

T-Mobile, Sprint see Huawei shun clinching US deal

REUTERS, Washington/New York

T-Mobile US Inc and Sprint Corp believe their foreign owners' offer to stop using Huawei Technologies equipment will help with the United States clearing their \$26 billion merger deal, sources said, underscoring the lengths to which Washington has gone to shut out the Chinese company.

Like all major US wireless carriers, T-Mobile and Sprint do not use Huawei equipment, but their majority owners, Germany's Deutsche Telekom AG and Japan's SoftBank Group Ltd, respectively, use some Huawei gear in overseas markets.

People familiar with the deal between T-Mobile and Sprint, the third and fourth largest US wireless carriers, said US government officials had been pressuring Deutsche Telekom to stop using Huawei equipment, and the companies believed they had to comply before a US national security panel would let them move forward on their deal.

Both Deutsche Telekom and Softbank were reported this week to be seeking to replace the world's biggest network equipment maker as vendor. Now, T-Mobile and Sprint expect the

US panel, called Committee on Foreign Investment in the United States (CFIUS), to approve their deal as early as next week, the sources said.

The sources, however, cautioned that negotiations between the two companies and the US government have not been finalized yet, and any deal could still fall through. They asked not to be identified because the matter is confidential.

Sprint, T-Mobile, Deutsche Telekom, SoftBank and CFIUS declined to comment. Huawei did not respond to a request for comment.

The US government and its allies have stepped up pressure on Huawei over concerns that the company is effectively controlled by the Chinese state and its network equipment may contain "back doors" that could enable cyber espionage, something which Huawei denies.

Several telecom operators in Europe and Australia have said they will exclude the Chinese firm from their fifth-generation (5G) mobile networks.

The pressure on Huawei has already heightened tensions between the United States and China over trade. Earlier this month Meng Wanzhou, Huawei's chief financial

officer and daughter of its billionaire founder, was arrested in China on a US extradition request.

US prosecutors have accused her of misleading multinational banks about Huawei's control of a company operating in Iran. China has asked for her release.

In an interview with Reuters earlier this week, US President Donald Trump drew a connection between the Huawei CFO extradition case and his administration's trade row with China, saying he would be willing to intervene if it helped resolve the dispute or serve US national security interests.

The United States has been stepping up its targeting this year of both Huawei and ZTE, China's second-largest maker of telecommunications equipment. Last March, Trump blocked chip maker Broadcom Ltd's attempted \$120 billion takeover of US peer Qualcomm Inc over concerns the deal could boost Huawei's competitive position.

ZTE was crippled in April when the United States banned American firms from selling it parts, saying the company broke an agreement to discipline executives who had conspired to evade US sanctions on Iran and North Korea.



M Khorshed Anowar, head of retail banking of Eastern Bank Ltd, and Aminul Islam, founder and CEO of Shahin's Help Line, a consultancy firm, exchange documents after signing a deal in Dhaka recently to provide services to the bank's women customers.

Jet Airways' survival may rest on founder Goyal leaving the cockpit

REUTERS, New Delhi

Jet Airways Ltd's 69-year-old founder Naresh Goyal, who started out as an assistant in a travel agency, wove together charm, persistence and consummate dealmaking to build India's biggest full-service carrier.

Now, his penchant for control has emerged as a major obstacle as the indebted airline tries to negotiate a rescue deal, several people who have worked closely with him or known him over the years told Reuters on condition of anonymity.

"He was a visionary in his day but those days are behind us," said a senior aircraft financier who has done deals with Goyal. "This is the moment of truth for Naresh Goyal."

The rising dominance of low-cost carrier IndiGo in a price sensitive market as well as high oil prices, hefty fuel taxes and a weak rupee have left Jet strapped for cash and unable to pay employees and lessors on time.

The 25-year-old airline, which Goyal set up with his wife at a time when state-run Air India was the only real formidable opponent, has outstanding dues of about \$400 million.

Jet, which has a mainly Boeing Co fleet, has delayed pre-delivery payments to the Seattle-based aircraft maker as well as to Airbus SE, and is overdue on its repair and maintenance contracts, two sources aware of the matter said.

Although the Indian air travel market is the world's fastest growing, at about 20 percent a year, it is also hobbled by cut-throat competition and chronically low fares. To stay afloat, Jet is cutting flights on some non-profitable routes and trying to raise cash by monetising assets.

It still retains a valuable strategic position as the biggest operator at Mumbai airport, where all of the good slots have been taken and a second airport is years away. It also has lucrative slots at major international airports and code share agreements with more than 20 airlines.

Jet has survived a near-death experience once before, in 2013, Abu Dhabi's Etihad Airways injected \$600 million of capital for a 24 percent stake in the airline, three London Heathrow slots and a majority share in Jet's frequent flyer programme. The infusion helped Jet pare down debt and fight growing domestic competition.

The airline is in talks with Etihad a second time and with Indian conglomerate Tata Sons for fresh funds or a stake sale, but sources have told Reuters that any rescue would require Goyal to step down, or take a less prominent role.

Goyal has rejected seeking funds from Tata if it meant him having to give up his position, two sources aware of the discussions said. Talks with Etihad are continuing.

Goyal did not directly respond to requests for comment but a Jet spokeswoman said the "conjectures being implied with regards to the organisation's ways of working" were misleading.

BTMA elects new president



Mohammad Ali Khokon

STAR BUSINESS DESK

Bangladesh Textile Mills Association (BTMA) yesterday elected Mohammad Ali Khokon as its president for 2019 and 2020.

The election took place at the 35th annual general meeting of the association at its office in Dhaka. Tapan Chowdhury, the outgoing president of BTMA, presided over the meeting.

Khokon is the managing director of Maksons Group. He is also the managing director of Maksons Spinning Mills Ltd and Metro Spinning Ltd.

Alamgir Samsul Alamin, Abdullah Al Mamun and Abdullah Al Mahmud became the vice presidents of the association.

The audited accounts of BTMA for 2017-2018 was



LIANT STUDENTS' AWARD CEREMO

Dewan Nurul Islam, president of the Institute of Chartered Accountants of Bangladesh (ICAB), attends a programme at the CA Bhaban in Dhaka on Thursday when the institute awarded 40 children of its members and employees for their brilliant results in public examinations in 2018.

BTCCI elects top brass



M Shahjahan Khan

STAR BUSINESS DESK

M Shahjahan Khan has recently been elected as president of the Bangladesh Thai Chamber of Commerce and Industry (BTCCI) for 2018-2020.

The election took place at the 13th annual general meeting of the chamber at Dhaka Club Ltd, BTCCI said in a statement yesterday.

Khan is the chairman of SS Shipping and Chartering Ltd, SS Shipping and Trading Ltd, Fatema Real Estate & Developers Ltd, and SS Builder and Developers Ltd.

He is also a former president of the Dhaka Chamber of Commerce and Industry.

Gaus Uddin Khan and Md Munir Hossain have been elected as senior vice president and vice president respectively.

BTCCI also elected Shamima Raham for director administration and Pramatha Barua for director finance.

The other newly elected directors are: Asif Ibrahim, Jafer Ummed Khan, Mohammad Hussain Sattar, Hossain A Sikder, Mafiz A Bhuiyan, Montchai Musicubud, Shuchat Suntipada, Kiatkati Chaopaknam, Hasan Mahmud Chowdhury and Junaed Ibne Ali.

Purchasing apps, games made convenient

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"In the backdrop of growing reliance on app service, the regulation is unlikely to tap into the enormous potential of the digital economics, much to the disappointment of the young app developers, who are looking to pursue app development as a career option," said Shahed Alam, head of corporate and regulatory affairs at Robi.

The cap undermines the growth potential of the local app industry, he said, while calling for raising the ceiling to Tk 1,000 a month and Tk 6,000 a year per subscriber.

Industry insiders said the global app and gamming economy will reach \$100 billion by 2020.

And China has secured a significant stake of about 21.2 percent, said the Association of Mobile Telecom Operators of Bangladesh referring to a research of App Annie, a leading app analytic platform.

As of October, Bangladesh has 9.25 crore active internet connections, of which 8.67 crore are through the mobile phone.

Bangladesh fails to hit back: govt official

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India imposed anti-dumping duty on Bangladesh's jute export nearly two years ago and Pakistan did the same on chemical exports from Bangladesh.

Ahmed said the commission could not employ researchers because the law that governs the commission doesn't allow it.

But the government is now going to amend the act, he said. "Then our contribution to businesses will be very significant."

The BTC chief said political diplomacy is obsolete globally and trade diplomacy was continuing. "So, we have to increase efficiency in the public and private sectors to triumph in the negotiation of the international arena," he added.

Mostafa Abid Khan, a member of the commission, said the commission lacked evidence-based trade, investment and industry policies. "With the amendment of the act, the commission will be able to employ temporary researchers or consultants to perform specific jobs."

The commission will be empowered in collecting data for the purpose of research and will investigate maintaining strict confidentiality, Khan said, while making a presentation in the seminar.

"As a result, businessmen will be ready to give information and we will be able to perform better," he added.

The BTC was the brainchild of the government set up to deal with business and trade, but businesses do not go to the commission, said Feroz Iqbal Faruque, chief executive of Trans World Resource Inc.

"They should go to the BTC for their trade-related problems instead of the National Board of Revenue to get good result," he added.

Mohammad Asad Ullah, immediate past president of the ICSB, presided over the seminar.

US auto sales slow

AFP, Washington

US sales of autos and gasoline slowed last month, weighing on the retail sector as the crucial year-end shopping period got underway, government data showed Friday.

But details within the monthly Commerce Department report showed Americans continued strong spending on other, less volatile goods and services, pointing to sustained momentum in consumer spending in the final quarter of the year.

Total retail sales slowed sharply for November, rising 0.2 percent to \$513.5 billion, compared to October's brisk 1.1 percent gain.

The November increase matched analysts' expectations. Analysts say the consumer boost from last year's tax cuts may fade in the coming months but the November data showed this October's rebound had been partly driven by recovery efforts from the summer's natural disasters, likely including the replacement of damaged vehicles.

Any vested quarter may use the sentiment of the workers before the election, he added.

Over the last few days many factories have been facing troubles due to demonstration by workers, said Siddiquar Rahman, president of Bangladesh Garment Manufacturers and Exporters

November sales of gasoline fell 2.3 percent, their biggest drop in 18 months, while sales of cars and trucks slowed sharply to a 0.2 percent increase, down from October's 1.5 percent increase.

Excluding the volatile auto sector, sales also rose 0.2 percent, though this fell short of economists' forecasts. When both autos and gasoline are excluded, sales rose by a stronger 0.5 percent, building on October's gains.

With holiday consumers plunking down cash for the year-end splurge, sales of furniture, electronics and appliances, health and beauty goods and services, sporting goods and books all rose.

Long-suffering brick-and-mortar department stores also saw rising sales while online retailers like Amazon continued their upward march, rising another 2.3 percent, putting them up nearly 11 percent over November of last year.

Bars and restaurants had a down month, however, falling 0.5 percent, reversing much of October's gains.

China's ZTE loses major German mobile contract

AFP, Frankfurt

Chinese telecoms giant ZTE lost its biggest contract in Germany, network provider Telefonica on Friday told AFP, as resistance mounts across the West to Beijing's infrastructure manufacturers.

ZTE's contract to maintain mobile operator O2's network, which is owned by Spain's Telefonica, "will come to an end as planned at the end of the year," said a spokesman for the German firm, confirming a report from business daily Handelsblatt.

In an interview with the newspaper, Telefonica Deutschland chief executive Markus Haas held back from criticising ZTE over quality problems that have plagued O2's integration of its network with competitor E-Plus over the past four years.

In future it will work with a much smaller German firm, Dortmund-based GfTD, rather than ZTE, he said.

Maintenance of masts and other infrastructure that makes mobile networks run is a "local service", Haas explained.

Also according to Handelsblatt, ZTE is looking to score a new big German contract with network provider United Internet as the country gears up to auction licences for upcoming 5G mobile internet frequencies.

The next-generation technology is expected to form the backbone of future applications like automated driving that could reshape the economy in the coming decades.

ZTE declined to comment on the report when contacted by AFP.

The Chinese firm's woes in Germany follow British telecoms group BT's announcement this month that it would move away from equipment provided by rival Huawei in its mobile network.

Import tax for gold on cards

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To ease gold import, 11 measures have been laid out in the policy.

The BB would appoint dealers to import gold bars. The dealers could be an authorised bank, an individual firm, a joint venture or a limited company.

The BB will formulate a guideline for the dealers who would be allowed to bring in gold bars directly.

Jewellers will not be permitted to buy gold from any other sources apart from dealers and customers.

The dealers will be allowed to import gold through bonds, so they have to get bond licences. They will also have to inform the BB about the requirement of foreign currency and obtain no-objection certificate.

The central bank will issue the NOC within 15 days upon receipt of a dealer's application.

Jewellers will inform dealers of their demand and pay them 5 percent in advance.

If a jeweller buys recycled gold from a customer, it has to preserve a photocopy of the seller's national identity card or passport as well as address.

Bangladesh: most underinsured nation

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Bangladesh fell one notch down to 43rd in the global ranking for insurance penetration from 2012, while the country's premium as a percentage of GDP remained the same as in 2012 at 0.2 percent.

Lloyd's, however, acknowledged Bangladesh's efforts to improve its insurance penetration.

"In 2017, in partnership with the World Bank, Bangladesh launched an initiative to develop its insurance sector, strengthening the capacity of the local regulator and state-

owned insurance companies to increase insurance coverage across the country," it said.

Lloyd's found that the major share of the global insurance gap is coming from the emerging countries.

Of the global gap identified, \$160 billion comes from emerging nations and just \$2.5 billion from developed countries.

The Netherlands remains the country with the highest insurance penetration at 7.7 percent. However, this is a decrease of 1.8 percent since 2012.