terms of stability of policy and encouraging growth and making sure the banking sector is stable and strong systematically.

Also, as the market evolves, Rajashekar said he would expect more raising of long-term resources from both internal and external sources that will complement the banking system.

The veteran banker lauded the economy, calling the growth rate of more than 6 percent for a decade and upwards of 7 percent in recent years very strong.

"The bank expects the current pace of steady growth of the economy to continue in the coming years."

With a population of more than 160 million and a median age of 26, the country also has one of the largest demographic dividends, according to Rajashekar.

"There are great achievements on both the economic and social sides as the country powerfully moves forward to build a developed economy."

He credited a large part of Bangladesh's success story to the country's entrepreneurial spirit.

Rajashekar said commercial digitisation is also important for the country and the government should continue the good work on the Digital Bangladesh initiative so that the benefits compound.

Bangladesh has the potential to attract incremental large investments from all over the world.

"It is just a matter of time. All the good work that is being done can accelerate the flow of investment."

About Citi's business in Bangladesh, Rajashekar said the bank has excellent opportunity in the segments it is focused now.

"We want to grow. We will continue to expand to support the economy. Bangladesh is a land of golden economic opportunities."

fazlur.rahman@thedailystar.net

EU prepares retaliatory tariffs on \$20b of US goods

REUTERS, Stockholm/Berlin

The European Commission is drawing up a list of \$20 billion of US goods to hit with duties if Washington imposes tariffs on imported cars, European Union trade commissioner Cecilia Malmstrom said on the eve of her boss's meeting with US President Donald Trump.

Malmstrom is in Washington for talks on trade, with European Commission President Jean-Claude Juncker due on Wednesday to meet Trump in a bid to stop the United States from extending its import tariffs on EU steel and aluminium to cars and car parts.

"We hope that it doesn't come to that and that we can find a solution. If not, the EU Commission is preparing a rather long list of many American goods. It would be around \$20 billion," Malmstrom told Swedish newspaper Dagens Nyheter on Wednesday.

In response to the US metals tariffs, the EU has already imposed its own import duties on 2.8 billion euros (\$3.3 billion) worth of US goods, including products like bourbon and motorcycles that are made in some of the electoral districts that supported Trump.

Malmstrom said the next potential round of EU tariffs would not target specific US states.

"No, now it's more general goods such as agricultural products, machinery, high-tech products and other things," she said.

The Commission briefed EU countries last week on the bloc's possible response, saying in theory it could hit 9 billion euros of US goods, according to EU sources.

However, some EU diplomats said the Commission was also looking at going for double that amount - to the level Malmstrom is suggesting - at half the duty rate.

A formal proposal would only come after the US Commerce Department completed its investigation into whether car imports threaten national security. The report's deadline is February 2019, but it is now expected by late August/early September.

The European Commission, which handles trade policy on behalf of the EU's 28 members, has insisted that Juncker is seeking to open a dialogue with Trump, rather than to negotiate.

EU officials have also downplayed the idea that Juncker is arriving with a novel trade offer.

EU budget commissioner Guenther Oettinger suggested the EU would be ready to discuss mutual tariff cuts provided the Washington lifts punitive metals tariffs first.

He told broadcaster Deutschlandfunk that the two could try to forge a lighter version of the planned US-Europe trade deal known as the Transatlantic Trade and Investment Partnership (TTIP). TTIP negotiations were stalled after Trump's 2016 election victory.

Business confidence in Oettinger's homeland, Germany, the largest EU exporter of cars to the United States, weakened in July, with the threat of a trade war increasing uncertainty. Trump on Tuesday tweeted that the EU was coming to negotiate a trade deal.