

UNDP's \$25m grant for safe water

STAR BUSINESS REPORT

The United Nations Development Programme will provide \$25 million to Bangladesh in grant to ensure safe water for about 8 lakh people in Satkhira and Khulna.

Monowar Ahmed, secretary of the Economic Relations Division (ERD), and Mahmuda Sharmin Benu, additional secretary of the women and children affairs ministry, signed the project document at a programme yesterday.

The grant financing of the Green Climate Fund (GCF) of the UNDP will be used for building the adaptive capacities of women and adolescent girls, the ERD said in a statement.

The project will benefit about 719,229 people, of which 50.2 percent beneficiaries are women living in the southern districts, it said.

The ERD said this was the first of its kind project in Bangladesh where the GCF has contributed about \$25 million and the women and children affairs ministry have provided \$8 million as a co-financier. The funding will be used to implement a six-year project beginning January 1.

The project will provide assistance to 70,000 households in Satkhira and Khulna to adapt to resilient livelihoods and ensure safe drinking water through community-managed rain water harvesting solutions.

It will also seek to strengthen the participation of women in last-mile dissemination of gender-responsive early warnings and continued monitoring and adaption of livelihoods to evolving climate risks. The project will also enhance women's accessibility to market and finance.

China, US trade negotiators plan 'to meet in January'

AFP, Beijing

Trade negotiators from China and the United States are planning to meet in January for talks, Beijing said Thursday, but stopped short of confirming the exact date or location.

Both sides are engaged in a bruising trade war but relations have thawed since Chinese President Xi Jinping and US President Donald Trump agreed to a 90-day truce earlier this month.

"The Chinese and US economic and trade teams have always maintained close communication," said commerce ministry spokesman Gao Feng at a regular briefing.

"In January, in addition to maintaining intensive telephone consultations, the two

sides have made specific arrangements for face-to-face consultations."

Deputy US Trade Representative Jeffrey Gerrish will lead the US team for talks during the week of January 7, Bloomberg reported, citing two people familiar with the matter.

Word of the meeting follows small signs of progress -- and the absence of new threats from Trump -- while the two sides work to ease trade tensions by March 1.

This would be the first face-to-face talks since the truce was agreed by both leaders on the sidelines of the G20 in Buenos Aires.

On Sunday, Beijing's commerce ministry said China and the US "made new progress" on the issues of trade balance and intellectual property during a phone call between officials from the two countries.

Foxconn to assemble top-end iPhones in India

REUTERS, Mumbai/Delhi

Apple Inc will begin assembling its top-end iPhones in India through the local unit of Foxconn as early as 2019, the first time the Taiwanese contract manufacturer will have made the product in the country, according to a source familiar with the matter.

Importantly, Foxconn will be assembling the most expensive models, such as devices in the flagship iPhone X family, potentially taking Apple's business in India to a new level. The work will take place at Foxconn's plant in Sriperumbudur town in the southern state of Tamil Nadu, said the source. Foxconn, which already makes phones for Xiaomi Corp in India, will invest 25 billion Indian rupees (\$356 million) to expand the plant, said Tamil Nadu's Industries Minister MC Sampath.



Md Arfan Ali, president and managing director of Bank Asia, receives from AMA Muhith, finance minister, an award for the "Best Presented Annual Reports 2017" at 18th ICAB National Award at the Sonargaon hotel in Dhaka recently. Mohammad Ibrahim Khalil, the bank's chief financial officer, is also seen.

Exports in fiscal 2018 could have been \$17.4b more: PRI

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Garment exporters, government higher ups, researchers and exporters from different sectors attended the discussion. PRI Chairman Zaidi Sattar moderated the discussion.

Bangladesh may lose \$1.6 billion worth of apparel business from the EU once the country graduates from the least-developed country bracket to the developing country one in 2027 as the local exporters will have to pay 8 percent to 10 percent duty upon export to the EU, Razzaque said.

Currently, the EU is the largest export destination for Bangladesh, accounting for \$21 billion worth of shipments.

Razzaque suggested for intense negotiation with the buyers for better prices, lobbying with the EU for signing the Free Trade Agreement, product diversification, improving infrastructure and promoting competitiveness through technology upgradation.

Rubana Huq, managing director of Mohammadi Group, a leading garment exporter, however said the pattern of consumerism needs to be taken into account too.

"There's no reason for us to be assuming that consumers will be

buying the same products and in the same quantities." The narrative on labour must change as well.

"Otherwise, outside interventions will continue to happen using labour issues as an excuse. Simply ratification does not ensure compliance with convention," she added.

Fazlul Hoque, former president of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA), said absorbing the 10 percent duty on export to the EU will not be a problem for export.

Firstly, every year Bangladeshi exporters face 5 percent higher cost of production for different reasons and secondly the buyers always pay 5 to 6 percent lower prices due to the exporters' low price negotiation capacity.

So upon graduation, the buyers will also realise how squeezed out the manufacturers are and pay more.

Rather, an optimistic Hoque said there is a possibility of gaining \$30 billion worth of garment business of China's within the next seven to eight years.

Even with the current status of production capacity by the major garment producing countries like Vietnam, Cambodia and Myanmar

do not have the capacity to absorb such a big amount of work orders shifted from China, he added.

"I do not think buyers will move to other countries automatically overnight," said Mostafa Abid Khan, member of Bangladesh Trade Tariff Commission, adding that China is interested in investing in Bangladesh's garment sector.

The government will address the trade issues properly in the eighth five-year plan, which will be formulated in March next year, said Shamsul Alam, senior secretary to the planning commission.

In June the government will reveal the outcomes of the study on LDC graduation it is preparing to decide on the measures to take to boost the country's exports. Currently, Bangladeshi garment shipments face 15.62 percent duty in the US and yet they are performing well.

"If they can perform well in the US, they will also be able to perform strongly in the EU even after facing 10 percent duty upon graduation," he added.

Mohammed Nasir, vice-president of the Bangladesh Garment Manufacturers and Exporters Association, also spoke.

Workplace deaths halve in apparel

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The foundation suggested providing workers safety gear, conducting regular inspections of boilers, forming specialised doctors' chambers in hospitals and providing financial assistance to victims.

Lutfunnahar Lutfa, secretary to Bangladesh Free Trade Union Congress; China Rahman, general secretary of the Federation of Garments Workers; Shazzad Kabir Bhuiyan, programme officer of the foundation, and Md Abul Kalam, a shipbreaking worker who fell victim to a workplace accident, were present.



AKM Shaheed Reza, chairman of Mercantile Bank, opens its 137th branch at Chhagalnaiya in Feni yesterday.

White House considers new year executive order to bar Huawei, ZTE purchases

REUTERS, Washington

US President Donald Trump is considering an executive order in the new year to declare a national emergency that would bar US companies from using telecommunications equipment made by China's Huawei and ZTE, three sources familiar with the situation told Reuters.

It would be the latest step by the Trump administration to cut Huawei Technologies Cos Ltd and ZTE Corp, two of China's biggest network equipment companies, out of the US market.

The United States alleges that the two companies work at the behest of the Chinese government and that their equipment could be used to spy on Americans.

The executive order, which has been under consideration for more than eight months, could be issued as early as January and would direct the Commerce Department to block US companies from buying equipment from foreign telecommunications makers that pose significant national security risks, sources from the telecoms industry and the administration said.

Banks, politics biggest worries

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Some of the respondents also mentioned of the need to enhance the skills of human resources, alleviate traffic congestion, and ensure stable energy supply to clock in higher economic growth in 2019.

In the opinion poll The Daily Star asked two other questions: what are the growth drivers and what were the risks businesses faced in the outgoing year.

The top five growth drivers were: exports, public spending on infrastructure, remittance, political stability, and agriculture. More than 62 percent of the respondents said exports played a key role in the outgoing year's economic growth.

Rising domestic consumption, stable power supply, and development of digital infrastructure also played their parts. The major challenges they faced in 2018 were: lack of good governance, high cost of doing business, low private investment, port congestion, rising interest rate, and depreciation of taka.

Internet users fall for first time in 2yrs

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A senior executive of another mobile phone operator said people had been very shaky about using data in the last two months, so data consumption had declined. The number of active internet connections might be much lower in December's report.

A number of executives say ahead of the 11th general elections scheduled on Sunday people have been using less data and making less voice calls compared to previous months in order to avoid trouble.

BB suspends MFS ahead of election

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Deposits declined 5.3 percent to Tk 12,578 crore in November and withdrawals 2.1 percent to Tk 11,945 crore. At the end of November, the total number of MFS accounts stood at 6.70 crore. Currently, 18 banks are providing MFS service across the country.

Banks' capital rises, but artificially

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The state-run banks have been conducting their operation for long taking bail-out support from the government, which is not expected, said AB Mirza Azizul Islam, a former finance adviser to a caretaker government.

Such trend has created a "moral hazard" in the banking sector as other lenders may like to think that the government will

extend the same support in the event of their capital shortfall.

Scam-hit Farmers Bank has recently got similar bail-out from the state-run banks and a financial institution, which has not brought any good expression to the banking sector, he said. Since 2009, the government has injected Tk 14,505 crore into state banks but they are yet to show any sign of strengthening their capital base.



Nurul Basher Abdul Mamun, head of branch banking of IFIC Bank, opens its 147th branch at Akhaura in Brahmanbaria on Wednesday.



Habibur Rahman, chairman of Pubali Bank, opens its 472nd branch at Shibganj in Sylhet recently. Md Abdul Halim Chowdhury, managing director, was present.



Sabiha Amjad and Uzma Chowdhury, directors of Agricultural Marketing Company, and Eleash Mridha, managing director, attend the company's 33rd annual general meeting at Fuzi Trade Centre in the capital's Badda yesterday. The company approved 32 percent cash dividend for 2017-18.