

# GP on world IoT map

STAR BUSINESS REPORT

Grameenphone has become one of the first telecom operators in South Asia and the first operator from Bangladesh to have introduced the narrow band internet of things network, paving the way for massive adoption of IoT applications.

Narrow band (NB)-IoT is a cutting-edge communications technology that facilitates connection of millions of everyday appliances.

Bangladesh is one of 45 NB-IoT enabled markets in the world, according to a report of the GSMA, the global association of GSM mobile operators, on February 21.

"This recognition literally puts Bangladesh and GP on the world IoT map," GP said in a statement yesterday.

GP introduced some IoT devices at BASIS SoftExpo 2019, the largest private sector exposition of IT and IT-enabled services in Bangladesh, in Dhaka last week.

The NB-IoT is far more energy-efficient and uses a fraction of the bandwidth compared to regular 4G communication, meaning metres installed in pipes and drains or car parking sensors placed in basements can be easily connected with the network.

With the technology, GP's existing 4G network will be well-suited for mass IoT communication, the statement said.

This in turn will help companies, utilities and municipalities focus their efforts on developing better digital services, rather than building

and operating separate networks for IoT communication.

The technology is expected to enable rapid adoption of IoT applications, such as smart electricity, gas, water metering, safety monitoring, city parking, city lighting, connected vehicles and industrial automation solutions.

In the statement, Yasir Azman, deputy chief executive officer of GP, said, "We are very proud to be one of the very few telecom operators in Asia to bring in the NB-IoT."

"IoT and artificial intelligence together will help in individuals and institution's prosperity and efficiency. This journey in a way is an integral part of delivering Digital Bangladesh's ambition and our promise to connect people to what matters most."

# Trade war threat to global stability: IMF

REUTERS, Lisbon

The US-China trade war poses the biggest risk to global stability and fiscal stabilisation is needed to respond to economic shocks in Europe, IMF First Deputy Managing Director David Lipton said on Monday.

"Obviously, this is not a matter for Europe alone. The United States

needs to get its fiscal house in order as well. US-China trade tensions pose the largest risk to global stability," Lipton said during a conference in Lisbon.

The trade dispute, which began some eight months ago, has affected the flow of billions of dollars of goods between the biggest and second biggest economies in the world.

Lipton said he believed fiscal stabilisation capacity must be at the heart of risk reduction in Europe.

"In its absence, the euro area will remain over-reliant on monetary policy for stabilisation and too much of the burden of crisis response will fall on individual countries, with their ability to respond depending on each country's fiscal space."



Mohammed Jahangir Alam, chairman of Crown Cement Group, and Md Alamgir Kabir, additional managing director, pose with freedom fighters Md Harun Al Rashid of Naogaon and Md Abdul Hamid Talukdar of Bogura at "Honoring Our Hero" in Dhaka on Sunday when the company paid its respects with crests, gifts and financial assistance marking Independence Day.

# A tale of two economies

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Bangladesh is now the world's second largest apparel exporter after mighty China, and its entrepreneurs have achieved that with imported machineries and raw materials.

The country exported \$36.6 billion worth of goods in fiscal 2017-18, in contrast to Pakistan's just \$23 billion.

Bangladesh's foreign exchange reserves is now more than double of Pakistan's less than \$15 billion, and the latter's trade deficit is almost four times that of Bangladesh.

Pakistan's currency Rupee is now trading well below the value of Bangladesh's Taka: Tk 84 fetches one US dollar, whereas it costs more than Rs 140 in Pakistan.

Also, Bangladesh has made considerable progress in social sectors such as poverty reduction, health, family planning, female education, women's empowerment and child mortality reduction despite some challenges like governance crisis, corruption and political instability.

For example, the average life expectancy at birth has risen to 73 years in 2018 from less than 40 in 1971. The child mortality rate fell gradually from 224.6 deaths per 1,000 live births in 1968 to 32.4 deaths per 1,000 live births in 2017. The literacy rate has more than doubled since 1970.

So, its independence 48 years ago was for the better. This is the beauty of freedom.

# Income tax, VAT may be cut in budget

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The government has a target to amend laws and rules in a way so that the ranking improves to 115th from the current 176th, he said. Shafiqul Islam Mohiuddin, president of the FBCCI, urged the government to lower the bank interest rate to single-digit in true sense.

"If the non-performing loans of the wilful defaulters are not strictly checked, the expected economic development might not be achieved," he said. Mohiuddin also criticised the proposed gas price hike. "This is not the right time to raise the gas price."

Gas distribution companies are seeking a

132 percent increase in gas prices for industries. The hearing on the proposals, which are also calling for a hike for consumers of all categories, has already taken place. Mohiuddin welcomed the government plan to introduce multiple VAT rates from the next budget.

Fahim said the FBCCI took five major projects, including setting up technical and vocational training institutes, FBCCI University, arbitration centre, economic institute for policy and planning, and FBCCI iconic concept tower in Purbachal.

"Sammlito Babosayee Parishad will achieve the long-term goals through a visionary leadership," he said.



Dharma Dheerasinghe, Chairman of Commercial Bank of Ceylon PLC, presents a plaque of appreciation for exemplary services to Dilip Das Gupta, senior general manager of the bank's Bangladesh operations, at an event in Colombo.



Md Mozammel Hossain, managing director of Ace Alliance Power; Khwaja Shahriar, CEO of LankaBangla Finance, and Mohammed Nasir Uddin Chowdhury, managing director of LankaBangla Capital Market Operations, attend a subscription closing ceremony to raise capital through issuance of preference shares worth Tk 80.5 crore for Ace Alliance Power, a concern of Summit Group, at InterContinental Dhaka recently. LankaBangla Finance acted as the mandated arranger, LankaBangla Investments the issue manager and Brac Bank the agent, account bank and custodian bank.

# Defaulters await another lifeline

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The policy was drafted by a committee formed by the finance ministry in June last year with a view to preparing a bailout package for loan defaulters in three sectors -- trading, shipbuilding and steel -- to help them jumpstart their businesses.

The committee, led by Agrani Bank Chairman Zaid Bakht, submitted its report to the ministry, which then forwarded it to the BB in January for vetting.

It was the BB that recommended offering the package to all sectors and not just the three and also including the borrowers that had availed the large loan restructuring schemes in the past.

The central bank said most of the borrowers who availed the previous scheme did not pay back loans as per the restructuring conditions, as a result of which the banking sector's non-performing loans are spiralling.

"This is an artificial solution to reducing the default loans," said Fahmida Khatun, executive director of the Centre for Policy

Dialogue (CPD).

The policy would not bring any good to the sector because the previous bailout package failed to regularise the default loans, she added.

In January 2015, the central bank offered special rescheduling facility to borrowers who had loans of at least Tk 500 crore each. For down payment of just 1-2 percent -- instead of the usual 10-15 percent -- they could reschedule their loans.

Some 11 large borrowers took up the offer from the BB and had their loans amounting to Tk 15,000 crore restructured.

Of those, only one complied with the conditions laid down in the policy.

Bangladesh Bank Governor Fazle Kabir, Finance Secretary Abdur Rouf Talukder, Banking Division Secretary Asadul Islam and other higher ups from Bangladesh Securities and Exchange Commission (BSEC) and Insurance Development and Regulatory Authority (IDRA) were present at the meeting.

# No tax benefit for firms shifting to economic zones

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The benefit will gradually come down to 20 percent in the 10th year before phasing out in the subsequent year.

The latest notification also asked companies to maintain separate books of accounts and bank accounts for the plants inside and outside of the EZs.

"If industrial units inside and outside of the EZs carry out intra-unit transaction, companies will have to submit a detailed

statement of transaction along with income tax returns," the order said.

Beza Executive Chairman Paban Chowdhury said the measure would bring about good result.

"We think this is an appropriate measure. It will encourage fresh investment and curb the scope for enjoying tax incentive by way of relocating factories to EZs," he said.

The measure will be applicable to all economic zones, added Chowdhury.

# Shimanto Bank re-appoints CEO



Muklesur Rahman

STAR BUSINESS DESK

Muklesur Rahman has recently been re-appointed managing director and chief executive officer of Shimanto Bank.

Rahman has been in the posts since its inception.

He priorly served NRB Bank in the same capacities on starting his career with United Commercial Bank in 1984 and then moving on to various senior management roles in Standard Chartered, ANZ Grindlays, Citi NA and Eastern Bank.

# Trump push for China trade reform draws wide support at home, abroad

REUTERS, Washington/Brussels/Beijing

US President Donald Trump's blunt-force use of tariffs in pursuing his "America First" trade agenda has angered many, from company executives to allied governments and members of both parties of Congress.

But there's one effort which has drawn broad support from those who oppose him on almost everything else - his push to force Beijing to change what are widely viewed as China's market-distorting trade and subsidy practices.

As US-China talks to end a trade war reach their endgame, politicians, executives and foreign diplomats are urging Trump and his team to hold out for meaningful structural reforms in China to address entrenched problems in the relationship that hurt US and other foreign companies and workers.

Trump's trade war "has let the genie out of the bottle" by lifting expectations that the trade war will force China to reform policies that businesses and foreign governments regard as unfair, said Steven Gardon, vice president of indirect taxes and customs at Lear Corp. Gardon's firm is an automotive seating and electrical supplier with plants in 39 countries, including the United States and China.

"Now that all these issues have been raised, there's a lot more domestic political support to address these issues, and I don't think you can pull back from that," Gardon said at a Georgetown Law School forum this month. "There's now pressure politically that they have to be addressed for the long term."

Gardon's comments reflect a broad shift in US and international business sentiment towards China's economic and trade policies, one that is aligned with Trump's goals, if not his tactics.

Trump's trade team say they are in the final stages of negotiating what would be the biggest economic policy agreement with China in decades. US Trade Representative Robert Lighthizer and Treasury Secretary Steven Mnuchin head to Beijing this week to try to accelerate talks with Chinese Vice Premier Liu He. Liu is set to travel to Washington for another round of negotiations in early April.

Eight months into the trade war that has disrupted the flow of billions of dollars of goods between the world's two largest economies, it is unclear if a deal acceptable to both sides can be done.

China's President Xi Jinping is seen as reluctant to make economic reforms under pressure from the United States, and Trump has said he may keep tariffs on Chinese goods in place for "a substantial period" even if a deal is struck.

Xi may find it easier to live with the tariffs



US President Donald Trump

Trump has imposed on trade than to change China's model for economic development.

As part of a deal, Beijing has offered to make big-ticket purchases from the United States to help reduce a record trade gap. Trump's team has said those purchases would be worth more than a trillion dollars over about six years.

While big Chinese purchases might be tempting for Trump's administration, they would do nothing to address what US firms competing in China or against Chinese firms say are structural problems with a system stacked against them.

The United States complains China engages in systematic intellectual property theft, forces foreign firms to give up trade secrets for market access and spends huge sums subsidizing its own industry. Redressing those complaints would require policy reform at the highest level from Xi and China's ruling Communist Party.

A survey released by the American Chamber of Commerce in China in late February showed that a majority of member US companies supported increasing or maintaining tariffs on Chinese goods, and nearly twice as many as last year want the US government to push Beijing harder to create a level playing field.

The US tariff demands have even encouraged some reform-minded Chinese officials and private-sector business executives to call for a faster pace of reform in China as it celebrates the 40th anniversary of its first steps toward capitalism.

Lighthizer told lawmakers in late February that

Chinese-American business people in particular have urged him to "hang tough" in the talks and not to "sell out for soybeans."

When Trump delayed a threatened tariff increase well before a March 1 deadline for a deal, he stoked fears that he may be swayed by the big purchase order and leave longstanding structural problems unresolved.

Since then, a steady drumbeat of lobbyists, company executives, foreign diplomats and US lawmakers from both parties have urged Trump to stay the course on his structural demands.

Representative Kevin Brady of Texas, one of the most pro-trade Republicans and a critic of Trump's tariffs, recently joined that call.

"While we want China to buy more US goods ... it's even more important for us to hold China accountable to meeting high international standards on intellectual property rights, subsidization, overcapacity, and the other structural ways in which China distorts the global economy," he said at a House Ways and Means Committee hearing just days after the tariff delay was announced.

Last week, Senate Democratic leader Chuck Schumer, a longtime China trade hawk, took to the Senate floor to urge Trump not to "back down" and take a deal based largely on Chinese purchases of American soybeans and other goods.

On Thursday, Schumer tweeted: "Now's not the time to drop \$200B in tariffs just because China's close to a deal, @realDonaldTrump."