

# ERA-InfoTech teams up with Irish firm to serve banking software



Fintan Byrne, CEO of channel banking software and solutions provider CR2, and Md Serajul Islam, CEO of ERA-Infotech Ltd, pose while signing an agreement in Dhaka on Saturday. A Rouf Chowdhury, chairman of ERA-InfoTech, was present.

## STAR BUSINESS REPORT

ERA-InfoTech Ltd, a local software development company, has teamed up with Ireland based CR2 Ltd to provide sophisticated software services to Bangladeshi banks.

Fintan Byrne, CEO of CR2, signed a deal with his counterpart in ERA-InfoTech, Md Serajul Islam, at a programme in the capital on April 20.

A Rouf Chowdhury, chairman of ERA-InfoTech and Bank Asia, was also present at the signing ceremony.

ERA-InfoTech Director Nafees Khundker, Bank Asia Director Enam Chowdhury, Managing Director (current charge) Mohammad Borhanuddin, Head of Channel Banking Sarder Akhter Hamed, Chief Information Officer Hossain Ahmad, Chief

Technology Officer Md Saiful Islam, CR2 Senior Vice President (sales) Andrew Chisembele and ERA-InfoTech Chief Technology Officer Tauhidul Hoque were also present.

ERA-InfoTech, the pioneer in automation of financial inclusion and software development in Bangladesh, will market the switching software jointly with CR2 in the country.

CR2 Ltd now serves software services to more than 100 lenders in 60 countries, including ANZ and Standard Chartered.

The company provides innovative Omnichannel banking software ranging from ATM and settling the mobile-based financial transaction to point-of-sales and internet banking to different lenders across the globe, making their self-service banking better.

# Ghosn hit with fresh charge in Japan, files for bail

AFP, Tokyo

Japanese authorities on Monday hit Carlos Ghosn with a fresh charge of aggravated breach of trust, the fourth indictment against the former Nissan boss who promptly filed for bail.

Experts say Monday's charge is the most serious yet levelled against the auto sector legend, whose rollercoaster case has gripped Japan and the business world since his dramatic arrest in November over alleged financial misconduct.

According to a statement from the Tokyo's prosecutors' office, Ghosn is accused of funnelling millions of dollars in Nissan funds to a dealership in the Middle East and siphoning off around five million dollars for personal use.

The transfers were made "with the purpose of benefitting himself by receiving part of the money", prosecutors charged.

Shin Kukimoto from the Tokyo prosecutors' office told reporters they had "enough evidence for guilty verdicts."

However, the 65-year-old strenuously denies all allegations against him and insists they have been cooked up in a "plot" by Nissan executives wary of his plans to bring the Japanese car giant closer to its French partner Renault.

A Ghosn spokesperson said the former tycoon would "continue to vigorously defend himself against these baseless accusations and fully expects to be vindicated."

Ghosn's lead lawyer Junichiro Hironaka filed for bail just hours after the charge and said he was confident his client would be released as he prepares to fight the allegations.

"In order to prove his innocence at a trial as soon as possible, we want (the court) to

approve our bail request so that we can prepare a good defence," Hironaka told reporters.

Ghosn has already won bail once before - but under strict conditions such as agreeing not to leave the country and living under surveillance.

When he last won bail, Ghosn walked out of the detention centre in front of the world's media dressed like a Japanese labourer with a cap and a face mask in an apparent attempt to give reporters the slip.

He also had to stump up one billion yen (\$9 million) for bail but Hironaka said they were prepared to produce more cash if necessary to secure his release.

Monday was the end of the maximum period authorities had to question Ghosn, who is now technically in pre-trial detention.

The case of the executive, once revered in Japan for saving Nissan from the brink of bankruptcy, has also shone a spotlight on the Japanese legal system that has come in for some criticism, especially from abroad.

Japan's justice system allows authorities to keep suspects in custody for prolonged periods and trials almost always result in a conviction.

And just one month after he was freed on bail, authorities re-arrested Ghosn on April 4 as they investigated fresh allegations against him.

Hironaka lashed out, saying this was an unnecessary step and "equivalent to forcing confession by taking into custody."

Nissan itself said it had filed a criminal complaint against its former boss "after determining that payments made by Nissan to an overseas vehicle sales company via a subsidiary were in fact directed by Ghosn for his personal enrichment and were not necessary from a business standpoint".

# Tesla probes car fire in Shanghai

REUTERS, Shanghai

US electric vehicle (EV) maker Tesla Inc said it has sent a team to investigate a video on Chinese social media which showed a parked Tesla Model S car exploding, the latest in a string of fire incidents involving its cars.

The video, time stamped Sunday evening and widely shared on China's Twitter-like Weibo, shows the parked EV emit smoke and burst into flames seconds later. A video purportedly of the aftermath showed a line of three cars completely destroyed.

Shares of Tesla were down less than 2 percent at \$268.5 in trading before the bell.

Reuters was not immediately able to verify the origins of the videos, which Weibo users said were taken in Shanghai.

The cause of the explosion could not be immediately ascertained from the videos.

"We immediately sent a team onsite and we're supporting local authorities to establish the facts. From what we know now, no one was harmed," Tesla said in a statement on Monday.

It declined comment further when contacted by Reuters.

There have been at least 14 instances of Tesla cars catching fire since 2013, with the majority occurring after a crash.

The automaker has said its EVs are about 10 times less likely to experience a fire than petrol-powered cars, based on its fleet of over 500,000 vehicles which have driven more than 10 billion miles. It did not specify whether the statistic referred to nor-

mal use or involving accidents.

The latest incident comes as Tesla tries to push sales in China, where its prices were impacted by tit-for-tat tariffs imposed during Sino-US trade tensions last year.

The automaker currently imports all the cars it sells in China, but is building a factory in Shanghai that will initially make its Model 3 and help reduce the impact of a trade war.

In March, Tesla was also on the receiving end of a labeling mix-up at Shanghai customs that led to a temporary suspension of clearance for a batch of Model 3 cars.

Analysts said the latest fire incident would likely increase attention on the safety of EVs but was unlikely to have a significant impact on Tesla's sales or reputation in China while the cause was being investigated.



COLLECTED

Aziz Al Kaiser, group vice chairman at Partex Star Group; Mohammad Zahirul Islam, group chief information officer, and Nilantha Brito, sales director of cloud platform group at Oracle SAGE, celebrate Partex moving its data to Oracle's cloud storage.

# Stocks' slide not unusual: Kamal

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"We have passed many acts for the sake of investors' protection. We want investors to come to the market as their participation makes us possible to create more jobs."

The capital market would be the best source for long-term financing for industrialisation purposes, he said.

"We don't want to see long-term loans being given out by banks with short-term deposits of savers. But incidents like in 1996 and 2010 are preventing people from turning to the stockmarket for long-term funds."

When asked about the absence of solid companies in the capital market, he said: "We can't bring anyone by creating pressure." When a good company comes to the market it gets lumped with bad companies.

"So, they don't want to come to the stockmarket. We will take initiative on this issue definitely," he added.

Md Ashadul Islam, secretary of the banking division, and M Khairul Hossain, chairman of the BSEC, were present at the meeting.

"There is no reason to lack in confidence on the market," Hossain said.

"There were some issues like making tax identification number compulsory for investors and the government's treatment of Grameenphone but these are not big issues to see such a fall in the index."

The National Board of Revenue has recently said it has not made opening TIN mandatory for stock investors, allaying the fears of general investors.

# Outsourcing to revamp services sector

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The Bangladesh Association of Call Centre and Outsourcing (BACCO) and the Directorate of ICT under the Information Communication Technology Division jointly organised the event to highlight the potential of the local and international market.

Some 40 local and 20 international analysts attended.

On Sunday, Sajeeb Wazed Joy, ICT affairs adviser to the prime minister, inaugurated the event where Telecom Minister Mustafa Jabbar and State Minister for ICT Zunaid Ahmed Palak were also present.

The government has targeted to earn \$1 billion from the BPO sector by 2021, up from \$300 million now.

In 2018, the industry employed about 45,000 people. The government targets to create 1 lakh jobs by 2021 in the sector, said Wahidur Rahman Sharif, president of the BACCO.

Participating companies received thousands of CVs during the summit and a good number of them received on the spot job offers, said Towhid Hossain, secretary general of the BACCO.

"We are yet to tally the numbers. But we have seen huge enthusiasm among the younger generation which will help us move forward," he said.

# Mali hopes to cotton on to added value

AFP, Sily, Mali

For five months straight the farm hands in the Malian village of Sily walk out together to the cotton fields, a clean sack in hand, for a long day of the meticulous work of picking the crop.

In this field not far from the border with Guinea, several teams are out from daybreak to sunset, the first link in a global production chain that takes the cotton from the plantation to consumers.

"For each hectare, we invest more than 100,000 CFA francs (around 150 euros, \$170) and after the harvest we can recoup that investment and have 150,000 CFA francs in profit," said the owner of the field, Daouda Camara.

"But we need the cotton to be of good quality," he added.

With record production of more than 700,000 tonnes the past two seasons, Mali has retaken the title of Africa's cotton champion. The crop supports four million people, a quarter of the population.

The latest season, which runs from November to March, has just ended, but the cotton industry isn't resting on the laurels of its latest success.

The cotton farmers confederation set an ambitious objective of raising output to one million tonnes next season at its latest meeting, which was attended by Prime Minister Soumeylou Boubeye Maiga before he resigned this week over his government's handling of violence in the centre of the country.

But political and economic leaders also publicly bemoan that Mali, like other African producers, only processes a tiny fraction of its production. Most of the cotton is exported raw.

President Ibrahim Boubacar Keita, at a recent conference on emerging African nations, lamented that Mali processes only two percent of its cotton. "Pitiful! Shameful!" he told attendees.

The association of African cotton growers called on him to help convince others leaders to boost the processing of raw cotton into textiles

in order to capture more of the added value. The role of the state in supporting the cotton industry is already considerable, particularly via the state-owned Malian Textile Development Company (CMDT), which buys cotton from farmers.

Camara said cotton farmers benefit from subsidised fertiliser, unlike farmers of other crops. They also have easier access to credit.

"With cotton farming the returns from a good season allow us to get good equipment," he said.

The CMDT has made progress in recent years in getting value out of byproducts of separating the cotton fibre from seeds.

"Ten years ago the cotton seeds would rot in the courtyard of the CMDT," said Bakary Togola, head of the APCAM association which unites farmers' organisations across the nation.

"Today, there are facilities which transform the cotton seeds into oil," he said, even if there are not enough yet.



IFC

Khondaker Muhammad Aminur Rahman, member for customs, audit, modernisation and international trade at the National Board of Revenue; Abul Kasem Khan; former president of the Dhaka Chamber of Commerce and Industry; M Masrur Reaz, senior economist of the International Finance Corporation; and Mushfiq Ibne Akber, private sector development adviser of the UK aid, attend a workshop titled "Trade Facilitation Measures & Bangladesh" jointly organised by the Economic Reporters' Forum (ERF) and the IFC at the ERF office in Dhaka on Sunday. ERF President Saif Islam Dilal and General Secretary SM Rashidul Islam are also seen.

# US home sales slump ahead of spring selling season

REUTERS, Washington

US home sales fell more than expected in March, pointing to continued weakness in the housing market despite declining mortgage rates and slowing house price gains.

The sharp drop in home sales reported by the National Association of Realtors on Monday came ahead of the busy spring selling season. The housing market continues to buck the broader economy, which has shown signs of gaining momentum after stumbling at the turn of the year.

Existing home sales dropped 4.9 percent to a seasonally adjusted annual rate of 5.21 million units last month. February's sales pace was revised down to 5.48 million units from the previously reported 5.51 million units.

Economists polled by Reuters had forecast existing home sales would fall 3.8 percent to a rate of 5.30 million units last month. Existing home sales, which make up about 90 percent of US home sales, declined 5.4 percent from a year ago. That was the 13th straight year-on-year decrease in home sales.

# BB loosens rules for loan classification

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"This is more lenient than before 2012," said a BB official.

In 2012, the central bank had tightened the loan classification rules by reducing the timeframe by three months for treating the three types of classified loans to bring the banking sector in line with global norms.

The central bank's move would not bring any good for the banking sector; rather it would encourage borrowers to not repay loans, said Ahsan H Mansur, executive director of the Policy Research Institute.

The new rule will significantly facilitate habitual defaulters as the majority of them got term loans in the name of project implementation, he said.

"For the time being, default loans will reduce, but the wily defaulters will not change their habit. So, NPLs will go up significantly when the new time frame set by the central bank will end," said Mansur, also a former official of the International Monetary Fund.

The image of the country's banking sector will be eroded as the rule goes against Basel III guidelines, he added.

The central bank had revised the loan classification rules for the sake of the country's banking sector, said Syed Mahbubur Rahman, chairman of the Association of Bankers, Bangladesh, a platform of private banks' chief executives.

Both borrowers and lenders should not misuse the scope and make the best of it, said Rahman, also the managing director of Dhaka Bank.

He, however, feared that the new instruction will further hit the ongoing liquidity crisis as it offers more time to clients to repay their loans.